

FIDELITY INSIGHT

THE INDEPENDENT REPORT ON FIDELITY FUNDS

JUNE 2010

VOLUME 26, NUMBER 6

MARKET OUTLOOK

A Normal Correction ... Or Something Worse?

Last month, I suggested the fundamental backdrop for stocks was positive, but warned that members must be prepared for a correction at any time. Well, after a frightful May, all the major market indexes are now officially in correction territory having fallen 10% or more from their 2010 highs. The question on investors' minds as May drew to a close was whether this was "just" a correction, meaning the declines are close to over, or the start of something worse.

I don't profess to *know* the answer, but I expect that this is only a correction and not the start of an extended decline. That said, there are reasons to be concerned.

For one thing, investors are losing confidence that the stock market is a "fair" game. It doesn't help that the government still doesn't know what caused the "flash crash" on May 6 that sent the Dow down nearly 1000 points in just minutes, before "recovering" to finish down 348.

Increasingly the market seems to be driven by rumors and innuendo, rather than fundamentals. One day there is a report that China is considering selling some of its European bonds which drives the market sharply lower. The next day the market rallies back when China issues a perfunctory denial.

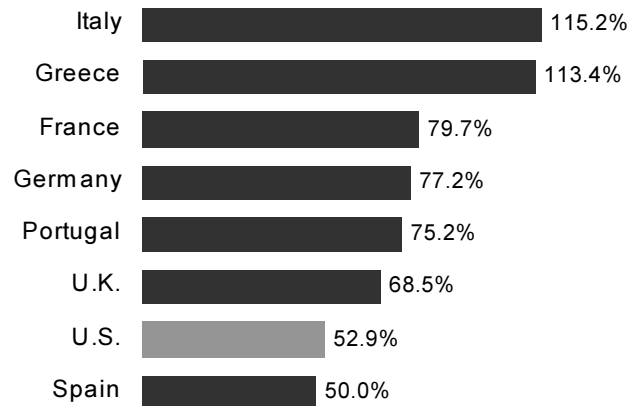
My advice is to ignore the market's daily gyrations (mostly noise anyway) and focus on whether anything has changed in the fundamental backdrop for stocks.

INSIDE INSIGHT

Model Portfolios	2
Which Funds Should You Buy Now!	3
Model Portfolio Trades	3
Fidelity Reorg Puts Outsider In Charge	4
Still Too Early To Buy European Funds	4
Fund Commentary	5
June Scorecard Rating Changes	5
Scorecard	6
Annuity Model Portfolios	10
New Corporate Bond Fund Is A "Buy"	11
Retail Matches For VIP Funds	12
Dividend Update	12
Inside Fidelity/Message To Members	12

EUROPEAN DEBT WOES

Government Debt as a % of GDP (2009 est.)



Source: CIA World Fact Book

The Greek credit crisis was sparked by its weak economy and its very large government debt level as a percentage of its GDP. The fear is that this crisis could expand to other European countries with high relative debt loads as shown above. The U.S. is shown for comparison. While Spain's debt level would not seem problematic, its economy is in terrible shape and its bonds were just downgraded.

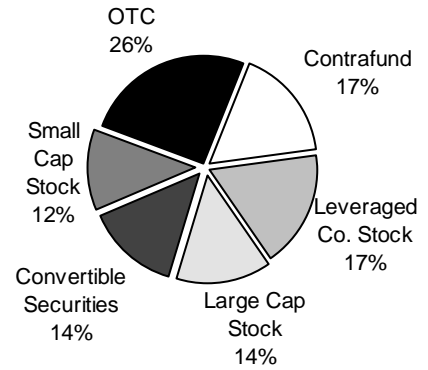
Let's return to the four pillars of support for stocks I noted last month. Three of them remain intact. Corporate earnings estimates continue to be revised higher and company guidance going forward has been mostly positive. The Fed is still "on hold" with respect to interest rates, and the European debt crisis makes the chance of a rate hike this year even more remote. Needless to say, we don't have to worry that investors are overly bullish!

But the fourth pillar, a U.S. economy that is gaining strength, is starting to show some cracks. What's changed is the aforementioned European debt crisis. As the crisis unfolded, the initial responses of policy makers in Europe were inadequate to stem the fears of a Greek default and possible domino effects on other debt-burdened European nations (see chart above). Faced with a free-falling euro, the European Central Bank and the IMF put together a roughly \$1 trillion (euros) "TARP"-like loan program and purchased some Greek debt. As part of the deal, Greece and others agreed to several austerity measures designed to begin to get their finances back in order.

Market Outlook *cont'd on page 3*

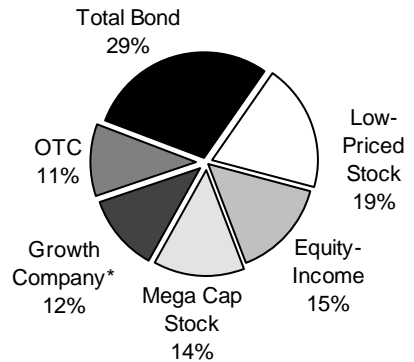
FIDELITY INSIGHT MODEL PORTFOLIOS - MAY 31, 2010

Aggressive Growth Model		Rel Vol: 1.01	Est. Yield: 0.8%	YTD Return: -0.1%		
Current Asset Allocation		Stocks 83.3%	Bonds 0.9%	Cash 2.9%	Alternative ¹ 13.0%	Foreign 9.0%
Holdings	Ticker	Alloc	NAV	Shares	Value	May Ret
OTC	FOCPX	26%	\$45.90	814.41	\$37,381	-7.7%
Contrafund	FCNTX	17	57.25	422.89	24,210	-6.6
Leveraged Co. Stock	FLVCX	17	24.00	1,043.99	25,056	-8.4
Large Cap Stock	FLCSX	14	15.03	1,331.78	20,017	-9.2
Convertible Securities	FCVSX	14	22.31	908.65	20,272	-5.9
Small Cap Stock	FSLCX	12	16.40	1,086.39	17,817	-7.6
Current Value (4/7/99 = \$100,000)					\$144,753	-7.6%



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

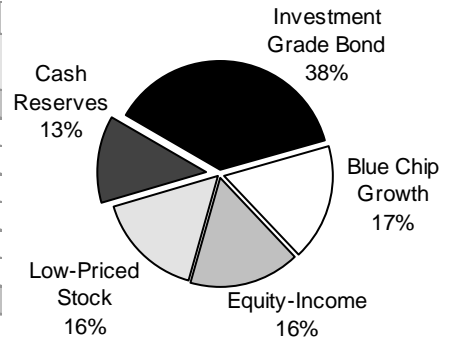
Growth Model		Rel Vol: 1.03	Est. Yield: 1.4%	YTD Return: -0.4%		
Current Asset Allocation		Stocks 68.0%	Bonds 28.1%	Cash 3.4%	Alternative ¹ 0.5%	Foreign 9.9%
Holdings	Ticker	Alloc	NAV	Shares	Value	May Ret
Total Bond	FTBFX	29%	\$10.72	26,937.79	\$288,773	0.0%
Low-Priced Stock	FLPSX	19	32.72	5,792.44	189,529	-7.7
Equity-Income	FEQIX	15	38.88	3,658.02	142,224	-8.6
Mega Cap Stock	FGRTX	14	8.59	15,920.66	136,758	-8.6
Growth Company*	FDGRX	12	69.07	1,663.07	114,868	-7.6
OTC	FOCPX	11	45.90	2,354.34	108,064	-7.7
Current Value (1/1/87 = \$100,000)					\$980,217	-6.9%



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

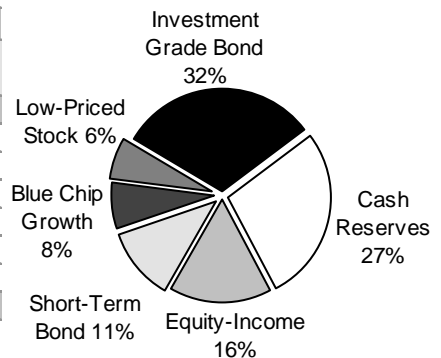
For moderately aggressive members who want equity-dominated portfolios and have no income needs for at least 10 years. Target volatility range: 0.50-1.00.

Growth & Income Model		Rel Vol: 0.73	Est. Yield: 1.5%	YTD Return: 1.0%		
Current Asset Allocation		Stocks 47.2%	Bonds 35.8%	Cash 16.4%	Alternative ¹ 0.5%	Foreign 7.1%
Holdings	Ticker	Alloc	NAV	Shares	Value	May Ret
Investment Grade Bond	FBNDX	38%	\$7.24	43,181.13	\$312,631	0.4%
Blue Chip Growth	FBGRX	17	37.82	3,782.10	143,039	-7.6
Equity-Income	FEQIX	16	38.88	3,468.44	134,853	-8.6
Low-Priced Stock	FLPSX	16	32.72	4,083.20	133,602	-7.7
Cash Reserves	FDRXX	13	1.00	108,789.48	108,789	0.0
Current Value (1/1/87 = \$100,000)					\$832,915	-4.8%



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: 0.51	Est. Yield: 1.5%	YTD Return: 1.0%		
Current Asset Allocation		Stocks 28.7%	Bonds 40.6%	Cash 30.3%	Alternative ¹ 0.5%	Foreign 3.8%
Holdings	Ticker	Alloc	NAV	Shares	Value	May Ret
Investment Grade Bond	FBNDX	32%	\$7.24	22,877.67	\$165,634	0.4%
Cash Reserves	FDRXX	27	1.00	141,025.95	141,026	0.0
Equity-Income	FEQIX	16	38.88	2,135.02	83,010	-8.6
Short-Term Bond	FSHBX	11	8.40	7,028.41	59,039	0.2
Blue Chip Growth	FBGRX	8	37.82	1,043.41	39,462	-7.6
Low-Priced Stock	FLPSX	6	32.72	1,005.90	32,913	-7.7
Current Value (1/1/87 = \$100,000)					\$521,084	-3.2%



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.

However, if these countries follow through on these measures, that will inevitably cause their economies to experience much slower growth, if not outright recessions.

At the same time, China is taking numerous steps to try and slow its growth. While the impact of a slowing Europe and China on our economic growth (through lower exports) is probably not major, at the very least, the economic outlook is now cloudier.

Taking Some Risk Off The Table

While I don't expect this to be more than a correction, given our concerns about global growth, and the risk that the European credit crisis gets worse, I think it is prudent to take a bit of risk off the table. (The credit crisis is far from over and Greece is already trying to modify some of the austerity measures it just agreed to!)

In that regard, we made trades in three of our model portfolios to bring our equity exposure down a bit in favor of bonds — **Total Bond** in our Growth Model and **Investment Grade** in the Growth & Income and Income & Preservation Models. Both of these funds offer a mix of corporate and government bonds (and high-yield and emerging market bonds with Total Bond).

We have also upgraded our ratings on Fidelity's government bond funds. Europe's problems have benefited U.S. Treasuries, as investors are flocking to the (relative) safe haven of U.S. bonds. While longer-term we remain concerned about our own debt levels and the eventual impact on rates, with the current fragility of the global economy, we don't see them moving higher anytime soon.

It is important to note that we are

WHICH FUNDS SHOULD YOU BUY NOW!

Equity Funds: **Equity-Income**, **Mega Cap Stock** and **OTC/Large Cap Stock** alternatively provide large-cap value, blend and growth exposures. **Low-Priced Stock**, **Mid Cap Stock** and **Small Cap Stock** play the mid- and small-cap arenas.

Fixed-Income Funds: **Total Bond** offers diversified bond exposure, including some emerging market debt for added yield. The new **Corporate Bond** (see p. 11) plays the healthy balance sheets of corporate America and beyond. **Investment Grade Bond** blends government and corporate bonds, as does **Short-Term Bond**, which offers much lower interest-rate risk within the taxable bond group. **Strategic Income** is a far more aggressive approach to generating income. **Spartan Short-Term Treasury Index** is your best pick for minimal credit- and modest interest-rate risk, but use **money market funds** for complete safety.

International Funds: We're long-term believers in international investing, but a rising dollar and unnerving debt crisis abroad have us sticking to domestic stock funds (see. p. 4). ■

not bearishly positioned. We had been running the models with a larger than normal allocation to stocks and have now simply moved back to "neutral."

While we don't rigidly follow an asset allocation rule for our models, our rough guideline for our Growth model, for example, is 70% in stocks and 30% in fixed-income. Prior to the trades, we were at 80% stocks and now we are at 68%. (For our Growth

& Income Model "neutral" is 50/50 and its 30/70 for our Income & Preservation Model.)

As we said in our trade Hotline, if we are wrong in reducing stock exposure here, we will leave a little bit on the table. We're happy to accept that risk in return for a little insurance against a worse outcome than we expect, and a better night's sleep. ■

— John M. Boyd

MODEL PORTFOLIO TRADES

As announced on our May 20 Special Hotline, effective Friday, May 21, we made trades in three Model Portfolios.

Action	Fund (ticker)	Shares	Price	Value	Old %	New %
Growth Model						
Sold 1/2:	Growth Co (FDGRX)	1,663.07	\$67.92	\$112,955.78	23%	12%
Added To:	Total Bond (FTBFX)	10,497.75	10.76	112,955.78	18	30
Growth & Income Model						
Sold 1/3:	Blue Chip Gr. (FBGRX)	1,891.05	\$37.23	\$70,403.80	25%	17%
Added To:	Inv Grade Bnd (FBNDX)	9,670.85	7.28	70,403.80	29	38
Income & Preservation Model						
Sold 1/2:	Blue Chip Gr. (FBGRX)	1,043.41	\$37.23	\$38,846.12	15%	7%
Added To:	Inv Grade Bond (FBNDX)	5,336.01	7.28	38,846.12	24	32

These trades bring the models' stock and fixed-income allocations back to roughly neutral levels (70/30 for the Growth Model; 50/50 for the Growth & Income Model; 30/70 for the Income & Preservation Model).

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

Fidelity Reorg Puts Outsider In Charge

Fidelity has reorganized its key business units and, in the process, has divided itself into two separate entities: asset management and distribution.

While we believe this move is a step towards positioning Abigail Johnson, daughter of Chairman Edward C. (Ned) Johnson 3d, as the eventual head of the family-run company, the more immediate change is that an “outsider” once again oversees Fidelity’s mutual fund business.

On the asset management side, Fidelity has hired Ronald O’Hanley of BNY Mellon Asset Management. Both he and Abby, who runs Fidelity’s distribution businesses, report directly to Ned Johnson.

As significant as these changes may one day become, **we do not believe that they will have any immediate impact on the way Fidelity funds are managed.**

For the past five years, Ms. Johnson has been heading the Personal and Workplace Investing group.

Her new responsibilities include all of Fidelity’s customer and client-focused businesses, including Institutional Services. The latter business includes its relationships with banks, brokerdealers, insurers and registered investment advisors.

Apart from these roles, Ms. Johnson is vice chairman and director of FMR LLC, the holding company for the businesses of Fidelity Investments. She is also a member of the powerful Executive Committee. And, in drawing upon her experience as a fund manager, she is chairman of the Fixed-Income/Asset Allocation Board of Trustees.

Ms. Johnson’s first job at Fidelity was an analyst covering the industrial equipment industry, and later managed a Select fund in that area. Shortly thereafter, she ran **Dividend Growth, OTC and Trend**. Because she only met with modest success in these money management roles, her skills and qualifications for the inevitable managerial roles she has assumed are often second-guessed by pundits. That said, during her roughly three-year tenure as head of Fidelity’s

investment group, the company’s expanded lineup of funds grew by a “modest” \$100 billion or so!

As for Mr. O’Hanley’s responsibilities, they encompass the newly established Asset Management and Corporate Services businesses. Fidelity says that “Ron O’Hanley will bring valuable asset management and executive experience to our investing and corporate functions as well as a strong leadership track record.” This will occur mid-summer.

In his new role, Mr. O’Hanley will oversee Fidelity’s Asset Management organizations, including FMRCo which makes the investment management decisions for most funds. (This extremely important unit stays under the control of Jacques Perold.) In addition, Mr. O’Hanley oversees Pyramis Global Advisors (which is the subadvisor to index and so-called enhanced index funds) and its Asset Allocation Division, comprising Strategic Advisers and Global Asset Allocation. All corporate functions such as PR, human resources, public policy and legal are under his purview. ■

INTERNATIONAL FUNDS

Still Too Early To Buy European Funds

With the euro at a four-year-low relative to the dollar, now’s a great time to head to Europe for a summer vacation. But, in our opinion, it’s still too early to swoop down on those European stocks that have been hammered by the turmoil set in motion by the Greek debt crisis.

A few months ago, we downgraded **Europe** and **Europe Cap App** precisely because of the credit imbroglio, while also taking most other international funds down, too. In fact, because Europe is such a large component of diversified

international funds (such as those in the accompanying table), these funds were also downgraded.

Of course, some of the worst-hit country/markets are those whose government debt are problematic (high relative to GDP see chart on pg. 1).

In southern Europe, they are known rather caustically as the “PIGS” (Portugal, Italy, Greece and Spain). We, however, have great affection for that part of the world, and prefer something more endearing: The Olive Belt.

Of course, these countries are not alone in their high indebtedness, so “PIIGS” sometimes expands to include Ireland and/or Iceland. When Great Britain is added, “PIIGGS” is used.

Less we’re tempted to stand on our high petards, should government indebtedness continue to accelerate here at home, there is yet one more less-humorous iteration that could one day join the global investment lexicon: “US PIIGGS.” ■

— John Bonnanzio

“PIIGS” EXPOSURE RANKED

	Portugal	Italy	Ireland	Greece	Spain	Total
Europe Cap App		2.5	0.8	1.5	5.6	10.4
Europe		2.5	0.8	1.5	5.5	10.3
Overseas		4.3	0.1	1.3	4.5	10.2
Int'l Value	0.3	4.6	0.9	0.5	3.7	10.0
Diversified Int'l		2.6	1.1	0.2	4.7	8.6
Spartan Int'l Idx	0.3	2.9	0.4	0.4	3.9	7.9
Int'l Enhanced Idx	0.3	2.8	0.3	0.4	3.7	7.5
Int'l Cap App		0.9	0.5	0.5	4.6	6.5
Int'l Discovery		1.1	0.9	1.0	3.3	6.3
Total Int'l Equity		2.2	0.5	0.4	3.0	6.1
Int'l Growth		1.0	0.3	0.3	3.5	5.1

Fidelity’s exposure to Europe’s five most troubled economies is generally modest. Based on the most current filings, 11 international funds have exposures greater than 5.0%, and only five exceed Spartan Int'l Index fund’s 7.9% “neutral” benchmark.

FUND COMMENTARY

Volatility Soars As Stocks Retreat

Horrible. That's about the most positive word we can conjure to describe May's market activity — the worst monthly performance for the Dow Jones Industrials (down 7.9%) since 1940, and the worst for the S&P 500 since 1962 (down 8.0%)! As for the Nasdaq Composite, it fared even a bit worse, shedding 8.2% of its value in May.

Market volatility, which is only a polite way of saying "risk," was off the charts. As measured by a barometer we watch closely, called the VIX index, investor sentiment for the next 30 days is NERVOUS. No need to get into the minutia of how it works, but trust us: when the VIX is running wild, it's not good. And, by the way, the market has a nickname for the VIX: the Fear Index.

As we've pointed out on our recent Hotline messages, on almost any given day, bulls and bears alike could argue persuasively that their market views are irrefutable (see *Market Outlook* beginning on p.1).

While the Greek debt problem has been at the top of investors' concerns, related issues like a European recession, and the possibility that it could spread to other continents, has some merit. Indeed, just prior to our going to press, Spain's sovereign debt was downgraded (see p. 1 chart).

Then there have also been the unexpected non-market threats to global stability. Overwhelming evidence that North Korea sunk a South Korean patrol boat in its own waters simply isn't helpful when fear is running high. Add to that Iran thumbing its nose at the West, and even the BP Gulf disaster that was still spewing oil as of this writing, and you have a lot of ill-ease out there.

And, less we forget, Congress is still grappling with re-regulating the financial services industry. Of course, the only idea scarier than that, is the idea of the industry regulating itself!

With banks, money managers, brokers and insurance companies all seeing their stocks being dragged through the market like a Nantucket Sleighride, is it any wonder that **Select Financial Services** dove over 10% in May?

While all major sectors and subsectors retreated last month, nothing fared worse than oil-related funds. The worst of the lot was **Energy Service** (down 19.0%). Investors were initially less concerned about the Gulf disaster (though BP shares are now suffering), and more concerned about a decline in global GDP growth.

That's not to say that May was bereft of moments of unabashed exuberance. Plenty of investors saw buying opportunities (and they're always out there in broad selloffs) as shares of their favorite, balance sheet-healthy companies were suddenly on sale. However, one of the market's best days was when France strong-armed Germany into a Greek bailout. (France threatened to abandon the euro unless Germany capitulated!) The deal: Greece and other troubled countries can access almost a trillion dollars in aid, while they're on their best honor to address their bad spending habits. But stocks resumed their descent once investors understood the agreement's rather lax terms.

Model Portfolios

As we discuss elsewhere in this report, our response to this untamed exuberance and fear was a modest asset allocation shift away from stocks and into less risky bonds.

Clearly, it's too early to measure the wisdom of this move. And, as they were executed late in May, the help these trades have so far provided is slight. With that in mind, our all-stock Aggressive Growth Model (where no trades were advised) fell 7.6% in May versus the S&P 500's 8.0% slide. Our worst-performing holding was **Large Cap Stock** (down 9.2%), which was snakebitten by its top sector positions: technology and financials. And, as risk-tolerance took a holiday, **Leveraged Company Stock** (which had been one of the best-performing funds at Fidelity this year) retreated 8.4%. On a year-to-date basis, the model is down fractionally (-0.1%) while the S&P 500 is off 1.5%.

Our Growth Model fell 6.9% in May. Financials slammed two key holdings: **Mega Cap Stock** and **Equity-Income** (each down 8.6%). That sector accounts for more than one fifth of each fund's holdings. So what has allowed the Growth Model to best the S&P 500 by one full percentage point so far this year?

The answer is an initial 17% stake in **Total Bond** (at the start of the month), which we increased (owing to our trade) to 29% by month-end.

This story line has not been much different for our more conservative models — though the "actors" go by different names.

Although **Blue Chip Growth** (down 7.6%) has a mere 8% or so in financials, its 37% weight in technology provided no shelter. And, again,

Fund Commentary cont'd on page 6

JUNE SCORECARD RATING CHANGES

Fund	Ratings			Comments
	Old	New		
Corporate Bond		B		We like this new investment-grade fund (see p 11).
Gov't Income	S	H	↑	Volatility and flight to quality favors safer U.S. debt.
Interm Gov't Income	S	H	↑	Volatility and flight to quality favors safer U.S. debt.
Sel Biotechnology	H	S	↓	Cost-cutting presently favors cheaper generics.
Sptn Interm Treas	S	H	↑	Volatility and flight to quality favors safer U.S. debt.
Sptn L-T Treas Idx	S	H	↑	Volatility and flight to quality favors safer U.S. debt.
Sptn S-T Treas Idx	H	B	↑	Volatility and flight to quality favors safer U.S. debt.
U.S. Bond Index	H	B	↑	Over 70% of fund is in safer U.S. gov't debt.

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

FIDELITY SCORECARD - MAY 31, 2010

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹	Assets (\$Mil)		
						May	YTD	2009	1 Year	3 Year	5 Year				
Comparative Indexes		S&P 500 (Large Cap)*				-8.0	-1.5	26.5	20.9	-8.7	0.3	1.00			
		Nasdaq Composite (OTC)*				-8.2	-0.3	45.0	28.1	-4.0	2.4	1.16			
		MSCI EAFE (International)*				-11.2	-12.6	28.5	5.3	-13.0	1.5	1.25			
		Barclays Aggregate Bond*				0.8	3.5	6.5	8.0	5.9	4.8	0.18			
LARGE CAP GROWTH						Category Averages			-7.8	-0.6	38.3	23.4	-6.1	2.1	1.15
312	FBGRX	Blue Chip Growth		37.82	Buy	-7.6	-0.3	45.0	29.4	-2.6	2.1	1.10	\$10,545		
307	FDCAX	Capital Appreciation		22.19	Hold	-6.1	3.6	36.4	28.0	-6.7	2.2	1.15	4,567		
22	FCNTX	Contrafund		57.25	Buy	-6.6	-1.6	29.2	20.4	-4.3	4.1	0.93	54,199		
332	FEXPX	Export and Multinational	0.75%/30d	18.90	Hold	-9.1	-3.7	37.1	18.2	-8.0	1.4	1.13	2,517		
500	FFTYX	Fifty		14.68	Hold	-8.9	-2.4	37.1	16.2	-11.8	-0.5	1.25	686		
333	FTQGX	Focused Stock		10.98	Hold	-8.1	-0.2	25.2	19.3	-4.5	3.1	1.02	119		
25	FDGRX	Growth Company (closed)		69.07	Buy	-7.6	0.1	41.2	26.3	-2.9	4.6	1.12	26,621		
339	FDSVX	Growth Discovery		11.22	OK to Sell	-7.0	1.1	29.3	22.4	-7.1	1.8	1.12	652		
73	FDFFX	Independence		19.94	Hold	-8.1	0.1	39.9	26.0	-5.9	3.5	1.40	3,668		
763	FSLGX	Large Cap Growth		8.07	Hold	-6.8	-0.7	24.0	19.1	-10.0	-2.1	1.03	99		
1829	FLGEX	Large Cap Growth Enhcd Index		8.26	Hold	-7.8	-3.0	35.1	20.8	-6.6	--	0.98	46		
338	FLCSX	Large Cap Stock		15.03	Buy	-9.2	0.3	50.5	28.0	-6.9	2.3	1.29	995		
21	FMAGX	Magellan		62.91	Hold	-8.1	-2.1	41.1	17.6	-9.3	-0.8	1.31	20,392		
1282	FNCMX	Nasdaq Composite Index	0.75%/90d	29.99	OK to Buy	-8.2	-0.3	45.0	28.1	-4.0	2.4	1.16	256		
93	FOCPX	OTC		45.90	Buy	-7.7	0.4	62.2	30.3	0.4	6.0	1.32	5,305		
320	FDSX	Stock Selector		21.57	Hold	-8.4	-0.7	28.8	20.9	-8.7	0.6	1.04	698		
5	FTRNX	Trend		56.00	OK to Buy	-6.8	-0.4	44.5	27.5	-4.0	3.1	1.15	808		
LARGE CAP BLEND						Category Averages			-8.1	-1.1	27.8	21.2	-9.9	-0.1	1.08
315	FDEQX	Disciplined Equity		20.66	Sell	-6.9	-1.7	22.0	18.8	-10.8	-0.2	1.01	9,440		
330	FDGFX	Dividend Growth		23.76	Buy	-8.8	0.4	51.0	28.3	-6.9	1.3	1.28	7,845		
3	FFIDX	Fidelity Fund		27.74	OK to Sell	-8.4	-2.0	26.8	16.5	-7.7	1.2	1.05	4,727		
27	FGRIX	Growth & Income		15.71	OK to Sell	-9.1	-2.1	23.1	18.6	-17.8	-7.2	1.19	5,580		
1827	FLCEX	Large Cap Core Enhcd Index		7.52	Hold	-8.4	-2.7	23.3	18.5	-9.0	--	0.96	929		
361	FGRTX	Mega Cap Stock		8.59	Buy	-8.6	-2.4	28.6	21.0	-8.3	1.3	1.04	540		
650	FUSEX	Spartan 500 Index ⁴		38.67	Hold	-8.0	-1.5	26.5	20.9	-8.7	0.3	1.00	23,354		
397	FSTMX	Spartan Total Mkt. Index ⁴	0.50%/90d	31.41	Hold	-7.9	-0.2	28.4	23.3	-8.0	1.1	1.03	5,325		
343	FTXMX	Tax Managed Stock		10.96	Sell	-6.3	0.6	20.7	22.0	-11.6	-0.3	1.08	72		
832	FVDFX	Value Discovery		12.98	Hold	-9.1	0.9	27.7	24.0	-10.2	1.8	1.16	620		
LARGE CAP VALUE						Category Averages			-8.5	-0.7	22.7	21.0	-12.2	-1.1	1.10
1271	FBCVX	Blue Chip Value		9.87	Hold	-9.0	-0.9	27.8	21.7	-13.1	-1.4	1.18	334		
23	FEQIX	Equity-Income		38.88	Buy	-8.6	-0.3	29.5	22.7	-11.4	-0.2	1.15	12,744		
319	FEQTX	Equity-Income II		16.11	Buy	-8.8	-1.0	25.1	20.8	-11.1	-1.3	1.11	4,903		
708	FSLVX	Large Cap Value		9.70	OK to Sell	-7.5	-0.4	15.6	20.5	-13.2	-1.3	1.08	882		
1828	FLVEX	Large Cap Value Enhcd Index		6.63	Hold	-8.4	-0.7	15.6	19.2	-12.3	--	1.00	66		

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. ¹Relative Volatility of the fund versus the S&P 500 over the last 36 months; 1.50 means the fund has been 50% more volatile. ²Durations (a measure of interest rate sensitivity) reflect prior quarter figures. ³Stated yield is before any 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). ⁶Formerly Small Cap Retirement. ⁷Distributed 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-Income's financials were a performance drain. But where this and our Income & Preservation models have drawn their relative strength is from defensive bonds and cash.

In both instances, **Investment Grade Bond** has been our fund of choice, as it's a bit less risky than Total Bond. (Investment Grade rose 0.4% in May and is up 4.3% this year.) Our allocation to this fund also increased in May. As a result, the G&I Model fell "only" 4.8% in May and the I&P Model retreated 3.2%. For the

year, the G&I Model and I&P Model Portfolios are both up 1.0% versus -1.5% for the S&P 500.

Equity Funds

On average, Fidelity's stock funds fell 7.9% in May. Notably, there was very little difference between the worst- and "best"-performing funds. (The former tend to have a value bias, meaning more financials, and the latter tend to have smaller-market capitalizations). On that score, smaller-cap funds are still benefiting from low interest rates and improved credit conditions in the U.S. Indeed,

Small Cap Discovery (up 10.6%), **Small Cap Value** (up 8.5%) and **Small Cap Independence** (up 7.4%) are top performers this year. On the other hand, two **Large Cap Enhanced Index** funds (**Core** and **Growth**) are down about 3% apiece.

International Funds

On average, foreign stock funds fell 10.3% in May. The tiny **Nordic** fund (down 14.1%) fared worse than its peers as this region is susceptible to falling commodity prices and the euro flu that's sweeping that continent. (The latter may be an unfair rap

FIDELITY SCORECARD - MAY 31, 2010

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹	Assets (\$Mil)		
						May	YTD	2009	1 Year	3 Year	5 Year				
MID-CAP GROWTH						Category Averages			-8.1	3.0	42.9	31.1	-7.3	2.6	1.28
324	FDEGX	Growth Strategies	1.50%/90d	16.69	Hold	-8.2	2.6	39.7	26.4	-8.3	0.9	1.25	\$1,842		
2012	FMEIX	Mid Cap Enhanced Index	0.75%/30d	8.23	Hold	-7.3	1.9	37.6	30.7	--	--	--	38		
793	FSMGX	Mid Cap Growth	0.75%/30d	10.17	Hold	-7.9	2.4	46.4	32.3	-10.6	-1.2	1.31	224		
337	FMCSX	Mid-Cap Stock	0.75%/30d	24.87	OK to Buy	-8.8	6.2	50.4	38.5	-6.9	4.8	1.37	6,742		
300	FMILX	New Millennium		25.06	OK to Buy	-8.1	1.8	40.2	27.5	-3.4	5.8	1.19	1,718		
MID-CAP BLEND						Category Averages			-7.9	5.2	48.6	34.8	-7.3	3.4	1.41
122	FLVCX	Leveraged Company Stock	1.50%/90d	24.00	Buy	-8.4	4.7	59.6	35.4	-9.5	3.7	1.69	4,239		
316	FLPSX	Low-Priced Stock	1.50%/90d	32.72	Buy	-7.7	2.4	39.1	27.1	-5.2	3.9	1.15	24,848		
398	FSEMXX	Spartan Extended Mkt Index ⁴	0.75%/90d	32.01	Hold	-7.5	6.4	36.7	34.5	-5.4	3.9	1.20	2,952		
14	FSLSX	Value Strategies		23.73	Buy	-8.1	7.3	59.2	42.2	-9.1	1.9	1.59	369		
MID-CAP VALUE						Category Averages			-8.0	5.0	39.8	36.9	-9.3	1.9	1.38
762	FSMVX	Mid Cap Value	0.75%/30d	13.57	Hold	-6.7	6.3	35.4	39.2	-8.4	2.7	1.29	528		
39	FDVLX	Value		59.11	Buy	-9.4	3.8	44.1	34.5	-10.3	1.1	1.47	7,667		
SMALL CAP GROWTH						Category Averages			-7.2	6.0	32.9	31.6	-8.6	2.8	1.31
2011	FCPEX	Small Cap Enhanced Index	1.50%/90d	8.47	Hold	-7.1	5.3	23.6	31.0	--	--	--	96		
1388	FCPGX	Small Cap Growth	1.50%/90d	13.09	Hold	-7.2	5.4	42.9	32.2	-6.1	4.6	1.26	1,235		
336	FDSCX	Small Cap Independence	1.50%/90d	14.95	Hold	-7.3	7.4	32.3	31.7	-11.1	1.0	1.37	1,521		
SMALL CAP BLEND						Category Averages			-7.2	6.7	56.7	41.3	0.6	6.5	1.41
384	FSCRX	Small Cap Discovery ⁶	1.50%/90d	14.07	OK to Buy	-6.8	10.6	50.7	42.7	1.2	7.6	1.38	598		
340	FSLCX	Small Cap Stock	2.00%/90d	16.40	Buy	-7.6	2.9	62.7	39.8	0.0	5.4	1.43	3,839		
SMALL CAP VALUE						Category Averages			-7.7	8.5	36.6	38.0	-2.3	6.8	1.34
1389	FCPVX	Small Cap Value	1.50%/90d	13.76	Hold	-7.7	8.5	36.6	38.0	-2.3	6.8	1.34	1,788		
SPECIALTY															
2063	FOTTX	130/30 Large Cap		6.41	OK to Sell	-7.9	-2.9	3.6	13.0	--	--	--	19		
304	FBALX	Balanced		16.44	Hold	-4.9	1.0	28.1	19.2	-4.0	3.6	0.79	17,341		
308	FCVXX	Convertible Securities		22.31	Buy	-5.9	3.1	64.1	32.7	-3.6	5.6	1.33	2,293		
1960	FDYSX	Dynamic Strategies		8.39	Hold	-5.4	-0.6	28.7	15.0	--	--	--	151		
355	FFNOX	Four-in-One Index		23.57	Hold	-7.4	-2.7	25.0	16.4	-7.0	1.5	0.91	1,965		
334	FGBLX	Global Balanced	1.00%/30d	19.34	Hold	-6.8	-3.8	22.5	12.0	-1.3	5.1	0.76	470		
2120	FFGCX	Global Commodity Stock	1.00%/30d	13.03	Buy	-11.2	-11.4	48.0p	--	--	--	--	251		
1368	FIREX	International Real Estate	1.50%/90d	7.73	Sell	-10.3	-12.2	35.8	5.8	-19.8	-1.9	1.40	292		
4	FPURX	Puritan		16.11	OK to Buy	-5.5	0.8	26.7	19.4	-3.5	3.1	0.72	16,042		
833	FRIFX	Real Estate Income	0.75%/90d	9.87	OK to Buy	-1.5	7.6	46.8	34.6	-0.2	3.3	0.79	911		
303	FRESX	Real Estate Investment	0.75%/90d	22.57	Hold	-5.1	12.3	32.9	67.5	-11.0	1.7	2.06	2,944		
1329	FSDIX	Strategic Dividend & Income		9.75	OK to Buy	-7.2	2.8	37.7	32.0	-7.7	1.5	1.15	482		
1505	FSRRX	Strategic Real Return	0.75%/60d	8.60	Hold	-3.0	1.1	28.4	17.4	--	--	0.68	4,467		
311	FIUIX	Telecom & Utilities		13.70	Hold	-5.1	-1.5	11.1	16.1	-12.1	2.3	0.89	700		
ASSET ALLOCATION															
328	FASIX	Asset Manager 20%		12.10	Hold	-1.8	1.6	19.5	12.8	1.8	4.4	0.37	2,768		
1957	FTANX	Asset Manager 30%		9.23	Hold	-2.6	1.5	23.6	15.0	--	--	--	92		
1958	FFANX	Asset Manager 40%		8.95	Hold	-3.6	0.8	26.0	16.0	--	--	--	66		
314	FASMX	Asset Manager 50%		13.81	Hold	-4.6	0.1	30.9	17.4	-1.8	2.9	0.70	6,035		
1959	FSANX	Asset Manager 60%		8.58	Hold	-5.6	-0.7	32.7	17.9	--	--	--	85		
321	FASGX	Asset Manager 70%		14.15	Hold	-6.4	-1.3	35.7	18.9	-4.7	1.8	0.90	2,233		
347	FAMRX	Asset Manager 85%		11.34	Hold	-8.0	-2.7	38.7	19.2	-6.5	2.2	1.03	560		

as Nordic indebtedness — relative to Greece and others — is modest.) As for **Europe** and **Europe Cap App**, they fell 12.9% and 13.0%, respectively. A half world away, **China Region** (down 6.4%) held up comparatively well even as a new property tax seeks to deflate a real estate bubble.

We're still not optimistic about investing abroad. But with double-digit corrections commonplace, we're on the lookout for some opportunities.

Fixed Income Funds

With investors focused on safety

last month, their safe harbor investment was U.S. government debt — not gold. Notably, **Select Gold** fell 2.4% in May while **Spartan Long-Term U.S. Treasury Index** soared 4.3% and is now up 8.2% for the year. While we see more value (to say nothing of yield and potential long-term capital appreciation) in corporate bonds, there's no question that Uncle Sam's perceived creditworthiness is still relatively high! For its part, **Total Bond** was flat last month as its emerging market and lower-quality debt was not in great demand.

(Don't forget, more highly taxed

investors should consider a muni fund.)

Finally, cash, a much-vilified asset class, was better appreciated last month by anyone who held it. Yes, money market yields are still less than anemic. But when fear is on the rise, we're all reminded as to why money market funds are more than mere placeholders in our portfolios.

With nary a sign that the Fed will lift short-term rates in this non-inflationary environment, **Cash Reserves** yield is a barely perceptible 0.05%. **Select MM's** yield is the highest right now at a whopping 0.13%! ■

— John Bonnanzio

FIDELITY SCORECARD - MAY 31, 2010

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹	Assets (\$Mil)		
						May	YTD	2009	1 Year	3 Year	5 Year				
INTERNATIONAL						Category Averages			-10.3	-8.0	41.9	11.5	-9.9	4.7	1.41
309	FICDX	Canada	1.50%/90d	48.79	Hold	-6.5	0.6	39.6	12.7	-3.5	9.6	1.48	\$3,580		
352	FHKCX	China Region	1.50%/90d	25.78	Hold↓	-6.4	-7.6	65.6	11.5	5.8	12.4	1.59	1,797		
325	FDIVX	Diversified International	1.00%/30d	24.83	OK to Sell	-10.6	-11.3	31.8	5.8	-12.6	1.6	1.27	25,881		
2053	FEMEX	Emerg Europe, MidEast, Africa	1.50%/90d	7.43	OK to Buy	-7.8	-2.5	61.4	12.2	--	--	--	102		
322	FEMKX	Emerging Markets	1.50%/90d	21.05	Buy	-9.5	-6.9	76.0	22.6	0.0	11.5	1.76	3,508		
301	FIEUX	Europe	1.00%/30d	24.96	OK to Sell	-12.9	-15.3	31.7	1.7	-13.1	1.3	1.27	1,694		
341	FECAX	Europe Capital App	1.00%/30d	15.03	OK to Sell	-13.0	-15.3	32.1	1.8	-14.5	1.8	1.30	399		
335	FIVFX	Int'l Cap App	1.00%/30d	10.46	Buy	-10.7	-7.8	55.2	12.4	-12.6	0.2	1.53	505		
305	FIGRX	International Discovery	1.00%/30d	26.91	OK to Sell	-10.7	-11.3	30.1	7.3	-11.8	2.7	1.22	7,256		
2010	FIENX	International Enhanced Index	1.00%/30d	6.04	OK to Sell	-11.2	-12.3	24.6	4.8	--	--	--	22		
1979	FIGFX	International Growth	1.00%/30d	6.78	Hold	-9.8	-9.4	36.5	14.4	--	--	--	21		
818	FISMX	Int'l Small Cap	2.00%/90d	16.52	Hold	-10.8	-5.9	45.5	15.5	-10.3	3.8	1.36	644		
1504	FSCOX	Int'l Small Cap Opportunities	2.00%/90d	8.14	Hold	-10.0	-5.1	46.3	24.1	-19.3	--	1.51	313		
1597	FIVLX	International Value	1.00%/30d	6.92	OK to Sell	-11.2	-13.3	36.1	4.7	-14.6	--	1.42	143		
350	FJPNX	Japan	1.50%/90d	10.11	OK to Sell	-9.1	-0.1	15.3	6.4	-12.1	0.3	1.13	1,008		
360	FJSCX	Japan Smaller Companies	1.50%/90d	8.06	OK to Sell	-10.2	-3.1	18.1	10.4	-11.5	-5.9	1.26	304		
349	FLATX	Latin America	1.50%/90d	46.08	OK to Buy	-9.8	-11.1	91.6	19.2	-2.9	18.4	1.77	3,596		
342	FNORX	Nordic	1.50%/90d	25.51	Hold	-14.1	-6.8	47.5	16.3	-13.8	3.4	1.58	312		
94	FOSFX	Overseas	1.00%/30d	26.80	OK to Sell	-11.9	-13.4	25.2	0.6	-14.9	0.6	1.28	5,406		
302	FPBFX	Pacific Basin	1.50%/90d	20.44	Buy	-10.1	0.7	59.3	26.7	-8.0	6.7	1.64	677		
351	FSEAX	Southeast Asia	1.50%/90d	23.83	OK to Sell	-9.2	-6.3	39.2	12.5	-6.9	11.0	1.44	1,483		
399	FSIIX	Spartan Int'l Index ⁴	1.00%/90d	29.21	OK to Sell	-11.2	-12.6	28.5	5.3	-13.0	1.5	1.25	5,203		
1978	FTIEX	Total International Equity	1.00%/30d	6.06	OK to Buy	-10.4	-10.4	41.2	11.8	--	--	--	48		
318	FVWFX	Worldwide	1.00%/30d	15.19	Hold	-9.6	-5.5	28.5	14.3	-8.4	3.3	1.16	971		
SELECT PORTFOLIOS						Category Averages			-8.0	1.8	44.7	28.7	-5.5	3.8	1.40
34	FSAIX	Air Transportation	0.75%/30d	36.81	OK to Buy	-5.3	15.6	22.3	67.4	-4.8	6.5	1.64	137		
502	FSAVX	Automotive	0.75%/30d	31.86	OK to Buy	-9.1	3.1	122.3	61.3	-7.7	1.3	2.53	135		
507	FSRBX	Banking	0.75%/30d	17.67	Hold	-9.9	15.9	5.1	37.2	-15.9	-6.5	1.61	488		
42	FBIOX	Biotechnology	0.75%/30d	63.74	OK to Sell↓	-12.2	-2.7	10.8	12.5	-1.7	3.3	1.04	982		
68	FSLBX	Brokerage & Investment	0.75%/30d	47.68	Hold	-11.0	0.6	50.4	20.9	-11.0	4.0	1.50	542		
69	FSCHX	Chemicals	0.75%/30d	70.84	OK to Buy	-10.6	-3.6	65.3	22.9	0.7	7.5	1.38	377		
518	FSDCX	Communications Equipment	0.75%/30d	21.34	Buy	-8.3	2.8	80.7	31.9	-1.7	3.7	1.62	347		
7	FDCPX	Computers	0.75%/30d	45.96	OK to Buy	-4.6	0.8	83.2	47.2	2.1	6.0	1.43	468		
511	FSHOX	Construction & Housing	0.75%/30d	32.45	OK to Buy	-8.7	11.7	22.9	36.9	-7.2	-0.3	1.50	136		
517	FSCPX	Consumer Discretionary	0.75%/30d	20.70	OK to Buy	-6.4	10.2	38.1	38.6	-5.5	1.4	1.19	117		
9	FDFAX	Consumer Staples	0.75%/30d	58.92	Hold	-6.6	-3.0	20.9	16.0	0.2	6.9	0.79	897		
67	FSDAX	Defense & Aerospace	0.75%/30d	64.52	Hold	-7.5	6.9	24.9	30.0	-5.7	4.4	1.32	643		
8	FSELX	Electronics	0.75%/30d	40.65	Buy	-6.8	-1.9	85.0	39.1	-4.5	1.2	1.53	1,080		
60	FSENX	Energy	0.75%/30d	39.50	Hold	-13.0	-10.5	47.1	2.1	-10.2	5.7	1.67	1,855		
43	FSESX	Energy Service	0.75%/30d	51.04	Hold	-19.0	-12.2	62.0	0.2	-13.3	4.1	1.99	1,063		
516	FSLEX	Environmental	0.75%/30d	14.98	Sell	-8.2	-3.7	17.2	16.2	-5.7	1.6	1.08	47		
66	FIDSX	Financial Services	0.75%/30d	59.26	Hold	-10.6	2.1	25.9	18.5	-19.1	-6.1	1.48	510		
41	FSAGX	Gold	0.75%/30d	45.32	OK to Sell	-2.4	6.7	38.0	14.7	14.1	24.0	2.24	3,243		
63	FSPHX	Health Care	0.75%/30d	106.75	Hold	-6.1	0.1	32.1	24.9	-3.1	3.2	0.93	1,652		
98	FVLX	Home Finance	0.75%/30d	11.78	OK to Sell	-7.2	7.6	1.9	29.7	-34.8	-19.9	1.37	131		
510	FSCGX	Industrial Equipment	0.75%/30d	27.15	OK to Buy	-9.4	6.8	38.9	39.3	-5.1	4.8	1.50	166		
515	FCYIX	Industrials	0.75%/30d	19.29	OK to Buy	-8.8	6.5	38.9	40.4	-2.7	6.2	1.41	306		
45	FSPCX	Insurance	0.75%/30d	41.28	OK to Sell	-7.7	4.4	21.8	31.3	-15.2	-4.1	1.38	157		
353	FBSOX	IT Services	0.75%/30d	17.17	Hold	-8.9	-3.7	59.1	34.1	-0.3	8.3	1.19	88		
62	FDLSX	Leisure	0.75%/30d	77.31	OK to Buy	-5.9	16.5	24.3	35.2	0.0	6.4	1.10	285		
509	FSDPX	Materials	0.75%/30d	51.94	OK to Buy	-9.7	-3.7	78.7	26.7	-0.7	11.2	1.54	604		
505	FSHCX	Medical Delivery	0.75%/30d	43.74	Hold	-2.2	1.6	49.0	34.3	-4.9	2.3	1.32	416		
354	FSMEX	Medical Equipment	0.75%/30d	24.17	OK to Sell	-7.8	-1.2	32.6	21.0	3.0	5.1	0.95	1,361		
503	FBMPX	Multimedia	0.75%/30d	36.27	OK to Buy	-7.1	6.3	54.4	46.9	-5.0	2.5	1.31	130		
513	FSNGX	Natural Gas	0.75%/30d	27.67	Hold	-12.8	-12.1	56.3	-2.1	-12.7	3.1	1.78	918		
514	FNARX	Natural Resources	0.75%/30d	26.13	Hold	-11.2	-8.1	51.7	5.6	-7.1	9.6	1.70	1,302		
580	FPHAX	Pharmaceuticals	0.75%/30d	10.45	Hold	-7.0	-3.4	25.4	21.3	-2.1	6.1	0.87	241		
46	FSRPX	Retailing	0.75%/30d	46.57	Buy	-6.2	11.5	57.8	44.2	1.1	6.6	1.24	200		
28	FSCSX	Software & Computer Svcs	0.75%/30d	71.51	OK to Buy	-8.2	-5.8	61.5	29.7	0.2	7.6	1.22	967		
64	FSPTX	Technology	0.75%/30d	74.40	Buy	-7.3	-1.4	90.3	38.8	0.1	4.8	1.57	1,954		
96	FSTCX	Telecommunications	0.75%/30d	38.72	Hold	-3.3	-2.7	51.6	14.8	-11.0	3.0	1.26	295		
512	FSRFX	Transportation	0.75%/30d	47.30	OK to Buy	-5.5	20.3	23.3	66.0	-2.1	7.0	1.29	271		
65	FSUTX	Utilities	0.75%/30d	42.63	Hold	-5.6	-4.3	14.4	15.9	-10.7	3.0	0.96	353		
963	FWRLX	Wireless	0.75%/30d	6.59	Hold	-4.5	-2.5	59.0	9.8	-5.5	4.4	1.34	274		

FIDELITY SCORECARD - MAY 31, 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						
						May	YTD	2009				25%	28%	33%	35%			
TAXABLE BOND						Category Averages			1.0	3.7	5.5	2.34	2.92	4.4				
2208	FCBFX	Corporate Bond		9.93	Buy	0.0	0.0	--	--	--	--							
15	FGMNX	Ginnie Mae		11.68	Hold	1.3	4.1	6.9	2.82	3.12	3.2							
54	FGOVX	Government Income		10.63	Hold↑	1.1	3.3	1.3	2.05	2.72	4.5							
794	FINPX	Inflation-Protected Bond ³		11.47	Hold	-0.1	2.8	9.7	0.46	1.15	6.3							
32	FTHRFX	Intermediate Bond		10.41	Buy	0.6	4.1	17.1	3.00	4.00	3.8							
452	FSTGX	Intermediate Gov't Income		10.91	Hold↑	1.1	2.9	0.9	1.52	2.01	3.6							
26	FBNDX	Investment Grade Bond		7.24	Buy	0.4	4.3	16.0	3.25	3.77	4.4							
40	FMSFX	Mortgage Securities		10.74	Hold	1.2	4.2	9.6	3.54	4.64	2.9							
450	FSHBX	Short-Term Bond		8.40	Buy	0.2	2.0	7.4	1.60	2.46	1.7							
1561	FIBIX	Sptn Interm Treas Index ⁵		10.63	Hold↑	2.4	5.4	-5.0	2.76	3.13	6.6							
1562	FLBIX	Sptn Lng-Term Treas Index ⁵		10.69	Hold↑	4.3	8.2	-13.4	3.88	4.02	13.0							
1560	FSBIX	Sptn Sht-Term Treas Index ⁵		10.48	Buy↑	0.7	2.1	-0.1	1.04	1.61	2.6							
820	FTBFX	Total Bond		10.72	Buy	0.0	4.0	19.8	3.60	4.15	3.9							
651	FBIDX	U.S. Bond Index		11.29	OK to Buy↑	0.8	3.5	6.5	2.76	3.40	4.2							
812	FUSFX	Ultra-Short Bond	0.25%/60d	8.15	Hold	-0.1	0.6	1.0	0.52	0.76	0.4							
HIGH-YIELD BOND						Category Averages			-3.2	2.1	44.0	6.04	5.67					
38	FAGIX	Capital & Income	1.00%/90d	8.60	OK to Buy	-5.3	2.3	72.1	6.86	6.24	--							
814	FFRHX	Floating Rate High Income	1.00%/60d	9.43	OK to Buy	-2.2	1.4	28.9	4.00	3.04	--							
1366	FHIFX	Focused High Income	1.00%/90d	9.12	Buy	-2.9	2.1	35.1	6.59	6.65	--							
455	SPHIX	High Income	1.00%/90d	8.42	Buy	-4.0	2.4	51.5	7.83	6.70	--							
331	FNMIX	New Markets Income	1.00%/90d	15.08	Buy	-2.6	2.7	44.6	5.99	6.76	--							
368	FSICX	Strategic Income		10.78	Buy	-2.3	1.7	31.8	4.96	4.65	--							
NATIONAL MUNICIPAL BOND						Category Averages			0.6	2.7	10.2	2.80	3.53	6.0	25%	28%	33%	35%
36	FLTXX	Interm Municipal Income	0.50%/30d	10.27	Buy	0.7	2.6	8.8	2.56	3.44	5.3	3.4	3.6	3.8	3.9			
37	FHIGX	Municipal Income	0.50%/30d	12.67	Buy	0.7	3.5	13.1	3.52	4.11	8.0	4.7	4.9	5.3	5.4			
404	FSTFX	Short-Int Municipal Income	0.50%/30d	10.68	OK to Buy	0.5	1.5	5.6	1.51	2.48	2.7	2.0	2.1	2.3	2.3			
90	FTABX	Tax-Free Bond	0.50%/30d	10.92	Buy	0.7	3.3	13.3	3.62	4.11	8.1	4.8	5.0	5.4	5.6			
STATE-SPECIFIC MUNICIPAL BOND						Category Averages			0.7	2.9	11.1	2.97	3.63	6.9				
434	FSAZX	Arizona Muni Income	0.50%/30d	11.43	OK to Buy	0.8	2.9	13.7	3.39	3.68	8.0	4.5	4.7	5.1	5.2			
91	FCTFX	California Muni Income	0.50%/30d	12.04	Hold	0.6	4.3	11.7	3.77	4.18	7.7	5.0	5.2	5.6	5.8			
1534	FCSTX	Calif Short-Interm Tax Free	0.50%/30d	10.63	OK to Buy	0.4	1.7	6.2	1.63	2.44	3.1	2.2	2.3	2.4	2.5			
407	FICNX	Connecticut Muni Income	0.50%/30d	11.52	OK to Buy	0.8	2.6	11.0	2.69	3.39	6.9	3.6	3.7	4.0	4.1			
429	SMDMX	Maryland Muni Income	0.50%/30d	11.04	OK to Buy	0.8	2.7	13.8	2.80	3.46	7.2	3.7	3.9	4.2	4.3			
70	FDMXX	Mass Muni Income	0.50%/30d	11.99	OK to Buy	0.9	3.3	12.7	3.14	3.82	7.5	4.2	4.4	4.7	4.8			
81	FMHTX	Michigan Muni Income	0.50%/30d	11.97	Hold	0.8	2.7	9.3	3.11	3.87	6.7	4.1	4.3	4.6	4.8			
82	FIMIX	Minnesota Muni Income	0.50%/30d	11.52	OK to Buy	0.8	2.7	9.9	2.57	3.49	6.5	3.4	3.6	3.8	4.0			
416	FNJHX	New Jersey Muni Income	0.50%/30d	11.65	Hold	0.7	3.0	11.8	2.94	3.74	7.2	3.9	4.1	4.4	4.5			
71	FTFMX	New York Muni Income	0.50%/30d	13.05	Hold	0.8	3.4	12.1	3.16	3.80	7.9	4.2	4.4	4.7	4.9			
88	FOHFX	Ohio Muni Income	0.50%/30d	11.72	OK to Buy	0.8	2.7	11.1	3.22	3.88	7.6	4.3	4.5	4.8	5.0			
402	FPXTX	Pennsylvania Muni Income	0.50%/30d	10.87	OK to Buy	0.8	2.5	9.7	3.16	3.84	6.9	4.2	4.4	4.7	4.9			
TAXABLE MONEY MARKET						Category Averages			0.00	0.01	0.45	0.03						
55	FDRXX	Cash Reserves		1.00	--	0.00	0.01	0.61	0.05	na	na							
631	FGMXX	Retirement Government MM		1.00	--	0.00	0.00	0.29	0.01	na	na							
630	FRTXX	Retirement MM		1.00	--	0.00	0.01	0.63	0.01	na	na							
458	SPAXX	Government MM		1.00	--	0.00	0.00	0.32	0.01	na	na							
454	SPRXX	Money Market		1.00	--	0.00	0.01	0.62	0.02	na	na							
85	FSLXX	Select MM		1.00	--	0.01	0.04	0.67	0.13	na	na							
50	FGRXX	U.S. Gov't Reserves		1.00	--	0.00	0.00	0.37	0.01	na	na							
415	FDLXX	US Treasury MM (closed)		1.00	--	0.00	0.00	0.05	0.01	na	na							
MUNICIPAL MONEY MARKET						Category Averages			0.00	0.00	0.15	0.01						
460	FIMXX	AMT Tax-Free Money Fnd		1.00	--	0.00	0.00	0.20	0.01	na	na	0.0	0.0	0.0	0.0			
10	FTEXX	Municipal Money Market		1.00	--	0.00	0.00	0.17	0.01	na	na	0.0	0.0	0.0	0.0			
275	FMOXX	Tax-Free Money Market		1.00	--	0.00	0.00	0.09	0.01	na	na	0.0	0.0	0.0	0.0			
STATE MUNICIPAL MONEY MARKET						Category Averages			0.00	0.00	0.11	0.01						
433	FSAXX	Arizona		1.00	--	0.00	0.00	0.08	0.01	na	na	0.0	0.0	0.0	0.0			
457	FSPXX	California AMT Tax-Free		1.00	--	0.00	0.01	0.15	0.04	na	na	0.1	0.1	0.1	0.1			
97	FCFXX	California		1.00	--	0.00	0.00	0.05	0.01	na	na	0.0	0.0	0.0	0.0			
418	FCMXX	Connecticut		1.00	--	0.00	0.00	0.09	0.01	na	na	0.0	0.0	0.0	0.0			
426	FMSXX	Mass AMT Tax-Free		1.00	--	0.00	0.00	0.18	0.01	na	na	0.0	0.0	0.0	0.0			
74	FDMXX	Massachusetts		1.00	--	0.00	0.01	0.07	0.01	na	na	0.0	0.0	0.0	0.0			
420	FMIXX	Michigan		1.00	--	0.00	0.00	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	0.00	0.19	0.01	na	na	0.0	0.0	0.0	0.0			
417	FNJXX	New Jersey		1.00	--	0.00	0.00	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	0.01	0.19	0.03	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	0.00	0.15	0.01	na	na	0.0	0.0	0.0	0.0			
401	FPTXX	Pennsylvania		1.00	--	0.00	0.00	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 - MAY 31, 2010

Fund No.	Fund Ticker	Fund Name	Style	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹
							May	YTD	2009	1 Year	3 Year	5 Year	
FIDELITY PERSONAL RETIREMENT ANNUITY PORTFOLIOS													
9067	FLRQC	Fid VIP Asset Manager	Allocation		11.50	Hold	-4.6	0.1	28.7	17.1	-0.7	3.3	0.80
9066	FAEEC	Fid VIP Asset Manager: Growth	Allocation		10.77	Hold	-6.6	-1.5	32.4	18.4	-3.4	2.1	1.01
9069	FJBAC	Fid VIP Balanced	Allocation		11.63	Hold	-6.1	1.5	38.1	23.0	-2.8	3.6	0.95
9081	FVHAC	Fid VIP Consumer Discretionary	Sector	1.00%/60d	10.29	OK to Buy	-6.4	9.8	37.8	38.2	-5.5	1.0	1.21
9171	FCSAC	Fid VIP Consumer Staples	Sector	1.00%/60d	10.17	Hold	-6.6	-3.0	20.4	15.8	0.2	--	0.79
9065	FPDFC	Fid VIP Contrafund	Large Growth		10.64	Hold	-8.2	-1.3	35.3	22.3	-6.3	2.6	1.14
9148	FPRGC	Fid VIP Disciplined Small Cap	Small Growth		8.33	Hold	-7.2	5.0	21.8	29.9	-9.1	--	1.20
9074	FZAMC	Fid VIP Dynamic Capital App	Large Growth		10.88	Hold	-6.2	3.5	35.7	27.7	-7.5	3.1	1.18
9198	FEMAC	Fid VIP Emerging Markets	Emg Mkts	1.00%/60d	7.23	Buy	-9.7	-7.1	75.1	21.6	--	--	--
9085	FJLLC	Fid VIP Energy	Sector	1.00%/60d	11.13	Hold	-12.9	-10.5	47.4	2.3	-10.5	6.2	1.70
9061	FLOLC	Fid VIP Equity-Income	Large Value		9.14	Buy	-8.8	-0.7	29.8	22.4	-12.2	-0.9	1.18
9083	FONNC	Fid VIP Financial Services	Sector	1.00%/60d	6.89	Hold	-10.6	2.1	27.0	18.2	-19.1	-6.3	1.55
9157	FMPAC	Fid VIP FundsManager 20	Allocation		11.23	Hold	-1.9	0.9	10.0	8.0	1.1	--	0.28
9158	FMPBC	Fid VIP FundsManager 50	Allocation		10.33	Hold	-4.4	-0.3	18.7	12.8	-2.9	--	0.60
9197	FMPCC	Fid VIP FundsManager 60	Allocation		9.13	Hold	-5.3	-0.7	22.2	14.4	--	--	--
9159	FMPCC	Fid VIP FundsManager 70	Allocation		9.53	Hold	-6.2	-1.4	24.1	15.5	-6.3	--	0.82
9160	FMPDC	Fid VIP FundsManager 85	Allocation		8.99	Hold	-7.5	-1.9	28.2	18.3	-8.5	--	0.99
9062	FMNDC	Fid VIP Growth	Large Growth		9.39	OK to Sell	-7.0	1.0	27.8	21.7	-8.2	-0.4	1.13
9070	FLFNC	Fid VIP Growth & Income	Large Blend		9.52	OK to Sell	-8.8	-2.2	26.8	17.4	-9.7	0.1	1.05
9068	FIDPC	Fid VIP Growth Opportunities	Large Growth		8.99	Buy	-8.1	0.9	45.2	26.4	-10.7	-1.5	1.39
9078	FPVDC	Fid VIP Growth Stock	Large Growth		10.06	OK to Buy	-6.9	-0.5	44.3	27.2	-4.3	--	1.17
9077	FQBRC	Fid VIP Growth Strategies	Mid Growth		9.46	Hold	-8.2	2.0	39.4	25.5	-8.6	--	1.25
9084	FPDRC	Fid VIP Health Care	Sector	1.00%/60d	10.79	Hold	-6.1	0.2	32.2	24.9	-3.1	2.8	0.94
9060	FBBLC	Fid VIP High Income	High-Yield Bond		12.60	Buy	-3.6	2.2	43.4	22.6	2.4	5.3	0.72
9064	FXVLT	Fid VIP Index 500	Large Blend		9.65	Hold	-8.0	-1.6	26.3	20.7	-8.9	-0.1	1.01
9082	FBALC	Fid VIP Industrials	Sector	1.00%/60d	12.70	OK to Buy	-8.9	6.4	39.6	40.7	-2.4	6.4	1.43
9076	FVJIC	Fid VIP Int'l Capital App	Diversified Int'l	1.00%/60d	9.03	Buy	-10.9	-8.2	55.2	12.1	-12.9	--	1.56
9063	FTLKC	Fid VIP Investment Grade Bond	Inv Grd Bond		12.60	Buy	0.4	3.9	15.5	12.7	6.0	4.6	0.25
9172	FVMAC	Fid VIP Materials	Sector	1.00%/60d	10.30	OK to Buy	-9.9	-3.8	77.6	26.2	-0.7	--	1.56
9071	FNBSC	Fid VIP Mid Cap	Mid Growth		12.23	Hold	-5.5	5.2	39.6	27.7	-3.1	6.1	1.12
9059	FTNJC	Fid VIP Money Market	Money Mkt		11.45	--	0.0	0.0	0.4	0.0	2.0	2.8	0.03
9088	FEMMC	Fid VIP Overseas	Diversified Int'l	1.00%/60d	9.50	OK to Sell	-11.1	-11.7	26.1	5.7	-13.6	0.8	1.25
9072	FFWKC	Fid VIP Real Estate	Sector		10.81	Hold	-5.3	12.6	37.2	66.9	-9.6	3.0	2.17
9075	FGDQC	Fid VIP Strategic Income	High-Yield Bond		13.45	Buy	-2.5	1.4	29.7	17.1	6.6	6.3	0.45
9086	FYENC	Fid VIP Technology	Sector	1.00%/60d	12.60	Buy	-7.3	-1.6	95.4	38.3	0.2	5.4	1.59
9173	FVTAC	Fid VIP Telecommunications	Sector	1.00%/60d	7.40	Hold	-3.5	-3.4	47.5	13.9	-12.3	--	1.25
9087	FXRRC	Fid VIP Utilities	Sector	1.00%/60d	11.16	Hold	-5.6	-4.4	14.9	16.2	-10.1	3.5	0.98
9079	FKMSC	Fid VIP Value	Mid Value		9.37	Buy	-9.4	3.5	42.1	33.4	-10.9	--	1.47
9080	FUEBC	Fid VIP Value Leaders	Large Value		8.67	Hold	-9.1	-1.0	27.4	21.5	-13.3	--	1.19
9073	FRBSC	Fid VIP Value Strategies	Mid Blend		10.28	Buy	-8.0	7.3	57.1	42.1	-9.7	1.4	1.60
9272	FYBXC	Credit Suisse Int'l Equity Flex III	Diversified Int'l		8.99	OK to Sell	-10.9	-11.0	1.0p	--	--	--	--
9147	FPRLC	Lazard Retirement Emerging Mkts	Emg Mkts		12.45	Buy	-9.6	-2.9	69.8	24.7	-0.9	--	1.58
9143	FPRMC	Morgan Stanley Emerg Mkt Debt	Emg Mkt Bond		12.91	Buy	-3.2	1.7	29.9	16.9	4.5	7.2	0.64
9144	FPRNC	Morgan Stanley Emerg Mkt Equity	Emg Mkts		10.76	Buy	-8.8	-6.4	69.4	21.9	-5.2	11.4	1.69
9285	FIGXC	Invesco Van Kampen Gbl Val Eqty	Global Stock		7.75	OK to Sell	-9.2	-7.2	15.7	8.1	-15.0	-2.5	0.95
9146	FPRPC	Morgan Stanley Int'l Magnum	Diversified Int'l		7.93	Hold	-11.8	-13.3	32.2	5.0	-13.2	0.6	1.31
9276	FPMBC	Pimco VIT Low Duration	Shrt-Term Bond		10.35	Buy	-0.6	1.9	1.6p	--	--	--	--
9277	FPNBC	Pimco VIT Real Return	TIPS		10.68	Hold	-0.5	3.7	3.0p	--	--	--	--
9278	FPOBC	Pimco VIT Total Return	Intermed Bond		10.51	Buy	0.1	3.7	1.3p	--	--	--	--

Note: **Morgan Stanley Global Value Equity** has now become **Invesco Van Kampen Global Value Equity**.

ANNUITY MODEL PORTFOLIOS

Annuity Growth Model	
Fund	Allocation
Fidelity VIP Strategic Income	34%
Fidelity VIP Growth Opportunities	24
Fidelity VIP Value	20
Fidelity VIP Emerging Markets	11
Fidelity VIP Equity-Income	11
Total Return: May: -6.8% YTD: 0.4%	

Annuity Growth & Income Model	
Fund	Allocation
Fidelity VIP Investment Grade	30%
Fidelity VIP Strategic Income	26
Fidelity VIP Growth Opportunities	24
Fidelity VIP Value	16
Fidelity VIP Equity-Income	4
Total Return: May: -4.5% YTD: 2.3%	

Annuity Income & Preservation Model	
Fund	Allocation
Fidelity VIP Investment Grade	34%
Fidelity VIP Money Market	22
Fidelity VIP Strategic Income	19
Fidelity VIP Value	13
Fidelity VIP Growth Opportunities	12
Total Return: May: -2.7% YTD: 2.1%	

New Corporate Bond Fund Is A “Buy”

It’s been a long time coming, but the just-launched **Corporate Bond** fund (ticker: FCBFX) is a welcome addition as it fills an important “hole” in Fidelity’s lineup of taxable bond funds. Yes, they already offer 14 broad investment-grade funds, but until now, there were none that held only corporates. (For the record, when we suggested in last month’s report that a “Corporate Investment Grade Bond” fund was needed, we had no idea that it was already on Fidelity’s launch pad!)

Since initially reviewing this fund on our website (May 13), we’ve had the opportunity to learn more about its inner workings thanks to our conversation with one of its co-managers, David Prothro.

For the record, David and his colleague Michael Plage, are experienced corporate bond investors. Since 2004, they’ve run Fidelity’s proprietary “Corporate Bond 1-10 Year Central Fund,” which is only available to other fund managers. So, for example, if you own **Total Bond** or

Investment Grade Bond, you’re already holding some investment-grade corporate bonds of David’s and Michael’s choosing. They’ve also managed the low-risk **Stable Value** funds.

Corporate Bond mimics the central fund, and it may have a bit more leeway. For example, if the managers’ research suggests an opportunity to capitalize on ratings upgrades, lower-quality bonds (below BBB) would almost certainly make their way into the fund.

And, up to 30% of assets may be foreign holdings. However, they must meet the fund’s high credit standards, and they must trade on U.S. exchanges and be dollar-denominated. Several advantages we see in this approach are the diversification benefits without direct currency risk, while also

expanding the managers’ opportunity set with potentially higher-returning bonds. With that in mind, we’d be surprised if Fidelity does anything especially adventuresome with this portion of the fund.

The Case For Corporates

Before we make the case for Corporate Bond, here’s our shorthand argument for, more generally, bond funds in your portfolio:

1. They reduce volatility (risk);
2. The yield spread between corporates and Treasuries is down to a slender 175 basis points (1.75%), but there’s room for further narrowing;
3. Interest rates are low, but so are inflationary pressures (in all rate environments, bonds should play a role in diversified portfolios);
4. Investor angst over volatile stocks bodes well for (relatively) steady, income-producing bonds, especially the high-quality variety.

As for corporate bonds, we like them for some investors as a higher-yielding alternative to government bonds. “The panic trade is always to Treasuries,” admits David, “but we can envision corporates trading tighter to Treasuries.” During the past

two years, corporate America has significantly repaired its balance sheet. Credit ratings are more reliable, downgrades and defaults less frequent — all while corporate profits are up. “Corporates are priced for distress, even though fundamentals are good,” says David. Further, the growing concern that U.S. sovereign debt may become less manageable creates the possibility (even if very remote) that high-quality corporates may one day wind up yielding *less* than traditionally “safer” U.S. and municipal bonds!

Portfolio Positioning

Unlike Corporate Bond’s closest and more diversified siblings (Investment Grade Bond and Total Bond), we don’t expect to see any U.S. debt in this fund — just corporates. Its current “sweet spot” is BBB-rated bonds. David tells us that “credit ratings are a bit upside down” in this area, meaning that the market assumes there’s more risk than Fidelity’s credit analysts see, so they’re ripe for adding alpha. This is especially true, he says, for banks and other financials. New profit-absorbing laws enacted by Congress are a potential problem,

admits David. But the new legislation appears to be “something we can live with.” Core overweights include natural gas, cable, utilities and telecom.

Because the fund is new, its yield is unknown. But with a duration of over six years, compared to Investment Grade’s 4.4, and the greater credit risk of its corporate-only focus, we expect it to yield at least a full percentage point more than Investment Grade. (Remember, higher yields go hand-in-hand with higher risk.)

Corporate Bond’s expense ratio is 0.45%. That’s the same as Fidelity’s other taxable bond funds, and far less than the industry average of 0.91%. For members who desire more yield and can handle increased risk, Corporate Bond is a *Buy*. ■

COMPARING BOND FUNDS

Portfolio Composition

	Corporate Bond*	Invest Grade	Total Bond
US Treasury	0.0%	33.9%	26.7%
US Agency	0.0	0.4	1.9
Other Gov’t (US/Foreign)	18.0	1.3	3.1
Corporate	82.0	25.7	31.8
MBS Passthrough	0.0	24.3	18.7
ABS/CMBS/CMO	0.0	13.7	12.2
Cash	0.0	7.5	13.2
Net Other	0.0	-6.7	-7.2

Portfolio Quality Breakdown

US Government	18.0	59.8	48.0
AAA	13.0	7.4	7.0
AA	13.0	3.1	3.5
A	40.0	9.1	7.4
BBB	16.0	14.6	11.9
BB	0.0	3.7	5.9
B	0.0	1.0	7.0
CCC & Below	0.0	0.1	1.9

*Est. based on the fund’s benchmark, Barclays US Credit Index. Figures rounded and may not be indicative of fund’s actual holdings.

ANNUITY FUNDS

**Retail Matches
For VIP Funds**

Members' interest in VIP funds runs the gamut, so we do not devote a lot of coverage to Fidelity's Personal Retirement Annuities. But we recognize

that a number of our members own one of their various annuity products.

With that in mind, below is a table that lists the closest retail fund counterparts for VIP funds. So when we discuss the retail fund **Growth Company**, you can see in the table that it is most similar to **VIP Growth**

Opportunities. In many cases, the "matches" are clones, such as the VIP sector funds and their Select fund counterparts. Some, despite sharing a name, may be quite different, such as **VIP Contrafund** and **Contrafund**. In others, unfortunately, there is nothing very close. ■

Annuity Fund	Closest Retail Fund	Comment	Annuity Fund	Closest Retail Fund	Comment
VIP Asset Manager	Asset Mgr 50	Pretty Different	VIP Health Care	Sel Health Care	Clone
VIP Asset Mgr: Growth	Asset Mgr 70	Pretty Different	VIP High Income	High Income	Fairly Similar
VIP Balanced	Balanced	Pretty Different	VIP Index 500	Spartan 500 Index	Clone
VIP Consumer Discr	Sel Cons Disc	Clone	VIP Industrials	Sel Industrials	Clone
VIP Consumer Staples	Sel Cons Staples	Clone	VIP Int'l Capital App	Int'l Cap App	Clone
VIP Contrafund	Contrafund	Very Different	VIP Invest Grade Bond	Investment Grade	Similar
VIP Disciplined Small Cap	Sm Cap Enhanced Indx	Virtual Clone	VIP Materials	Sel Materials	Clone
VIP Dynamic Capital App	Capital Appreciation	Clone	VIP Mid Cap	NONE	Nothing close
VIP Emerging Markets	Emerging Markets	Very Similar	VIP Overseas	NONE	Nothing close
VIP Energy	Sel Energy	Virtual Clone	VIP Real Estate	Real Estate Invest	Similar
VIP Equity-Income	Equity-Income	Clone	VIP Strategic Income	Strategic Income	Virtual Clone
VIP Financial Services	Sel Financial Services	Virtual Clone	VIP Technology	Sel Tech	Clone
VIP Growth	Growth Discovery	Clone	VIP Telecomm	Sel Telecom	Virtual Clone
VIP Growth & Income	Growth & Income	Virtual Clone	VIP Utilities	Sel Utilities	Virtual Clone
VIP Growth Opps	Growth Company	Similar	VIP Value	Value	Virtual Clone
VIP Growth Stock	Trend	Very Similar	VIP Value Leaders	Blue Chip Value	Clone
VIP Growth Strategies	Growth Strategies	Clone	VIP Value Strategies	Value Strategies	Virtual Clone

Inside Fidelity

New Fund — Fidelity has introduced **Corporate Bond**, an investment-grade taxable bond fund (see p. 11).

DIVIDEND UPDATE

In addition to regular monthly dividends paid by bond and money market funds and Asset Mgr: 20%/30%, the following funds may make a dividend or cap gain distribution in June:

Capital & Income, Focused High Inc, High Income, Inflation-Protected, Large Cap Stock, Mid-Cap Stock, Real Estate Inc, Real Estate Inv, Short-Interm, Small Cap Disc, Small Cap Indepen, Small Cap Stock, Spartan 500 Index.

The final distributions for May were as follows:

Fund	Ex-Date	\$ Amt	NAV
Magellan	5/7	0.08	63.22

Manager Changes — On June 30, Jonathan Kasen will succeed John Dowd as manager of **Select Energy Services**. Kasen already co-manages **Industrial Equipment** alongside Steven Bullock, who just joined the fund. No rating changes are advised.

While we are always interested in seeing how any new manager decides to revamp a portfolio, Select fund ratings are not principally driven by any manager, but rather by our outlook for the industry itself.

Management Change — The one constant at Fidelity, is its propensity for shaking up top management and even rejiggering its corporate structure to suit its changing business model. Last month's change (splitting the company into two operating units) was sweeping even by Fidelity's standards. See p. 4 for details. ■

MESSAGE TO MEMBERS

Celtics, Not Stocks, Should Thrill You

On May 6, the Dow briefly fell nearly 1,000 points before finishing the day "just" 348 points lower. Then there was an "up" day with some 400 points worth of gains! Drama is one of the main reasons we love sports so much. However in investing, such wild ups and downs give us nothing but agita, and tempts us to flee the "game" altogether. Our trades last month were designed to take some of the "thrill" out of your investment's ride. For our excitement, we've turned our attention to the Celtics!

Sincerely,
John Boyd
& John Bonnanzio
editorial@mfi.com

Founding Editor: Eric Kobren **Editors:** John Boyd, John G.F. Bonnanzio **Production & Design:** Kim Dowgos, Teri Weir **Webmaster:** Justan Picard
Fidelity Insight (ISSN 0892-2934) is published monthly for \$229 per year by the **Mutual Fund Investors Association, Inc.** All material presented is compiled from sources believed reliable, but accuracy cannot be guaranteed. Before buying any mutual fund, you should read its prospectus carefully. MFIA does not render legal or accounting advice. Copyright © 2010. Reproductions in whole or in part are prohibited except by permission. Postmaster: Send address changes to **Fidelity Insight**, P.O. Box 924104, Norcross, GA 30010.

Editorial Questions: editorial@mfi.com **Subscription Questions:** memberservices@mfi.com or 1-800-444-MFIA **Hotline:** 800-303-4470