

FIDELITY INSIGHT

THE INDEPENDENT REPORT ON FIDELITY FUNDS

DECEMBER 2010

VOLUME 26, NUMBER 12

MARKET OUTLOOK

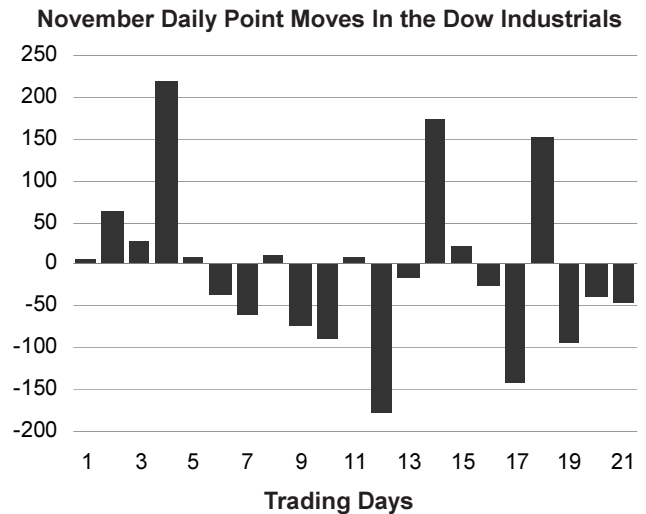
In A Volatile World, Remember To Keep Your Perspective

When I think back on these last few years, I am reminded of the saying attributed (probably incorrectly, but that's another matter) to an old Chinese curse/proverb, "May you live in interesting times." One of the most critical elements of a successful long-term investment program is to be able to keep your perspective and not get bounced around by the events of the day. That is hard enough to do in "boring" times. In the "interesting" times we've been going through since the credit bubble burst in late 2008, it's been near impossible.

My first job in the investment world was as a stock analyst with Fidelity, reporting to the Director of Research, one Peter Lynch. (This was a year before he began his now legendary run as manager of Magellan, so I'm dating myself.) Peter is famously quoted as saying "five minutes spent worrying about the economy is five minutes too much."

I ended up spending nine years at Fidelity (not as a stock analyst — I started a publishing division for the firm, that among other things published Peter's two books, "One Up On Wall Street" and "Beating The Street") and I never once had a conversation with him about where the economy, or the market for that matter, was headed. But mention a stock, well, that was another story. I remember sharing a sandwich with Peter in his impossibly cluttered office, desk stacked high with research reports threaten-

THE DANCING DOW



Buffeted by swirling changes in world political and economic events, the Dow swung wildly in November, with a cumulative move of 1,450 points. But the month ended with just a 66 point net change. Amidst such extreme volatility it pays to keep your focus on the longer term and avoid letting your emotions swing as often as the market.

ing to topple onto the floor at any moment, and remarking that I thought my chips were especially good. "Really, who makes them, are they a public company?" he immediately demanded. That was Peter in a nutshell.

Now, we're not in the business of picking stocks, but rather choosing how to allocate money among different market areas, stocks, bonds, commodities, etc. As such, we really can't follow Peter's advice and completely ignore the economy or the markets.

Given our very different task, it must be, in fact, a very important component of our decision-making. But we would nevertheless be wise to keep his advice in mind, and not try to respond to every zig and zag of the market, or every new data point in the economic landscape. Do that, and you are doomed to failure. A number of studies have shown that the more an investor looks at their portfolio, the lower their long-term returns are likely to be!

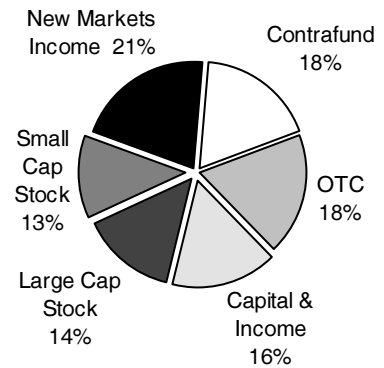
Of course, one of my other great mentors in this business was Eric Kobren, the founder of this newsletter, with whom I worked very closely for 15+ years. (See *Message*

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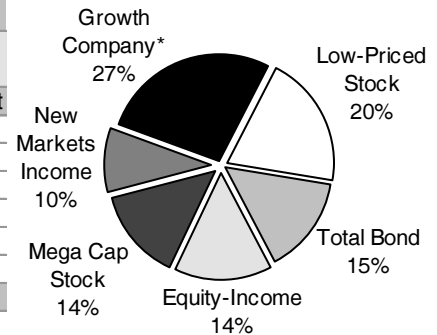
FIDELITY INSIGHT MODEL PORTFOLIOS - NOVEMBER 30, 2010

Aggressive Growth Model		Rel Vol: 0.99	Est. Yield: 1.9%	YTD Return: 5.6%		
Current Asset Allocation		Stocks 66.0%	Bonds 0.8%	Cash 2.4%	Alternative ¹ 30.7%	Foreign 25.7%
Holdings	Ticker	Alloc	NAV	Shares	Value	Nov Ret
New Markets Income	FNMIX	21%	\$15.85	2,010.52	\$31,867	-3.3%
Contrafund	FCNTX	18	65.45	422.89	27,678	1.1
OTC	FOCPX	18	51.38	542.94	27,896	1.3
Capital & Income	FAGIX	16	9.27	2,621.80	24,304	-0.9
Large Cap Stock	FLCSX	14	16.18	1,333.12	21,570	0.9
Small Cap Stock	FSLCX	13	18.09	1,086.39	19,653	2.0
Current Value (4/7/99 = \$100,000)					\$152,968	0.0%



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

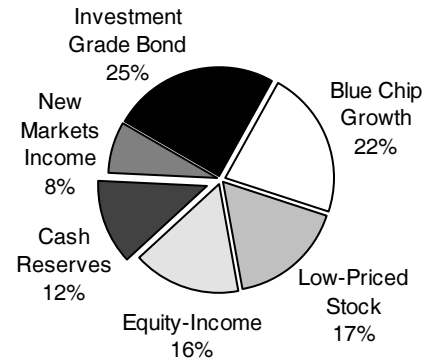
Growth Model		Rel Vol: 0.90	Est. Yield: 1.3%	YTD Return: 6.2%		
Current Asset Allocation		Stocks 73.4%	Bonds 13.1%	Cash 4.9%	Alternative ¹ 8.5%	Foreign 19.2%
Holdings	Ticker	Alloc	NAV	Shares	Value	Nov Ret
Growth Company*	FDGRX	27%	\$79.40	3,582.15	\$284,423	2.6%
Low-Priced Stock	FLPSX	20	36.09	5,804.42	209,481	0.2
Total Bond	FTBFX	15	10.92	13,882.66	151,599	-0.6
Equity-Income	FEQIX	14	40.89	3,690.65	150,911	-0.3
Mega Cap Stock	FGRTX	14	9.30	15,983.62	148,648	0.3
New Markets Income	FNMIX	10	15.85	6,327.77	100,295	-3.3
Current Value (1/1/87 = \$100,000)					\$1,045,357	-0.1%



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

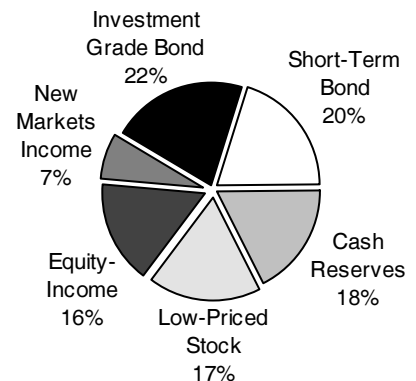
For moderately aggressive members who want equity-dominated portfolios and have no income needs for at least 10 years. Target volatility range: 0.50-1.00.

Growth & Income Model		Rel Vol: 0.65	Est. Yield: 1.3%	YTD Return: 6.1%		
Current Asset Allocation		Stocks 52.7%	Bonds 22.5%	Cash 17.9%	Alternative ¹ 6.9%	Foreign 16.1%
Holdings	Ticker	Alloc	NAV	Shares	Value	Nov Ret
Investment Grade Bond	FBNDX	25%	\$7.45	29,271.54	\$218,073	-0.7%
Blue Chip Growth	FBGRX	22	43.07	4,400.03	189,509	2.5
Low-Priced Stock	FLPSX	17	36.09	4,091.64	147,667	0.2
Equity-Income	FEQIX	16	40.89	3,499.39	143,090	-0.3
Cash Reserves	FDRXX	12	1.00	108,826.03	108,826	0.0
New Markets Income	FNMIX	8	15.85	4,264.58	67,594	-3.3
Current Value (1/1/87 = \$100,000)					\$874,759	-0.4%



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: 0.47	Est. Yield: 1.4%	YTD Return: 3.8%		
Current Asset Allocation		Stocks 31.6%	Bonds 37.3%	Cash 25.0%	Alternative ¹ 6.2%	Foreign 13.6%
Holdings	Ticker	Alloc	NAV	Shares	Value	Nov Ret
Investment Grade Bond	FBNDX	22%	\$7.45	15,508.27	\$115,537	-0.7%
Short-Term Bond	FSHBX	20	8.49	12,658.04	107,467	-0.2
Cash Reserves	FDRXX	18	1.00	94,048.88	94,049	0.0
Low-Priced Stock	FLPSX	17	36.09	2,580.45	93,128	0.2
Equity-Income	FEQIX	16	40.89	2,154.07	88,080	-0.3
New Markets Income	FNMIX	7	15.85	2,353.03	37,296	-3.3
Current Value (1/1/87 = \$100,000)					\$535,556	-0.7%



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.

To Members on p. 12.) He taught me that investing isn't about beating the market this month, or this quarter, or even, quite frankly, over longer periods of time. It's about achieving your goals and, importantly, not taking more risk than you need to get there.

Hit For Singles and Doubles

As Eric was fond of saying, "I'd rather hit singles and doubles on a fairly consistent basis, than go for a home run and strike out."

One of the ways you achieve that is to keep a balanced, diversified portfolio at all times — even if that means holding some positions that you really may not "like." To use a current example, we own **Equity-Income** in all but our aggressive growth model because it provides large-cap value exposure. It has not done very well this year as smaller-caps and growth have been the bigger gainers. But while we may favor growth over value, we do not want to go "naked" on value, and Equity-Income has proven to be the best choice among Fidelity's large-value funds.

Another way to mitigate against the risk of "striking out," is by paying attention to relative valuations. The securities markets are what is known as "mean-reverting." That is, there are certain long-term trends that the markets may deviate from in the short-term, but will eventually revert back to in the long-run. For example, corporate profits generally grow in-line with economic growth. They may grow much faster or slower for periods of time (perhaps years), but they will eventually return to that relationship. When relationships get far away from their long-term averages [means] it usually pays to move in the opposite direction.

WHICH FUNDS SHOULD YOU BUY NOW!

Equity Funds: **Blue Chip Growth**, **Growth Co.**, **Growth Discovery**, and **OTC** are our top large-cap growth picks. **Low-Priced Stock** and **Small Cap Stock** play the mid- and small-cap arenas; **Contrafund** is a conservative "all-cap" approach to growth investing.

Taxable Bond Funds: **Total Bond** invests in both Treasuries and corporate debt with an added kick from about 15% in high-yield/emerging market debt. For a bit less risk, **Investment Grade Bond** blends government and high-grade corporates; **Short-Term Bond** affords less interest-rate risk.

High Yield Fund: **New Markets Income's** emerging market debt is volatile; **Capital & Income** buys junk bonds at home. ■

An example was last month's move to trim bonds in favor of stocks. As we noted then, comparing the earnings yield on the S&P 500 to the yield on the 10-year Treasury bond revealed a relative valuation that had reached an extreme. Historically the "mean" of this relationship is that the two yields are roughly the same, but, at the end of October the earnings yield on stocks was 2.3 times that of bonds — the highest level in at least 30 years. As this relationship "reverts to the mean," stocks should do better than bonds.

There are a couple of important points to keep in mind about investing on the basis of reversion to the mean. One is that relative valuations can stay "out of whack" for extended periods of time. So tilting your portfolio in favor of stocks, even though they are very cheap relative to bonds, may not bear fruit immediately.

The other key point is that even when the valuation of stocks relative to bonds does move back to the long-term average, it does not ensure that stocks will necessarily enjoy great returns — just that their returns should be superior to that of bonds.

Buy The Manager ...

Another of Eric's frequent sayings was "Buy the manager, not the fund."

Even if a fund is investing in an area you favor, a poor manager might still underperform a good one in an arena that seems less attractive. And, conversely, it often makes sense to stick with a skilled manager even when his investing style is "out-of-favor."

Given that "prejudice," it should come as no surprise that among our model portfolio funds today, you'll find some of Fidelity's sharpest and most long-tenured managers, Joel Tillinghast of **Low-Priced Stock**, Will Danoff of **Contrafund**, Steve Wymer of **Growth Company**, and Steve Petersen of **Equity-Income**.

Lastly, since as I noted, we do have to pay attention to the economy, there was an interesting development this past month that got lost amid all the hubbub over Ireland's debt problems, FBI insider-trading probes, and North Korean missile strikes.

Initial claims for unemployment have been below 450,000 for three straight weeks now, the first time that has happened since August of 2008, before the credit bubble burst. And the most recent figure was 407,000, the lowest since July of '08. We have seen headfakes from this figure in the past, so it is not quite cause for celebration. But as we head towards a new year, it is a welcome trend. ■

— John M. Boyd

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	'09
AG													31.4	-8.4	-20.9	-15.8	36.6	14.8	17.9	14.2	14.5	-42.0	28.6
G	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	32.2
G&I	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	25.3
I&P	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	19.2

SECTOR INVESTING

All That Glitters ...

With big gains being scored **Select Gold**, is it too late to get in on the action? Answer: No. But don't expect this year's outsized returns of 30.1% to continue.

On the other hand, the far more diversified **Global Commodity Stock**, which invests in energy, metals and mining, and agriculture industries, is up only 6.9%. (Select Gold focuses on miners.) Global Commodity enjoyed a huge 2009, as commodities (which were crushed in '08)

surged higher once investors realized the world wasn't ending. Oil prices roughly doubled, while gold hit a non-inflation adjusted high as investors worried about future inflation. A falling dollar also boosted commodity prices. From a long-term standpoint, some commodity exposure makes sense. From a tactical standpoint, as long as the global economy keeps recovering, commodities should benefit.

As for gold, government debt worries prompted investors to replace paper currencies (backed by tax revenue) with metal currencies (backed by jewelry demand). The

main drawback of using metal for money is that it doesn't pay interest. Right now, paper money doesn't either, so gold offers the ability to hedge without much downside. That could change if the Fed raises short-term interest rates or launches a gold-leasing program. Notably, gold miners are twice as volatile as the underlying metal.

So we see no problem using either Select Gold or the less volatile Global Commodity as hedges, but we recommend limiting them to 5% and 10% (or less), respectively, of your total investment portfolio. ■

Despite Recent Gains, Year-End Distributions Will Be Light

Fund Distributions	Total \$ Per Share	Ex. Date	% of NAV as of 11/30
Asset Manager 30%	\$0.25	12/17	2.6%
Asset Manager 40%	0.21	12/17	2.1
Asset Manager 60%	0.29	12/17	3.1
Asset Manager 70%	0.17	12/17	1.1
Canada	0.75	12/03	1.4
China Region	0.42	12/03	1.3
Diversified International	0.39	12/03	1.4
Emerging Markets	0.39	12/03	1.5
Emrg Europe, Mid East, Africa	0.11	12/10	1.3
Europe	0.32	12/03	1.1
Europe Capital Appreciation	0.18	12/03	1.0
Focused High Income	0.12	12/03	1.3
International Discovery	0.48	12/03	1.5
International Enhanced Index	0.15	12/10	2.1
International Growth	0.08	12/03	1.0
International Small Cap	0.62	12/03	3.1
International Small Cap Opps	0.11	12/03	1.1
International Value	0.17	12/03	2.2
Int'l Capital Appreciation	0.25	12/03	2.0
Japan	0.19	12/10	1.8
Japan Smaller Companies	0.11	12/03	1.3
Mid Cap Enhanced Index	0.17	12/10	1.8
Nordic	0.33	12/03	1.1
Overseas	0.40	12/03	1.3
Pacific Basin	0.65	12/03	2.6
Sel Consumer Staples	1.35	12/10	2.0
Sel Gold	3.96	12/10	7.2
Sel Materials	1.24	12/10	2.0
Sel Pharmaceuticals	0.16	12/10	1.3
Sel Software and Computer	1.23	12/17	1.4
Sel Utilities	0.70	12/03	1.5
Spartan Extend Market Index	0.37	12/17	1.0
Spartan International Index	0.64	12/17	1.9
Spartan Total Market Index	0.33	12/17	1.0
Strategic Income	0.16	12/17	1.4
Total International Equity	0.10	12/03	1.4

This alphabetized table shows estimated year-end distributions for Fidelity's funds as of late November. (If a fund is not listed, it's expected to have a distribution of less than 1%, while many funds will have no distribution at all.)

This, of course, is the result of the 2008/early-'09 bear market, whereby peak-to-trough losses (as measured by the S&P 500) were 65%! So even with resurgent prices in 2009 and solid gains this year, most stock funds still have plenty of losses that are offsetting recent gains. Therefore, the silver lining: virtually no year-end distributions (**which are only a concern anyway when held in a taxable account!**).

Some of the largest distributions this year (which are actually quite small) are being paid by international funds, including **International Small Cap** and **Pacific Basin** (see facing table). Not surprisingly, **Select Gold** is on track to make the biggest one (over 7%) as its average annual return over the past five years is +19.5% (versus +0.9% for the S&P 500). Because fund managers will continue to make portfolio changes amid shifting market conditions, the distribution amounts may change, but all represent our best-faith estimates with the most recent information available. Again, **all figures must be considered estimates only**.

Because of the "Jobs and Growth Tax Relief Reconciliation Act" of 2003, different portions of a fund's distribution will be taxable at different rates. So, as in past years, figuring your taxes this year may be complicated, as there are both "qualified" and "nonqualified" dividends.

Suffice to say, because of the complexity of recent "rule changes" (for example, the "ordinary dividends" that will be reported on Form 1099-DIV, may consist of up to four different kinds of distributions: qualified dividends, nonqualified dividends, interest and short-term capital gains), we recommend that you work closely with your accountant or other tax advisor for help.

For our part, we plan to provide our members with an updated version of this table in the January 2011 report. ■

INTERNATIONAL INVESTING

Investing For Growth And Risk Reduction

A year ago, **International Small Cap** was reopened to new investors. At the same time, Dale Nichols climbed aboard the fund to run one of its three sub-portfolios: Asia-Pacific (ex-Japan). This added assignment was a good fit, as he had built a strong record running his other charge, **Pacific Basin**, since 2004.

Although we were not strong proponents of foreign stock funds at that time, we rated Int'l Small Cap *Hold*, and subsequently upgraded it to *OK to Buy*.

We liked the fund for its broad geographic diversification and its many holdings (nearly 400!). Its two other sleeves are Japan (this 24% stake is run by Noriko Takashi) and developed Europe (Colin Stone), while there's currently a 9% bet in the emerging markets. All this, coupled with the fund's strategy of holding fast-growing companies with market caps of below \$5 billion, and it would likely provide reasonable diversification away from the large-cap U.S. stocks that dominate most of our equity portfolios.

When Dale joined Int'l Small Cap, it was enjoying a strong bounce-back. In 2008, the fund plunged 46.5%, but was up 45.5% a year later. This year, two of the three cylinders are firing, as it's up 15.6%. Among diversified foreign stock funds, it's Fidelity's strongest. This year's success is a story that has played out elsewhere: underweighting Japan (still the fund's largest country exposure at 24%) and developed Europe helped. But the real gains came from solid stockpicking.

We like Int'l Small Cap for 2011, but are concerned that after this year's run-up, valuations are less attractive. And, with a third of its assets in Asia, "tensions" on the Korean peninsula are an added risk.

[Note: To discourage market-timers, there's a 2.0% redemption fee on shares held fewer than 90 days.] ■

FUND COMMENTARY

Markets Rattled By Debt And War

There are market risks that can reasonably be baked into the price of a security, and then there are those that no one really considers. In November, investors wrestled with both, with the result being "The Dancing Dow" on page 1 and, ultimately, a domestic stock market that was flat.

In the first case, the magnitude of Ireland's debt problems finally surfaced last month, and no one liked what they saw — especially the Germans. Because they will again bear a disproportionate responsibility in bailing out another profligate spender, German bonds sold off.

The jolt felt by Europe's bourses was more extreme than elsewhere around the globe. To wit, **Europe** fund dropped 4.6% in November while **Worldwide** slipped just 0.3%; Fidelity's domestic stock funds defied gravity and rose an average of 1.5%. At the same time, the Dow Industrials (down 0.8%) and Nasdaq Composite (down 0.2%) ended the month in negative territory, while the S&P 500 finished where it started.

The Backdrop

With the euro-zone debt crisis intensifying since Greece's problems erupted last spring, the euro itself has fallen about 9%. Another measure of investors' lack of confidence: bond yields for Spain and other highly indebted countries (the "PIIGS") are

as much as three percentage points greater than Germany's sovereign debt. (Yields move in the opposite direction of a bond's price.)

Far more surprising than the euro-contagion (and therefore, not a metric in anyone's pricing models) was the stunning escalation of tensions on the Korean peninsula.

Of course, it's hard to price North Korea's unique brand of madness into the price of any stock or bond, but investors did the best they could last month by discounting just about everything except gold. And, believe it or not, they were drawn to two other safe-harbor securities: the U.S. dollar and Treasuries. Although the latter did sell off last month, when global insecurity was on the rise, this is still the country where investors feel the safest stashing their cash.

Finally, the immediate response by investors to the Republican takeover of the House was glee. But as that political change was already priced-in (including the probability that the Bush-era tax cuts would be extended), attention swiftly turned to the aforementioned concerns.

Market Indexes

While it hasn't been an easy ride higher this year, investors have little to complain about. After all, the large-cap S&P 500 Index is up 7.8% with only December left to contend with! Likewise, the even bigger-cap Dow Industrials is up 8.1%, while the

Fund Commentary *cont'd on page 6*

DECEMBER SCORECARD RATING CHANGES

Fund	Ratings		Comments
	Old	New	
Export & Multinat'l	H	S ↓	Poor stock and sector picks are hurting returns.
Growth Strategies	B	B ↑	A great way to play mid-cap growth stocks.
International Growth	H	B ↑	Solid stock-picking is driving strong returns.
Lg Cap Core Enh Idx	H	S ↓	We prefer Dividend Growth in this arena.
Mid-Cap Stock	B	H ↓	Poor stock and sector picks are hurting returns.
Sel Air Transport	B	H ↓	Nice run-up make valuations less attractive.
Value Discovery	H	S ↓	We prefer Dividend Growth in this arena.
VIP Growth Strateg.	H	B ↑	A great way to play mid-cap growth stocks.
VIP Value Leaders	S	S ↓	Prefer VIP Equity-Income for this exposure.

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, 2010

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹	Assets (\$Mil)		
						Nov	YTD	2009	1 Year	3 Year	5 Year				
Comparative Indexes		S&P 500 (Large Cap)*				0.0	7.8	26.5	9.9	-5.2	0.9	1.00			
		Nasdaq Composite (OTC)*				-0.2	10.9	45.0	17.5	-1.3	3.0	1.16			
		MSCI EAFE (International)*				-5.0	-0.4	28.5	1.0	-9.9	1.9	1.25			
		Barclays Aggregate Bond*				-0.6	7.5	6.5	5.8	5.9	5.7	0.18			
LARGE CAP GROWTH						Category Averages			1.6	12.1	38.3	16.7	-3.8	2.7	1.14
312	FBGRX	Blue Chip Growth		43.07	Buy	2.5	13.5	45.0	19.1	0.5	3.6	1.12	\$11,510		
307	FDCAX	Capital Appreciation		24.32	OK to Buy	1.2	13.5	36.4	21.8	-4.3	2.5	1.15	4,696		
22	FCNTX	Contrafund		65.45	Buy	1.1	12.5	29.2	15.8	-2.9	4.3	0.91	58,904		
332	FEXPX	Export and Multinational	0.75%/30d	20.44	OK to Sell↓	0.4	4.6	37.1	6.7	-6.5	0.5	1.09	2,412		
500	FFTYX	Fifty		17.07	Hold	1.7	13.9	37.1	16.2	-7.6	0.1	1.21	735		
333	FTQGX	Focused Stock		12.76	Hold	3.0	16.0	25.2	18.3	-0.2	3.9	1.01	157		
25	FDGRX	Growth Company (closed)		79.40	Buy	2.6	15.1	41.2	21.0	-1.4	5.2	1.10	27,780		
339	FDSVX	Growth Discovery		12.91	Buy	2.1	16.6	29.3	21.2	-6.9	3.1	1.11	726		
73	FDFFX	Independence		23.29	OK to Buy	3.1	16.9	39.9	22.2	-4.4	4.6	1.38	3,990		
763	FSLGX	Large Cap Growth		9.25	OK to Buy	2.2	13.8	24.0	17.8	-4.5	-1.1	1.04	110		
1829	FLGEX	Large Cap Growth Enhcd Index		9.21	Hold	0.9	8.2	35.1	11.6	-3.0	--	0.99	50		
338	FLCSX	Large Cap Stock		16.18	Buy	0.9	8.1	50.5	10.7	-5.0	1.9	1.27	933		
21	FMAGX	Magellan		67.70	OK to Sell	1.4	5.4	41.1	10.0	-8.9	-0.5	1.28	19,325		
1282	FNCMX	Nasdaq Composite Index	0.75%/90d	33.35	OK to Buy	-0.2	10.9	45.0	17.5	-1.3	3.0	1.16	280		
93	FOCPX	OTC		51.38	Buy	1.3	12.4	62.2	21.1	-0.4	6.4	1.29	5,292		
320	FDSSX	Stock Selector All Cap		23.91	OK to Sell	1.0	10.1	28.8	14.8	-6.2	0.9	1.05	735		
5	FTRNX	Trend		63.95	OK to Buy	2.2	13.7	44.5	17.6	-2.6	4.3	1.13	990		
LARGE CAP BLEND						Category Averages			0.5	7.0	27.8	10.0	-7.0	-0.1	1.08
315	FDEQX	Disciplined Equity		21.42	Sell	-1.2	2.0	22.0	4.2	-9.2	-1.2	1.01	8,820		
330	FDGFX	Dividend Growth		26.25	Buy	1.3	11.5	51.0	17.1	-1.9	2.3	1.29	8,645		
3	FFIDX	Fidelity Fund		29.95	OK to Sell	1.1	6.2	26.8	8.4	-6.9	1.5	1.03	4,812		
27	FGRIX	Growth & Income		17.11	OK to Sell	1.2	7.0	23.1	10.2	-13.9	-6.4	1.19	5,352		
1827	FLCEX	Large Cap Core Enhcd Index		8.17	OK to Sell↓	0.0	5.7	23.3	7.7	-5.9	--	0.96	904		
361	FGRTX	Mega Cap Stock		9.30	Buy	0.3	6.1	28.6	7.4	-6.4	0.7	1.05	512		
650	FUSEX	Spartan 500 Index ⁴		41.94	Hold	0.0	7.8	26.5	9.9	-5.2	0.9	1.00	24,859		
397	FSTMX	Spartan Total Mkt. Index ⁴	0.50%/90d	34.57	Hold	0.6	9.9	28.4	13.0	-4.1	1.6	1.03	5,786		
343	FTXMX	Tax Managed Stock		11.74	Sell	1.8	7.7	20.7	11.3	-8.9	-0.8	1.09	69		
832	FVDFX	Value Discovery		13.56	Sell↓	0.2	6.3	27.7	10.8	-7.7	0.3	1.16	581		
LARGE CAP VALUE						Category Averages			-0.6	3.6	22.7	5.3	-9.1	-1.9	1.10
1271	FBCVX	Blue Chip Value		9.96	Sell	-1.8	0.8	27.8	3.0	-10.8	-2.9	1.16	304		
23	FEQIX	Equity-Income		40.89	Buy	-0.3	5.8	29.5	7.4	-7.5	-0.5	1.15	9,701		
319	FEQTX	Equity-Income II		16.81	Buy	-0.4	4.1	25.1	5.6	-8.3	-1.5	1.11	4,784		
708	FSLVX	Large Cap Value		9.93	OK to Sell	-0.7	2.0	15.6	3.5	-10.9	-2.8	1.06	817		
1828	FLVEX	Large Cap Value Enhcd Index		7.03	OK to Sell	0.0	5.3	15.6	7.1	-8.3	--	0.99	69		

Notes: *Fidelity's Spartan 500 Index, Nasdaq Composite Index, Spartan Int'l Index and U.S. Bond Index used as proxies for their respective indexes. ¹Volatility of the fund versus the S&P 500 over the last 36 months; 1.50 means the fund has been 50% more volatile. ²Duration is a measure of interest rate sensitivity. ³Stated yield is before inflation adjustment, your effective yield may be different. ⁴Also 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). ⁵Also 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). ⁶Renamed Emerging Asia (to be reflected in January). ⁷Distributed yield is calculated by taking a fund's actual distributions over the past year divided by its current NAV. ⁸Renamed Consumer Finance (to be reflected in January).(p) Partial year; (↑) Rating upgraded; (↓) Rating downgraded.

Fund Commentary *cont'd from page 5*

small-cap Russell 2000 has soared 17.5%! And, finally, the Nasdaq Composite is ahead 10.9% this year, as technology stocks have been one of the market's stronger-performing sectors.

Stock Funds

As noted, Fidelity's diversified domestic stock funds enjoyed robust gains in November. Small- and mid-cap funds generally held a performance edge. This was often the result of strong-performing tech stocks,

though the Nasdaq itself was in the red. Consumer discretionary stocks also helped to drive their performances, especially those funds holding smaller-cap retailers, autos and leisure stocks.

But the funds getting the biggest boost were those with relatively aggressive bets in energy. Notably, **Select Energy** and **Energy Service** surged 7.0% and 10.3%, respectively, in November. Expectations for an improving global economy helped push crude prices higher. Ironically, however, value-oriented funds — which are the largest absolute owners of en-

ergy stocks — were among last month's worst-performing. While their energy stakes were beneficial, such funds are typically large holders of financials. Case in point: **Blue Chip Value's** modest overweight in energy (15%) boosted returns, but its 29% stake in financials (including brokers, insurers and home finance) more than offset those gains. The same was true of its Big Pharma holdings, which are also staples in many value funds. So while the average large-cap growth fund rose 1.6% last month, the average large-cap value offering fell 0.6%.

FIDELITY SCORECARD - NOVEMBER 30, 2010

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹	Assets (\$Mil)		
						Nov	YTD	2009	1 Year	3 Year	5 Year				
MID-CAP GROWTH						Category Averages			2.3	14.6	42.9	21.2	-3.8	2.2	1.26
324	FDEGX	Growth Strategies	1.50%/90d	18.99	Buy↑	3.3	16.7	39.7	24.3	-5.8	1.7	1.21	\$1,926		
2012	FMEIX	Mid Cap Enhanced Index	0.75%/30d	9.29	Hold	2.0	15.0	37.6	20.9	--	--	--	44		
793	FSMGX	Mid Cap Growth	0.75%/30d	11.57	OK to Buy	3.3	16.4	46.4	24.2	-4.9	-0.8	1.29	263		
337	FMCSX	Mid-Cap Stock	0.75%/30d	26.51	Hold↓	2.1	13.5	50.4	20.2	-2.5	3.2	1.38	6,222		
300	FMILX	New Millennium		27.35	OK to Buy	0.8	11.1	40.2	16.5	-2.2	4.7	1.16	1,797		
MID-CAP BLEND						Category Averages			1.8	15.7	48.6	22.2	-2.2	3.5	1.38
122	FLVCX	Leveraged Company Stock	1.50%/90d	25.89	Buy	2.9	13.1	59.6	19.4	-5.9	3.0	1.65	3,884		
316	FLPSX	Low-Priced Stock	1.50%/90d	36.09	Buy	0.2	13.2	39.1	18.0	0.4	4.5	1.12	25,663		
398	FSEMXX	Spartan Extended Mkt Index ⁴	0.75%/90d	36.04	Hold	3.0	19.7	36.7	27.8	0.1	4.2	1.20	3,511		
14	FSLSX	Value Strategies		25.80	Buy	1.3	16.7	59.2	23.5	-3.4	2.5	1.54	361		
MID-CAP VALUE						Category Averages			1.3	15.3	39.8	21.6	-3.5	1.6	1.36
762	FSMVX	Mid Cap Value	0.75%/30d	14.97	Hold	1.8	17.2	35.4	23.7	-1.9	2.3	1.26	602		
39	FDVLX	Value		64.51	Buy	0.7	13.3	44.1	19.5	-5.0	0.9	1.45	7,229		
SMALL CAP GROWTH						Category Averages			3.7	19.3	32.9	28.8	-3.6	2.7	1.30
2011	FCPEX	Small Cap Enhanced Index	1.50%/90d	9.39	Hold	2.9	16.7	23.6	25.4	--	--	--	109		
1388	FCPGX	Small Cap Growth	1.50%/90d	14.64	Hold	3.2	17.9	42.9	27.9	-2.2	4.0	1.25	1,323		
336	FDSCX	Stock Selector Small Cap	1.50%/90d	17.17	Hold	5.0	23.4	32.3	33.2	-4.9	1.5	1.36	1,476		
SMALL CAP BLEND						Category Averages			2.9	17.4	56.7	28.4	5.4	6.3	1.38
384	FSCRX	Small Cap Discovery	1.50%/90d	14.07	OK to Buy	3.9	21.4	50.7	32.3	10.8	7.3	1.33	885		
340	FSLCX	Small Cap Stock	2.00%/90d	18.09	Buy	2.0	13.5	62.7	24.5	0.0	5.2	1.43	3,937		
SMALL CAP VALUE						Category Averages			2.7	15.0	36.6	24.8	3.0	5.2	1.30
1389	FCPVX	Small Cap Value	1.50%/90d	14.47	Hold	2.7	15.0	36.6	24.8	3.0	5.2	1.30	1,870		
SPECIALTY															
2063	FOTTX	130/30 Large Cap		6.82	OK to Sell	-0.2	3.3	3.6	5.9	--	--	--	18		
304	FBALX	Balanced		17.57	Hold	0.0	9.1	28.1	11.2	-1.3	3.5	0.77	16,699		
308	FCVXX	Convertible Securities		24.29	OK to Buy	1.6	14.2	64.1	18.4	-0.3	6.0	1.27	2,287		
1960	FDYSX	Dynamic Strategies		9.26	Hold	0.0	9.7	28.7	11.1	0.4	--	0.77	184		
355	FFNOX	Four-in-One Index		25.99	Hold	-1.0	7.3	25.0	9.3	-3.6	2.3	0.91	2,156		
334	FGBLX	Global Balanced	1.00%/30d	21.55	Hold	-2.0	7.2	22.5	6.9	0.2	5.8	0.75	541		
2120	FFGCX	Global Commodity Stock	1.00%/30d	15.72	Hold	0.4	6.9	48.0p	9.3	--	--	--	348		
1368	FIREX	International Real Estate	1.50%/90d	8.99	Sell	-5.1	5.5	35.8	7.4	-12.6	0.1	1.37	345		
4	FPURX	Puritan		17.23	OK to Buy	0.2	9.2	26.7	11.0	-0.6	3.8	0.71	16,138		
833	FRIFX	Real Estate Income	0.75%/90d	10.39	OK to Buy	0.2	16.5	46.8	19.8	5.4	4.4	0.73	1,192		
303	FRESX	Real Estate Investment	0.75%/90d	24.56	Hold	-2.0	23.4	32.9	31.8	-2.0	1.4	1.93	3,120		
1329	FSDIX	Strategic Dividend & Income		10.27	OK to Buy	-0.8	9.3	37.7	14.6	-4.3	1.0	1.12	537		
1505	FSRRX	Strategic Real Return	0.75%/60d	9.32	Hold	-0.6	10.1	28.4	12.1	3.0	3.6	0.65	4,043		
311	FIUIX	Telecom & Utilities		15.12	Hold	-2.4	10.1	11.1	17.4	-6.8	2.8	0.87	835		
ASSET ALLOCATION															
328	FASIX	Asset Manager 20%		12.65	Hold	-0.4	7.3	19.5	7.8	3.3	4.6	0.35	3,184		
1957	FTANX	Asset Manager 30%		9.75	Hold	-0.5	8.2	23.6	9.0	2.4	--	0.47	121		
1958	FFANX	Asset Manager 40%		9.55	Hold	-0.5	8.6	26.0	9.9	1.6	--	0.56	83		
314	FASMX	Asset Manager 50%		14.90	Hold	-0.5	9.1	30.9	10.9	0.9	3.9	0.69	6,371		
1959	FSANX	Asset Manager 60%		9.42	Hold	-0.5	9.0	32.7	11.3	0.3	--	0.77	113		
321	FASGX	Asset Manager 70%		15.68	Hold	-0.4	9.4	35.7	12.2	-1.3	2.9	0.89	2,364		
347	FAMRX	Asset Manager 85%		12.67	Hold	-0.6	8.8	38.7	12.3	-2.8	2.7	1.02	606		

Fixed Income Funds

For investors who care about risk control — and we include ourselves in that group — bond funds have been a great diversifier and performance-enhancer this year, but not last month.

The average taxable bond fund fell 0.7% in November. One of Fidelity's most interest-rate-sensitive funds, **Spartan Long-Term Treasury Index**, dropped 1.6%. Rising inflation fears — driven in large part by the Fed's \$60 billion quantitative easing (QE2) — hurt long-maturity bonds the most. That also made **Municipal Income** and **Tax-Free Bond** espe-

cially vulnerable; they both fell 2.2%. (See story on p. 11.)

Somewhat curiously, **Inflation-Protected Bond**, which has been a great performer this year with its portfolio of Treasury Inflation-Protected Securities (TIPS), also got whacked. With the fund retreating 1.7%, the Treasury's new issuance of 5-year TIPS in late October set the stage for November's troubles. Auctioned for the first time ever with a negative yield of 0.55%, this was a direct response to QE2, whose purpose is to keep the economy from slipping into recession by preventing deflation; in

other words, stoke inflation by getting prices to rise.

If this strikes you as counter to the Fed's historic mission, you've been paying attention! As for the fund, its long duration holdings are sometimes treated by investors as ordinary, interest-rate-sensitive Treasuries. They are not, and we continue to rate Inflation Protected Bond a *Hold*.

Finally, taxable and muni money market yields were unchanged last month, but to the discerning eye, the yield on **Cash Reserves** did slip 0.01% to end November at 0.03%. ■

— John Bonanzio

FIDELITY SCORECARD - NOVEMBER 30, 2010

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹	Assets (\$Mil)		
						Nov	YTD	2009	1 Year	3 Year	5 Year				
INTERNATIONAL						Category Averages			-2.3	7.6	41.9	10.0	-7.6	4.4	1.34
309	FICDX	Canada	1.50%/90d	55.16	Buy	1.9	13.8	39.6	16.0	-2.2	8.2	1.35	\$4,047		
352	FHKCX	China Region	1.50%/90d	32.10	Hold	0.9	15.1	65.6	17.3	0.8	15.8	1.36	2,156		
325	FDIVX	Diversified International	1.00%/30d	28.51	OK to Sell	-3.3	1.8	31.8	3.5	-10.1	1.9	1.24	25,138		
2053	FEMEX	Emerg Europe, MidEast, Africa	1.50%/90d	8.74	OK to Buy	-2.9	14.7	61.4	18.1	--	--	--	143		
322	FEMKX	Emerging Markets	1.50%/90d	25.21	Buy	-2.0	11.5	76.0	15.9	0.0	9.9	1.63	3,908		
301	FIEUX	Europe	1.00%/30d	29.42	OK to Sell	-4.6	-0.2	31.7	0.6	-10.0	2.5	1.28	754		
341	FECAX	Europe Capital App	1.00%/30d	17.65	OK to Sell	-4.9	-0.5	32.1	0.4	-11.1	3.0	1.32	428		
335	FIVFX	Int'l Cap App	1.00%/30d	12.29	Hold	-2.7	8.4	55.2	11.6	-6.8	1.4	1.51	612		
305	FIGRX	International Discovery	1.00%/30d	31.18	OK to Sell	-3.6	2.7	30.1	5.2	-9.7	3.1	1.21	7,810		
2010	FIENX	International Enhanced Index	1.00%/30d	6.90	OK to Sell	-4.7	0.2	24.6	1.2	--	--	--	21		
1979	FIGFX	International Growth	1.00%/30d	8.14	OK to Buy↑	-3.1	8.8	36.5	12.1	-4.9	--	1.19	30		
818	FISMV	Int'l Small Cap	2.00%/90d	20.29	OK to Buy	-1.8	15.6	45.5	16.5	-4.4	4.7	1.30	809		
1504	FSCOX	Int'l Small Cap Opportunities	2.00%/90d	9.64	OK to Buy	-2.8	12.4	46.3	17.3	-13.3	-0.4	1.44	386		
1597	FIVLX	International Value	1.00%/30d	7.72	OK to Sell	-6.2	-3.3	36.1	-2.1	-11.9	--	1.42	152		
350	FJPNX	Japan	1.50%/90d	10.69	OK to Sell	1.1	5.6	15.3	8.3	-10.1	-4.1	1.09	556		
360	FJSCX	Japan Smaller Companies	1.50%/90d	8.42	OK to Sell	2.3	1.2	18.1	3.2	-10.2	-8.6	1.20	279		
349	FLATX	Latin America	1.50%/90d	56.08	Buy	-2.5	9.7	91.6	10.8	-1.3	15.1	1.66	4,182		
342	FNORX	Nordic	1.50%/90d	30.89	OK to Buy	-4.3	12.8	47.5	13.5	-10.1	5.5	1.58	446		
94	FOSFX	Overseas	1.00%/30d	30.40	OK to Sell	-3.7	-1.7	25.2	-0.8	-13.9	0.3	1.25	4,876		
302	FPBFX	Pacific Basin	1.50%/90d	25.21	Buy	0.4	24.2	59.3	29.0	-4.7	6.9	1.54	854		
351	FSEAX	Southeast Asia ⁶	1.50%/90d	29.56	OK to Buy	-0.5	16.2	39.2	21.6	-8.7	12.3	1.25	1,717		
399	FSIIX	Spartan Int'l Index ⁴	1.00%/90d	33.30	OK to Sell	-5.0	-0.4	28.5	1.0	-9.9	1.9	1.25	6,175		
1978	FTIEX	Total International Equity	1.00%/30d	7.06	OK to Buy	-4.2	4.4	41.2	6.9	-8.6	--	1.33	60		
318	FVWFX	Worldwide	1.00%/30d	17.52	Hold	-0.3	9.0	28.5	11.8	-5.7	3.9	1.11	1,083		
SELECT PORTFOLIOS						Category Averages			1.2	14.1	44.7	19.6	-1.9	3.8	1.37
34	FSAIX	Air Transportation	0.75%/30d	41.98	Hold↓	-0.3	31.8	22.3	54.6	-0.2	6.3	1.62	167		
502	FSAVX	Automotive	0.75%/30d	41.02	OK to Buy	6.2	32.7	122.3	42.3	2.5	6.1	2.43	214		
507	FSRBX	Banking	0.75%/30d	15.99	Hold	-0.2	4.9	5.1	3.8	-13.6	-9.4	1.57	413		
42	FBIOX	Biotechnology	0.75%/30d	68.08	Hold	-2.9	4.0	10.8	9.0	-1.6	2.1	1.02	1,006		
68	FSLBX	Brokerage & Investment	0.75%/30d	46.90	Hold	-2.4	-1.1	50.4	0.1	-9.3	-1.5	1.45	500		
69	FSCHX	Chemicals	0.75%/30d	88.78	Hold	1.9	20.8	65.3	23.7	4.7	11.9	1.40	529		
518	FSDCX	Communications Equipment	0.75%/30d	24.49	Buy	-0.2	18.0	80.7	25.7	2.7	4.6	1.58	428		
7	FDCPX	Computers	0.75%/30d	53.73	OK to Buy	1.6	17.9	83.2	27.6	3.7	8.1	1.38	536		
511	FSHOX	Construction & Housing	0.75%/30d	31.37	OK to Sell	3.4	8.0	22.9	14.5	-1.4	-2.1	1.46	85		
517	FSCPX	Consumer Discretionary	0.75%/30d	23.79	Hold	4.2	26.7	38.1	32.7	2.9	3.4	1.22	187		
9	FDFAX	Consumer Staples	0.75%/30d	66.56	Hold	-1.4	9.6	20.9	9.9	0.8	8.7	0.78	890		
67	FSDAX	Defense & Aerospace	0.75%/30d	70.50	OK to Sell	-0.9	16.8	24.9	22.3	-5.4	5.0	1.32	624		
8	FSELX	Electronics	0.75%/30d	44.29	Buy	2.4	6.9	85.0	22.1	-0.3	0.8	1.54	1,057		
60	FSENX	Energy	0.75%/30d	47.89	Hold	7.0	8.5	47.1	13.8	-7.2	4.6	1.62	2,135		
43	FSESX	Energy Service	0.75%/30d	68.24	Hold	10.3	17.4	62.0	22.3	-9.3	4.1	1.96	1,448		
516	FSLEX	Environment & Alt Energy	0.75%/30d	16.73	Hold	-1.8	7.6	17.2	12.6	-3.8	1.9	1.06	66		
66	FIDSX	Financial Services	0.75%/30d	53.42	Hold	-3.2	-7.9	25.9	-6.2	-17.8	-10.1	1.46	361		
41	FSAGX	Gold	0.75%/30d	55.25	Hold	2.9	30.1	38.0	20.6	12.7	19.5	2.00	4,405		
63	FSPHX	Health Care	0.75%/30d	116.59	Hold	1.2	9.3	32.1	13.5	-1.3	3.1	0.92	1,655		
98	FVLX	Home Finance ⁸	0.75%/30d	10.71	OK to Sell	-0.4	-2.2	1.9	3.9	-26.5	-22.0	1.30	77		
510	FSCGX	Industrial Equipment	0.75%/30d	30.99	OK to Buy	3.8	21.9	38.9	25.7	-3.0	5.5	1.50	204		
515	FCYIX	Industrials	0.75%/30d	21.94	OK to Buy	2.7	21.1	38.9	26.1	0.3	6.8	1.41	384		
45	FSPCX	Insurance	0.75%/30d	44.28	OK to Sell	-1.6	11.9	21.8	13.3	-10.7	-5.2	1.31	226		
353	FBSOX	IT Services	0.75%/30d	19.96	OK to Buy	-0.9	12.0	59.1	18.0	7.5	8.9	1.17	114		
62	FDLSX	Leisure	0.75%/30d	90.19	OK to Buy	3.8	35.9	24.3	39.0	5.0	8.0	1.12	468		
509	FSDPX	Materials	0.75%/30d	62.93	OK to Buy	1.8	16.6	78.7	20.4	3.7	11.9	1.52	816		
505	FSHCX	Medical Delivery	0.75%/30d	46.76	Hold	3.9	8.6	49.0	14.9	-2.9	1.1	1.29	430		
354	FSMEX	Medical Equipment	0.75%/30d	25.55	OK to Sell	2.4	4.4	32.6	8.5	2.4	5.1	0.95	1,232		
503	FBMPX	Multimedia	0.75%/30d	40.72	OK to Buy	-2.0	19.3	54.4	26.9	2.5	2.9	1.31	185		
513	FSNGX	Natural Gas	0.75%/30d	30.70	Hold	1.9	-2.5	56.3	3.1	-10.6	0.3	1.67	877		
514	FNARX	Natural Resources	0.75%/30d	31.64	Hold	6.6	11.3	51.7	15.5	-4.5	8.3	1.62	1,470		
580	FPHAX	Pharmaceuticals	0.75%/30d	11.90	Hold	-2.5	10.0	25.4	13.0	1.3	6.9	0.84	348		
46	FSRPX	Retailing	0.75%/30d	51.90	Hold	5.9	24.3	57.8	29.8	9.8	7.8	1.27	193		
28	FSCSX	Software & Computer Svcs	0.75%/30d	84.86	OK to Buy	-2.0	11.8	61.5	18.2	2.8	10.4	1.15	1,111		
64	FSPTX	Technology	0.75%/30d	90.23	Buy	1.2	19.6	90.3	29.2	3.4	7.3	1.51	2,376		
96	FSTCX	Telecommunications	0.75%/30d	44.17	Hold	-1.6	11.0	51.6	17.0	-4.7	3.7	1.22	375		
512	FSRFX	Transportation	0.75%/30d	53.69	OK to Buy	1.4	36.5	23.3	48.8	5.1	6.1	1.28	453		
65	FSUTX	Utilities	0.75%/30d	47.34	Hold	-3.8	6.3	14.4	13.0	-8.0	3.5	0.90	415		
963	FWRLX	Wireless	0.75%/30d	7.33	OK to Buy	-3.2	8.4	59.0	14.7	-5.3	3.8	1.27	318		

FIDELITY SCORECARD - NOVEMBER 30, 2010

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			SEC %Yield	Dist ⁷ %Yield	Dur ² (Yrs)	Tax-Equivalent Yield Federal Tax Bracket						
						Nov	YTD	2009										
TAXABLE BOND						Category Averages			-0.7	7.5	5.5	1.91	2.78	4.5				
2208	FCBFX	Corporate Bond		10.32	Buy	-0.7	5.6p	--	3.60	--	6.4							
15	FGMNX	Ginnie Mae		11.67	Hold	-0.2	7.8	6.9	3.29	2.92	2.8							
54	FGOVX	Government Income		10.69	Hold	-0.7	6.5	1.3	1.61	2.24	4.4							
794	FINPX	Inflation-Protected Bond ³		11.92	Hold	-1.7	7.6	9.7	0.05	2.86	6.6							
32	FTHRFX	Intermediate Bond		10.70	Buy	-0.6	8.9	17.1	2.21	3.56	4.0							
452	FSTGX	Intermediate Gov't Income		11.01	Hold	-0.6	6.2	0.9	0.85	1.81	3.7							
26	FBNDX	Investment Grade Bond		7.45	Buy	-0.7	9.1	16.0	2.58	3.42	4.4							
40	FMSFX	Mortgage Securities		10.91	Hold	-0.2	7.8	9.6	3.33	4.25	2.5							
450	FSHBX	Short-Term Bond		8.49	Buy	-0.2	4.0	7.4	0.99	2.01	1.9							
1561	FIBIX	Sptn Interm Treas Index ⁵		11.12	Hold	-1.0	11.8	-5.0	1.86	2.83	6.5							
1562	FLBIX	Sptn Lng-Term Treas Index ⁵		10.99	OK to Sell	-1.6	13.2	-13.4	3.60	3.74	14.2							
1560	FSBIX	Sptn Sht-Term Treas Index ⁵		10.62	Buy	-0.5	4.2	-0.1	0.47	1.49	2.6							
820	FTBFX	Total Bond		10.92	Buy	-0.6	9.1	19.8	3.11	4.05	4.0							
651	FBIDX	U.S. Bond Index		11.50	Hold	-0.6	7.5	6.5	2.35	3.06	4.3							
812	FUSFX	Ultra-Short Bond	0.25%/60d	8.17	Hold	0.0	1.1	1.0	0.45	0.70	0.4							
HIGH-YIELD BOND						Category Averages			-1.4	10.4	44.0	4.89	5.63					
38	FAGIX	Capital & Income	1.00%/90d	9.27	Buy	-0.9	13.4	72.1	5.49	6.10	--							
814	FFRHX	Floating Rate High Income	1.00%/60d	9.76	OK to Buy	0.2	6.7	28.9	3.44	3.26	--							
1366	FHIFX	Focused High Income	1.00%/90d	9.33	Buy	-1.5	11.1	35.1	5.39	6.66	--							
455	SPHIX	High Income	1.00%/90d	8.89	Buy	-1.0	11.7	51.5	6.20	6.88	--							
331	FNMIX	New Markets Income	1.00%/90d	15.85	Buy	-3.3	10.8	44.6	4.83	6.42	--							
368	FSICX	Strategic Income		11.31	Buy	-2.0	8.9	31.8	3.99	4.44	--							
NATIONAL MUNICIPAL BOND						Category Averages			-1.5	3.8	10.2	2.72	3.47	6.0	25%	28%	33%	35%
36	FLTXX	Interm Municipal Income	0.50%/30d	10.22	Hold	-1.3	3.8	8.8	2.50	3.39	5.2	3.3	3.5	3.7	3.8			
37	FHIGX	Municipal Income	0.50%/30d	12.55	Hold	-2.2	4.5	13.1	3.43	4.11	7.9	4.6	4.8	5.1	5.3			
404	FSTFX	Short-Int Municipal Income	0.50%/30d	10.69	OK to Buy	-0.5	2.7	5.6	1.39	2.28	2.7	1.9	1.9	2.1	2.1			
90	FTABX	Tax-Free Bond	0.50%/30d	10.79	Hold	-2.2	4.2	13.3	3.57	4.10	8.0	4.8	5.0	5.3	5.5			
STATE-SPECIFIC MUNICIPAL BOND						Category Averages			-1.7	4.0	11.1	2.85	3.60	6.9				
434	FSAZX	Arizona Muni Income	0.50%/30d	11.38	Hold	-1.9	4.3	13.7	3.29	3.65	8.0	4.4	4.6	4.9	5.1			
91	FCTFX	California Muni Income	0.50%/30d	11.93	Hold	-2.3	5.4	11.7	3.68	4.18	7.6	4.9	5.1	5.5	5.7			
1534	FCSTX	Calif Short-Interm Tax Free	0.50%/30d	10.64	OK to Buy	-0.8	2.9	6.2	1.36	2.34	3.0	1.8	1.9	2.0	2.1			
407	FICNX	Connecticut Muni Income	0.50%/30d	11.49	Hold	-1.5	4.0	11.0	2.51	3.24	6.7	3.3	3.5	3.7	3.9			
429	SMDMX	Maryland Muni Income	0.50%/30d	10.98	Hold	-1.5	3.9	13.8	2.71	3.38	7.1	3.6	3.8	4.0	4.2			
70	FDMXX	Mass Muni Income	0.50%/30d	11.88	Hold	-1.9	4.2	12.7	3.14	3.81	8.0	4.2	4.4	4.7	4.8			
81	FMHTX	Michigan Muni Income	0.50%/30d	11.91	Hold	-1.5	4.1	9.3	2.94	3.87	6.5	3.9	4.1	4.4	4.5			
82	FIMIX	Minnesota Muni Income	0.50%/30d	11.46	Hold	-1.5	3.9	9.9	2.46	3.43	6.3	3.3	3.4	3.7	3.8			
416	FNJHX	New Jersey Muni Income	0.50%/30d	11.54	Hold	-1.8	3.9	11.8	2.87	3.77	7.0	3.8	4.0	4.3	4.4			
71	FTFMX	New York Muni Income	0.50%/30d	12.90	Hold	-2.1	4.1	12.1	3.01	3.84	7.6	4.0	4.2	4.5	4.6			
88	FOHFX	Ohio Muni Income	0.50%/30d	11.63	Hold	-1.6	3.8	11.1	3.08	3.84	7.4	4.1	4.3	4.6	4.7			
402	FPXTX	Pennsylvania Muni Income	0.50%/30d	10.81	Hold	-1.6	3.9	9.7	3.17	3.87	7.2	4.2	4.4	4.7	4.9			
TAXABLE MONEY MARKET						Category Averages			0.00	0.03	0.45	0.03						
55	FDRXX	Cash Reserves		1.00	--	0.00	0.05	0.61	0.03	na	na							
631	FGMXX	Retirement Government MM		1.00	--	0.00	0.01	0.29	0.01	na	na							
630	FRTXX	Retirement MM		1.00	--	0.00	0.02	0.63	0.01	na	na							
458	SPAXX	Government MM		1.00	--	0.00	0.01	0.32	0.01	na	na							
454	SPRXX	Money Market		1.00	--	0.01	0.03	0.62	0.01	na	na							
85	FSLXX	Select MM		1.00	--	0.01	0.12	0.67	0.11	na	na							
50	FGRXX	U.S. Gov't Reserves		1.00	--	0.00	0.01	0.37	0.01	na	na							
415	FDLXX	US Treasury MM		1.00	--	0.00	0.01	0.05	0.01	na	na							
MUNICIPAL MONEY MARKET						Category Averages			0.00	0.01	0.15	0.01						
460	FIMXX	AMT Tax-Free Money Fnd		1.00	--	0.01	0.02	0.20	0.02	na	na	0.0	0.0	0.0	0.0			
10	FTEXX	Municipal Money Market		1.00	--	0.00	0.01	0.17	0.01	na	na	0.0	0.0	0.0	0.0			
275	FMOXX	Tax-Free Money Market		1.00	--	0.00	0.01	0.09	0.01	na	na	0.0	0.0	0.0	0.0			
STATE MUNICIPAL MONEY MARKET						Category Averages			0.00	0.01	0.11	0.01						
433	FSAXX	Arizona		1.00	--	0.00	0.01	0.08	0.01	na	na	0.0	0.0	0.0	0.0			
457	FSPXX	California AMT Tax-Free		1.00	--	0.00	0.02	0.15	0.01	na	na	0.0	0.0	0.0	0.0			
97	FCFXX	California		1.00	--	0.00	0.01	0.05	0.01	na	na	0.0	0.0	0.0	0.0			
418	FCMXX	Connecticut		1.00	--	0.00	0.01	0.09	0.01	na	na	0.0	0.0	0.0	0.0			
426	FMSXX	Mass AMT Tax-Free		1.00	--	0.00	0.01	0.18	0.01	na	na	0.0	0.0	0.0	0.0			
74	FDMXX	Massachusetts		1.00	--	0.00	0.02	0.07	0.01	na	na	0.0	0.0	0.0	0.0			
420	FMIXX	Michigan		1.00	--	0.00	0.01	0.02	0.01	na	na	0.0	0.0	0.0	0.0			
423	FSJXX	New Jersey AMT Tax-Free		1.00	--	0.00	0.01	0.19	0.01	na	na	0.0	0.0	0.0	0.0			
417	FNJXX	New Jersey		1.00	--	0.00	0.01	0.07	0.01	na	na	0.0	0.0	0.0	0.0			
422	FSNXX	New York AMT Tax-Free		1.00	--	0.00	0.02	0.19	0.01	na	na	0.0	0.0	0.0	0.0			
92	FNYXX	New York		1.00	--	0.00	0.01	0.11	0.01	na	na	0.0	0.0	0.0	0.0			
419	FOMXX	Ohio		1.00	--	0.00	0.01	0.15	0.01	na	na	0.0	0.0	0.0	0.0			
401	FPTXX	Pennsylvania		1.00	--	0.00	0.01	0.09	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, 2010

Fund No.	Fund Ticker	Fund Name	Style	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹
							Nov	YTD	2009	1 Year	3 Year	5 Year	
FIDELITY PERSONAL RETIREMENT ANNUITY PORTFOLIOS													
9067	FLRQC	Fid VIP Asset Manager	Allocation		12.74	Hold	0.3	10.8	28.7	12.7	0.9	4.7	0.76
9066	FAEEC	Fid VIP Asset Manager: Growth	Allocation		12.21	Hold	0.5	11.6	32.4	14.4	-1.3	3.7	0.98
9069	FJBAC	Fid VIP Balanced	Allocation		12.73	Hold	0.7	11.0	38.1	14.6	0.3	4.4	0.92
9081	FVHAC	Fid VIP Consumer Discretionary	Sector	1.00%/60d	11.84	Hold	4.2	26.4	37.8	32.2	2.9	3.2	1.22
9171	FCSAC	Fid VIP Consumer Staples	Sector	1.00%/60d	11.47	Hold	-1.3	9.3	20.4	9.6	0.8	--	0.77
9065	FPDFC	Fid VIP Contrafund	Large Growth		11.71	Hold	0.5	8.6	35.3	12.7	-5.4	2.1	1.10
9148	FPRGC	Fid VIP Disciplined Small Cap	Small Growth		9.19	Hold	2.9	15.8	21.8	24.4	-2.5	--	1.18
9074	FZAMC	Fid VIP Dynamic Capital App	Large Growth		11.91	OK to Buy	1.2	13.3	35.7	21.4	-5.0	1.9	1.16
9198	FEMAC	Fid VIP Emerging Markets	Emg Mkts	1.00%/60d	8.64	Buy	-2.0	11.0	75.1	15.3	--	--	--
9085	FJLLC	Fid VIP Energy	Sector	1.00%/60d	13.49	Hold	7.0	8.5	47.4	13.8	-7.4	5.0	1.63
9061	FLOLC	Fid VIP Equity-Income	Large Value		9.70	Buy	-0.3	5.4	29.8	7.1	-8.2	-1.1	1.16
9083	FONNC	Fid VIP Financial Services	Sector	1.00%/60d	6.24	Hold	-3.2	-7.5	27.0	-5.8	-17.6	-10.1	1.49
9157	FMPAC	Fid VIP FundsManager 20	Allocation		11.77	Hold	-0.5	5.7	10.0	5.8	2.2	--	0.27
9158	FMPBC	Fid VIP FundsManager 50	Allocation		11.16	Hold	-0.4	7.7	18.7	8.8	-0.5	--	0.58
9197	FMPCC	Fid VIP FundsManager 60	Allocation		9.97	Hold	-0.4	8.5	22.2	10.0	--	--	--
9159	FMPCC	Fid VIP FundsManager 70	Allocation		10.47	Hold	-0.5	8.3	24.1	10.3	-3.1	--	0.80
9160	FMPDC	Fid VIP FundsManager 85	Allocation		9.98	Hold	-0.4	8.9	28.2	11.6	-5.0	--	0.96
9062	FMNDC	Fid VIP Growth	Large Growth		10.82	Buy	2.0	16.3	27.8	20.8	-7.7	1.0	1.11
9070	FLFNC	Fid VIP Growth & Income	Large Blend		10.41	OK to Sell	1.2	7.0	26.8	9.9	-7.7	-0.2	1.04
9068	FIDPC	Fid VIP Growth Opportunities	Large Growth		10.42	Buy	2.5	16.9	45.2	23.1	-8.4	-0.4	1.32
9078	FPVDC	Fid VIP Growth Stock	Large Growth		11.51	OK to Buy	2.2	13.9	44.3	17.7	-2.9	2.5	1.13
9077	FQBRC	Fid VIP Growth Strategies	Mid Growth		10.73	Buy↑	3.3	15.8	39.4	23.3	-5.9	1.1	1.20
9084	FPDRC	Fid VIP Health Care	Sector	1.00%/60d	11.76	Hold	1.2	9.2	32.2	13.5	-1.3	2.7	0.91
9060	FBBLC	Fid VIP High Income	High-Yield Bond		13.78	Buy	-1.2	11.7	43.4	15.2	6.5	6.5	0.67
9064	FXVLT	Fid VIP Index 500	Large Blend		10.55	Hold	0.0	7.6	26.3	9.6	-5.4	0.7	1.00
9082	FBALC	Fid VIP Industrials	Sector	1.00%/60d	14.41	OK to Buy	2.7	20.8	39.6	25.8	0.4	6.9	1.42
9076	FVJIC	Fid VIP Int'l Capital App	Diversified Int'l	1.00%/60d	10.60	Buy	-2.8	7.9	55.2	11.1	-7.0	0.9	1.51
9063	FTLKC	Fid VIP Investment Grade Bond	Inv Grd Bond		13.14	Buy	-0.6	8.4	15.5	7.2	6.5	5.6	0.23
9172	FVMAC	Fid VIP Materials	Sector	1.00%/60d	12.50	OK to Buy	1.8	16.7	77.6	20.5	3.7	--	1.52
9071	FNBSC	Fid VIP Mid Cap	Mid Growth		14.47	Hold	0.7	24.4	39.6	26.4	1.6	6.9	1.08
9059	FTNJC	Fid VIP Money Market	Money Mkt		11.45	--	0.0	-0.1	0.4	-0.1	1.2	2.5	0.02
9088	FEMMC	Fid VIP Overseas	Diversified Int'l	1.00%/60d	11.28	OK to Sell	-3.3	4.8	26.1	6.6	-10.0	1.6	1.24
9072	FFWKC	Fid VIP Real Estate	Sector		11.85	Hold	-2.1	23.5	37.2	32.9	-1.4	2.7	2.00
9075	FGDQC	Fid VIP Strategic Income	High-Yield Bond		14.38	Buy	-2.1	8.4	29.7	8.7	8.0	7.5	0.43
9086	FYENC	Fid VIP Technology	Sector	1.00%/60d	15.36	Buy	1.4	20.0	95.4	29.6	4.3	7.4	1.51
9173	FVTAC	Fid VIP Telecommunications	Sector	1.00%/60d	8.41	Hold	-1.6	9.8	47.5	15.8	-6.0	--	1.20
9087	FXRRC	Fid VIP Utilities	Sector	1.00%/60d	12.39	Hold	-3.8	6.2	14.9	12.8	-7.7	4.1	0.90
9079	FKMSC	Fid VIP Value	Mid Value		9.82	Buy	0.1	8.5	42.1	14.2	-6.9	-0.9	1.42
9080	FUEBC	Fid VIP Value Leaders	Large Value		8.80	Sell↓	-1.9	0.5	27.4	2.6	-11.0	-3.2	1.16
9073	FRBSC	Fid VIP Value Strategies	Mid Blend		11.15	Buy	1.2	16.4	57.1	23.2	-4.0	2.0	1.54
9272	FYBXC	Credit Suisse Int'l Equity Flex III	Diversified Int'l		10.40	OK to Sell	-4.1	2.9	1.0p	4.0	--	--	--
9285	FIGXC	Invesco Van Kampen Gbl Val Eqty	Global Stock		8.44	OK to Sell	-2.8	3.4	15.7	6.0	-10.9	-1.3	0.95
9147	FPRLC	Lazard Retirement Emerging Mkts	Emg Mkts		14.75	Buy	-3.1	15.0	69.8	19.3	0.5	--	1.49
9143	FPRMC	Morgan Stanley Emerg Mkt Debt	Emg Mkt Bond		13.94	Buy	-3.9	9.8	29.9	10.3	6.8	7.5	0.61
9144	FPRNC	Morgan Stanley Emerg Mkt Equity	Emg Mkts		12.89	Buy	-2.9	12.1	69.4	15.1	-6.7	10.6	1.52
9146	FPRPC	Morgan Stanley Gbl Tactical Alloc	Diversified Int'l		9.21	Hold	-2.7	0.6	32.2	2.2	-10.3	1.7	1.27
9276	FPMBC	Pimco VIT Low Duration	Shrt-Term Bond		10.66	Buy	-0.7	4.9	1.6p	4.9	--	--	--
9277	FPNBC	Pimco VIT Real Return	TIPS		11.31	Hold	-2.0	9.9	3.0p	7.7	--	--	--
9278	FPOBC	Pimco VIT Total Return	Intermed Bond		10.97	Buy	-1.4	8.3	1.3p	7.3	--	--	--

Note: **Morgan Stanley Int'l Magnum** has now been renamed **Morgan Stanley Global Tactical Allocaton**

ANNUITY MODEL PORTFOLIOS

Annuity Growth Model	
Fund	Allocation
Fidelity VIP Strategic Income	34%
Fidelity VIP Growth Opportunities	26
Fidelity VIP Value	18
Fidelity VIP Equity-Income	11
Mrgn Stnly Emerg Mkt Debt	11
Total Return: Nov: -0.5% YTD: 8.7%	

Annuity Growth & Income Model	
Fund	Allocation
Fidelity VIP Investment Grade	30%
Fidelity VIP Strategic Income	26
Fidelity VIP Value	16
Fidelity VIP Growth Opportunities	13
Mrgn Stnly Emerg Mkt Debt	11
Fidelity VIP Equity-Income	4
Total Return: Nov: -0.8% YTD: 7.8%	

Annuity Income & Preservation Model	
Fund	Allocation
Fidelity VIP Investment Grade	35%
Fidelity VIP Money Market	21
Fidelity VIP Strategic Income	20
Fidelity VIP Value	13
Mrgn Stnly Emerg Mkt Debt	11
Total Return: Nov: -1.0% YTD: 5.0%	

QUESTIONS & ANSWERS

Members' Worried About Bonds

Q: *What's your opinion on Fidelity's Strategic Income, Total Bond and Investment Grade funds with regard to the current concern over European debt fears? In the past, my bond funds seemed to stop retreating the day after I sold them! This time, I have held firm and they keep going down. I would appreciate any thoughts you might have regarding them.*

— R.B., via the Internet

A: European debt fears don't really have a direct impact on Total Bond and Investment Grade, as they have almost no exposure to Europe; they own, almost exclusively, U.S. bonds. In fact, fears over European debt (the indelicately named "PIIGS" — consisting of Portugal, Ireland, Iceland, Greece and Spain) could benefit these funds in a "flight to quality."

The bigger reason for their recent negative returns is fears of renewed inflation down the road. This is the result of the Fed's additional round of quantitative easing (QE2).

As you know, for most investors, we favor stocks over bonds. But you should still have some bond exposure for risk reduction, and for that we do like Total Bond and Investment Grade, which we hold in our models.

Strategic Income is a different story. It does have some exposure to European bonds (around 18%), but that is dominated by Germany and the UK — not the weaker sows of Europe. The fund also owns about 13% in emerging market debt and 40% in U.S. high-yield debt which were likely bigger problems for the fund recently. However, we like both of those areas and continue to rate all three funds *Buy*.

Q: *I am fully invested in China Region and growth funds. Since I*

plan to retire soon, I want to convert to income-orientated stock funds. However due to the current administration's excessive deficit spending, I am concerned about the inflation risk in bonds. Are there any income-orientated stock funds that lack the risk that's inherent in holding bonds?

— H.V., via the Internet

A: You should consider **Strategic Dividend and Income** (FSDIX), which holds 46% in stocks, 23% in higher-yielding preferred stock, 10% in convertible bonds (the latter being less susceptible to inflation risk than conventional bonds), and 16% in REITs. It currently yields 3.6%.

There is also **Telecom and Utilities** (FIUIX) which is all stock and yields 4.0%. Lastly, **Real Estate Income** yields 4.9%. It's 58% in bonds, but they are real estate related bonds; again not subject to the same inflation risk as conventional bonds. ■

FUND PROFILE

Muni Income's Allure And Challenges

With more than \$6.0 billion in assets, **Municipal Income** is Fidelity's largest tax-free bond fund. And, while our remarks in this profile are directed towards it, in almost all cases, they also apply to **Tax-Free Bond**, which is also managed by Jamie Pagliocco.

Running The Fund

If you're like most investors, you give scant attention to what your muni bond fund owns, focusing instead on its tax-equivalent yield (which we provide on p. 9 of the *Scorecard*). But there are differences, and they're worth understanding.

In the case of Muni Income, 100% of the portfolio may be in generally higher-yielding bonds that are subject to the Alternative Minimum Tax, or AMT. Presently, just 3.3% is subject to AMT, whereas Tax-Free Bond is allowed to hold none.

Muni Income is split between rev-

enue bonds (53%) and general obligation bonds (45%). The former is often considered a bit more risky because the issuer's ability to pay its bond holders can be adversely affected (during a recession, for example) by fewer people using a toll bridge or other revenue-producing venue. (We happen to think that this revenue stream can be an advantage in uncertain times.)

Meanwhile, the revenue source for general obligation (GOs) bonds is taxes — if a municipality or state needs more of your dough, they'll just raise taxes and/or fees ... which is done all the time!

Before the credit crisis of 2008, Muni Income held the bulk of its assets in AAA-rated debt. That's no longer the case, and here's why: 1. Supply is somewhat less available; 2. Fidelity credit analysts can better quantify risk than the big rating agencies, and; 3. Their risk/return analysis directs them to be more opportunistic by moving down the credit-quality scale.

Our outlook for the credit worthiness of muni issuers is mixed. The debt of fiscally prudent municipalities are actually less likely to benefit from an improving economy relative to the lesser credits. Plus, we believe interest rates will hold steady over the long term, which should provide a favorable environment for munis. However, if investors expect higher inflation and/or higher interest rates, bonds of all stripes could come under selling pressure.

Not to be overlooked: the new Republican-controlled House will pressure the president to cut taxes, while many state capitals are now under Republican control, too. This could reduce demand for munis, and modestly compromise their tax-advantaged attractiveness. Regardless, it's hard to imagine that America's most highly taxed investors won't find some relief from municipal bond (and money market) funds.

Muni Income *cont'd on p. 12*

Action Recommendation

In accounting for credit and interest-rate risk, last year, taxable bonds fared better than munis. They did so because the economy brightened investors' outlook for credits, public indebtedness grew, and federally funded Build America Bonds sucked demand away from munis. They may also provide ongoing credit problems for municipalities. Plus there's the risk that rising interest rates will hurt Fidelity's long-duration muni funds. For example, Muni Income and Tax-Free Bond both have durations of 7.8 years. What does this mean? Should interest rates uniformly rise or fall by 1%, they can be expected to either rise or fall by 7.8%! So, caution is advised for both these *Hold*-rated funds.

Finally, note some practical differences between the funds: Tax-Free has a higher minimum investment (\$25,000) vs. Muni Income \$10,000. This translates into a slightly lower expense ratio for Tax-Free that is presently capped at just 0.25% versus 0.48% for Muni Income. But despite Tax-Free's lower operating cost, it has had no yield advantage (3.67% versus 3.68%). And, while few people trade muni bond funds, both funds have a 0.5% redemption fee on shares held fewer than 30 days. ■

— John Bonnanzio

DIVIDEND UPDATE

In addition to monthly dividends paid by Asset Mgr: 20%/30%, bond, and money market funds, all funds are eligible for year-end dividends and/or capital gains on funds in December (see p. 4).

Other than monthly dividends paid by Asset Mgr: 20%/30%, bond, and money market funds, and also minuscule capital gains for some money markets, there were no distributions in November

Inside Fidelity

New Managers — Elizabeth McLaughlin replaces Doug McGinley as the manager of the **Ohio and Pennsylvania Muni Money Market** funds. With both states' economies under stress (unemployment is above the national average), Liz will have to navigate her way through the troubled waters of these Rust Belt states.

However, 98% of both portfolios are in First Tier-rated securities, while Fidelity's own fixed-income research department is second-to-none in the fund industry. That said, we prefer to see our members owning any of Fidelity's three more geographically diverse muni money markets (**AMT Tax-Free, Municipal and Tax-Free**). Their yields are no different from the state-specific offerings (meaning almost nothing!), but you do get a degree of added safety.

Fund Strategies — **Select Home Finance** [*OK to Sell*] is broadening its investment scope to include more consumer-oriented finance firms. As a result, it will be renamed **Consumer Finance**. Separately, **Southeast Asia's** [*OK to Buy*] now invests in India, and has changed its name to **Emerging Asia**. With India's economy growing almost 9% annually, and its Sensex stock market up 10% this year, India is a nice addition to the fund. No rating changes are advised at this point.

Correction — Last month's table for **Growth Discovery** contained incorrect data, including the fund's ticker. We corrected this information on our web-version immediately thereafter (one of the advantages of reading and downloading the newsletter on-line!). We apologize for any confusion. ■

MESSAGE TO MEMBERS

Strength In Numbers: Our 2011 Guide

Work on the 2011 edition of our annual *Independent Guide to Fidelity Funds* is well under way, and it's a bit of a milestone for me.

I first collaborated with Eric Kobren on the *Guide* 20 editions ago. Along the way, I have conducted hundreds of fund manager interviews, and have written thousands of pages of investment advice in untold millions of words!

Meanwhile, John Boyd is the "new" kid on the block, as this book marks "only" his 15th *Guide*. But this doesn't include his other Fidelity experience, which he mentions in *Market Outlook*.

And, not to be overlooked, is the newest member of our editorial/research team: President and Publisher, Jack Bowers. (Jack purchased *Fidelity Insight* from Eric a year ago.)

Jack's been editing and publishing *Fidelity Monitor* for the past 25 years, and we're delighted that his expertise is buttressing our own in this year's *Guide*.

To make sure your copy of the *2011 Guide* is reserved, please see the renewal form that's enclosed with your December *Fidelity Insight*.

Sincerely,
John Bonnanzio
editorial@mfi.com

PS — Since 1991, Fidelity's Charitable Gift Fund has helped donors support over 136,000 nonprofit organizations. This year alone, about a billion dollars will be given to charities by people like yourself who want to make a difference for others, while also doing something smart tax-wise for themselves. To learn more about wise charitable giving, log on to:

<http://www.charitablegift.org/>

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