

Eric Kobren's

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FIDELITY INSIGHT

THE INDEPENDENT REPORT ON FIDELITY FUNDS

MARCH 2008

VOLUME 24, NUMBER 3

ERIC'S OUTLOOK

Will March Bring Spring To The Market Or More Weeks Of Winter?

February ended up as another bleak month for stocks. Though slightly above its January low, the S&P 500 is down



Eric M. Kobren

16% from its high last October. The Nasdaq, is now in official bear market territory with a decline of 20% since its October high. So is the worst behind us?

There is certainly no shortage of opinions out there on the subject — much of it conflicting — and no shortage of data to back up each argument. It can be very challenging trying to sort through it all.

Longtime members know I don't like making predictions about where the market is going. But we do systematically gather information on five key variables affecting stock prices as a way of structuring our thinking about the outlook for stocks over the next 12-18 months. So in an attempt to shed some light on the question posed at the top, let's review where these five factors stand today.

Earnings

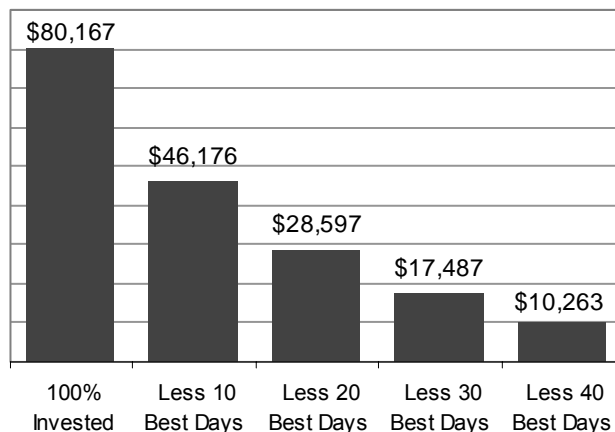
As recently as last October, operating earnings for the 4th quarter of 2007 were expected to post a modest gain of 1.5%. Now the expectation is for a 24% decline! This dramatic shift was one of the reasons behind the market's rough start to 2008. However, it is also largely the result of one sector. If you guessed *financial services*, you're right.

INSIDE INSIGHT

Model Portfolios	2
Which Funds Should You Buy Now!	3
Model Portfolio Trades	3
Fund Commentary	4
Scorecard Changes	4
Scorecard	5
Models Switch From Puritan To Balanced	5
Rewards, And Risk, In Taxable Bond Funds	10
'Central Funds': More Information Needed	11
Tax Swaps Can Ease Some Pain Of Losses	12
Unusual Proxy Vote	12
Dividend Update, Inside Fidelity	12
Message To Members	12

WHY MARKET TIMING IS TOUGH

Return on \$10,000 invested in S&P 500 over last 20 years (1988-2007)



You often hear us talk about the dangers of trying to time the market. With the year off to a rocky start, it is tempting to dump your stock funds and run for the cover of cash. But the graph above clearly demonstrates that jumping in and out of the market carries risks, too. If you missed just the 10 best days out of the last 20 years (10 out of over 5,000 trading days!), you would have missed out on an astounding 42% of the market's (S&P 500) total return for that period (\$46,176 versus \$80,167). And it gets worse from there!

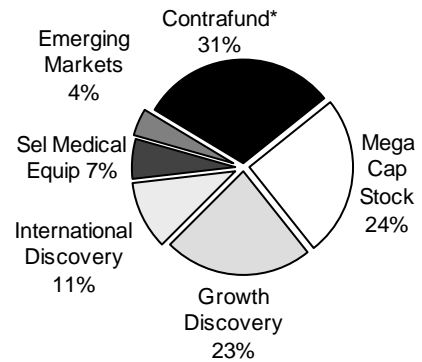
(If you didn't, you must have just returned from a yearlong vacation on Mars.) Ex-financials, 4th quarter earnings are expected to actually rise 12%. While estimates for 2008 operating earnings have also been trimmed since last October, they have improved in recent weeks, rising from 16% growth to 18%, although virtually all of that growth is projected for the second half of the year. (Reported earnings — which include “non-recurring” charges not shown in operating earnings — are expected to be essentially flat as companies get all the bad news out of the way.) While the recent rise in expectations is a positive, overall, earnings still have to be counted as a significant negative for the market.

Valuations

Like earnings, valuations give off different signals depending on how you look at them. Based on expected operating earnings for 2008, the current P/E for the S&P is just under 14. This is the cheapest valuation level in a

FIDELITY INSIGHT MODEL PORTFOLIOS - FEBRUARY 29, 2008

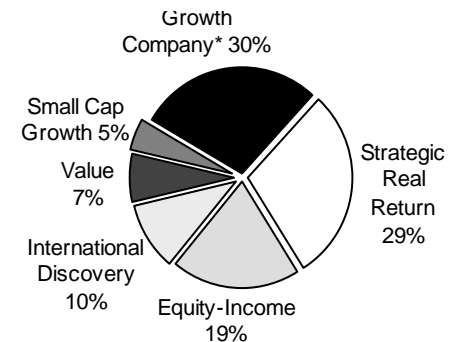
Aggressive Growth Model		Rel Vol: 0.97	Est. Yield: 0.4%	YTD Return: -10.4%		
Current Asset Allocation		Stocks 93.6%	Bonds 0.0%	Cash 6.5%	Alternative ¹ 0.0%	Foreign 29.5%
Holdings	Ticker	Alloc	NAV	Shares	Value	Feb. Ret
Contrafund*	FCNTX	31%	\$65.28	837.40	\$54,665	-0.3%
Mega Cap Stock	FGRTX	24	10.58	4,015.74	42,487	-3.3
Growth Discovery	FDSVX	23	14.48	2,734.31	39,593	-1.6
International Discovery	FIGRX	11	38.91	480.53	18,697	0.3
Select Medical Equip	FSMEX	7	24.41	466.43	11,386	0.0
Emerging Markets	FEMKX	4	31.30	225.27	7,051	5.8
Current Value (4/7/99 = \$100,000)					\$173,879	-1.0%



*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.

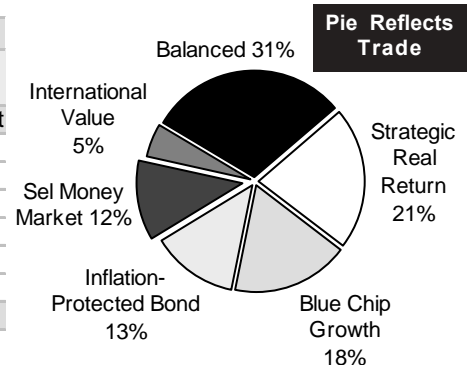
Growth Model		Rel Vol: 0.76	Est. Yield: 1.6%	YTD Return: -6.5%		
Current Asset Allocation		Stocks 69.3%	Bonds 8.6%	Cash 3.3%	Alternative ¹ 18.8%	Foreign 18.3%
Holdings	Ticker	Alloc	NAV	Shares	Value	Feb. Ret
Growth Company*	FDGRX	30%	\$73.49	4,419.37	\$324,779	-2.4%
Strategic Real Return	FSRRX	29	10.41	31,312.95	325,968	2.9
Equity-Income	FEQIX	19	50.36	4,337.47	218,435	-3.6
International Discovery	FIGRX	10	38.91	3,030.42	117,914	0.3
Value	FDVLX	7	68.41	1,210.34	82,800	-3.4
Small Cap Growth	FCPGX	5	13.86	4,106.98	56,923	-4.0
Current Value (1/1/87 = \$100,000)					\$1,126,819	-1.1%



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

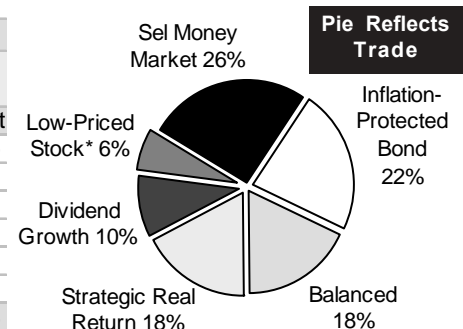
For moderately aggressive members who want equity-dominated portfolios and have no income needs for at least 10 years. Target volatility range: 0.50-1.00.

Growth & Income Model		Rel Vol: 0.46	Est. Yield: 2.4%	YTD Return: -2.9%		
Current Asset Allocation		Stocks 41.7%	Bonds 28.2%	Cash 16.1%	Alternative ¹ 13.9%	Foreign 11.5%
Holdings	Ticker	Alloc	NAV	Shares	Value	Feb. Ret
Puritan	FPURX	31%	\$17.83	14,919.53	\$266,015	-1.7%
Strategic Real Return	FSRRX	21	10.41	17,916.02	186,506	2.9
Blue Chip Growth	FBGRX	18	39.41	3,878.58	152,855	-1.7
Inflation-Protected Bond	FINPX	13	11.59	9,874.56	114,446	1.2
Select Money Market	FSLXX	12	1.00	105,770.74	105,771	0.3
International Value	FIVLX	5	10.47	4,160.96	43,565	0.0
Current Value (1/1/87 = \$100,000)					\$869,158	0.0%



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: 2.5%	YTD Return: -0.5%		
Current Asset Allocation		Stocks 26.0%	Bonds 30.0%	Cash 32.5%	Alternative ¹ 11.4%	Foreign 4.7%
Holdings	Ticker	Alloc	NAV	Shares	Value	Feb. Ret
Select Money Market	FSLXX	26%	\$1.00	137,285.06	\$137,285	0.3%
Inflation-Protected Bond	FINPX	22	11.59	10,237.52	118,653	1.2
Puritan	FPURX	18	17.83	5,278.93	94,123	-1.7
Strategic Real Return	FSRRX	18	10.41	8,948.44	93,153	2.9
Dividend Growth	FDGFX	10	27.00	1,900.78	51,321	-2.8
Low-Priced Stock*	FLPSX	6	38.69	856.20	33,126	-1.0
Current Value (1/1/87 = \$100,000)					\$527,661	0.2%



*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*

long time. However, if *reported* earnings are used, the picture is vastly different with a P/E just over 19. Moreover, analyst estimates have historically been about 30% too high when the economy begins to slip into a recession.

On that score, the latest data is not encouraging with revised 4th quarter GDP growth remaining at a slim 0.6% and weekly jobless claims rising to near recession levels at 373,000. If 2008 earnings estimates are indeed 30% too high, P/Es will look that much worse. On balance, valuations are neutral, but shaded towards negative.

Interest Rates

For the most part, the interest-rate backdrop is supportive of higher stock prices. Short-term rates are dropping across various maturities and the yield curve is steepening (p. 10) which has been an historically accurate leading indicator of future economic and market strength. Credit spreads have also widened, relieving some valuation pressures. In addition, recent statements by Fed members and Chairman Bernanke suggest that, despite some inflation concerns, they are likely to continue to cut short-term rates. As the saying goes: "Don't fight the Fed."

Sentiment

We use investor sentiment as a contrary indicator, and with investor

WHICH FUNDS SHOULD YOU BUY NOW!

Equity Funds: **Mega Cap Stock** 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** 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**. ■

sentiment at its most *bearish* levels in years, that is a decidedly *bullish* signal. Also significant is the fact that sentiment appears to have stabilized. Typically, when sentiment stabilizes at an emotional extreme, the market tends to reverse its recent direction. On top of that, when sentiment begins to rise from extremely bearish levels, the returns on stocks over the next 12 months are typically very positive. **Along with interest rates, sentiment currently offers the most positive support for stocks.**

Liquidity

If one simply examines factors such as global interest rates, Fed policy, money supply, exchange rates, and fiscal policy, the current liquidity environment is certainly positive; there is money available.

However, that comes with one very major caveat: liquidity is more than just

the capacity to circulate money, there also has to be a commensurate willingness to do so. Right now, many market players are simply staying on the sidelines. As a result of this "stand-off," we consider liquidity to be neutral for stocks.

What's It All Add Up To?

Taking all five factors together, we have a mixed bag of negative and positive signs leaving us neutral overall.

But if we look a little closer, the picture isn't quite so directionless. While the short-term outlook is anything but clear (it hardly ever is anyway), the longer term view does seem to be improving.

The most negative factor for the markets right now is the earnings picture — they are not going to look good for awhile. However, much of that seems to be priced into the market. And come the second half of the year, with the weak 3rd and 4th quarters of 2007 for comparison, earnings will have an easier time showing solid gains — even if analysts prove to be too optimistic in their expectations.

I can't tell you when the market will bottom, but as the chart on page one amply demonstrates, I know I want to be invested when it does, and you should, too. ■

MODEL PORTFOLIO TRADES

As announced on our February 29 Hotline, we made trades in two of our Model Portfolios, effective Monday, March 3.

In both the Growth & Income and Income & Preservation Models, we are selling the models' entire positions in **Puritan** and using the proceeds to buy **Balanced**.

As discussed on p. 5, this trade is largely driven by a change in portfolio management responsibilities on Puritan, while Larry Rakers has built a fine track record over his six-year tenure on Balanced.

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

Stock-Market Slide Continues In February

A month when the S&P 500 falls 3.2% is not good, of course, but compared to January's 6% plunge, February didn't seem so bad — particularly given some of the negative news that washed over the markets during the month.

The biggest problem hanging over Wall Street remains the continuing deterioration in the credit markets. Of particular concern was the shaky status of bond insurance firms beset by large losses on subprime contracts. In fact, some of the market's better days came when it looked like help for these markets might be forthcoming. For example, the stock market did rally late in the month, after Standard & Poor's reaffirmed their triple-A ratings on major bond insurers MBIA and Ambac, noting that they had made progress in raising capital and restructuring their businesses.

For the rest of the month, however, there wasn't much to cheer investors. Oil prices crossed the \$100 barrier and stayed there. The dollar fell to a three-year low against the yen and lost more than 2% against the euro. Producer prices rose more than 1% in January, and are up 7.4% compared to a year ago. Consumer prices also increased, rising 0.5% in January, and are more than 4% higher than last January.

Meanwhile, declining consumer confidence, as well as continuing contraction in manufacturing, added to the general sense of unease among investors. Even a report of increased consumer spending was discounted because most of that increase was due to higher gasoline and food prices.

Fed Chairman Ben Bernanke added to the market's woes in the last few days of the month with his very frank congressional testimony about the seriousness of the economic situation, including the likelihood of bank failures. The central bank is in the difficult position of trying to bolster the economy without contributing to inflation. But in the lone bright spot, Bernanke clearly hinted that at least one more rate cut is imminent when the Fed meets on March 18.

Major Indexes Negative

While February was better than January, the major indexes were still solidly in the red. As noted, the S&P 500 fell 3.2% for the month, while the Dow Industrials were down 2.8%. The small-cap Russell 2000 declined 3.7% while the tech-rich Nasdaq had the worst time of it, falling 4.9%

For the year so far, the S&P 500 is down 9.0%, the Dow is off 7.1%, the Russell 2000 has declined 10.3% and the Nasdaq has plunged 14.2%.

All but three of Fidelity's domestic stock funds followed the market's downward path in February. Big stakes in energy powered **Independence** (27%) and **Leveraged Company Stock** (40%) to gains of 2.8% and 2.6%, respectively. The eclectic but concentrated **Fidelity Fifty** also bucked the downtrend with a gain of 2.6% for the month.

Among some of Fidelity's other popular funds, in what passed for pretty good performance amid the carnage, **Contrafund** slipped 0.3%, while **Magellan** and **Growth Discovery** both fell 1.6%. **Capital Appreciation** lost 2.9%. **OTC** was among the worst hit by the downturn in tech stocks and fell 4.4%. Large-

cap value funds with their large financial exposures were also hit hard, with **Equity-Income** retreating 3.6%.

Select Funds

The month's best Select funds were easy to find: Just look for anything tied to energy or commodities. Thus, **Natural Gas** popped 11.5% in February, **Energy Service** jumped 10.4%.

Ongoing problems in the housing and credit markets were reflected in the 11.2% decline of **Banking** while **Home Finance** lost 10.9% and **Financial Services** was off 9.8%.

Foreign Stock Funds

Thanks mainly to the declining U.S. dollar, most of Fidelity's international funds were in positive territory for February, although with the notable exception of emerging market funds, most of the gains were modest. **Latin America** led the way with a 7.1% gain, followed by **Emerging Markets**, which rose 5.8% and **China Region** (up 5.5%). Among more globally diversified funds, **Diversified Int'l** rose 0.9% and **Int'l Discovery** gained 0.3%.

Bond Funds

It was a mixed month for Fidelity's bond funds. Once again, investors flocked to the safety of Treasury funds with **Spartan Intermediate Treasury Index** rising 1.4%, and **Spartan Short-Term Treasury Index** gaining 1.2%. Muni funds, on the other hand, were crushed by credit-market concerns with **Municipal Income** down 4.5%.

The yield on **Cash Reserves** ended the month at 3.58%, down from 4.37% in January. ■

Scorecard Changes

Fund	Style	Prior	New	Comments
Balanced	Specialty	Hold	Buy	We are purchasing this fund in two models (p. 5).
Government Income	Taxable Bond	Hold	OK to Buy	Modest risk premium is now priced into this fund.
Large Cap Growth	Large Growth	Hold	OK to Sell	Stock selection has slipped under its new manager.
Puritan	Specialty	Buy	OK to Buy	We are selling this fund from two models (p. 5).
Select Air Transportation	Sector	Hold	OK to Sell	Weak economy and high fuel costs are headwinds.
VIP Balanced	Annuity	Hold	Buy	We like how the manager is running this fund.

FIDELITY SCORECARD - FEBRUARY 29, 2008

Fund No.	Fund Ticker	Fund Name	Short-Term Trading Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹			
						Feb.	YTD	2007	1 Year	3 Year	5 Year				
		S&P 500 (Large Cap)		1330.6		-3.2	-9.0	5.5	-3.6	6.3	12.2	1.00			
		Dow Industrials (Blue Chip)		12266.4		-2.8	-7.1	8.9	2.4	8.7	12.9	0.92			
		Nasdaq Composite (OTC)		2271.5		-4.9	-14.2	10.7	-5.2	3.9	11.7	1.14			
		Russell 2000 (Small Cap)		686.2		-3.7	-10.3	-1.6	-12.4	6.7	16.9	1.25			
LARGE CAP GROWTH FUNDS						Category Averages			-2.1	-11.2	16.3	3.1	8.0	13.0	1.1
312	FBGRX	Blue Chip Growth		39.41	Buy	-1.7	-10.6	11.8	1.0	3.9	8.5	0.99			
307	FDCAX	Capital Appreciation		24.34	Buy	-2.9	-9.0	6.9	-3.9	6.5	14.6	1.13			
22	FCNTX	Contrafund (closed)		65.28	Buy	-0.3	-9.8	19.8	8.0	11.3	16.6	0.95			
332	FEXPX	Export and Multinational	0.75%/30 days	22.86	Hold	-1.6	-11.2	15.3	1.5	8.0	15.0	1.10			
500	FFTYX	Fifty		19.49	Hold	2.6	-10.6	12.6	-1.3	8.5	10.5	1.11			
25	FDGRX	Growth Company (closed)		73.49	Buy	-2.4	-11.4	19.9	7.0	11.2	16.5	1.06			
339	FDSVX	Growth Discovery		14.48	Buy	-1.6	-10.9	26.8	14.5	11.7	12.4	1.01			
73	FDFFX	Independence		25.98	OK to Buy	2.8	-6.1	29.5	21.9	15.3	16.6	1.29			
763	FSLGX	Large Cap Growth		9.55	OK to Sell↓	-3.4	-10.8	2.1	-8.0	2.0	10.3	1.02			
1829	FLGEX	Large Cap Growth Enhcd Index		9.25	Hold	-2.5	-10.1	2.1p	--	--	--	--			
338	FLCSX	Large Cap Stock		16.92	Buy	-5.4	-12.5	13.1	-1.9	7.0	10.6	1.03			
21	FMAGX	Magellan		84.10	OK to Buy	-1.6	-10.4	18.8	5.2	7.0	11.2	1.11			
1282	FNCMX	Nasdaq Composite Index	0.75%/90 days	30.07	Hold	-4.9	-14.4	10.5	-5.5	4.0	--	1.08			
93	FOCPX	OTC		43.04	Buy	-4.4	-17.5	26.1	3.8	9.1	14.0	1.18			
320	FDSSX	Stock Selector		26.52	Hold	-3.3	-10.1	11.8	0.4	7.4	12.5	0.98			
5	FTRNX	Trend		61.18	OK to Buy	-2.2	-13.5	18.9	3.7	7.9	12.9	1.11			
LARGE CAP BLEND FUNDS						Category Averages			-2.8	-9.2	8.8	-1.9	6.6	12.2	1.0
1271	FBCVX	Blue Chip Value		13.40	Hold	-3.2	-8.2	4.4	-5.1	5.9	--	1.08			
315	FDEQX	Disciplined Equity		26.57	Buy	-2.2	-10.0	10.8	-0.9	7.2	13.1	1.03			
330	FDGFX	Dividend Growth		27.00	Buy	-2.8	-8.2	1.1	-6.7	3.9	8.5	0.92			
3	FFIDX	Fidelity Fund		36.02	OK to Buy	-2.2	-9.6	16.8	5.4	9.0	13.0	0.99			
333	FTQGX	Focused Stock		11.86	Hold	-2.5	-10.8	17.0	2.0	7.1	13.9	1.17			
27	FGRIX	Growth & Income		24.87	OK to Sell	-4.5	-8.8	0.7	-8.0	1.9	7.3	1.07			
1827	FLCEX	Large Cap Core Enhcd Index		9.20	Hold	-3.0	-9.5	1.0p	--	--	--	--			
361	FGRTX	Mega Cap Stock		10.58	Buy	-3.3	-9.3	11.1	0.7	7.3	10.5	0.97			
317	FSMKX	Spartan 500 Index ⁴		92.14	Hold	-3.3	-9.1	5.4	-3.7	5.3	11.5	1.00			
397	FSTMX	Spartan Total Mkt. Index ⁴	0.50%/90 days	37.25	Hold	-3.0	-8.9	5.6	-4.1	6.0	12.7	1.00			
343	FTXMX	Tax Managed Stock	1.00%/2 years	14.70	OK to Buy	-0.3	-8.5	14.2	2.4	8.8	14.6	1.03			
832	FVDFX	Value Discovery		16.25	Buy	-3.1	-9.4	9.7	-2.6	9.8	16.2	1.05			
LARGE CAP VALUE FUNDS						Category Averages			-3.8	-8.9	3.2	-6.5	5.2	12.6	1.0
23	FEQIX	Equity-Income		50.36	Buy	-3.6	-8.7	1.4	-7.4	5.3	12.5	1.04			
319	FEQTX	Equity-Income II		20.74	OK to Sell	-4.1	-9.0	4.5	-5.2	4.2	11.5	1.04			
708	FSLVX	Large Cap Value		13.07	Hold	-3.7	-9.9	3.7	-6.9	6.2	13.9	1.07			
1828	FLVEX	Large Cap Value Enhcd Index		8.68	Hold	-3.7	-8.1	-5.1p	--	--	--	--			

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 FOCUS

Models Switch From Puritan To Balanced

For almost four years — since July 2004, in fact — **Puritan** has played an important role in our Growth & Income Model. It has also been part of the Income & Preservation Model since March of 2005. This month, however, we are replacing that fund with **Balanced** in both models. (See Model Portfolio Trades, p 3.)

At first glance, the two funds appear quite similar. They both have "neutral" allocations of 60% stocks and 40% bonds. They both provide ex-

posure to large-cap stocks and the volatility of both funds is low relative to the S&P 500: just 0.65 for Puritan and 0.70 for Balanced.

There are differences, however. **Balanced's** equity portion is somewhat more aggressive than **Puritan**, in that it invests not just in large-caps, but has substantial stakes in mid- and small-caps, as well. And **Puritan's** bond holdings are more aggressive with a much larger percentage of "junk" bonds.

As noted on p. 12, Steve Petersen, who has done a fine job on the equity portion of **Puritan** since 2000, is leaving the fund (but staying on **Equity-Income**). For the past year, Steve has

been co-managing the fund with Ramin Arani, who is now the sole manager of that piece.

As for **Balanced**, Larry Rakers has built a very good track record since he took over that fund's equity portion in February 2002.

(George Fischer, who runs several bond funds at Fidelity, is still responsible for the fixed-income portions of both **Balanced** and **Puritan**.)

Largely because of the manager change on **Puritan**, we are lowering our rating on that fund to *OK to Buy*, while raising our rating on **Balanced**, as well as **VIP Balanced**, which Larry also runs, to *Buy*. ■

FIDELITY SCORECARD - FEBRUARY 29, 2008

Fund No.	Fund Ticker	Fund Name	Short-Term Trading Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹			
						Feb.	YTD	2007	1 Year	3 Year	5 Year				
MID-CAP GROWTH FUNDS						Category Averages			-2.5	-12.4	11.5	-4.8	7.2	13.4	1.1
324	FDEGX	Aggressive Growth	1.50%/90 days	19.42	OK to Buy	-3.7	-15.6	18.8	-2.1	7.4	12.1	1.14			
793	FSMGX	Mid Cap Growth	0.75%/30 days	11.98	Sell	-1.9	-11.4	2.4	-10.0	3.1	13.3	1.18			
337	FMCSX	Mid-Cap Stock (closed)	0.75%/30 days	26.37	Hold	-1.1	-9.8	8.2	-7.3	9.6	14.3	1.10			
300	FMLIX	New Millennium		25.91	Hold	-3.5	-12.8	16.5	0.4	8.9	13.8	1.06			
MID-CAP BLEND FUNDS						Category Averages			-0.7	-7.6	8.0	-3.5	8.1	20.5	1.1
122	FLVCX	Leveraged Company Stock	1.50%/90 days	30.26	Hold	2.6	-6.4	17.9	5.6	12.5	30.1	1.18			
316	FLPSX	Low-Priced Stock (closed)	1.50%/90 days	38.69	Buy	-1.0	-5.9	3.2	-3.9	7.1	17.8	0.95			
398	FSEMXX	Spartan Extended Mkt Index ⁴	0.75%/90 days	35.15	Hold	-2.2	-8.3	5.4	-6.0	7.6	16.8	1.02			
14	FSLSX	Value Strategies		25.96	Buy	-2.1	-9.8	5.6	-9.7	5.3	17.5	1.11			
MID-CAP VALUE FUNDS						Category Averages			-2.4	-8.7	2.4	-10.2	6.2	15.8	1.1
762	FSMVX	Mid Cap Value	0.75%/30 days	14.89	OK to Sell	-1.3	-8.5	2.7	-9.9	6.2	15.6	1.10			
39	FDVLX	Value		68.41	Buy	-3.4	-8.8	2.2	-10.5	6.3	15.9	1.06			
SMALL CAP GROWTH						Category Averages			-3.6	-13.2	12.1	-6.4	7.0	13.9	1.1
1388	FPCGX	Small Cap Growth	1.50%/90 days	13.86	Buy	-4.0	-12.2	16.8	-1.6	8.7	--	1.05			
336	FDSCX	Small Cap Independence	1.50%/90 days	17.08	Hold	-3.2	-14.2	7.3	-11.2	5.3	13.9	1.09			
SMALL CAP BLEND						Category Averages			-2.6	-9.3	4.4	-7.4	6.0	15.9	1.0
340	FSLCX	Small Cap Stock (closed)	2.00%/90 days	15.69	Hold	-2.8	-10.0	7.7	-5.3	5.7	15.9	0.92			
1389	FCPVX	Small Cap Value	1.50%/90 days	12.42	OK to Sell	-2.3	-8.7	1.1	-9.5	6.4	--	1.12			
SPECIALTY FUNDS															
304	FBALX	Balanced		18.52	Buy↑	-1.1	-5.6	9.0	0.7	7.9	13.0	0.70			
308	FCVSX	Convertible Securities		26.86	Hold	2.0	-4.1	16.2	7.8	11.7	13.6	0.82			
1960	FDYSX	Dynamic Strategies		9.18	Hold	0.2	-3.9	-2.2p	--	--	--	--			
1368	FIREX	International Real Estate	1.50%/90 days	12.41	Hold	-2.7	-7.4	-8.3	-16.4	11.8	--	1.28			
4	FPURX	Puritan		17.83	OK to Buy↓	-1.7	-6.3	6.2	-1.1	6.0	10.5	0.65			
833	FRIFX	Real Estate Income	0.75%/90 days	10.04	OK to Sell	-2.0	-2.4	-6.5	-10.5	2.4	6.9	0.35			
303	FRESX	Real Estate Investment	0.75%/90 days	25.31	Sell	-3.2	-2.6	-21.3	-28.3	7.0	16.2	1.70			
1329	FSDIX	Strategic Dividend & Income		11.80	OK to Buy	-2.1	-5.7	3.1	-5.4	6.4	--	0.85			
1505	FSRRX	Strategic Real Return	0.75%/60 days	10.41	Buy	2.9	4.2	3.8	5.4	--	--	0.26			
311	FIUIX	Utilities		17.91	Hold	-5.7	-12.8	10.8	-7.0	11.3	16.6	1.05			
ASSET ALLOCATION FUNDS															
328	FASIX	Asset Manager 20%		12.22	Hold	-0.7	-1.8	4.8	1.7	5.3	7.2	0.19			
1957	FTANX	Asset Manager 30%		9.52	Hold	-0.9	-2.9	-1.9p	--	--	--	--			
1958	FFANX	Asset Manager 40%		9.34	Hold	-1.0	-3.9	-2.6p	--	--	--	--			
314	FASMX	Asset Manager 50%		14.71	Hold	-1.2	-5.2	6.3	-0.6	4.8	7.4	0.49			
1959	FSANX	Asset Manager 60%		9.00	Hold	-1.4	-6.3	-3.5p	--	--	--	--			
321	FASGX	Asset Manager 70%		15.74	Hold	-1.6	-7.4	7.2	-2.0	4.8	8.5	0.68			
347	FAMRX	Asset Manager 85%		12.94	Hold	-1.7	-8.6	7.9	-2.7	7.0	14.2	0.82			
355	FFNOX	Four-in-One Index		28.30	Hold	-2.2	-7.2	6.2	-2.1	6.6	12.6	0.81			
370	FFFBX	Freedom 2000		12.18	Hold	-0.5	-1.5	5.3	2.6	4.8	5.7	0.26			
1312	FFVFX	Freedom 2005		11.30	Hold	-1.0	-4.2	7.3	1.6	5.9	--	0.48			
371	FFFCX	Freedom 2010		14.21	Hold	-1.0	-4.1	7.4	1.9	6.1	8.7	0.50			
1313	FFVFX	Freedom 2015		11.85	Hold	-1.1	-5.0	7.8	1.3	6.6	--	0.55			
372	FFFDX	Freedom 2020		14.82	Hold	-1.5	-6.3	8.5	0.7	7.0	11.3	0.68			
1314	FFTWX	Freedom 2025		12.29	Hold	-1.5	-6.8	8.6	0.2	7.1	--	0.70			
373	FFFEY	Freedom 2030		15.20	Hold	-1.8	-8.0	9.3	-0.4	7.3	12.5	0.82			
1315	FFTHX	Freedom 2035		12.56	Hold	-1.9	-8.2	9.3	-0.7	7.3	--	0.83			
718	FFFFX	Freedom 2040		8.90	Hold	-1.9	-8.5	9.3	-1.0	7.4	13.3	0.86			
1617	FFFGX	Freedom 2045		10.37	Hold	-2.0	-8.6	9.5	-0.7	--	--	0.88			
1618	FFFHX	Freedom 2050		10.39	Hold	-2.1	-9.1	9.8	-1.0	--	--	0.91			
369	FFFAX	Freedom Income		11.31	Hold	-0.4	-1.0	4.8	2.7	4.7	5.0	0.21			
1884	FIRJX	Income Replacement 2016		49.23	Hold	-0.5	-2.5	0.4p	--	--	--	--			
1885	FIRKX	Income Replacement 2018		49.00	Hold	-0.7	-3.1	0.4p	--	--	--	--			
1886	FIRLX	Income Replacement 2020		48.69	Hold	-0.8	-3.6	0.2p	--	--	--	--			
1887	FIRMX	Income Replacement 2022		48.69	Hold	-0.8	-3.9	0.2p	--	--	--	--			
1888	FIRNX	Income Replacement 2024		48.63	Hold	-0.9	-4.2	0.4p	--	--	--	--			
1889	FIROX	Income Replacement 2026		48.44	Hold	-0.9	-4.4	0.2p	--	--	--	--			
1890	FIRPX	Income Replacement 2028		48.50	Hold	-1.0	-4.6	0.2p	--	--	--	--			
1891	FIRQX	Income Replacement 2030		48.30	Hold	-0.9	-4.7	0.2p	--	--	--	--			
1892	FIRRX	Income Replacement 2032		48.28	Hold	-1.0	-4.9	0.2p	--	--	--	--			
1893	FIRSX	Income Replacement 2034		48.18	Hold	-1.0	-5.2	0.3p	--	--	--	--			
1894	FIRUX	Income Replacement 2036		48.22	Hold	-1.0	-5.4	0.3p	--	--	--	--			
1995	FIRVX	Income Replacement 2038		47.07	Hold	-1.1	-3.6	0.2p	--	--	--	--			
2009	FIRWX	Income Replacement 2040		47.06	Hold	-1.1	-3.6	0.3p	--	--	--	--			
1996	FIXRX	Income Replacement 2042		47.03	Hold	-1.2	-3.7	0.3p	--	--	--	--			

FIDELITY SCORECARD - FEBRUARY 29, 2008

Fund No.	Fund Ticker	Fund Name	Short-Term Trading Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹			
						Feb.	YTD	2007	1 Year	3 Year	5 Year				
INTERNATIONAL FUNDS						Category Averages			2.0	-7.8	20.0	11.5	17.2	25.2	1.2
335	FIVFX	Aggressive Int'l	1.00%/30 days	13.78	OK to Sell	1.5	-8.9	5.2	-7.1	7.4	16.2	0.97			
309	FICDX	Canada	1.50%/90 days	60.03	OK to Buy	5.0	-2.2	35.0	29.9	23.5	28.4	1.11			
352	FHKCX	China Region	1.50%/90 days	28.05	OK to Sell	5.5	-10.0	46.3	34.0	23.9	26.5	1.58			
325	FDIVX	Diversified International (closed)	1.00%/30 days	36.53	OK to Buy	0.9	-8.4	16.0	6.0	14.2	22.2	1.05			
322	FEMKX	Emerging Markets	1.50%/90 days	31.30	Buy	5.8	-7.5	45.1	36.0	32.6	37.6	1.43			
301	FIEUX	Europe	1.00%/30 days	38.10	OK to Buy	0.6	-9.6	16.4	6.1	13.9	26.6	1.12			
341	FECAX	Europe Capital App	1.00%/30 days	24.00	OK to Buy	0.5	-9.8	14.8	2.3	15.4	23.3	1.09			
334	FGBLX	Global Balanced	1.00%/30 days	21.53	Hold	0.1	-4.2	13.8	7.2	10.4	15.5	0.61			
305	FIGRX	International Discovery	1.00%/30 days	38.91	Buy	0.3	-9.7	19.0	7.4	15.4	23.6	1.06			
1979	FIGFX	International Growth	1.00%/30 days	8.76	Hold	1.7	-8.4	-2.8p	--	--	--	--			
818	FISMX	Int'l Small Cap (closed)	2.00%/90 days	21.81	Hold	4.2	-5.6	13.2	4.2	13.3	30.1	1.04			
1504	FSCOX	Int'l Small Cap Opportunities	2.00%/90 days	13.75	Hold	5.3	-4.6	3.0	--	--	--	1.25			
1597	FIVLX	International Value	1.00%/30 days	10.47	Buy	0.0	-8.4	9.5	--	--	--	1.07			
350	FJPNX	Japan	1.50%/90 days	13.46	OK to Sell	-1.2	-6.1	-2.7	-11.1	7.2	14.3	1.11			
360	FJSCX	Japan Smaller Cos (closed)	1.50%/90 days	9.93	Sell	-0.7	-10.0	-12.4	-20.7	-5.0	11.8	1.10			
349	FLATX	Latin America	1.50%/90 days	62.84	OK to Buy	7.1	1.3	43.7	48.9	42.8	52.3	1.96			
342	FNORX	Nordic	1.50%/90 days	42.37	OK to Buy	4.4	-6.6	23.2	16.2	21.5	31.0	1.37			
94	FOSFX	Overseas	1.00%/30 days	43.86	OK to Buy	0.5	-9.4	21.8	10.4	16.0	22.7	1.20			
302	FPBFX	Pacific Basin	1.50%/90 days	26.68	Hold	1.6	-11.7	25.2	9.6	18.0	23.1	1.24			
351	FSEAX	Southeast Asia	1.50%/90 days	34.51	OK to Sell	3.7	-13.0	55.4	34.4	31.7	34.9	1.55			
399	FSIIX	Spartan Int'l Index ⁴	1.00%/90 days	43.23	Hold	-0.5	-8.6	10.7	-0.1	12.4	20.7	1.03			
1978	FTIEX	Total International Equity	1.00%/30 days	8.70	OK to Buy	1.6	-7.9	-2.9p	--	--	--	--			
318	FWWFX	Worldwide	1.00%/30 days	19.20	Hold	-1.0	-10.2	18.5	5.5	11.9	18.4	1.05			
SELECT PORTFOLIOS						Category Averages			-2.3	-9.0	11.3	-0.5	8.6	15.6	1.2
34	FSAIX	Air Transportation	0.75%/30 days	37.47	OK to Sell↓	-7.1	-11.2	-1.9	-16.7	9.4	17.8	1.31			
502	FSAVX	Automotive	0.75%/30 days	34.23	OK to Sell	-5.5	-8.5	0.0	-12.1	1.3	10.8	1.36			
507	FSRBX	Banking	0.75%/30 days	22.24	Sell	-11.2	-9.2	-21.2	-27.3	-5.5	3.9	1.50			
42	FBIOX	Biotechnology	0.75%/30 days	62.57	Hold	-3.9	-6.2	2.7	-2.1	8.5	10.2	0.97			
68	FSLBX	Brokerage & Investment	0.75%/30 days	59.56	Sell	-5.0	-11.5	-0.2	-11.2	12.3	18.7	1.45			
69	FSCHX	Chemicals	0.75%/30 days	81.33	Buy	3.1	-1.7	28.4	19.4	12.5	23.0	1.21			
518	FSDCX	Communications Equipment	0.75%/30 days	19.50	Hold	-2.0	-13.2	9.8	-5.5	3.3	14.2	1.35			
7	FDCPX	Computers	0.75%/30 days	40.25	Hold	2.4	-16.8	22.4	2.5	5.1	12.5	1.33			
511	FSHOX	Construction & Housing	0.75%/30 days	33.18	OK to Sell	-7.0	-2.0	-13.9	-18.1	-2.0	14.4	1.55			
517	FSCPX	Consumer Discretionary	0.75%/30 days	19.70	OK to Sell	-4.4	-6.3	-8.3	-16.1	0.6	7.2	1.13			
9	FDFAX	Consumer Staples	0.75%/30 days	63.25	Buy	1.1	-5.0	21.5	13.7	13.1	16.1	0.71			
67	FSDAX	Defense & Aerospace	0.75%/30 days	79.93	OK to Buy	-3.0	-9.6	17.8	2.8	13.6	22.2	1.02			
8	FSELX	Electronics	0.75%/30 days	37.17	Hold	-3.2	-18.5	4.7	-19.0	-1.3	8.5	1.31			
60	FSENX	Energy	0.75%/30 days	64.48	OK to Buy	8.5	-3.3	45.5	40.7	27.1	31.5	1.45			
43	FSESX	Energy Service	0.75%/30 days	92.62	OK to Buy	10.4	-8.9	55.2	42.9	26.9	27.7	1.63			
516	FSLEX	Environmental	0.75%/30 days	17.71	Hold	0.1	-8.5	12.4	3.3	8.8	12.9	1.02			
66	FIDSX	Financial Services	0.75%/30 days	84.32	OK to Sell	-9.8	-11.9	-13.6	-23.0	-1.0	7.8	1.39			
41	FSAGX	Gold	0.75%/30 days	46.37	Hold	7.2	16.3	24.9	45.1	35.9	26.3	1.68			
63	FSPHX	Health Care	0.75%/30 days	114.24	OK to Buy	-2.7	-9.2	12.5	0.7	8.1	10.1	0.80			
98	FSVLX	Home Finance	0.75%/30 days	25.83	Sell	-10.9	-9.6	-38.0	-42.4	-14.6	-1.5	1.85			
510	FSCGX	Industrial Equipment	0.75%/30 days	32.45	Hold	-0.8	-9.7	23.2	9.2	11.6	19.4	1.09			
515	FCYIX	Industrials	0.75%/30 days	20.50	Hold	-0.8	-7.9	17.7	7.1	10.8	20.7	1.09			
45	FSPCX	Insurance	0.75%/30 days	54.01	Hold	-8.0	-14.2	-4.4	-16.1	1.1	10.2	1.20			
353	FBSOX	IT Services	0.75%/30 days	14.77	Hold	-2.1	-11.6	11.5	-2.9	7.8	14.1	1.09			
62	FDLSX	Leisure	0.75%/30 days	69.03	Hold	-6.1	-10.4	4.2	-7.1	5.6	14.2	1.04			
509	FSDPX	Materials	0.75%/30 days	57.01	Hold	3.4	-2.5	29.2	17.1	18.8	24.2	1.33			
505	FSHCX	Medical Delivery	0.75%/30 days	45.28	OK to Buy	-7.8	-13.9	16.9	-4.0	6.9	20.2	0.78			
354	FSMEX	Medical Equipment	0.75%/30 days	24.41	Buy	0.0	-1.8	17.9	12.6	8.5	14.9	0.79			
503	FBMPX	Multimedia	0.75%/30 days	35.30	OK to Sell	0.5	-6.1	-9.3	-13.9	2.7	10.3	0.99			
513	FSNGX	Natural Gas	0.75%/30 days	49.91	Buy	11.5	2.9	40.9	38.1	24.4	31.0	1.37			
514	FNARX	Natural Resources	0.75%/30 days	39.00	Buy	8.8	-2.6	50.1	41.6	29.9	32.4	1.45			
912	FNINX	Networking & Infrastructure	0.75%/30 days	1.97	OK to Sell	-5.7	-20.6	0.4	-20.9	-2.7	5.3	1.27			
506	FSPFX	Paper & Forest	0.75%/30 days	27.62	Hold	-8.3	-11.8	0.8	-16.4	-1.5	4.8	1.25			
580	FPHAX	Pharmaceuticals	0.75%/30 days	10.52	OK to Buy	-2.0	-9.6	13.4	1.6	9.8	10.3	0.88			
46	FSRPX	Retailing	0.75%/30 days	36.57	Sell	-8.6	-10.6	-8.0	-21.4	0.9	11.4	1.34			
28	FSCSX	Software & Computer Svcs	0.75%/30 days	66.77	OK to Buy	-4.9	-17.8	23.9	2.0	12.0	13.7	1.14			
64	FSPTX	Technology	0.75%/30 days	66.66	Hold	-0.5	-18.0	19.8	-4.6	5.0	11.7	1.31			
96	FSTCX	Telecommunications	0.75%/30 days	42.70	Hold	-7.0	-17.9	8.2	-15.3	8.1	13.6	1.22			
512	FSRFX	Transportation	0.75%/30 days	44.34	OK to Sell	-5.0	-3.1	-0.6	-8.9	6.2	17.3	1.29			
65	FSUTX	Utilities Growth	0.75%/30 days	57.09	Hold	-3.9	-11.2	18.1	-0.2	14.5	20.4	1.14			
963	FWRLX	Wireless	0.75%/30 days	7.23	Hold	-3.1	-16.3	27.5	4.7	11.7	26.8	1.37			

FIDELITY SCORECARD - FEBRUARY 29, 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						
						Feb.	YTD	2007									
TAXABLE BOND FUNDS						Category Averages			0.3	2.0	5.1	4.1	3.98				
15	FGMNX	Ginnie Mae		11.08	OK to Buy	0.3	2.2	6.8	3.1	4.92							
54	FGOVX	Government Income		10.62	OK to Buy↑	0.8	3.2	7.9	4.5	3.79							
794	FINPX	Inflation-Protected Bond ³		11.59	Buy	1.2	5.1	9.1	5.1	1.12							
32	FTHRXX	Intermediate Bond		10.23	OK to Buy	0.2	1.5	4.0	3.8	4.34							
452	FSTGX	Intermediate Gov't Income		10.57	Buy	1.1	3.5	7.9	3.5	3.56							
26	FBNDX	Investment Grade Bond		7.18	Hold	-0.5	0.6	2.6	4.4	4.86							
40	FMSFX	Mortgage Securities		10.41	Hold	-0.6	0.5	-0.4	3.1	5.35							
450	FSHBX	Short-Term Bond		8.59	OK to Sell	0.0	0.6	1.7	1.7	4.23							
1561	FIBIX	Sptn Interm Treas Index ⁵		10.84	OK to Buy	1.4	4.7	10.1	6.1	3.32							
1562	FLBIX	Sptn Lng-Term Treas Index ⁵		10.48	Hold	0.3	3.0	9.5	11.2	4.21							
1560	FSBIX	Sptn Sht-Term Treas Index ⁵		10.60	Buy	1.2	3.4	7.9	2.3	2.15							
820	FTBFX	Total Bond		10.38	Buy	0.0	1.3	4.2	4.2	4.82							
651	FBIDX	U.S. Bond Index		11.00	Hold	0.2	1.8	5.4	4.1	4.49							
812	FUSFX	Ultra-Short Bond	0.25%/60 days	8.69	OK to Sell	-1.4	-3.0	-5.1	0.5	4.49							
HIGH-YIELD BOND FUNDS						Category Averages			-0.3	-1.6	3.8	6.99					
38	FAGIX	Capital & Income	1.00%/90 days	8.29	Hold	-0.5	-3.5	3.8	--	7.37							
814	FFRHX	Floating Rate High Income	1.00%/60 days	9.12	OK to Buy	-0.6	-3.7	2.7	--	7.61							
1366	FHIFX	Focused High Income	1.00%/90 days	9.63	Hold	-0.7	-1.5	3.1	--	7.04							
455	SPHIX	High Income	1.00%/90 days	8.34	Hold	-0.3	-2.0	2.4	--	8.27							
331	FNMIXX	New Markets Income	1.00%/90 days	14.54	Hold	-0.2	0.2	5.7	--	5.87							
368	FSICX	Strategic Income		10.41	Buy	0.3	0.8	5.4	--	5.80							
MUNICIPAL BOND						Category Averages			-3.4	-2.0	3.7	5.9	3.34	25%	28%	33%	35%
36	FLTMX	Interm Municipal Income	0.50%/30 days	9.77	Buy	-2.9	-1.3	4.0	5.3	3.25	4.3	4.5	4.9	5.0			
37	FHIGX	Municipal Income	0.50%/30 days	12.03	OK to Buy	-4.5	-3.6	3.1	7.7	3.83	5.1	5.3	5.7	5.9			
404	FSTFX	Short-Int Municipal Income	0.50%/30 days	10.31	Buy	-1.6	0.5	4.4	3.0	2.41	3.2	3.3	3.6	3.7			
90	FTABX	Tax-Free Bond	0.50%/30 days	10.24	OK to Buy	-4.7	-3.6	3.2	7.6	3.87	5.2	5.4	5.8	6.0			
STATE-SPECIFIC MUNICIPAL BOND						Category Averages			-4.1	-2.8	3.4	6.6	3.43				
434	FSAZX	Arizona Muni Income	0.50%/30 days	10.70	OK to Buy	-5.1	-4.1	2.6	7.7	3.69	4.9	5.1	5.5	5.7			
91	FCTFX	California Muni Income	0.50%/30 days	11.61	OK to Buy	-4.8	-3.8	2.9	7.3	3.77	5.0	5.2	5.6	5.8			
1534	FCSTX	Calif Short-Interm Tax Free	0.50%/30 days	10.09	OK to Buy	-1.9	0.0	4.3	3.2	2.65	3.5	3.7	4.0	4.1			
407	FICNX	Connecticut Muni Income	0.50%/30 days	10.92	OK to Buy	-4.2	-2.6	3.8	6.7	3.34	4.5	4.6	5.0	5.1			
429	SMDMX	Maryland Muni Income	0.50%/30 days	10.38	OK to Buy	-4.3	-2.9	3.0	7.1	3.46	4.6	4.8	5.2	5.3			
70	FDMMX	Mass Muni Income	0.50%/30 days	11.29	OK to Buy	-4.6	-3.5	3.3	7.2	3.69	4.9	5.1	5.5	5.7			
81	FMHTX	Michigan Muni Income	0.50%/30 days	11.38	Hold	-4.0	-2.6	3.7	6.2	3.29	4.4	4.6	4.9	5.1			
82	FIMIX	Minnesota Muni Income	0.50%/30 days	10.87	OK to Buy	-3.7	-2.3	3.2	6.1	3.34	4.5	4.6	5.0	5.1			
416	FNJHX	New Jersey Muni Income	0.50%/30 days	11.06	OK to Buy	-4.3	-3.0	3.7	7.0	3.47	4.6	4.8	5.2	5.3			
71	FTFMX	New York Muni Income	0.50%/30 days	12.18	OK to Buy	-4.6	-3.5	3.3	7.4	3.63	4.8	5.0	5.4	5.6			
88	FHOFX	Ohio Muni Income	0.50%/30 days	11.09	OK to Buy	-4.4	-3.0	3.6	7.2	3.49	4.7	4.8	5.2	5.4			
402	FPXTX	Pennsylvania Muni Income	0.50%/30 days	10.38	OK to Buy	-3.8	-2.6	3.9	6.1	3.39	4.5	4.7	5.1	5.2			
TAXABLE MONEY MARKET						Category Averages			0.3	0.6	4.9	3.31					
55	FDRXX	Cash Reserves		1.00	--	0.30	0.69	5.06	na	3.58							
631	FGMXX	Retirement Government MM		1.00	--	0.28	0.63	4.93	na	3.31							
630	FRTXX	Retirement MM		1.00	--	0.29	0.67	5.12	na	3.45							
458	SPAXX	Government MM		1.00	--	0.27	0.63	4.90	na	3.28							
454	SPRXX	Money Market		1.00	--	0.29	0.67	5.09	na	3.47							
85	FSLXX	Select MM		1.00	--	0.30	0.69	5.14	na	3.59							
50	FGRXX	U.S. Gov't Reserves		1.00	--	0.28	0.64	4.97	na	3.41							
415	FDLXX	US Treasury MM		1.00	--	0.21	0.48	4.38	na	2.40							
MUNICIPAL MONEY MARKET						Category Averages			0.2	0.4	3.4	2.48					
460	FIMXX	AMT Tax-Free Money Fnd		1.00	--	0.16	0.40	3.43	na	2.56	3.4	3.6	3.8	3.9			
10	FTEXX	Municipal Money Market		1.00	--	0.16	0.39	3.34	na	2.50	3.3	3.5	3.7	3.8			
275	FMOXX	Tax-Free Money Market		1.00	--	0.16	0.39	3.30	na	2.37	3.2	3.3	3.5	3.6			
STATE MUNICIPAL MONEY MARKET						Category Averages			0.1	0.4	3.3	2.42					
433	FSAXX	Arizona		1.00	--	0.14	0.37	3.26	na	2.35	3.1	3.3	3.5	3.6			
457	FSPXX	California AMT Tax-Free		1.00	--	0.16	0.40	3.39	na	2.52	3.4	3.5	3.8	3.9			
97	FCFX	California		1.00	--	0.14	0.36	3.20	na	2.25	3.0	3.1	3.4	3.5			
418	FCMXX	Connecticut		1.00	--	0.16	0.38	3.25	na	2.65	3.5	3.7	4.0	4.1			
426	FMSXX	Mass AMT Tax-Free		1.00	--	0.15	0.39	3.39	na	2.43	3.2	3.4	3.6	3.7			
74	FDMXX	Massachusetts		1.00	--	0.14	0.36	3.20	na	2.22	3.0	3.1	3.3	3.4			
420	FMIXX	Michigan		1.00	--	0.14	0.36	3.21	na	2.38	3.2	3.3	3.6	3.7			
423	FSJXX	New Jersey AMT Tax-Free		1.00	--	0.16	0.41	3.41	na	2.63	3.5	3.7	3.9	4.0			
417	FNJXX	New Jersey		1.00	--	0.15	0.38	3.23	na	2.43	3.2	3.4	3.6	3.7			
422	FSNXX	New York AMT Tax-Free		1.00	--	0.15	0.39	3.39	na	2.45	3.3	3.4	3.7	3.8			
92	FNYXX	New York		1.00	--	0.13	0.35	3.22	na	2.23	3.0	3.1	3.3	3.4			
419	FOMXX	Ohio		1.00	--	0.14	0.36	3.22	na	2.31	3.1	3.2	3.4	3.6			
401	FPTXX	Pennsylvania		1.00	--	0.16	0.39	3.25	na	2.61	3.5	3.6	3.9	4.0			

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

FIDELITY SCORECARD - FEBRUARY 29, 2008

Fund No.	Fund Ticker	Fund Name	Short-Term Trading Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹
						Feb.	YTD	2007	1 Year	3 Year	5 Year	
FIDELITY PERSONAL RETIREMENT ANNUITY PORTFOLIOS												
9077	FQBRC	Fid VIP Aggressive Growth		10.98	OK to Buy	-3.6	-15.8	17.1	-0.5	--	--	1.18
9067	FLRQC	Fid VIP Asset Manager		12.18	Hold	1.1	-3.2	15.1	12.0	7.5	8.9	0.61
9066	FAEEC	Fid VIP Asset Manager: Growth		12.30	Hold	1.4	-4.8	18.5	14.4	8.1	10.5	0.85
9069	FJBAC	Fid VIP Balanced		11.87	Buy ↑	-1.2	-5.8	8.6	2.1	6.4	8.2	0.71
9081	FVHAC	Fid VIP Consumer Discretionary	1.00%/60 days	9.68	OK to Sell	-4.4	-6.4	-8.5	-13.8	-0.7	6.3	1.26
9171	FCSAC	Fid VIP Consumer Staples	1.00%/60 days	10.58	Buy	1.0	-4.8	11.6p	--	--	--	--
9065	FPDFC	Fid VIP Contrafund		12.41	Hold	-2.8	-10.8	17.2	7.1	10.1	15.7	0.98
9148	FPRGC	Fid VIP Disciplined Small Cap		8.92	Buy	-2.7	-9.6	-2.7	-10.4	--	--	1.41
9074	FZAMC	Fid VIP Dynamic Capital App		11.98	Buy	-3.2	-9.4	6.6	-1.2	10.2	--	1.20
9085	FJLLC	Fid VIP Energy	1.00%/60 days	17.84	OK to Buy	8.4	-3.6	45.5	44.8	27.7	30.8	1.46
9061	FLOLC	Fid VIP Equity-Income		11.33	Buy	-3.6	-8.7	1.1	-4.8	5.3	12.2	1.12
9083	FONNC	Fid VIP Financial Services	1.00%/60 days	9.45	OK to Sell	-9.5	-11.6	-13.8	-20.2	-0.2	8.0	1.41
9157	FMPAC	Fid VIP FundsManager 20		10.91	Hold	-0.4	-1.3	5.8	3.2	--	--	0.20
9158	FMPBC	Fid VIP FundsManager 50		10.78	Hold	-1.1	-4.6	6.8	1.5	--	--	0.51
9159	FMPCC	Fid VIP FundsManager 70		10.67	Hold	-1.8	-7.0	7.5	0.5	--	--	0.75
9160	FMPDC	Fid VIP FundsManager 85		10.59	Hold	-2.1	-8.6	8.4	0.0	--	--	0.93
9062	FMNDC	Fid VIP Growth		12.29	Buy	-1.5	-11.1	26.5	15.0	9.1	12.3	1.10
9070	FLFNC	Fid VIP Growth & Income		11.89	Hold	-3.2	-10.1	11.8	3.2	7.3	10.4	1.03
9068	FIDPC	Fid VIP Growth Opportunities		11.59	OK to Sell	-1.1	-15.4	22.7	4.9	5.4	10.4	1.34
9078	FPVDC	Fid VIP Growth Stock		10.97	OK to Buy	-2.2	-13.6	22.1	7.7	--	--	1.35
9084	FPDRC	Fid VIP Health Care	1.00%/60 days	10.95	OK to Buy	-2.7	-9.3	9.7	0.4	6.6	9.0	0.80
9060	FBBLC	Fid VIP High Income		11.21	OK to Sell	-0.7	-2.4	2.3	-2.1	3.7	8.2	0.19
9064	FXVLT	Fid VIP Index 500		11.23	Hold	-3.3	-9.1	5.2	-1.2	5.1	11.0	1.04
9082	FBALC	Fid VIP Industrials	1.00%/60 days	13.08	Hold	-0.8	-8.1	17.8	10.4	11.1	20.8	1.23
9076	FVJIC	Fid VIP Int'l Capital App	1.00%/60 days	11.72	Hold	1.5	-8.9	4.8	-5.3	--	--	0.98
9090	FBKQT	Fid VIP Investor Freedom 2005		11.64	Hold	-1.0	-4.1	8.3	3.6	--	--	0.46
9091	FCRJT	Fid VIP Investor Freedom 2010		11.63	Hold	-1.1	-4.2	8.4	3.7	--	--	0.48
9092	FTCMT	Fid VIP Investor Freedom 2015		11.83	Hold	-1.2	-4.9	9.0	3.7	--	--	0.55
9093	FTEMT	Fid VIP Investor Freedom 2020		11.92	Hold	-1.5	-6.3	9.9	3.5	--	--	0.68
9094	FVIIT	Fid VIP Investor Freedom 2025		11.98	Hold	-1.5	-6.6	10.1	3.4	--	--	0.72
9095	FXJLT	Fid VIP Investor Freedom 2030		12.03	Hold	-1.7	-7.9	11.0	3.3	--	--	0.85
9089	FBXOT	Fid VIP Investor Freedom Income		11.29	Hold	-0.5	-1.2	5.8	3.6	--	--	0.18
9063	FTLKC	Fid VIP Investment Grade Bond		11.04	Buy	-0.1	1.4	4.0	3.4	3.3	3.2	0.27
9172	FVMAC	Fid VIP Materials	1.00%/60 days	11.14	Hold	3.4	-2.3	14.7p	--	--	--	--
9071	FNBSC	Fid VIP Mid Cap		12.81	Buy	0.7	-7.2	15.2	8.0	11.0	20.2	1.06
9059	FTNJC	Fid VIP Money Market		11.18	--	0.3	0.7	4.9	4.7	3.9	2.4	0.02
9088	FEMMC	Fid VIP Overseas	1.00%/60 days	13.86	Hold	0.0	-9.1	16.9	8.6	13.6	--	1.12
9072	FFWKC	Fid VIP Real Estate		11.26	Sell	-3.2	-3.5	-18.0	-24.2	6.9	--	1.79
9075	FGDQC	Fid VIP Strategic Income		11.52	Buy	0.3	0.8	5.3	4.4	4.7	--	0.14
9086	FYENC	Fid VIP Technology	1.00%/60 days	10.91	Hold	-0.2	-18.3	14.9	-4.9	6.1	12.2	1.55
9173	FVTAC	Fid VIP Telecommunications	1.00%/60 days	8.12	Hold	-7.1	-18.1	-1.1p	--	--	--	--
9087	FXRRC	Fid VIP Utilities	1.00%/60 days	14.03	Hold	-4.2	-11.3	20.2	4.0	15.2	20.6	1.13
9079	FKMSC	Fid VIP Value		10.89	Buy	-3.4	-8.9	1.7	-8.0	--	--	1.19
9080	FUEBC	Fid VIP Value Leaders		11.45	Buy	-3.1	-8.1	4.2	-2.1	--	--	1.13
9073	FRBSC	Fid VIP Value Strategies		11.28	Buy	-2.1	-9.9	5.3	-7.5	4.8	--	1.25
9147	FPRLC	Lazard Retirement Emerging Mkts		14.27	Hold	3.3	-3.0	33.3	33.0	--	--	1.25
9143	FPRMC	Morgan Stanley Emerg Mkt Debt		11.56	Hold	-0.6	0.3	6.3	6.3	8.3	11.4	0.26
9144	FPRNC	Morgan Stanley Emerg Mkt Equity		14.26	Buy	4.0	-9.1	40.1	34.5	28.9	34.6	1.56
9145	FPROC	Morgan Stanley Gbl Value Equity		10.73	OK to Buy	-1.0	-9.3	6.4	-1.1	6.7	14.1	1.02
9146	FPRPC	Morgan Stanley Int'l Magnum		11.44	Buy	1.1	-8.7	14.3	6.1	12.1	18.0	1.15
9174	FMCCC	Strategic Advisors Mid Cap Value		8.67	Hold	-3.7	-7.7	-6.3p	--	--	--	--
9175	FSCCC	Strategic Advisors Small Cap		8.30	Hold	-2.5	-9.6	-8.5p	--	--	--	--

Annuity Growth Model

Fund	Allocation
Fidelity VIP Growth	27%
Fidelity VIP Strategic Income	27
Fidelity VIP Value Leaders	19
Morgan Stanley Int'l Magnum	12
Fidelity VIP Value Strategies	10
Fidelity VIP Energy	5
Total Returns: Feb: -0.6% YTD: -6.8%	

Annuity Growth & Income Model

Fund	Allocation
Fidelity VIP Growth	28%
Fidelity VIP Investment Grade	26
Fidelity VIP Strategic Income	22
Fidelity VIP Value Leaders	11
Fidelity VIP Value Strategies	8
Morgan Stanley Int'l Magnum	5
Total Returns: Feb: -0.9% YTD: -5.3%	

Annuity Income & Preservation Model

Fund	Allocation
Fidelity VIP Investment Grade	31%
Fidelity VIP Money Market	21
Fidelity VIP Strategic Income	17
Fidelity VIP Value Leaders	16
Fidelity VIP Growth	10
Fidelity VIP Value Strategies	5
Total Returns: Feb: -0.7% YTD: -2.4%	

AT A GLANCE

Rewards, And Risk, In Taxable Bond Funds

With thousands of taxable bond funds from which you can choose, the 20 offerings in our *Scorecard* are a modest sampling of this vast arena. Only the names of the funds themselves suggest their differences in terms of their two most important risk characteristics: credit quality and interest-rate sensitivity.

As with any fixed-income investment, a bond fund's 30-day yield often provides a window into its composition: in general, the higher its yield, the greater the risk.

In recommending funds for specific model portfolios, we are not only making a statement about risk versus return potential, we are also opining about the future slope of the yield curve (see chart), and even the economy's health.

Here we'll discuss some of Fidelity's taxable bond funds, from least- to most risky.

Lower Risk — Highest Quality

"Lower risk" does not mean "no risk." As mentioned, there are two kinds of risk to consider with bonds. Credit risk is about the probability of a bond defaulting on the timely payment of interest and principal to creditors. (To see the effect of another potential issue — Fidelity's "central funds" — see story on next page.) To minimize the likelihood that you own a fund whose underlying bonds will suffer at the hands of a default or even a credit downgrade, you'll want to own a Treasury or government bond fund.

While most taxable bond funds own some Treasuries, Fidelity's three **Spartan** offerings — **Short-Term Treasury Index**, **Intermediate Treasury Index** and **Long-Term Treasury Index** — are free from the risk of credit default because they are as safe as the U.S. government itself.

Since the unwinding of the subprime mortgage market last year,

FIDELITY'S TAXABLE BOND FUNDS					
Funds	Duration (Years)	30-Day SEC Yield	Rel. Vol.	Exp. Ratio	Rating
Ginnie Mae	3.1	4.92%	0.22	0.45%	OK to Buy
Government Income	4.5	3.79%	0.23	0.45%	OK to Buy
Inflation-Protected Bond	5.1	1.12%	0.35	0.45%	Buy
Intermediate Bond	3.8	4.34%	0.20	0.45%	OK to Buy
Intermediate Govt Inc	3.5	3.56%	0.20	0.45%	Buy
Investment Grade Bond	4.4	4.86%	0.24	0.45%	Hold
Mortgage Securities	3.1	5.35%	0.21	0.45%	Hold
Short-Term Bond	1.7	4.23%	0.11	0.45%	OK to Sell
Sptn Interm Treas Index	6.1	3.32%	0.33	0.20%	OK to Buy
Sptn Long-Term Tr Index	11.2	4.21%	0.52	0.20%	Hold
Sptn Short-Term Tr Index	2.3	2.15%	0.15	0.20%	Buy
Total Bond	4.2	4.82%	0.21	0.45%	Buy
U.S. Bond Index	4.1	4.49%	0.23	0.49%	Hold
Ultra-Short Bond	0.5	4.49%	0.13	0.45%	OK to Sell

investors have often fled to Treasuries for shelter. But this ongoing flight to quality has made Treasuries expensive. Six months ago, the yield on the 30-year Treasury was 4.82% — today it's 4.41%. Ten-year Treasuries have rallied even more, from 4.52% to 3.51%. (Bond prices move in the opposite direction of their yield.)

But as you can see on the yield curve chart (which is a graphic illustration of interest rates), these moves pale in comparison to what's happened at the short end of the curve. With the Fed slashing rates 2.25 percentage points during this period, the yield on the T-Bill has plunged 227 basis point to 1.84%. This is down from 4.1% six months ago.

At this point, it is unclear whether

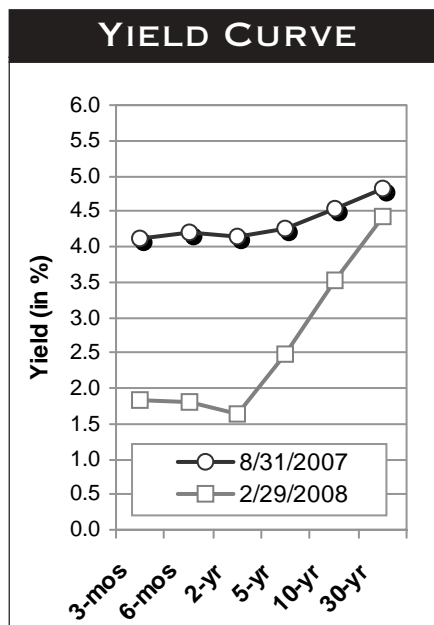
the Fed will make additional cuts in short-term rates. On the one hand, the weakening economy is a concern, but they also have to keep an eye on inflation. And on that front, driven by rising oil prices, January's reading of a 4.4% year over year increase in the CPI cannot be too reassuring. Even the core rate (ex-food and energy) was up 2.5% — above the Fed's stated target zone of 1-2%. Still, given the deteriorating economic situation, another cut at the Fed's next meeting on March 18 is likely.

Apart from rising commodity prices, large federal budget deficits, interest-rate cuts and the recent economic stimulus package are individually, and collectively, inflationary. And inflation tends to hurt longer-term bonds more than shorter-term bonds.

Against this backdrop, and our desire to own higher-credit bonds, **Inflation-Protected Bond** is a good choice. The fund mostly owns Treasury Inflation-Protected Securities (TIPS) whose values are tied to inflation.

However, investors' concerns over rising long-term interest rates sometimes work against TIPS funds in that they can behave like other long-term bond funds, that is, their prices fall when rates rise.

Before moving on to the next group, it's worth noting that **Government Income** sounds as if it owns only extremely safe bonds. It does indeed



own ultra-safe Treasuries (27%), as well as U.S. Agency notes (36%), a notch below Treasuries in terms of safety. Where it does have a bit more credit risk is in its 30% slug of mortgage-backed pass-throughs. But as they are government agency mortgages they are of higher credit quality than other mortgage bonds. With spreads on mortgage-backed bonds in general now very wide relative to Treasuries, Gov't Income's holdings offer attractive values. We rate it *OK to Buy*.

Medium Risk — High Quality

The funds in this category largely hold investment-grade bonds, which are safe credit-wise, but not quite as safe as Treasuries. And, from an interest-rate-perspective, they're not positioned precisely where we're altogether comfortable. Not to be overlooked in this discussion is our view that these funds are broadly diversified (which tends to mitigate risk), while their managers are expert at what they do: portfolio construction.

Taken together, we're comfortable suggesting two funds that take measured approaches to credit and interest-rate risk. At the same time, their managers are opportunistic in that they can move in and out of all areas of the bond market as warranted. The first is **Intermediate Bond**, which as its name suggests, is an intermediate-term fund (average maturity is 4.0 years). **Total Bond** has also been conservatively positioned, but with its 4.82% yield, this fund does take some additional risks.

Higher Risk — Lower Quality

As we remain proponents of bond funds, there aren't many we suggest avoiding. For now, however, **Short-Term Bond** and **Ultra-Short Bond** hold little appeal. Despite their comparative lack of interest-rate risk, and in a certain sense, credit risk, we think they should be avoided. Their problems last year grew almost directly out of their exposure to subprime mortgages, which left both funds trailing their benchmarks. ■

FIXED INCOME

'Central Funds': More Information Needed

2007 was not a very good year for several of Fidelity's bond funds. And while some of these funds are seeing better performance this year, they still have some work to do before making up for losses in 2007. The supposedly "safe" **Ultra-Short Bond**, for example, was the worst-performing taxable bond fund last year; it trailed its benchmark by more than 10 percentage points. **Mortgage Securities** fell behind its benchmark by more than 7%, while **U.S. Bond Index**, whose performance is supposed to mirror the Lehman Brothers Aggregate Bond Index, lagged that index by 1.6% in 2007.

So, what happened? "Central funds," in particular, Fidelity's Ultra-Short Central Fund, and its exposure to the troubled subprime mortgage market happened.

In addition to investing in individual fixed-income securities, these and several other Fidelity bond funds have had some of their assets — in some cases, over half — in one or more of the firm's central funds. They are similar to regular mutual funds, but they're only available to Fidelity fund managers and they cover many of the same investment categories.

Six Fixed-Income Funds

Fidelity has 27 of these funds investing in a variety of stock and bond sectors, up from just 10 at the beginning of 2006. The firm's fixed-income funds use one or more of six central bond funds, including short- and intermediate-term funds, a corporate fund, a mortgage fund, a high-income fund and Ultra-Short Central Fund.

In the case of Ultra-Short Bond, over 25% of its assets were invested in Ultra-Short Central six months ago, which, for much of last year, held a big slug of subprime mortgages. And, at almost 20% of assets, Mortgage Securities had the second-highest exposure to the Ultra Short Central fund.

In theory, central funds are not a bad idea. For example, if Jeff Moore wants to add some intermediate-bond exposure to his **Investment Grade Bond**, he can put money in Fidelity's 2-5 Year Duration Securitized Bond Central Fund, instead of spending time selecting individual bonds. In fact, as of the end of that fund's last reporting period, Investment Grade Bond had nearly 60% of its assets spread among the six fixed-income central funds, including the Mortgage Backed Securities Central Fund.

In other words, central funds free portfolio managers to focus on investments where they can add the most value.

Central funds also benefit from the fact that their managers don't have to deal with money moving in and out of the funds as quickly and unpredictably as is often the case with open-end retail funds.

Risks Can Outweigh Benefits

However, as was seen last year, the risks of central funds may sometimes outweigh their benefits. If a central fund is a major holding in several funds — as is the case with the Ultra Short Central Fund — its poor performance can drag down the returns of all those funds.

The central funds have another issue that could be a problem for some investors: Unlike individual stocks and bonds in a mutual fund portfolio, there is no performance information on any of the funds, and it can be difficult to find out exactly what a central fund owns. For example, **Short-Term Bond** underperformed its benchmark by more than 5% last year, even though it only had about 11% of its assets in central funds. However, there is no way to know how much its exposure to Ultra Short Central Fund, or any of the other central funds, contributed to those results.

This year, we may see improved performance from Fidelity's central funds, and its bond funds, but without more information, many investors will still be left in the dark. ■

TAX TIPS

Tax Swaps Can Ease Some Pain Of Losses

With the S&P 500 down 9.0% so far this year, and the Nasdaq off 14.2%, one can hardly be surprised that domestic (and foreign) stock funds of most every variety are deep in the red. And, depending on your timing, you may be holding a fund whose losses are even greater.

But, there may be a silver lining. If you hold a losing fund in a taxable account, consider a tax swap.

The process is simple: Exchange the fund in which you have an unrealized loss for a similar fund. Now you can apply the loss you've recognized against any capital gains. You can then use capital losses to offset up to \$3,000 of ordinary income. If you have more than \$3,000 in unrealized losses, they can be carried over to future years. If you really prefer the original fund, be sure to **wait 31 days before switching back into it**. If you do it sooner, the IRS will consider it a "wash sale" and disallow the loss.

In order that you not upset the delicate balance you hopefully have in place in your fund portfolio (such as growth versus value), you should swap similar funds. For example, let's say you purchased **OTC** in November 2007 and you're down about 20% in that position. When you sell that fund, swap it for another large cap growth fund such as **Growth Discovery**. (While OTC has more technology stocks, Growth Company has a heavy tech weighting, too, and both have been hit by the decline in tech stocks.) Where things get tricky is in swapping among industry-focused Select funds, while balanced funds, high-yield funds and certain international funds can also get complicated. However, as you may only be in these

fund positions a short time before possibly returning, you don't need to get compulsive about finding an exact match. In fact, there's nothing wrong with briefly moving into an index fund with a similar exposure.

Remember, too, that capital losses in tax-free bond funds are also tax-deductible, so tax swaps for these funds should also be considered. ■

Unusual Proxy Vote

Investors in many Fidelity funds will find an unusual shareholder proposal in their proxy materials. The proposal asks the funds' boards to ensure the funds' investments are "genocide-free" (our term). While that term covers many issues, the primary aim of this vote is to keep funds from investing in companies that operate in the Sudan, which is in a long battle with rebels from its Darfur region.

We certainly agree that the situation in Darfur is horrific, but at the same time, we have always been uncomfortable with the idea of restricting a fund's investments in the service of a social agenda. We will leave the decision on this vote to each member's conscience. ■

DIVIDEND UPDATE

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

Large Cap Growth, Large Cap Value, Mid Cap Growth, Mid Cap Value, R.E. Income, R.E. Investment, Utilites.

The final distributions for February were as follows:

Fund	ex-date	Amt (\$)	NAV
Contrafund	2/8	0.65	63.86
Dynamic Strat	2/8	0.04	9.01
Trend	2/8	0.01	60.72

Inside Fidelity

Manager Changes — Ramin Arani has been named sole portfolio manager of the equity portion of **Puritan**. He had been co-managing the fund with Steve Petersen since February 2007. George Fischer will continue to manage the fund's bond portion. Steve will continue to run **Equity-Income** and **VIP Equity Income**. Ramin joined Fidelity in 1992 and managed **Trend** from 2000 to January 2007. We are lowering our rating on Puritan to *OK to Buy*.

John Sheehy has been named co-manager of **Paper & Forest Products**, joining current manager Justin Bennett. Peter Dixon has been named manager of **Leisure**, succeeding Geoff Kuli. ■

Message To Members

As noted in *Outlook*, the stock market has had a tough time of it so far this year, particularly in January.

However, if you look at the Model Portfolios on p. 2, you'll see that while they're all negative for the year, three of them, except the Aggressive Growth Model, have declined less than the S&P.

That is as it should be. As far back as last summer, we began adjusting our models to reduce volatility (risk), particularly in the less-aggressive models. It's at times like this that our commitment to risk-sensitive investing has proven to be the best way to help members meet their long-term financial goals.

Sincerely,



Eric M. Kobren

ekobren@kobren.com



Executive Editor: Eric M. Kobren **Group Editor:** John G.F. Bonnanzio **Editor:** Tom Watterson **Publisher:** John M. Boyd

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Editorial Questions: fidoq&a@kobren.com **Subscription Questions:** memberservices@kobren.com **Offices:** 800-444-MFIA **Hotline:** 781-235-1560