

FIDELITY INSIGHT

THE INDEPENDENT REPORT ON FIDELITY FUNDS

DECEMBER 2009

VOLUME 25, NUMBER 12

ERIC'S OUTLOOK

Whatever Its Shape, The Economic Recovery Continues

October was the first negative month for the major stock market averages in eight months, largely due to concerns over the strength of the economic recovery. As I wrote last month, a weakened consumer does not bode well for the typical sharp, or “v-shaped” recovery. Indeed, it was a 0.5% decline in consumer spending for September that led to the market sell-off late in the month.



Eric M. Kobren

However, the market returned to its winning ways in November, posting very strong gains.

Perhaps the lesson here is that regardless of the ultimate shape of this recovery, so far, just about everywhere you look — housing, industrial production, job losses, corporate earnings (see graph) — you find that things are continuing to improve, albeit in some cases very slowly. Even consumer spending rebounded in October.

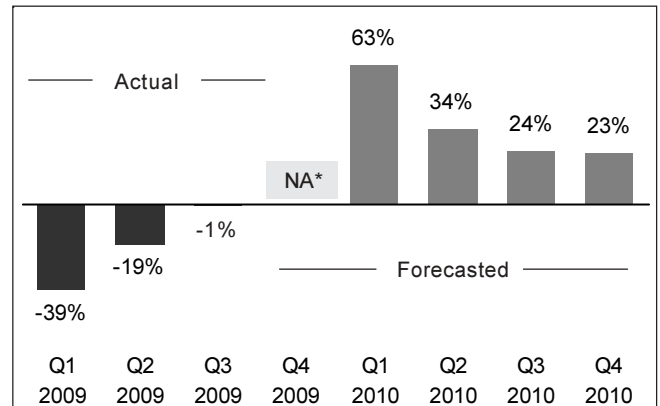
Don't Fight The Fed

On top of that, you have the Fed pledging to keep short-term interest rates low for the foreseeable future. This does two very important things:

1) By keeping short-rates much lower than long rates (a steep yield curve) it gives fragile banks the perfect environment in which to repair their profitability. Banks “borrow” short (pay interest on deposits and CDs) and lend long via mortgages and commercial loans. The wider the

“V-SHAPED” EARNINGS RECOVERY

S&P 500 Quarterly Earnings Growth
(% Change from prior year)



* Because the S&P 500 companies actually had an aggregate net loss in the fourth quarter of last year, a percentage gain for the fourth quarter of 2009 cannot be computed.

As discussed in last month's Outlook, there is a great deal of debate about the “shape” of the economic recovery. Typically, after a steep recession you have a sharp “v-shaped” rebound. However, this was far from a typical recession (global financial crisis, over-indebted consumers, etc.) and there are ample reasons to expect a more modest “saucer-shaped” recovery. But one area where we are seeing the traditional v-shaped recovery is in corporate earnings. As shown above, earnings for the S&P 500 have moved from a decline of 39% in the first quarter, to nearly flat (-1%) in the third quarter, and are forecasted to be up 63% for the first quarter of 2010. This helps explain why the market has been so strong, even though the strength of the economic recovery is still in doubt.

spread between those rates, the more money they make. Indeed, the biggest reason for the turnaround in corporate earnings this year is a huge improvement in the results from financial firms.

2) It pushes the return on short-term, low-risk securities such as money market funds, CDs and short-term Treasuries to near zero. This encourages investors to move their money out of those investments, and into higher-risk bonds and stocks, in search of better returns.

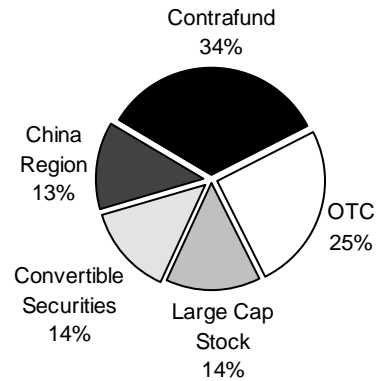
Through October, over \$400 billion has been withdrawn from money market funds in 2009, with approximately \$315 billion of that finding its way into stock and bond mutual funds. Up to now, most of that money (over \$295 billion)

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FIDELITY INSIGHT MODEL PORTFOLIOS - NOVEMBER 30, 2009

Aggressive Growth Model		Rel Vol: 1.00	Est. Yield: 1.0%	YTD Return: 23.6%		
Current Asset Allocation		Stocks 85.3%	Bonds 0.0%	Cash 2.1%	Alternative ¹ 12.6%	Foreign 23.7%
Holdings	Ticker	Alloc	NAV	Shares	Value	Nov Ret
Contrafund	FCNTX	34%	\$56.78	841.70	\$47,791	5.5%
OTC	FOCPX	25	42.42	814.41	34,547	6.1
Large Cap Stock	FLCSX	14	14.67	1,328.66	19,491	6.2*
Convertible Securities	FCVSX	14	21.30	890.33	18,964	3.8
China Region	FHKCX	13	27.64	667.54	18,451	4.1

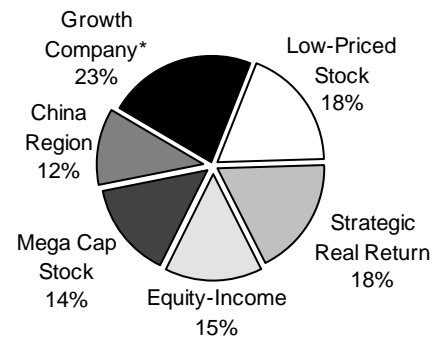


Current Value (4/7/99 = \$100,000) \$139,245 4.6%

* Model's return reflects Small Cap Value's (pre-trade) 1.7% November return.

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: 1.03	Est. Yield: 1.0%	YTD Return: 28.4%		
Current Asset Allocation		Stocks 79.7%	Bonds 4.8%	Cash 2.4%	Alternative ¹ 13.0%	Foreign 21.0%
Holdings	Ticker	Alloc	NAV	Shares	Value	Nov Ret
Growth Company*	FDGRX	23%	\$65.75	3,319.97	\$218,288	6.5%
Low-Priced Stock	FLPSX	18	30.64	5,792.44	177,480	3.9
Strategic Real Return	FSRRX	18	8.52	19,920.42	169,722	2.7
Equity-Income	FEQIX	15	38.68	3,631.31	140,459	5.0
Mega Cap Stock	FGRTX	14	8.73	15,857.16	138,433	6.3**
China Region	FHKCX	12	27.64	4,044.57	111,792	4.1
Current Value (1/1/87 = \$100,000)					\$956,175	4.1%

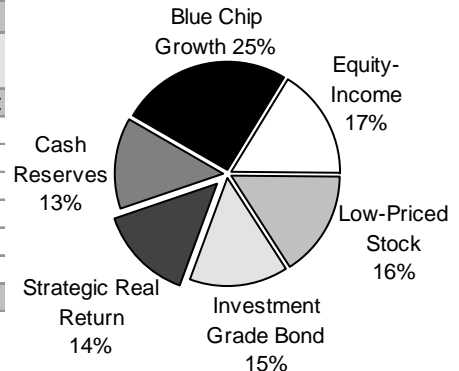


*Closed; new members use Blue Chip Growth (FBGRX).

** Model's return reflects Small Cap Value's (pre-trade) 1.7% November return.

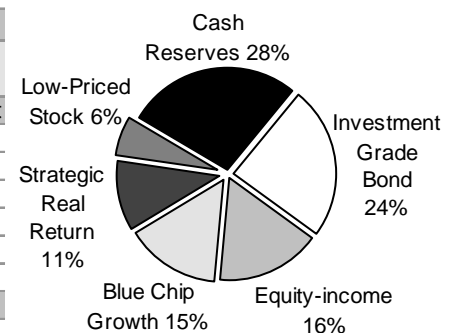
For moderately aggressive members who want equity-dominated portfolios and have no income needs for at least 10 years. Target volatility range: 0.50-1.00.

Growth & Income Model		Rel Vol: 0.72	Est. Yield: 1.4%	YTD Return: 22.5%		
Current Asset Allocation		Stocks 55.3%	Bonds 18.0%	Cash 16.1%	Alternative ¹ 10.6%	Foreign 7.2%
Holdings	Ticker	Alloc	NAV	Shares	Value	Nov Ret
Blue Chip Growth	FBGRX	25%	\$36.21	5,665.37	\$205,143	6.5%
Equity-Income	FEQIX	17	38.68	3,443.12	133,180	5.0
Low-Priced Stock	FLPSX	16	30.64	4,083.20	125,109	3.9
Investment Grade Bond	FBNDX	15	7.14	16,625.08	118,703	1.4
Strategic Real Return	FSRRX	14	8.52	13,534.87	115,317	2.7
Cash Reserves	FDRXX	13	1.00	108,764.16	108,764	0.0
Current Value (1/1/87 = \$100,000)					\$806,217	3.6%



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: 0.52	Est. Yield: 1.6%	YTD Return: 17.8%		
Current Asset Allocation		Stocks 35.8%	Bonds 26.1%	Cash 29.7%	Alternative ¹ 8.4%	Foreign 4.0%
Holdings	Ticker	Alloc	NAV	Shares	Value	Nov Ret
Cash Reserves	FDRXX	28%	\$1.00	140,993.13	\$140,993	0.0%
Investment Grade Bond	FBNDX	24	7.14	17,200.62	122,812	1.4
Equity-Income	FEQIX	16	38.68	2,119.44	81,980	5.0
Blue Chip Growth	FBGRX	15	36.21	2,083.96	75,460	6.5
Strategic Real Return	FSRRX	11	8.52	6,760.21	57,597	2.7
Low-Priced Stock	FLPSX	6	30.64	1,005.90	30,821	3.9
Current Value (1/1/87 = \$100,000)					\$509,663	2.6%



For members needing income and protection of their purchasing power against inflation. Seeks a yield in excess of 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. Some percentage figures may not sum to 100 due to rounding. 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). **Annuity Model Portfolios** are on p. 10.

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

has gone into bond funds. International stock funds have garnered about \$16 billion, while domestic stock funds have actually lost \$4 billion.

As I said last month, the fact that investors have yet to pour money into stocks, suggests that this bull market isn't over yet. However, the markets have certainly come a long way this year and I continue to caution members not to expect the same kind of gains moving forward.

Large Caps Attractive Buys

For most of this year, mid- and small-cap funds have soundly outperformed larger-cap funds. This is typical of the early stages of an economic and market recovery — small caps tend to lead. Despite the fact that large caps were more attractively valued relative to smaller fare coming into 2009, we overweighted mid- and small-caps in our more aggressive model portfolios to take advantage of this “early-stage” effect.

Recently, however, the situation has reversed. Large caps fell less than small caps during October's decline and have risen more in November's rebound. This suggests that we may have moved past the “early” phase of this recovery.

Given that fact, coupled with their more attractive valuations, we made trades to increase large-cap exposure in our Aggressive Growth and Growth Models. They are now more neutrally weighted among large-, mid- and small-cap stocks (see trade box).

In the Aggressive Model, we are selling **Small Cap Value** (median market cap of just \$1.2 billion) and purchasing **Large Cap Stock** (\$35.8 billion) with the proceeds. In addition to raising its market cap, the move to Large Cap Stock increases the

WHICH FUNDS SHOULD YOU BUY NOW!

Equity Funds: **Blue Chip Growth** provides exposure to high-quality, large-cap growth stocks (see p. 11); **OTC** is a play on faster-growing companies. **Equity-Income** is for large value, while **Low-Priced Stock** offers mid- and small-cap stock exposure.

Specialty Funds: **Strategic Real Return** employs four sub-portfolios to provide portfolio diversification and inflation insurance.

Fixed-Income Funds: **Investment Grade Bond** (see p. 5) is a blend of government and corporate bonds. **Cash Reserves** provides safety of principal. (Highly taxed investors should consider Municipal Bond funds.)

International Funds: For long-term investors, **China Region** plays the world's fastest-growing markets; **Emerging Markets** is a more diversified alternative. **Total Int'l Equity** offers broad, developed market exposure with about 20% in emerging markets. ■

model's exposure to the traditional growth areas of technology and health care, while reducing exposure to financials a bit.

In the Growth Model, we are selling Small Cap Value and purchasing **Mega Cap Stock** with the proceeds. As befitting its name, Mega Cap has the largest market-cap at Fidelity at a remarkable \$91.7 billion (versus around \$39 billion for the S&P 500). Similarly, this increases the model's exposure to tech and health care while trimming financials.

Owing to their more conservative nature, the Growth & Income Model and the Income & Preservation

Model, do not have the same small-cap bias, and no trades are recommended.

It is certainly possible that small-cap stocks have merely taken a breather, and will once again outperform if the market continues to move higher. However, given the valuation divergence, we'd rather be early than late. And remember, we are not moving to an overweight to large caps, just a more balanced allocation across all market caps. In addition, should the market hit a rough patch over the next few months, large-cap stocks are likely to hold up better than more volatile small-cap fare. ■

MODEL PORTFOLIO TRADES

As announced on our November 27 Hotline, effective Monday, November 30, we made trades in two models.

Action	Fund	Ticker	Shares	Price	Value	Old %	New %
Aggressive Growth Model							
Sold:	Small Cap Value	FCPVX	1,675.69	\$11.69	\$19,588.76	14%	0%
Bought:	Large Cap Stock	FLCSX	1,328.66	\$14.67	\$19,491.39*	0%	14%
Growth Model							
Sold:	Small Cap Value	FCPVX	11,842.00	\$11.69	\$138,433.01	14%	0%
Bought:	Mega Cap Stock	FGRTX	15,857.16	\$8.73	\$138,433.01	0%	14%

Please note that **Small Cap Value** has a short-term trading fee of 1.5% for shares held less than 90 days.

*555.31 shares (about one-third) subject to short-term trading fee of 1.5% (\$97.37).

ANNUAL MODEL PORTFOLIO RETURNS (%)

Model	'87	'88	'89	'90	'91	'92	'93	'94	'95	'96	'97	'98	'99	'00	'01	'02	'03	'04	'05	'06	'07	'08
Ag Gr													31.4	-8.4	-20.9	-15.8	36.6	14.8	17.9	14.2	14.5	-42.0
Growth	20.8	18.9	34.3	1.0	24.7	13.0	18.0	-0.1	23.9	13.8	17.2	3.3	30.7	-2.1	-2.7	-14.0	33.0	14.4	11.1	11.8	7.8	-38.2
Gr & In	5.8	14.8	29.1	-1.3	24.6	14.2	18.2	-0.1	23.1	18.7	20.9	6.3	22.6	-2.1	-4.0	-9.7	27.1	11.5	5.2	10.2	7.3	-26.5
In & Pr	1.3	10.2	17.7	0.8	20.9	11.4	16.7	-2.8	21.1	19.0	18.0	5.2	13.4	-1.4	-5.6	-6.8	18.9	7.0	3.5	7.2	5.2	-18.4

Taxable Bond Funds: Reversal of Fortune

In an almost perfect mirror image, investment-grade taxable bond funds that enjoyed big gains in 2008, are at the bottom of the heap in 2009. And those that got crushed in 2008, are now leading the way in 2009.

It is no secret why. In the fall of 2008, as the subprime mortgage implosion triggered a worldwide financial crisis, bond investors shunned any paper that carried even a whiff of credit risk. Instead they flocked to the safest (from a credit standpoint) debt instruments in the world: U.S. Treasuries. More credit-risky bonds ended up being priced as if the *next* Great Depression was at hand.


But, as we moved into 2009, investors started to realize that the world wasn't coming to an end after all, and suddenly those beaten down bonds looked pretty enticing. The pendulum then began to swing the other way, as investors raced for the exits in Treasuries, and began taking on greater risk.

So where do we go from here? Let's review Fidelity's 14 investment-grade taxable bond funds grouped by their interest-rate and credit risk as shown in the table above.

Using Duration

Duration is a measure of a fund's sensitivity to changes in interest rates. Multiplying a fund's duration by the percentage change in interest rates gives you an approximation of the change in the fund's price. Take **Spartan Long-Term Treasury** as an example. It's average duration so far in 2009 has been 12 years. At the same time, interest rates on 10-year Treasuries have increased 0.96%. Thus the expected drop in the fund's price (NAV) is 11.5%. In fact, the fund's NAV has fallen by 11.9%. Note the fund's return is better (down 8.2%) because of the fund's 3.85% yield. ■

TAXABLE BOND FUND RISK MATRIX		
Interest-Rate Risk Higher	Spartan Long-Term Treasury	
	Spartan Interm Treasury Inflation-Protected Gov't Income	Intermediate Bond Total Bond Investment Grade U.S. Bond Index
	Intermediate Gov't Inc Ginnie Mae Sptn Short-Term Treas	Mortgage Securities Short-Term Bond Ultra-Short Bond
Lower	Lower	Higher
		Credit Risk

 **High Interest Rate Risk**
Low Credit Risk

There is only one entrant in this category, **Spartan Long-Term Treasury Index (OK to Sell)**. With a duration of 12.6 years, this fund is almost twice as sensitive to interest rates as its nearest sibling. Last year, L-T Treasury soared 24.1%, as the interest rate on 10-year Treasuries fell to just 2.25%. This year, rates have moved up to 3.21% (still well below the long-term average of 7%), and the fund has fallen 8.2%. As long as the economy continues to show improvement, and the dollar stays weak, long-term interest rates should remain under upward pressure, and this fund's returns will be muted.

 **Medium Interest Rate Risk**
Low Credit Risk

Moving down in interest-rate risk, but still with very low credit risk are two other Treasury funds, **Spartan Intermediate Treasury Index (Hold)** and **Inflation-Protected Bond (Buy)**, both with durations of a little over 6 years. With interest rates rising, Intermediate Treasury is down 1.3%, but Inflation-Protected has *gained* 12.2%. With the government pumping huge amounts of money into the system to jump-start the economy, concerns over future inflation have made these unique securities — with their inflation-adjustment feature —

very attractive to investors.

The last fund in this group, **Gov't Income (Hold)**, has lower interest-rate risk (duration of 4.4 years) but a little more credit risk. It has only around 40% in Treasuries (versus 100% for the other two) with significant amounts of agency and mortgage securities. Clearly, Inflation-Protected is our favorite in this group. In fact, if you want low credit risk, it is the only fund we strongly recommend.

 **Low Interest Rate Risk**
Low Credit Risk

In declining order of interest-rate risk, this group includes **Intermediate Gov't Income**, **Ginnie Mae** and **Spartan Short-Term Treasury** — all are rated *Hold*. Our favorite in this group is Ginnie Mae, which we only recently downgraded to *Hold* on concerns over what happens when the government stops making direct purchases of mortgage-backed securities (currently slated for early 2010). That could hurt prices in the mortgage market, at least somewhat.

Spartan Short-Term is okay as the Fed still plans to keep short-rates low for the foreseeable future — but you aren't earning much more than a money market with a yield of 0.98%.

As with other government funds of intermediate or longer duration, Intermediate Gov't isn't likely to do that well unless the economy begins to slip backward.



Medium Interest Rate Risk
Medium Credit Risk

The four funds that make up this group, **Intermediate Bond (Buy)**, **Investment Grade Bond (Buy)**, **Total Bond (Buy)** and **U.S. Bond Index (Hold)** have a lot in common. Their durations are quite similar, ranging from 3.7 to 4.3 years. More important, they all hold a diversified mix of bonds, including to varying degrees, Treasury, agency, corporate and mortgage-back bonds. With that diversification, these funds often make attractive model portfolio holdings. This is especially true when valuations in the bond market are not at one extreme or the other — which is what we are seeing today.

Entering 2009, we had extreme overvaluation on low-credit risk bonds (Treasury and governments) and extreme undervaluation on credit-risky bonds (corporates). As 2009 progressed, those valuation extremes have largely been erased. While we still favor credits, it is not a bad idea to stick to the middle.

Of the group, Intermediate Bond and Total Bond have the greatest credit risk owing to a higher percentage in BBB and below bonds (about 30%). While the least credit-risky, U.S. Bond Index, has the highest mortgage exposure.



Low Interest Rate Risk
Medium Credit Risk

Short-Term Bond (Hold) and **Ultra-Short Bond (OK to Sell)** both suffered surprising losses last year, particularly Ultra-Short, which fell 7.8%. The culprit was subprime exposure which is largely behind them now. But with Ultra-Short only offering a small yield premium to money markets, it's not worth the added risk.

Mortgage Securities (Hold), which usually falls in the same group as Ginnie Mae, ends up here owing to a greater exposure to CMOs as opposed to mortgage "pass-throughs," which are basically government-guaranteed today. ■

FUND COMMENTARY

Signs Of Recovery Push Stocks Higher

In November of 2008, stocks were still plunging as the economy worsened. Among other things, the government cobbled together a \$326 billion rescue plan for the too-big-to-fail Citigroup (although Detroit had less success in securing its own easy credit from Uncle Sam). More memorably, Barak Obama was just elected president, and voters also handed the democrats control of Congress.

One year and \$2 trillion in deficit spending later, the "Second Great Depression" is a fading fear. Yes, unemployment has risen to over 10%, and home values are still in the basement. But if one can overlook these problems and the deteriorating U.S. dollar, the economy is slowly healing (see *Eric's Outlook*).

And it had better continue. After all, investors have optimistically pushed the S&P 500 up 24.1% from a year ago (over 50% since its March 2009 bottom). This raises a new fear

that stocks are priced for perfection. Indeed, bears now point to such things as **Select Gold** (which can be negatively correlated to stocks) rising 18.2% last month and 48.9% over the past year, as possible evidence that more than just a few investors are hedging their stocks bets.

Stock Indexes

Using **Spartan 500 Index** fund as a proxy for the S&P 500, the market rose 6.0% in November. (It's up 24.1% for the year.) Down days were few and far between. In fact, Dubai's late-month debt debacle sent barely noticeable shockwaves across the world's financial markets. At the same time, another large-cap stock barometer, the Dow Jones Industrials, gained 6.1% last month, and it's up 18.9% since the start of the year.

Elsewhere, the **Nasdaq Composite Index** fund turned in a somewhat more modest return of 5.0% last month, but it's up a none-too-shabby 36.9% for the year.

Fund Commentary *cont'd on page 6*

DECEMBER SCORECARD RATING CHANGES

Fund	Ratings		Comments
	Old	New	
Capital Appreciation	B	S ↓	Stock selection has been subpar.
Export & Multinational	S	H ↑	Bets in energy and cons discretionary paying off.
Int'l Cap App	B	B ↑	Strong stock selection in materials.
Int'l Enhanced Index	H	S ↓	Prefer lower-cost Spartan Int'l Index.
Large Cap Stock	B	B ↑	Strong stock selection in financials and health.
Mega Cap Stock	B	B ↑	Smart bets in (overweighted) financials.
MS Int'l Magnum	B	H ↓	Prefer other Annuity foreign fund options.
Pacific Basin	B	B ↑	Smart stock-picking overcomes Japan weight.
Sel Air Transportation	B	H ↓	Big gains last month, but outlook cloudy.
Sel Banking	H	S ↓	Fears of commercial loan defaults hurting sector.
Sel Chemicals	H	B ↑	Stocks moving higher as demand improves.
Sel Financial Svcs	B	H ↓	Fears of commercial loan defaults hurting sector.
Sel Home Finance	H	S ↓	High degree of gov't intervention clouds reality.
Sel Insurance	B	H ↓	Stocks consolidating after big rebound.
Sel Materials	H	B ↑	Demand growing as global economy recovers.
Small Cap Discovery	B	H ↓	Small caps pulling back after strong gains.
Small Cap Value	B	H ↓	Small caps pulling back after strong gains.
VIP Dynamic Cap Ap	B	S ↓	Stock selection has been subpar.
VIP Financial Svcs	B	H ↓	Fears of commercial loan defaults hurting sector.
VIP Growth & Income	H	S ↓	Stock selection has been woeful.
VIP Materials	H	B ↑	Demand growing as global economy recovers.
VIP Overseas	H	S ↓	Prefer other Annuity foreign fund options.

B = Buy; **B** = OK to Buy; **H** = Hold; **S** = OK to Sell; **S** = Sell, **NC** = No change
(↑) Rating upgraded; (↓) Rating downgraded.

FIDELITY SCORECARD - NOVEMBER 30, 2009

Fund No.	Fund Ticker	Fund Name	Short-Term Trading Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹			
						Nov	YTD	2008	1 Year	3 Year	5 Year				
Comparative Indexes		S&P 500 (Large Cap)*				6.0	24.1	-37.1	25.4	-5.8	0.7	1.00			
		Nasdaq Composite (OTC)*				5.0	36.9	-40.0	40.7	-3.4	1.1	1.16			
		MSCI EAFE (International)*				3.0	26.7	-41.4	37.5	-5.3	4.3	1.27			
		Barclays Aggregate Bond*				1.3	8.1	3.8	11.9	5.5	4.9	0.19			
LARGE CAP GROWTH FUNDS						Category Averages			6.3	33.5	-43.0	37.1	-4.3	1.7	1.18
312	FBGRX	Blue Chip Growth		36.21	Buy	6.5	38.1	-38.6	39.8	-1.7	1.5	1.10			
307	FDCAX	Capital Appreciation		19.99	OK to Sell↓	6.8	27.1	-40.5	33.4	-6.5	0.3	1.16			
22	FCNTX	Contrafund		56.78	Buy	5.5	25.5	-37.2	27.6	-1.9	4.7	0.94			
332	FEXPX	Export and Multinational	0.75%/30 days	19.26	Hold↑	5.9	34.3	-43.4	37.6	-4.7	2.5	1.15			
500	FFTYX	Fifty		14.77	OK to Sell	7.8	34.3	-49.1	38.6	-8.0	-0.4	1.27			
25	FDGRX	Growth Company (closed)		65.75	Buy	6.5	34.3	-40.9	39.4	-1.6	4.3	1.12			
339	FDSVX	Growth Discovery		10.68	OK to Sell	6.4	24.4	-46.7	24.1	-5.1	0.4	1.13			
73	FDFFX	Independence		19.10	Hold	7.4	33.9	-48.1	35.6	-3.4	2.9	1.43			
763	FSLGX	Large Cap Growth		7.88	Hold	6.6	19.8	-38.1	24.8	-8.7	-1.0	1.03			
1829	FLGEX	Large Cap Growth Enhcd Index		8.35	OK to Buy	6.2	31.0	-37.0	33.7	--	--	--			
338	FLCSX	Large Cap Stock		14.67	Buy↑	6.2	46.9	-47.5	51.6	-4.3	1.8	1.31			
21	FMAGX	Magellan		61.92	Hold	5.5	35.3	-49.4	41.9	-6.8	-0.9	1.34			
1282	FNCMX	Nasdaq Composite Index	0.75%/90 days	28.54	Hold	5.0	36.9	-40.0	40.7	-3.4	1.1	1.16			
93	FOCPX	OTC		42.42	Buy	6.1	50.5	-46.0	56.5	0.4	4.9	1.32			
320	FDSSX	Stock Selector		20.98	Hold	5.0	23.6	-41.7	24.5	-6.8	0.5	1.04			
5	FTRNX	Trend		54.60	OK to Buy	6.7	39.7	-44.5	43.3	-2.4	3.0	1.16			
LARGE CAP BLEND FUNDS						Category Averages			5.6	24.2	-40.2	26.4	-6.7	0.5	1.10
315	FDEQX	Disciplined Equity		20.77	OK to Sell	5.3	19.3	-40.1	22.4	-7.0	0.6	1.03			
330	FDGFX	Dividend Growth		22.60	Buy	5.4	43.8	-43.0	50.7	-5.5	0.4	1.30			
3	FFIDX	Fidelity Fund		27.86	OK to Buy	5.2	24.3	-40.3	26.1	-4.4	1.7	1.07			
333	FTQGX	Focused Stock		10.84	Hold	6.6	22.8	-33.0	23.0	-1.0	4.4	1.01			
27	FGRIX	Growth & Income		15.62	OK to Sell	5.3	19.5	-50.9	21.4	-16.0	-7.1	1.21			
1827	FLCEX	Large Cap Core Enhcd Index		7.71	Hold	5.9	21.0	-35.8	22.5	--	--	--			
361	FGRTX	Mega Cap Stock		8.73	Buy↑	6.3	27.1	-39.4	28.7	-4.9	1.3	1.05			
317	FSMKX	Spartan 500 Index ⁴		76.49	Hold	6.0	24.1	-37.1	25.4	-5.8	0.7	1.02			
397	FSTMX	Spartan Total Mkt. Index ⁴	0.50%/90 days	31.17	Hold	5.6	24.8	-37.2	27.0	-5.7	1.1	1.04			
343	FTXMX	Tax Managed Stock		10.65	Sell	5.2	16.8	-42.7	20.2	-8.3	0.2	1.11			
832	FVDFX	Value Discovery		12.38	Hold	5.0	22.5	-42.3	23.1	-8.1	1.7	1.17			
LARGE CAP VALUE FUNDS						Category Averages			5.2	20.7	-40.5	22.7	-9.1	-0.8	1.15
1271	FBCVX	Blue Chip Value		9.78	Hold	5.3	25.1	-44.8	27.7	-10.0	-1.1	1.20			
23	FEQIX	Equity-Income		38.68	Buy	5.0	27.5	-41.6	29.6	-8.3	-0.3	1.17			
319	FEQTX	Equity-Income II		16.16	Buy	5.1	23.4	-40.4	24.1	-7.9	-1.2	1.13			
708	FSLVX	Large Cap Value		9.72	OK to Sell	5.2	13.9	-39.7	17.1	-10.2	-0.7	1.11			
1828	FLVEX	Large Cap Value Enhcd Index		6.69	Hold	5.5	13.6	-35.9	15.2	--	--	--			

Notes: *Fidelity's index funds (Spartan 500 Index, Nasdaq Composite Index, Spartan Int'l Index and U.S. Bond Index) used as proxies for their respective indexes. ¹ Relative Volatility of the fund versus the S&P 500 over the last 36 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 Investor 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). ⁶ Formerly Small Cap Retirement. ⁷ Distributed yield is calculated by taking a fund's actual distributions over the past year divided by its current NAV. (p) Partial year; (↑) Rating upgraded; (↓) Rating downgraded.

Fund Commentary *cont'd from page 5*

Equity Funds

The average Fidelity equity fund gained 5.4% in November. Notably, and just as we saw in October (which was a losing month for equity funds), larger-cap funds outperformed small-cap funds. Moreover, value-oriented offerings outpaced more growth-oriented funds.

Many big-cap and value funds drew power from economically sensitive cyclicals. **Select Transportation** (up 10.2%) and **Chemicals** (up 10.6%) enjoyed strong gains. (Berk-

shire Hathaway's purchase of Burlington Northern gave the former fund a shot in the arm, and was effectively a "vote" from Warren Buffett himself on the state of the economy!) Apart from cyclicals, drug makers also fared well in November, even as Congress moved closer to a national health care plan.

At the other end of the spectrum, small-cap and growth-oriented funds struggled last month. Five of Fidelity's six dedicated small-cap funds finished at the bottom of the heap with gains ranging from just 1.4% to 3.6%. **Small Cap Discovery** (up 1.4%)

fared worst last month, in part, owing to its 20.1% stake in financials. But owning financials, in and of itself, was hardly a death knell, as **Fifty** fund (up 7.8%) was Fidelity's top-performer with a near-equal exposure to that sector. So why did it do so well? Credit strong stock selection.

For the year, **Leveraged Company Stock** (up 51.3%) leads the way having benefited from investors' attraction to riskier assets. That, of course, is a complete reversal from last-year's mindset. **OTC** follows close behind with a year-to-date gain of 50.5%.

FIDELITY SCORECARD - NOVEMBER 30, 2009

Fund No.	Fund Ticker	Fund Name	Short-Term Trading Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹			
						Nov	YTD	2008	1 Year	3 Year	5 Year				
MID-CAP GROWTH FUNDS						Category Averages			6.0	35.0	-44.7	41.4	-6.8	1.0	1.28
324	FDEGX	Growth Strategies	1.50%/90 days	15.28	Hold	6.6	31.2	-49.3	35.8	-8.0	-0.8	1.24			
2012	FMEIX	Mid Cap Enhanced Index	0.75%/30 days	7.95	Hold	5.2	31.0	-38.7	37.3	--	--	--			
793	FSMGX	Mid Cap Growth	0.75%/30 days	9.32	Hold	6.9	37.3	-49.3	42.3	-10.8	-1.6	1.30			
337	FMCSX	Mid-Cap Stock	0.75%/30 days	22.17	Hold	6.1	42.0	-46.0	52.5	-6.1	2.9	1.38			
300	FMILX	New Millennium		23.58	OK to Buy	5.3	33.7	-40.2	38.9	-2.3	3.7	1.19			
MID-CAP BLEND FUNDS						Category Averages			4.5	40.8	-45.1	49.2	-6.1	1.7	1.43
122	FLVCX	Leveraged Company Stock	1.50%/90 days	21.76	Buy	5.8	51.3	-54.5	57.9	-6.8	2.4	1.74			
316	FLPSX	Low-Priced Stock	1.50%/90 days	30.64	Buy	3.9	33.4	-36.2	44.9	-3.7	3.2	1.17			
398	FSEMXX	Spartan Extended Mkt Index ⁴	0.75%/90 days	28.86	Hold	4.0	28.0	-38.5	34.0	-5.9	1.9	1.20			
14	FSLSX	Value Strategies		20.89	OK to Buy	4.2	50.4	-51.2	60.1	-7.9	-0.5	1.62			
MID-CAP VALUE FUNDS						Category Averages			4.9	32.5	-43.5	40.7	-8.2	0.7	1.40
762	FSMVX	Mid Cap Value	0.75%/30 days	12.21	Hold	4.7	28.4	-40.5	39.0	-7.5	1.2	1.31			
39	FDVLX	Value		54.47	Buy	5.1	36.7	-46.5	42.5	-9.0	0.2	1.50			
SMALL CAP GROWTH						Category Averages			3.1	23.1	-41.9	28.5	-8.3	0.5	1.32
2011	FCPEX	Small Cap Enhanced Index	1.50%/90 days	7.54	OK to Sell	3.6	15.0	-33.7	21.1	--	--	--			
1388	FCPGX	Small Cap Growth	1.50%/90 days	11.45	Hold	3.4	31.8	-44.9	36.5	-5.5	2.7	1.27			
336	FDSCX	Small Cap Independence	1.50%/90 days	12.90	Hold	2.3	22.5	-47.0	28.0	-11.1	-1.7	1.38			
SMALL CAP BLEND						Category Averages			2.9	37.4	-33.6	49.8	-2.8	3.6	1.39
384	FSCRX	Small Cap Discovery ⁶	1.50%/90 days	14.07	Hold↓	1.4	38.2	-27.6	51.9	-1.4	3.8	1.39			
340	FSLCX	Small Cap Stock	2.00%/90 days	14.53	OK to Buy	5.7	48.3	-42.9	61.3	-2.9	2.7	1.44			
1389	FCPVX	Small Cap Value	1.50%/90 days	11.69	Hold↓	1.7	25.8	-30.3	36.3	-4.0	4.4	1.34			
SPECIALTY FUNDS						Category Averages			2.9	37.4	-33.6	49.8	-2.8	3.6	1.39
2063	FOTTX	130/30 Large Cap (2008 ret from 1st full month)		6.50	OK to Sell	5.7	1.1	-35.3p	2.2	--	--	--			
304	FBALX	Balanced		16.15	Hold	3.7	25.7	-31.3	28.5	-2.0	3.7	0.81			
308	FCVSX	Convertible Securities		21.30	Buy	3.8	58.3	-47.8	67.7	-1.0	3.9	1.38			
1960	FDYSX	Dynamic Strategies		8.49	Hold	4.4	27.1	-28.4	30.8	--	--	--			
355	FFNOX	Four-in-One Index		24.31	Hold	4.3	22.7	-32.6	26.5	-3.9	2.2	0.92			
334	FGBLX	Global Balanced	1.00%/30 days	20.47	OK to Buy	4.3	22.9	-23.3	29.3	2.7	6.6	0.76			
2120	FFGCX	Global Commodity Stock	1.00%/30 days	14.47	Buy	8.7	44.7p	--	--	--	--	--			
1368	FIREX	International Real Estate	1.50%/90 days	8.85	Hold	0.6	33.5	-50.5	40.9	-13.3	1.0	1.45			
4	FPURX	Puritan		15.92	OK to Buy	4.3	24.7	-29.2	27.5	-1.7	2.9	0.73			
833	FRIFX	Real Estate Income	0.75%/90 days	9.17	OK to Buy	2.3	42.8	-31.0	46.0	-2.6	1.9	0.81			
303	FRESX	Real Estate Investment	0.75%/90 days	19.00	Hold	8.6	24.4	-38.2	47.6	-16.1	-0.6	2.12			
1329	FSDIX	Strategic Dividend & Income		9.16	OK to Buy	4.2	31.4	-41.2	37.4	-7.3	0.6	1.17			
1505	FSRRX	Strategic Real Return	0.75%/60 days	8.52	Buy	2.7	26.1	-23.4	29.5	-0.5	--	0.70			
311	FIUIX	Telecom & Utilities		13.25	Sell	6.2	4.2	-34.6	4.2	-8.2	2.3	0.91			
ASSET ALLOCATION FUNDS						Category Averages			2.9	37.4	-33.6	49.8	-2.8	3.6	1.39
328	FASIX	Asset Manager 20%		11.98	Hold	1.7	19.0	-14.2	21.5	2.3	4.4	0.38			
1957	FTANX	Asset Manager 30%		9.17	Hold	2.3	22.8	-19.7	25.4	--	--	--			
1958	FFANX	Asset Manager 40%		8.88	Hold	2.5	24.5	-23.2	27.3	--	--	--			
314	FASMXX	Asset Manager 50%		13.68	Hold	3.0	28.7	-27.8	32.8	-0.3	2.8	0.72			
1959	FSANX	Asset Manager 60%		8.58	Hold	3.3	30.0	-30.0	34.0	--	--	--			
321	FASGX	Asset Manager 70%		14.21	Hold	3.7	32.3	-34.9	37.0	-2.4	1.7	0.92			
347	FAMRX	Asset Manager 85%		11.42	Hold	4.2	34.4	-38.6	39.5	-3.5	2.3	1.04			

International Funds

Fidelity's 24 international funds took something of a breather last month, but still delivered a respectable average return of 3.9%. That said, a still-falling dollar helped many performances. The strongest international funds have strong ties to commodities and materials (including gold). **Latin America** surged 10.8% and **Canada** rose 8.0%. At the same time, **Global Commodity Stock** (which we classify as a Specialty fund on p. 7), was up a handsome 8.7%. And despite evidence that their economies are mending (though imperceptibly so),

Japan (unchanged) and **Japan Smaller Companies** (down 3.4%) were laggards in November.

Fixed-Income Funds

Stocks and bonds often move in opposite directions, but bonds also enjoyed solid gains in November. (Page 4 contains a detailed view of Fidelity's investment-grade taxable bond funds.)

The best taxable fund was **Inflation-Protected** bond (up 2.7%), which we think of as an insurance policy against inflation. High-yield funds (for a change) generally fared less well, although **Capital & Income**

also gained 2.7% in November. **Floating Rate High Income**, on the other hand, lost 0.1%.

Gains on municipal bond funds were more subdued, averaging less than 1%. A notable exception was **California Muni Income** (flat) reflecting investors' skittishness over that state's budget mess.

Finally, the yield on Fidelity's largest money market fund, **Cash Reserves** is 0.11%, though you can get a whopping eight basis points more (0.19%) from **Select Money Market**, which is currently their highest-yielding "cash" product. ■

FIDELITY SCORECARD - NOVEMBER 30, 2009

Fund No.	Fund Ticker	Fund Name	Short-Term Trading Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹			
						Nov	YTD	2008	1 Year	3 Year	5 Year				
INTERNATIONAL FUNDS						Category Averages			3.9	38.9	-47.0	49.3	-3.8	6.9	1.44
309	FICDX	Canada	1.50%/90 days	48.02	Hold	8.0	37.0	-42.6	41.6	1.6	9.7	1.53			
352	FHKCX	China Region	1.50%/90 days	27.64	Buy	4.1	62.5	-44.9	73.0	10.6	14.7	1.62			
325	FDIVX	Diversified International	1.00%/30 days	27.88	OK to Buy	3.8	29.6	-45.2	40.1	-5.4	4.3	1.29			
2053	FEMEX	Emerg Europe, MidEast, Africa	1.50%/90 days	7.48	Hold	2.8	56.8	-52.4p	67.9	--	--	--			
322	FEMKX	Emerging Markets	1.50%/90 days	21.99	Buy	6.3	69.3	-60.8	81.3	0.1	14.5	1.82			
301	FIEUX	Europe	1.00%/30 days	29.24	Hold	4.3	30.6	-44.0	40.5	-4.2	6.0	1.27			
341	FECAX	Europe Capital App	1.00%/30 days	17.90	Hold	4.3	30.9	-46.3	40.8	-5.8	5.8	1.30			
335	FIVFX	Int'l Cap App	1.00%/30 days	11.20	Buy↑	3.9	50.7	-50.7	62.8	-7.1	1.5	1.56			
305	FIGRX	International Discovery	1.00%/30 days	30.01	Hold	4.2	27.0	-44.3	36.1	-4.4	5.4	1.24			
2010	FIENX	International Enchanced Index	1.00%/30 days	6.98	OK to Sell↓	3.4	23.4	-43.3	33.6	--	--	--			
1979	FIGFX	International Growth	1.00%/30 days	7.34	Hold	4.6	32.5	-41.3	43.8	--	--	--			
818	FISMX	Int'l Small Cap	2.00%/90 days	17.84	Hold	2.1	44.5	-46.5	55.4	-3.4	6.3	1.40			
1504	FSCOX	Int'l Small Cap Opportunities	2.00%/90 days	8.39	Hold	3.1	40.1	-58.4	48.6	-14.4	--	1.56			
1597	FIVLX	International Value	1.00%/30 days	8.02	OK to Buy	3.5	34.6	-46.7	46.3	-6.8	--	1.45			
350	FJPNX	Japan	1.50%/90 days	10.03	OK to Sell	0.0	12.4	-36.8	23.4	-11.0	-0.4	1.16			
360	FJSCX	Japan Smaller Companies	1.50%/90 days	8.30	OK to Sell	-3.4	15.8	-34.5	26.0	-12.7	-5.4	1.28			
349	FLATX	Latin America	1.50%/90 days	52.41	OK to Buy	10.8	89.8	-54.6	99.3	9.6	24.6	1.85			
342	FNORX	Nordic	1.50%/90 days	27.54	Hold	4.6	46.6	-56.0	56.6	-5.5	5.7	1.63			
94	FOSFX	Overseas	1.00%/30 days	31.10	OK to Sell	3.2	24.0	-47.3	32.7	-6.5	3.5	1.31			
302	FPBFX	Pacific Basin	1.50%/90 days	20.37	Buy↑	2.5	53.4	-55.8	72.8	-4.2	6.5	1.69			
351	FSEAX	Southeast Asia	1.50%/90 days	25.11	OK to Sell	4.7	33.1	-51.9	42.4	1.5	13.2	1.51			
399	FSIIX	Spartan Int'l Index ⁴	1.00%/90 days	33.79	Hold	3.0	26.7	-41.4	37.5	-5.3	4.3	1.27			
1978	FTIEX	Total International Equity	1.00%/30 days	6.69	OK to Buy	4.4	37.9	-47.2	49.9	--	--	--			
318	FWWFX	Worldwide	1.00%/30 days	15.78	Hold	5.3	25.3	-40.2	30.0	-3.2	4.2	1.13			
SELECT PORTFOLIOS						Category Averages			6.1	38.1	-40.5	43.3	-3.9	3.1	1.42
34	FSAIX	Air Transportation	0.75%/30 days	27.15	Hold↓	6.6	4.2	-32.6	16.9	-12.0	0.5	1.59			
502	FSAVX	Automotive	0.75%/30 days	29.36	OK to Buy	10.5	107.3	-61.2	105.0	-6.5	-1.1	2.62			
507	FSRBX	Banking	0.75%/30 days	15.47	OK to Sell↓	5.1	6.2	-37.5	4.5	-18.5	-9.6	1.61			
42	FBIOX	Biotechnology	0.75%/30 days	62.48	Hold	7.0	5.7	-11.4	14.7	-2.4	3.1	1.05			
68	FSLBX	Brokerage & Investment	0.75%/30 days	47.07	Buy	-0.1	48.7	-49.3	59.5	-8.1	4.5	1.53			
69	FSCHX	Chemicals	0.75%/30 days	74.50	OK to Buy↑	10.6	61.6	-43.3	56.7	6.5	7.3	1.39			
518	FSDCX	Communications Equipment	0.75%/30 days	19.54	OK to Buy	2.7	69.6	-48.5	76.0	-1.6	1.0	1.64			
7	FDCPX	Computers	0.75%/30 days	42.11	OK to Buy	4.9	69.2	-48.5	67.0	2.1	4.4	1.44			
511	FSHOX	Construction & Housing	0.75%/30 days	27.64	OK to Buy	6.1	15.9	-26.8	24.4	-9.4	-1.3	1.50			
517	FSCPX	Consumer Discretionary	0.75%/30 days	17.99	OK to Buy	6.1	31.9	-34.6	39.8	-7.4	-0.7	1.19			
9	FDFAX	Consumer Staples	0.75%/30 days	61.44	Hold	2.3	20.6	-22.3	24.3	5.4	8.7	0.81			
67	FSDAX	Defense & Aerospace	0.75%/30 days	58.37	OK to Sell	8.1	19.3	-40.2	29.0	-5.1	3.8	1.34			
8	FSELX	Electronics	0.75%/30 days	36.59	Buy	5.4	62.0	-49.9	70.5	-6.1	0.6	1.49			
60	FSENX	Energy	0.75%/30 days	42.19	Buy	1.8	40.3	-54.0	32.4	-3.2	9.9	1.74			
43	FSESX	Energy Service	0.75%/30 days	55.85	Buy	1.5	55.5	-63.2	37.3	-5.3	8.0	2.04			
516	FSLEX	Environmental	0.75%/30 days	14.99	OK to Sell	4.2	12.0	-30.5	17.9	-4.1	1.8	1.08			
66	FIDSX	Financial Services	0.75%/30 days	57.40	Hold↓	1.2	23.6	-49.9	26.7	-18.2	-7.0	1.50			
41	FSAGX	Gold	0.75%/30 days	47.03	OK to Buy	18.2	48.9	-20.5	89.1	12.8	19.9	2.28			
63	FSPHX	Health Care	0.75%/30 days	102.78	Hold	6.8	27.2	-32.4	35.0	-0.8	4.9	0.96			
98	FVLX	Home Finance	0.75%/30 days	10.51	OK to Sell↓	2.0	-4.0	-58.6	-3.2	-36.7	-23.4	1.38			
510	FSCGX	Industrial Equipment	0.75%/30 days	24.82	Hold	8.5	34.8	-46.8	39.4	-3.5	2.9	1.52			
515	FCYIX	Industrials	0.75%/30 days	17.50	Hold	8.7	33.5	-40.1	39.8	-1.7	4.4	1.42			
45	FSPCX	Insurance	0.75%/30 days	39.41	Hold↓	2.3	20.3	-47.0	32.1	-14.5	-4.1	1.42			
353	FBSOX	IT Services	0.75%/30 days	16.92	Hold	7.2	50.9	-32.9	57.1	4.7	7.1	1.21			
62	FDLSX	Leisure	0.75%/30 days	65.32	Hold	6.7	21.5	-29.1	34.8	-2.8	2.7	1.09			
509	FSDPX	Materials	0.75%/30 days	52.62	OK to Buy↑	11.8	73.1	-47.6	78.5	5.9	10.2	1.57			
505	FSHCX	Medical Delivery	0.75%/30 days	40.69	Hold	8.7	40.8	-44.6	55.3	-1.7	4.6	1.37			
354	FSMEX	Medical Equipment	0.75%/30 days	23.54	OK to Sell	6.6	27.6	-23.4	34.1	4.9	6.4	0.96			
503	FBMPX	Multimedia	0.75%/30 days	32.20	OK to Buy	7.9	45.2	-39.3	53.2	-6.0	0.5	1.32			
513	FSNGX	Natural Gas	0.75%/30 days	29.82	Hold	-0.3	47.8	-56.7	40.4	-5.6	6.5	1.86			
514	FNARX	Natural Resources	0.75%/30 days	27.52	Hold	4.6	46.2	-52.4	43.4	0.5	12.2	1.76			
912	FNINX	Networking & Infrastruc (closed)	Merged into Communications Equipment on June 19, 2009												
506	FSPFX	Paper & Forest (closed)	Merged into Materials on June 19, 2009												
580	FPHAX	Pharmaceuticals	0.75%/30 days	10.71	Hold	9.1	22.2	-22.7	29.3	2.3	7.6	0.92			
46	FSRPX	Retailing	0.75%/30 days	43.23	Buy	4.7	51.1	-29.6	63.2	-0.7	4.3	1.24			
28	FSCSX	Software & Computer Svcs	0.75%/30 days	71.79	OK to Buy	6.1	52.7	-42.1	55.1	2.6	7.4	1.22			
64	FSPTX	Technology	0.75%/30 days	69.82	Buy	5.9	76.1	-51.1	84.4	0.3	3.8	1.58			
96	FSTCX	Telecommunications	0.75%/30 days	38.29	Hold	7.3	43.8	-47.6	48.8	-5.3	2.3	1.33			
512	FSRFX	Transportation	0.75%/30 days	36.41	Hold	10.2	13.1	-27.0	13.4	-7.1	0.5	1.22			
65	FSUTX	Utilities	0.75%/30 days	43.12	Sell	4.0	7.7	-36.0	5.4	-6.4	3.5	0.99			
963	FWRLX	Wireless	0.75%/30 days	6.45	Hold	6.4	50.4	-49.6	58.1	-0.5	4.6	1.40			

FIDELITY SCORECARD - NOVEMBER 30, 2009

Fund No.	Fund Ticker	Fund Name	Short-Term Trading Fee	\$Price (NAV)	Advice	Total Return (%)			SEC	Dist ⁷	Dur ²	Tax-Equivalent Yield						
						Nov	YTD	2008	%Yield	%Yield	(Yrs)	Federal Tax Bracket						
TAXABLE BOND FUNDS						Category Averages			1.4	7.3	3.6	2.63	3.05	4.3				
15	FGMN	Ginnie Mae		11.67	Hold	1.5	8.6	7.1	3.14	3.89	2.9							
54	FGOV	Government Income		10.69	Hold	1.3	3.3	11.0	2.43	3.19	4.4							
794	FINPX	Inflation-Protected Bond ⁸		11.70	Buy	2.7	12.2	-2.3	0.54	0.72	6.2							
32	FTHRX	Intermediate Bond		10.35	Buy	1.4	18.6	-5.8	3.43	4.14	3.7							
452	FSTGX	Intermediate Gov't Income		10.94	Hold	1.3	2.8	10.1	1.68	2.17	3.6							
26	FBNDX	Investment Grade Bond		7.14	Buy	1.4	17.1	-7.1	3.95	4.15	4.3							
40	FMSFX	Mortgage Securities		10.67	Hold	1.4	10.6	1.3	4.24	4.51	2.7							
450	FSHBX	Short-Term Bond		8.37	Hold	0.8	7.8	-3.7	1.98	2.65	1.8							
1561	FIBIX	Sptn Interm Treas Index ⁵		10.89	Hold	2.1	-1.3	16.4	2.73	3.05	6.6							
1562	FLBIX	Sptn Lng-Term Treas Index ⁵		10.74	OK to Sell	1.8	-8.2	24.1	3.85	3.80	12.6							
1560	FSBIX	Sptn Sht-Term Treas Index ⁵		10.60	Hold	1.0	1.2	8.7	0.98	1.70	2.6							
820	FTBFX	Total Bond		10.61	Buy	1.2	20.2	-5.6	4.25	4.23	3.9							
651	FBDIX	U.S. Bond Index		11.27	Hold	1.3	8.1	3.8	3.08	3.67	4.1							
812	FUSFX	Ultra-Short Bond	0.25%/60 days	8.15	OK to Sell	0.2	1.1	-7.8	0.52	0.83	0.7							
HIGH-YIELD BOND FUNDS						Category Averages			1.0	40.4	-20.4	6.30	5.31					
38	FAGIX	Capital & Income	1.00%/90 days	8.35	OK to Buy	2.7	64.2	-31.9	7.48	6.28	--							
814	FFRH	Floating Rate High Income	1.00%/60 days	9.27	OK to Buy	-0.1	25.6	-16.5	4.56	2.77	--							
1366	FHIFX	Focused High Income	1.00%/90 days	9.06	Buy	0.4	31.2	-20.5	6.83	6.05	--							
455	SPHIX	High Income	1.00%/90 days	8.25	Buy	1.0	46.1	-23.7	7.51	6.43	--							
331	FNMX	New Markets Income	1.00%/90 days	15.28	Buy	0.6	44.4	-18.2	6.33	5.73	--							
368	FSICX	Strategic Income		10.91	Buy	1.6	31.2	-11.4	5.11	4.59	--							
MUNICIPAL BOND						Category Averages			0.7	9.8	-0.9	3.05	3.62	6.1	25%	28%	33%	35%
36	FLTMX	Interm Municipal Income	0.50%/30 days	10.17	Buy	0.9	8.6	1.0	2.79	3.51	5.2	3.7	3.9	4.2	4.3			
37	FHIGX	Municipal Income	0.50%/30 days	12.43	Buy	0.4	12.5	-4.6	3.86	4.15	8.1	5.1	5.4	5.8	5.9			
404	FSTFX	Short-Int Municipal Income	0.50%/30 days	10.65	Buy	0.9	5.6	3.5	1.62	2.72	2.7	2.2	2.3	2.4	2.5			
90	FTABX	Tax-Free Bond	0.50%/30 days	10.73	Buy	0.5	12.7	-3.4	3.92	4.12	8.2	5.2	5.4	5.9	6.0			
STATE-SPECIFIC MUNICIPAL BOND						Category Averages			0.8	10.8	-1.9	3.25	3.67	7.0				
434	FSAZX	Arizona Muni Income	0.50%/30 days	11.28	OK to Buy	0.8	13.3	-4.2	3.62	3.72	8.3	4.8	5.0	5.4	5.6			
91	FCFX	California Muni Income	0.50%/30 days	11.75	OK to Buy	0.0	11.3	-5.6	4.22	4.27	7.8	5.6	5.9	6.3	6.5			
1534	FCSTX	Calif Short-Interm Tax Free	0.50%/30 days	10.58	OK to Buy	1.1	5.9	4.0	1.94	2.57	3.1	2.6	2.7	2.9	3.0			
407	FICNX	Connecticut Muni Income	0.50%/30 days	11.46	OK to Buy	1.2	11.0	-1.1	3.05	3.53	6.9	4.1	4.2	4.6	4.7			
429	SMDMX	Maryland Muni Income	0.50%/30 days	10.93	OK to Buy	0.8	13.8	-4.0	3.12	3.50	7.4	4.2	4.3	4.7	4.8			
70	FDMX	Mass Muni Income	0.50%/30 days	11.81	OK to Buy	1.0	12.4	-3.6	3.41	3.83	7.6	4.5	4.7	5.1	5.2			
81	FMHTX	Michigan Muni Income	0.50%/30 days	11.86	Hold	0.6	8.9	-0.1	3.29	3.87	6.7	4.4	4.6	4.9	5.1			
82	FIMIX	Minnesota Muni Income	0.50%/30 days	11.43	OK to Buy	1.2	10.0	-0.3	2.75	3.53	6.3	3.7	3.8	4.1	4.2			
416	FNJHX	New Jersey Muni Income	0.50%/30 days	11.48	OK to Buy	0.6	11.3	-3.0	3.31	3.74	7.3	4.4	4.6	4.9	5.1			
71	FTFMX	New York Muni Income	0.50%/30 days	12.81	OK to Buy	0.8	11.6	-2.5	3.58	3.82	8.1	4.8	5.0	5.3	5.5			
88	FOHFX	Ohio Muni Income	0.50%/30 days	11.61	OK to Buy	0.8	10.8	-1.6	3.42	3.92	7.5	4.6	4.8	5.1	5.3			
402	FPXTX	Pennsylvania Muni Income	0.50%/30 days	10.80	OK to Buy	1.0	9.5	-0.8	3.31	3.75	6.6	4.4	4.6	4.9	5.1			
TAXABLE MONEY MARKET						Category Averages			0.01	0.44	2.54	0.06						
55	FDRXX	Cash Reserves		1.00	--	0.01	0.60	2.89	0.11	na	na							
631	FGMXX	Retirement Government MM		1.00	--	0.01	0.29	2.37	0.01	na	na							
630	FRTXX	Retirement MM		1.00	--	0.02	0.62	2.93	0.05	na	na							
458	SPAXX	Government MM		1.00	--	0.01	0.32	2.31	0.01	na	na							
454	SPRXX	Money Market		1.00	--	0.01	0.62	2.90	0.06	na	na							
85	FSLXX	Select MM		1.00	--	0.02	0.66	2.97	0.19	na	na							
50	FGRXX	U.S. Gov't Reserves		1.00	--	0.00	0.37	2.45	0.01	na	na							
415	FDLXX	US Treasury MM (closed)		1.00	--	0.01	0.05	1.49	0.01	na	na							
MUNICIPAL MONEY MARKET						Category Averages			0.00	0.15	1.83	0.01						
460	FIMXX	AMT Tax-Free Money Fnd		1.00	--	0.01	0.20	1.87	0.01	na	na	0.0	0.0	0.0	0.0			
10	FTEXX	Municipal Money Market		1.00	--	0.00	0.17	1.91	0.01	na	na	0.0	0.0	0.0	0.0			
275	FMOXX	Tax-Free Money Market		1.00	--	0.00	0.09	1.70	0.01	na	na	0.0	0.0	0.0	0.0			
STATE MUNICIPAL MONEY MARKET						Category Averages			0.00	0.11	1.77	0.01						
433	FSAXX	Arizona		1.00	--	0.00	0.08	1.75	0.01	na	na	0.0	0.0	0.0	0.0			
457	FSPXX	California AMT Tax-Free		1.00	--	0.00	0.15	1.86	0.01	na	na	0.0	0.0	0.0	0.0			
97	FCFX	California		1.00	--	0.00	0.05	1.67	0.01	na	na	0.0	0.0	0.0	0.0			
418	FCMXX	Connecticut		1.00	--	0.00	0.09	1.72	0.01	na	na	0.0	0.0	0.0	0.0			
426	FMSXX	Mass AMT Tax-Free		1.00	--	0.00	0.18	1.85	0.01	na	na	0.0	0.0	0.0	0.0			
74	FDMXX	Massachusetts		1.00	--	0.00	0.07	1.67	0.01	na	na	0.0	0.0	0.0	0.0			
420	FIMXX	Michigan		1.00	--	0.00	0.02	1.68	0.01	na	na	0.0	0.0	0.0	0.0			
423	FSJXX	New Jersey AMT Tax-Free		1.00	--	0.00	0.19	1.91	0.01	na	na	0.0	0.0	0.0	0.0			
417	FNJXX	New Jersey		1.00	--	0.00	0.07	1.67	0.01	na	na	0.0	0.0	0.0	0.0			
422	FSNXX	New York AMT Tax-Free		1.00	--	0.00	0.19	1.86	0.01	na	na	0.0	0.0	0.0	0.0			
92	FNYXX	New York		1.00	--	0.00	0.11	1.69	0.01	na	na	0.0	0.0	0.0	0.0			
419	FOMXX	Ohio		1.00	--	0.00	0.15	1.77	0.01	na	na	0.0	0.0	0.0	0.0			
401	FPTXX	Pennsylvania		1.00	--	0.00	0.09	1.85	0.01	na	na	0.0	0.0	0.0	0.0			

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

FIDELITY SCORECARD - NOVEMBER 30, 2009

Fund No.	Fund Ticker	Fund Name	Short-Term Trading Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹
						Nov	YTD	2008	1 Year	3 Year	5 Year	
FIDELITY PERSONAL RETIREMENT ANNUITY PORTFOLIOS												
9067	FLRQC	Fid VIP Asset Manager		11.30	Hold	3.8	26.6	-29.0	29.5	1.1	3.1	0.80
9066	FAEEC	Fid VIP Asset Manager: Growth		10.67	Hold	4.9	29.1	-36.0	32.0	-0.7	2.0	1.01
9069	FJBAC	Fid VIP Balanced		11.11	Hold	4.0	33.9	-34.2	39.4	-1.4	2.6	0.94
9081	FVHAC	Fid VIP Consumer Discretionary	1.00%/60 days	8.96	OK to Buy	6.1	31.8	-34.3	39.2	-7.4	-1.0	1.17
9171	FCSAC	Fid VIP Consumer Staples	1.00%/60 days	10.47	Hold	2.3	20.1	-21.6	23.6	--	--	--
9065	FPDFC	Fid VIP Contrafund		10.39	Hold	5.2	30.4	-42.7	32.4	-4.3	3.0	1.12
9148	FPRGC	Fid VIP Disciplined Small Cap		7.39	OK to Sell	3.7	13.4	-34.0	19.4	-10.0	--	1.16
9074	FZAMC	Fid VIP Dynamic Capital App		9.81	OK to Sell↓	7.0	26.6	-41.4	33.0	-7.1	1.9	1.15
9198	FEMAC	Fid VIP Emerging Markets	1.00%/60 days	7.50	Buy	6.3	68.6	--	80.0	--	--	--
9085	FJLLC	Fid VIP Energy	1.00%/60 days	11.85	Buy	1.9	40.6	-54.4	32.6	-3.5	9.0	1.75
9061	FLOLC	Fid VIP Equity-Income		9.06	Buy	5.0	27.7	-42.9	29.9	-9.0	-0.9	1.18
9083	FONNC	Fid VIP Financial Services	1.00%/60 days	6.63	Hold↓	1.1	24.8	-50.3	28.0	-18.2	-7.2	1.55
9157	FMPAC	Fid VIP FundsManager 20		11.13	Hold	1.7	10.0	-8.5	12.6	2.2	--	0.28
9158	FMPBC	Fid VIP FundsManager 50		10.26	Hold	3.0	17.4	-22.8	21.3	-0.9	--	0.60
9197	FMPPC	Fid VIP FundsManager 60		9.06	Hold	3.5	20.5	--	25.0	--	--	--
9159	FMPCC	Fid VIP FundsManager 70		9.48	Hold	3.9	21.8	-32.2	25.9	-3.6	--	0.82
9160	FMPDC	Fid VIP FundsManager 85		8.95	Hold	4.5	25.2	-38.3	29.7	-5.4	--	0.98
9062	FMNDC	Fid VIP Growth		8.95	OK to Sell	6.2	23.0	-47.3	22.6	-6.7	-1.2	1.11
9070	FLFNC	Fid VIP Growth & Income		9.47	OK to Sell↓	5.2	23.4	-41.9	24.2	-7.0	-0.2	1.03
9068	FIDPC	Fid VIP Growth Opportunities		8.47	Buy	6.1	37.9	-55.2	37.4	-9.5	-2.4	1.38
9078	FPVDC	Fid VIP Growth Stock		9.78	OK to Buy	6.6	39.6	-44.8	42.7	-2.9	--	1.16
9077	FQBRC	Fid VIP Growth Strategies		8.70	Hold	6.5	30.9	-49.0	35.3	-8.4	--	1.21
9084	FPDRC	Fid VIP Health Care	1.00%/60 days	10.37	Hold	6.8	27.3	-32.5	35.0	-1.6	4.4	0.92
9060	FBBLC	Fid VIP High Income		11.96	Buy	0.7	39.1	-25.1	43.3	2.6	4.0	0.73
9064	FXVLT	Fid VIP Index 500		9.62	Hold	6.0	23.9	-37.2	25.3	-6.0	0.3	1.00
9082	FBALC	Fid VIP Industrials	1.00%/60 days	11.46	Hold	8.8	34.1	-40.0	40.7	-1.4	4.5	1.41
9076	FVJIC	Fid VIP Int'l Capital App	1.00%/60 days	9.55	OK to Buy	3.9	50.7	-50.8	62.6	-7.3	--	1.56
9063	FTLKC	Fid VIP Investment Grade Bond		12.26	Buy	1.2	16.7	-3.5	20.8	5.2	4.5	0.25
9172	FVMAC	Fid VIP Materials	1.00%/60 days	10.37	OK to Buy↑	11.8	72.0	-47.1	77.3	--	--	--
9071	FNBSB	Fid VIP Mid Cap		11.44	Buy	5.4	37.4	-39.7	43.5	-1.8	5.2	1.12
9059	FTNJC	Fid VIP Money Market		11.46	--	0.0	0.5	2.7	0.6	2.8	2.9	0.03
9088	FEMMC	Fid VIP Overseas	1.00%/60 days	10.59	OK to Sell↓	4.2	24.1	-44.0	32.4	-5.7	3.1	1.24
9072	FFWKC	Fid VIP Real Estate		8.92	Hold	7.5	27.6	-40.1	52.8	-15.0	0.5	2.19
9075	FGDQC	Fid VIP Strategic Income		13.22	Buy	1.5	29.3	-10.6	34.6	6.8	6.3	0.46
9086	FYENC	Fid VIP Technology	1.00%/60 days	11.85	Buy	5.8	80.9	-51.0	89.0	0.2	4.4	1.57
9173	FVTAC	Fid VIP Telecommunications	1.00%/60 days	7.27	Hold	7.1	39.9	-47.6	44.3	--	--	--
9087	FXRRC	Fid VIP Utilities	1.00%/60 days	10.98	Sell	3.9	8.1	-35.8	5.8	-5.6	4.1	0.99
9079	FKMSC	Fid VIP Value		8.60	Buy	5.2	35.0	-46.7	40.5	-9.6	--	1.46
9080	FUEBC	Fid VIP Value Leaders		8.58	Hold	5.3	24.8	-44.8	27.3	-10.2	--	1.19
9073	FRBSC	Fid VIP Value Strategies		9.05	OK to Buy	4.3	48.4	-51.3	57.6	-8.6	-1.2	1.61
9199	FCIFC	Credit Suisse Int'l Focus		7.45	OK to Sell	2.8	21.7	--	30.7	--	--	--
9147	FPRLC	Lazard Retirement Emerging Mkts		12.36	Buy	3.7	63.7	-48.7	76.6	5.2	--	1.59
9143	FPRMC	Morgan Stanley Emerg Mkt Debt		12.63	Buy	1.0	29.2	-15.2	38.0	5.8	8.0	0.65
9144	FPRNC	Morgan Stanley Emerg Mkt Equity		11.20	Buy	6.4	65.0	-56.7	76.8	2.1	13.7	1.72
9145	FPROC	Morgan Stanley Gbl Value Equity		7.97	OK to Sell	2.1	12.8	-40.3	17.7	-9.7	-1.2	0.95
9146	FPRPC	Morgan Stanley Int'l Magnum		9.00	Hold↓	3.2	30.1	-44.8	40.1	-5.3	3.3	1.31
9276	FPMBC	Pimco VIT Low Duration		10.16	Hold	0.6	1.6p	--	--	--	--	--
9277	FPNBC	Pimco VIT Real Return		10.51	Buy	2.8	5.1p	--	--	--	--	--
9278	FPOBC	Pimco VIT Total Return		10.22	Buy	1.1	2.2p	--	--	--	--	--
9174	FMCCC	Strategic Adv Mid Cap Val (closed)		7.50	Hold	5.7	23.7	-35.4	30.6	--	--	--
9175	FSCCC	Strategic Adv Small Cap (closed)		7.31	Hold	4.9	29.8	-38.7	39.1	--	--	--

ANNUITY MODEL PORTFOLIOS

Annuity Growth Model	
Fund	Allocation
Fidelity VIP Strategic Income	35%
Fidelity VIP Growth Opportunities	24
Fidelity VIP Value	18
Fidelity VIP Emerging Markets	12
Fidelity VIP Equity-Income	11
Total Return: Nov: 4.2% YTD: 29.0%	

Annuity Growth & Income Model	
Fund	Allocation
Fidelity VIP Investment Grade	31%
Fidelity VIP Strategic Income	27
Fidelity VIP Growth Opportunities	23
Fidelity VIP Value	15
Fidelity VIP Equity-Income	4
Total Return: Nov: 3.1% YTD: 24.6%	

Annuity Income & Preservation Model	
Fund	Allocation
Fidelity VIP Investment Grade	35%
Fidelity VIP Money Market	22
Fidelity VIP Strategic Income	20
Fidelity VIP Value	12
Fidelity VIP Growth Opportunities	11
Total Return: Nov: 2.0% YTD: 17.1%	

FUND UPDATE

Blue Chip Growth Is A Bet On Recovery

Since July, big changes have been afoot in **Blue Chip Growth** [ticker: FBGRX] which we own in two of our more conservative models.



Sonu Kalra

The first change involved new manager Sonu Kalra, who replaced Jennifer Uhrig. With his robust experience running mostly technology-rich growth funds (including **Select Technology, Computers and Networking**, and most recently, **OTC**), we saw Sonu as a natural fit.

The second change came at the same time: Blue Chip Growth's benchmark (the Russell 1000 Growth Index) went through its annual rebalancing of sectors.

Taken together, there's been plenty of turnover in the fund — perhaps more than is indicated by its turnover rate of 134% (the most recent data available). But one thing hasn't changed about Blue Chip Growth, says Sonu, [is that] “the fund is still positioned for an economic recovery.”

But, he adds, “the market has changed a lot, so not to the extent it had been.” There is more focus today on firms that should do well regardless of the economy.

One of the more discernible changes has been an increase in tech. Keeping in mind that Sonu won't deviate by more than five percentage points from his benchmark, he took tech to a 4.1% overweighting of 35.9%. He likes tech for several reasons, including the fact that there's not much overcapacity (as there is elsewhere in the economy). So, as the global economy strengthens, there should be some pricing power. Further, many tech holdings should benefit from the need for productivity enhancements. This is key to higher profits in a slow-growth economy. Elsewhere, more fund assets have been committed to

drug stocks which stand to benefit from a forthcoming wave of patent expirations at competitors. Finally, Sonu likes “big established banks” (though none are among his top-10 holdings) whose financials are improving and represent good values after the 2008/09 selloff.

Sonu has also increased the fund's holdings from about 150 to 230. But at the same time, he's making Blue Chip Growth a bit more concentrated. “I'm trying to increase conviction at the top end of the fund,” he tells us.

Defining The Fund

Taking a step back, Sonu defines “blue chip growth” stocks as established companies that have competitive advantages, high barriers to entry, and carry the promise of superior earnings growth over the long term. There's nothing particularly unique about his investment philosophy, which includes a desire to find stocks that can deliver a higher-than-average return on equity, above-average market growth characteristics and sustainable business models through all business cycles.

What is unique is how Sonu mentally categorizes his stockholdings into three different growth “buckets” (which are not mutually exclusive).

There's “secular growth” (stocks benefiting from long-term changes in the market); “cyclical growth” (stocks in their own particular cycle); and

BLUE CHIP GROWTH

Top 5 Sectors (as of 9/30/09)

Technology	35.9%
Health Care	13.1
Consumer Discretionary	12.5
Consumer Staples	12.2
Industrials	9.4

Top 10 Holdings

Apple
Google
Cisco Systems
Microsoft
Hewlett-Packard
Procter & Gamble
Wal Mart Stores
Coca-Cola
Philip Morris
Johnson & Johnson

“opportunistic growth” (stocks boosted by short-term events).

Two-thirds of the fund's holdings are in Sonu's secular growth bucket, including all of his top-10 holdings. The remaining one-third fall in the other two buckets.

Action Recommendation

With a portfolio of America's larger (at \$24.8 billion, its median market cap is a bit higher than Fidelity's average large cap growth fund), faster-growing, and higher-quality (blue-chip) companies, coupled with Sonu's considerable stockpicking skills, Blue Chip Growth is an attractive way to play the global economic recovery. We rate it a *Buy*. ■

TAX STRATEGIES

Year-End Distributions

Despite this year's big stock market gains, year-end mutual fund distributions should not be a concern for investors.

The reason for this “non-taxable event” was 2008's bear market, where losses superceded this year's rally. Using simple math, a fund that was down 50% a year ago, but rallied 50% this year, is still under water by 25%. So even if the fund sold winning positions, there were

undoubtedly many more losses to offset these gains. Still, some funds may have tiny gains, which Fidelity details on its website. ■

DIVIDEND UPDATE

In addition to monthly dividends paid by Asset Mgr: 20%/30%, bond, and money market funds, year-end dividends and/or capital gains on funds in December are expected to be very modest.

There was one unscheduled distribution in November:

Fund	Ex-Date	\$ Amt	NAV
Europe	11/27	0.52	29.45

SCORECARD ENHANCEMENT

SEC Yield Isn't Always What You Get

We have received several questions from members about why, on some bond funds, they don't seem to be earning anything close to the yield quoted by Fidelity. First, rest assured that Fidelity isn't "playing games" with their stated yields. The SEC has a standard methodology that all funds are mandated to follow in reporting bond fund yields.

The SEC formula basically computes the fund's yield-to-maturity over the past 30-days and projects that on an annualized basis. The benefit of this calculation is that it puts all funds on a comparable footing.

For most bond funds, the SEC's yield-to-maturity approach is not a major problem, but for high-yield bond funds it can distort the yield picture quite a bit.

Funds that invest in high-yield or "junk" bonds typically purchase them at a discount to their "par" value. If they hold them to maturity, in addition to the interest earned, they will also receive a gain when the bond matures at par. In a yield-to-maturity calculation, that gain is added in. This results in a higher yield than what a shareholder actually earns, since few (if any) bonds are actually held to maturity.

To address this problem we have added a new "distributed yield" column to our *Scorecard*. This is simply the actual amount distributed by the fund over the past 12 months divided by its current NAV. For example, the SEC yield on **Capital & Income** is 7.48%, but the distributed yield is a lower 6.28%. However, distributed yields have their own problem in that they are backward looking. Because interest rates have been declining over the past 12 months, the distributed yield

overstates what you are actually getting right now.

In this case, the SEC yield is perhaps (we say perhaps because the direction of rates can always change) a better indicator of what to expect. In short, neither measure is perfect but you can now use both to try and get the best picture. ■

Inside Fidelity

New Manager — Franco Castagliuolo is now co-manager of several taxable bond funds, including **Ginnie Mae, Mortgage Securities, Gov't Income** and **Intermediate Gov't Income**. Bill Irving continues to be the funds' lead manager.

Fund Reopening — **International Small Cap**, closed since May of 2005, has been reopened to investors. We rate the fund a *Hold*.

Corrections & Amplifications — In last month's report, we incorrectly stated that the newly introduced **Pimco VIT Low-Duration** annuity fund "is most like Fidelity's retail **Ultra-Short Bond** fund." In terms of its current interest-rate risk, its duration of 2.5 years makes it most like **Short-Term Bond** (1.8 years) or even **Spartan Short-Term Treasury Index**. (Although the latter's duration is a similar 2.6 years, it has no credit risk, whereas Low-Duration may own riskier notes.) That said, VIT Low-Duration's duration can range from 1 to 3 years. So, in a more normal (higher) interest-rate environment, we would, in fact, expect Low-Duration and Ultra-Short to be different, but still "most alike."

Finally, our apologies go to Martha STEWART and her legions of fans. Spelling her name as Stuart — not a good thing! ■

Message To Members

I am pleased to announce that *Fidelity Insight* and its related assets have recently been purchased by Independent Fidelity Investors, Inc. (IFI). In business since 1986, IFI will continue to publish *Fidelity Insight* with our current great staff.

Fidelity Insight is far from a one-man operation, and I am pleased that the entire team that brings *Fidelity Insight* to you each month will continue under the new ownership.

Our publisher, John Boyd, and I started weeks apart at Fidelity Investments back in 1983, where he was Founder and President of Fidelity Publishing for nine years. For the past 15 years Mr. Boyd has been my right-hand man, overseeing editorial, marketing and operations.

Fidelity Insight's editor, John Bonnanzio has been on our team even longer. He joined us in 1991, from the editorship of *Venture Capital Journal*, and was previously Managing Editor of *Investment Decisions*. Both Johns have worked closely with me over the years on our model portfolios and fund ratings.

While I will be transitioning out of my day-to-day role, I will be putting in my two cents worth over the next year. Let me assure you that you're in excellent hands, and that *Fidelity Insight* will continue to provide you with the same independent information, analysis and advice on Fidelity funds and services that you've come to expect.

My sincere thank you for the unbelievable confidence and support you have shown us over the past 24 years.

Sincerely,



Eric M. Kobren



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

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