

FIDELITY INSIGHT

THE INDEPENDENT REPORT ON FIDELITY FUNDS

MARCH 2010

VOLUME 26, NUMBER 3

MARKET OUTLOOK

Unwelcome Surprises Suggest Increased Risks

While the stock market actually enjoyed the strongest February since 1998 — with the S&P 500 rising 3.1%, and both the Nasdaq (+4.3%) and Russell 2000 (+4.5%) performing even better — I suspect it didn't feel like a very good month to most members.

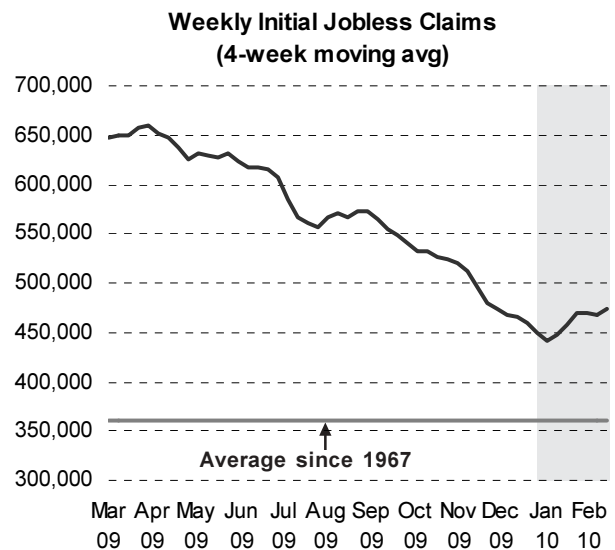
There are a couple of reasons for that. One is that after a fairly calm November and December, volatility is on the rise again. There were only five days in the last two months of 2009 where the S&P 500 moved by more than 1% in either direction, compared to 14 in the first two months of 2010. The disparity is even greater for the Nasdaq, with figures of 4 days and 17 days, respectively. Such an increase in volatility usually leads to an increase in investor anxiety.

A Changing Backdrop For Stocks

But, a bigger contributor to investor anxiety last month was a number of unpleasant surprises.

In my *2010 Outlook* in the January report, I wrote that this year would be more difficult and “bumpier” than 2009, but there was still room for modest gains based on a continued gradual economic improvement. That economic improvement was, in turn, based on several factors, chief among them an improving jobs picture. Over the course of 2009, jobless claims had fallen from over 650,000 per week to just under 450,000 per week — the point at which, according to the Labor Department, we should start to

JOB PICTURE DIMS



After declining fairly steadily since the spring of 2009, initial claims for unemployment have unexpectedly started moving higher again early in 2010 (shaded area). The current 4-week moving average of 473,500 remains well above the long-term average of 360,372. This may be behind the sharp and surprising drop in the Conference Board's index of consumer confidence for February (46.0 vs. 56.5 in January). It is hard to envision a sustained economic recovery without significant improvement in both of these measures.

see job growth.

However, as shown above, rather than continue to decline, jobless claims have moved higher this year, reaching almost 500,000 by the third week in February (the graph above displays a “smoothed” 4-week moving average of weekly claims). Another, and likely related, unpleasant surprise was a steep drop in the Conference Board's index of consumer confidence in February. Taken together, these two changes raise concerns about decreased consumer spending in the months ahead, which I noted last January as one of the risks to our outlook.

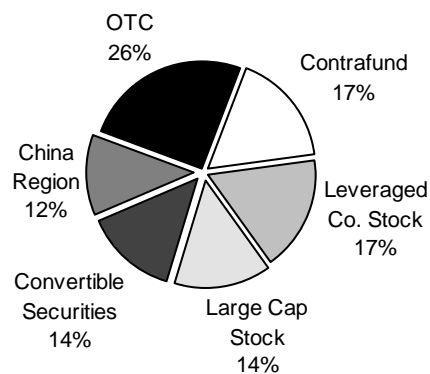
Housing, another “supporting” factor for an improving economy, has been heading in the wrong direction this year as well. New home sales plunged 11.2% in January to a record-low annual rate of 309,000 and existing home sales fell 7.2%. This came despite the government's extension of the first-time homebuyer tax-credit (to April), as well

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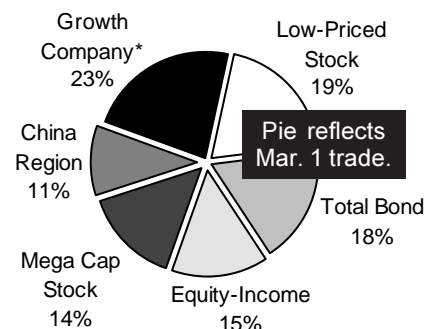
FIDELITY INSIGHT MODEL PORTFOLIOS - FEBRUARY 28, 2010

Aggressive Growth Model		Rel Vol: 1.00	Est. Yield: 0.9%	YTD Return: -1.9%		
Current Asset Allocation		Stocks 83.8%	Bonds 0.9%	Cash 2.3%	Alternative ¹ 13.0%	Foreign 20.2%
Holdings	Ticker	Alloc	NAV	Shares	Value	Feb Ret
OTC	FOCPX	26%	\$44.58	814.41	\$36,306	4.1
Contrafund	FCNTX	17	57.10	422.89	24,147	2.9%
Leveraged Co. Stock	FLVCX	17	23.06	1,043.99	24,074	3.3
Large Cap Stock	FLCSX	14	15.07	1,331.78	20,070	3.5
Convertible Securities	FCVSX	14	22.14	901.79	19,966	3.6
China Region	FHKCX	12	26.10	673.99	17,591	1.6
Current Value (4/7/99 = \$100,000)					\$142,154	3.1%



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

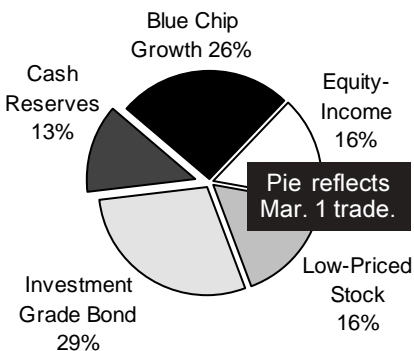
Growth Model		Rel Vol: 1.04	Est. Yield: 0.9%	YTD Return: -0.9%		
Current Asset Allocation		Stocks 79.7%	Bonds 4.8%	Cash 2.5%	Alternative ¹ 13.0%	Foreign 20.5%
Holdings	Ticker	Alloc	NAV	Shares	Value	Feb Ret
Growth Company*	FDGRX	23%	\$67.91	3,326.14	\$225,878	4.1%
Low-Priced Stock	FLPSX	19	32.52	5,792.44	188,370	3.5
Strategic Real Return	FSRRX	18	8.50	20,311.25	172,646	1.4
Equity-Income	FEQIX	15	38.99	3,645.23	142,128	2.8
Mega Cap Stock	FGRTX	14	8.74	15,920.66	139,147	2.6
China Region	FHKCX	11	26.10	4,083.66	106,584	1.6
Current Value (1/1/87 = \$100,000)					\$974,752	2.8%



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

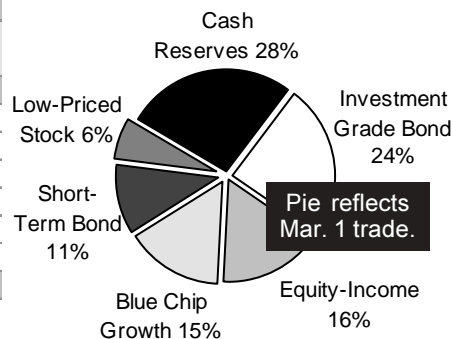
For moderately aggressive members who want equity-dominated portfolios and have no income needs for at least 10 years. Target volatility range: 0.50-1.00.

Growth & Income Model		Rel Vol: 0.73	Est. Yield: 1.3%	YTD Return: 0.2%		
Current Asset Allocation		Stocks 55.8%	Bonds 27.7%	Cash 16.0%	Alternative ¹ 0.5%	Foreign 0.0%
Holdings	Ticker	Alloc	NAV	Shares	Value	Feb Ret
Blue Chip Growth	FBGRX	26%	\$37.46	5,673.15	\$212,516	4.4%
Equity-Income	FEQIX	16	38.99	3,456.32	134,762	2.8
Low-Priced Stock	FLPSX	16	32.52	4,083.20	132,786	3.5
Investment Grade Bond	FBNDX	15	7.15	16,800.14	120,121	0.4
Strategic Real Return	FSRRX	14	8.50	13,800.42	117,304	1.4
Cash Reserves	FDRXX	13	1.00	108,782.51	108,783	0.0
Current Value (1/1/87 = \$100,000)					\$826,271	2.4%



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: 0.52	Est. Yield: 1.4%	YTD Return: 0.3%		
Current Asset Allocation		Stocks 36.3%	Bonds 26.0%	Cash 29.3%	Alternative ¹ 8.4%	Foreign 4.1%
Holdings	Ticker	Alloc	NAV	Shares	Value	Feb Ret
Cash Reserves	FDRXX	28%	\$1.00	141,016.91	\$141,017	0.0%
Investment Grade Bond	FBNDX	24	7.15	17,381.74	124,279	0.4
Equity-Income	FEQIX	16	38.99	2,127.56	82,954	2.8
Blue Chip Growth	FBGRX	15	37.46	2,086.82	78,172	4.4
Strategic Real Return	FSRRX	11	8.50	6,892.84	58,589	1.4
Low-Priced Stock	FLPSX	6	32.52	1,005.90	32,712	3.5
Current Value (1/1/87 = \$100,000)					\$517,723	1.6%



For members needing income and protection of their purchasing power against inflation. Seeks a yield in excess of the S&P 500. Target volatility range: 0.10-0.50.

¹Alternative investments include such areas as high-yield bonds, commodities, real estate. Portfolio trades and total returns do not take taxes into account, however, redemption and exchange fees are included. Some percentage figures may not sum to 100 due to rounding. Dividends are reinvested. Consider the tax implications of trades before you decide to buy or sell any fund. Any trades are detailed on p. 3 and are announced on Friday evening Hotline updates via telephone, e-mail, and web (see p. 12). **Annuity Model Portfolios** are on p. 10.

Market Outlook *cont'd from p. 1*

as expanding it to include longtime homeowners.

Perhaps the scariest news was the sovereign debt crisis sparked by an effectively insolvent Greek government. While Greece may be too small to be a serious problem for European banks holding its debt, that is not the case for the much larger Spain and Italy, which are also burdened by high debt levels and weak economies. The parallels to Bear Stearns (Greece) and Lehman Brothers (Spain, Italy) were obvious and scary, including assurances by European monetary authorities that Greece's woes would be contained and not spill over elsewhere! This has triggered a "flight-to-quality" surge in the U.S. dollar, which presents headwinds for commodities and many overseas stock funds.

Action Recommendation

I don't mean to sound too negative, there is good news out there as well. For example, corporate earnings are coming in strong, with 2010 earnings now expected to increase 37% over 2009. And earnings forecasts continue to be revised higher. On balance, I still believe that 2010 is likely to end up with modest gains for stocks. However, I think it is prudent to acknowledge the increased risks to that forecast, and recommend that most members reduce the risk in their portfolios. To that end we are selling **Strategic Real Return (SRR)** from three models: Growth, Growth & Income and Income & Preservation.

Almost half of SRR's assets are in equity or equity-like investments, including 25% in commodity-linked notes and 21% in REITs and other real estate investments. REITs have more than doubled in the past year and are now selling at a premium to their

WHICH FUNDS SHOULD YOU BUY NOW!

Equity Funds: **Equity-Income**, **Mega Cap Stock** and **OTC** alternatively provide large-cap value, blend and growth exposures, while **Low-Priced Stock** plays the mid- and small-cap arenas at home and abroad.

Fixed-Income Funds: **Total Bond** offers diversified bond exposure, including some emerging market debt for added yield. **Investment Grade Bond** blends government and corporate bonds, as does **Short-Term Bond**, which offers the least interest-rate risk within this group. **Strategic Income** is a far more aggressive approach to generating income.

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

underlying holdings. Commodities, as noted, now face headwinds from a strengthening greenback. Another piece of SRR that is less attractive is its TIPS exposure (26%). While TIPS offer inflation protection, that's not a real concern right now, and they are longer-duration bonds that can be quite sensitive to rising interest rates.

In place of SRR we are buying three different bond funds that share similar characteristics, but with declining risk levels to match each model's risk profile.

In our Growth Model we are buying **Total Bond** (see p. 5) which

includes a mix of corporate, mortgage pass-throughs and Treasury bonds, with about 15% in high-yield corporates. It has a duration of 3.8 years. In our more conservative Growth & Income Model, we are adding to **Investment Grade Bond** which has a similar duration and mix of bonds, without the high-yield component. In our most conservative Income & Preservation Model we are buying **Short-Term Bond**. It also offers a mix of corporates and Treasuries, but with a duration of just 1.7 years, it is far less sensitive to rising interest rates than the other two funds. ■

MODEL PORTFOLIO TRADES

As announced on our February 26 Hotline, effective Monday, March 1, we are selling **Strategic Real Return** in three Model Portfolios.

Action	Fund	Ticker	Est % Before	Est % After
Growth Model				
Sell:	Strategic Real Return	(FSRRX)	18%	0%
Buy:	Total Bond	(FTBFX)	0%	18%
Growth & Income Model				
Sell:	Strategic Real Return	(FSRRX)	14%	0%
Add to:	Investment Grade Bond	(FBNDX)	15%	29%
Income & Preservation Model				
Sell:	Strategic Real Return	(FSRRX)	11%	0%
Buy:	Short-Term Bond	(FSHBX)	0%	11%

These trades reduce the models' equity/equity-like exposures (SRR has 25% in commodity-linked investments and 21% in real estate) in favor of bonds.

Note: There is a redemption fee of 0.75% on shares of Strategic Real Return that are held for fewer than 60 days. So, if this affects you, you should delay this trade until the charge no longer applies.

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

FUND PERFORMANCE

Outlook For Fidelity's Most Popular Funds

No question about it: volatility has returned to the markets. From one day to the next, smart moves alternatively blossom and wilt! To dampen this volatility, you need a diverse mix of stock, bond and money market funds. Within each of those three asset classes, below we rate and review 10 of Fidelity's more popular funds (as measured by assets), and compare stock funds to each other in the table.

Contrafund — *Buy* — This is one of only a handful of “go anywhere” funds at Fidelity. It can shift styles (growth or value) and market caps (large, mid or small) as opportunities present themselves. (It typically has about 20% of assets abroad, too.) Today, the fund is decidedly large-cap with a \$40 billion market cap, pretty much in line with the S&P 500.

We wish the fund was smaller and more nimble (at \$54 billion in assets it is twice as large as the next biggest fund — **Growth Company**), but Manager Will Danoff has turned in strong returns when assets were as high as \$80 billion! A relative laggard last year (he beat the S&P by about 3 percentage points but trailed his more aggressively positioned peers), Will rarely remains down for long.

Growth Company — *Buy* — This fund was closed in 2006 when assets reached \$30 billion, and they now stand at \$26 billion. As such, there's little hope that this expertly managed large-cap growth fund will re-open.

As is typically the case, Manager

Steve Wymer's two biggest sector bets are tech and health care. But tech is only a modest overweight relative to its benchmark. And, importantly for portfolio construction, Growth Company offers broad market-cap exposure with plenty of mid- and small-cap names. (Its market-cap is \$18 billion

versus \$45 billion for the S&P 500.) If you own the fund, hold it. If not, **Blue Chip Growth** (shown in the table below) is a larger-cap alternative that's also a bit less volatile.

Low-Priced Stock — *Buy* — Joel Tillinghast has managed this fund since its inception 20 years ago. His record is remarkable, having returned over 1,300%! About the only thing that has changed over those years is the amount of assets in the fund, and the accompanying necessity to move from mostly small-caps, to a mix of mid- and small-cap stocks (including a fair portion overseas). Over most periods, Low-Priced has dominated its mid-cap peers.

One of Joel's particular strengths is navigating difficult markets. In 2008, he admits to some significant misses (such as AIG), but he still fell far less than Fidelity's other mid-cap funds. So while his 2009 performance (up 39.1%) placed him in the middle of the mid-cap pack, his two-year return is still the best of the bunch.

Spartan 500 Index — *Hold* — This fund mimics the S&P 500. (A common misconception is that it consists of the market's 500 largest stocks, though with a market cap of almost

\$45 billion, it's definitely a very large-cap benchmark.) In this space (large blend) we prefer the actively managed **Dividend Growth** and **Mega Cap Stock**. Notably, Fidelity's 49 diversified equity funds returned an average of 36.1% in 2009, versus 26.5% for this fund.

To learn more about the funds in this article, view their current holdings and rank them versus their peers, click on the red “Launch the Guide” button on our website: www.fidelityinsight.com

Magellan — *OK to Buy* — Thanks to Harry Lange, this storied fund fired on all cylinders last year. In so doing, it made strides in recouping 2008's losses, which had cut the fund's value by nearly half. To score market-beating results, Harry has always looked for companies with earnings and/or sales growth that outpace the overall market. And if he can find them on the cheap, all the better.

Last year, that meant beneficial underweights in the lagging health care and consumer staples sectors. On the buy side, his timing was good: Magellan went from a modest underweight in financials to a modest overweight. Harry bought good companies that he believed would be survivors of the credit and mortgage meltdowns — firms that were more likely to win market share over their competitors. While we're fans of Harry, we presently prefer Blue Chip Growth (and the closed Growth Company) for large-cap growth exposure.

Diversified Int'l — *OK to Buy* — Provides exposure to large-caps, primarily in foreign developed markets. In 2009 (up 31.8%) it matched the EAFE (foreign stock index), but trailed more aggressive international offerings that had emerging market exposure.

Stock Funds	Assets (\$Bil)	% in Top 2 Sectors				Mkt Cap (\$Bil)	% Yield	% Frgn	YTD % Ret	Rel Vol	Exp Ratio %
Blue Chip Growth	10.4	38	Technology	13	Health Care	33.2	0.9	4.0	-1.3	1.10	0.76
Contrafund	54.3	30	Technology	15	Consum Disc	40.3	0.9	20.6	-1.9	0.94	1.01
Dividend Growth	7.4	18	Technology	17	Financials	9.6	1.1	13.6	-0.1	1.29	0.62
Growth Co (closed)	26.4	39	Technology	18	Health Care	17.8	0.9	5.6	-1.6	1.12	0.93
Low-Priced Stock	24.2	24	Cons Discr	16	Technology	2.8	1.2	30.6	1.8	1.15	0.98
Magellan	21.2	30	Technology	14	Financials	18.7	1.0	20.4	-1.5	1.32	0.74
Mega Cap Stock	0.4	22	Technology	19	Financials	80.2	1.8	6.1	-0.7	1.04	0.77
Spartan 500 Index	23.1	20	Technology	14	Financials	44.9	1.9	0.1	-0.6	1.00	0.10

In 2010, we expect the global economy to continue a gradual (though erratic) recovery, and emerging markets might again outperform the developed world. Another reason to favor emerging markets is a strengthening U.S. dollar. This will hurt Fidelity's unhedged currency exposures. However, many emerging market countries "peg" their currencies to the dollar, and will therefore not be hindered. Our top alternative for diversified international exposure is **Total Int'l Equity**, which has about 20% in emerging markets.

Total Bond — *Buy* — This taxable bond fund invests in investment-grade bonds of all types, including governments and corporates. Manager Ford O'Neil can also invest as much as 15% in high-yield and emerging-market bonds. Last year, he bought both, and won big. But perhaps the smartest bet was cutting Treasuries roughly in half (to 10%) in favor of investment-grade corporates which also rallied.

The fund remains attractive, offering Fidelity's broadest bond exposure — even broader than **U.S. Bond Index** which lacks high-yield and emerging market securities. But while corporate and high-yield bonds were sharply undervalued relative to Treasuries a year ago, they're now more fairly valued (in fact, Ford has brought his Treasury holdings back up to 20%). So having exposure to a variety of areas makes sense. While rising interest rates are a risk, its high-yield and emerging market exposures, which are more sensitive to economic growth, offer some offset.

Capital & Income — *OK to Buy* — This fund is typically the most risky of Fidelity's high-yield funds. The manager is permitted to hold the market's most "distressed" bonds. Together, they usually constitute about half of Capital & Income's assets, whereas **High Income** (the next most risky) holds about half this amount. In addition, Capital & Income regularly invests in troubled equities. Like a

stock fund, you really invest in Capital & Income for growth.

We still like high yield bonds, as we expect the economy to continue to improve, but it is no longer cheap. That said, high-yield bonds are usually less susceptible to rising interest rates than conventional bonds.

Municipal Income — *Buy* — Sharing their managers, there are few differences between this fund and **Tax-Free Bond**. Their durations are both about 8 years. In credit terms, they have about 80% of their assets in bonds rated A or higher. Alas, the main difference is very practical: Muni Income requires a minimum investment of \$10,000, with an expense ratio of 0.48%, while Tax-Free Bond has a higher minimum (\$25,000) and its expenses are capped at just 0.25%. While this lower expense ratio should give Tax-Free a slight yield advantage, that is presently offset in Muni Income by a bigger bet in higher-yielding BBB-rated bonds (17% vs. 13%). We like both funds for 2010 as their tax-equivalent yields remain higher than similar duration Treasuries.

Cash Reserves — Already near rock-bottom, the yield on this fund fell from 0.08% to 0.02% in February! The reason? Higher-yielding securities "rolled-off" the fund and had to be replaced with lower-yielding notes. However, the fund remains a safe parking place for a portion of your assets. **Select Money Market** is a higher-yielding (0.09%) alternative. ■

FUND COMMENTARY

Stock Funds Rebound In February

After a poor start to the year in January, stock funds rebounded in February with solid gains. Nevertheless, investors remained on edge as they had to digest a fair amount of news — some good and some bad (see *Market Outlook* on p. 1). Among the news: 1. The FOMC raised the discount loan rate to 0.75% from 0.50% (but Bernanke signaled the Fed Funds rate would stay low); 2. Consumer confidence plunged in February; 3. Home sales dropped in January, while prices continued to decline, although the rate is moderating; 4. The pace of home foreclosures slowed; 5. Toyota's celebrated name was muddied by a safety recall; 6. President Obama sent a \$3.8 trillion budget to Congress that is \$1.6 trillion higher than expected receipts; 7. Sales of durable goods rose (but so did unemployment claims), but; 8. Perhaps most important of all, fourth-quarter corporate earnings exceed expectations.

Make what you will of the above, but investors clearly saw "silver linings" even when they weren't immediately apparent, and stocks moved higher through most of the month. Although the latter part of the month, when a lot of the negative news came out, was less hospitable for stocks.

Viewed through the prism of

Fund Commentary *cont'd on page 6*

MARCH SCORECARD RATING CHANGES

Fund	Ratings			Comments
	Old	New		
Disciplined Equity	S	S	↓	Quantitative stockpicking isn't yielding results.
Diversified Int'l	B	H	↓	Rising dollar and European woes increase risk.
Fidelity Fund	B	S	↓	Poor stock selection hampering returns.
Inflation-Prot Bond	B	H	↓	Slow-growth economy lessens the inflation threat.
Sel Comm Equip	B	B	↑	Productivity growth means more IT spending.
Sel Insurance	H	S	↓	We prefer other Select funds within financials.
Short-Term Bond	B	B	↑	Good quality bonds with low interest-rate risk.
Small Cap Stock	B	B	↑	Our top choice for "pure" small-cap exposure.
Strategic Real Ret	B	H	↓	Individual asset "sleeves" are now less attractive.

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

FIDELITY SCORECARD - FEBRUARY 28, 2010

Fund No.	Fund Ticker	Fund Name	Short-Term Trading Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹			
						Feb	YTD	2009	1 Year	3 Year	5 Year				
Comparative Indexes		S&P 500 (Large Cap)*				3.1	-0.6	26.5	53.7	-5.7	0.3	1.00			
		Nasdaq Composite (OTC)*				4.4	-1.3	45.0	63.5	-1.8	2.4	1.00			
		MSCI EAFE (International)*				-0.1	-5.1	28.5	56.4	-7.9	2.1	1.24			
		Barclays Aggregate Bond*				0.3	1.8	6.5	9.0	5.3	4.8	0.19			
LARGE CAP GROWTH						Category Averages			4.1	-1.0	38.3	58.0	-3.3	2.0	1.16
312	FBGRX	Blue Chip Growth		37.46	Buy	4.4	-1.3	45.0	64.7	-0.3	2.0	1.10			
307	FDCAX	Capital Appreciation		21.78	OK to Sell	5.6	1.6	36.4	65.9	-4.5	1.8	1.16			
22	FCNTX	Contrafund		57.10	Buy	2.9	-1.9	29.2	45.0	-1.6	4.0	0.94			
332	FEXPX	Export and Multinational	0.75%/30 days	19.35	Hold	3.7	-1.4	37.1	55.3	-4.4	1.7	1.13			
500	FFTYX	Fifty		14.89	Hold	3.6	-1.0	37.1	54.5	-8.7	-0.3	1.25			
333	FTQGX	Focused Stock		10.82	Hold	5.0	-1.6	25.2	44.8	-2.0	2.6	1.01			
25	FDGRX	Growth Company (closed)		67.91	Buy	4.1	-1.6	41.2	55.7	-0.3	5.0	1.12			
339	FDSVX	Growth Discovery		10.98	OK to Sell	4.8	-1.1	29.3	48.3	-4.3	1.3	1.13			
73	FDFFX	Independence		19.95	Hold	5.5	0.2	39.9	66.7	-1.9	3.5	1.42			
763	FSLGX	Large Cap Growth		8.00	Hold	4.0	-1.6	24.0	41.9	-8.0	-2.1	1.03			
1829	FLGEX	Large Cap Growth Enhcd Index		8.44	Hold	3.7	-1.1	35.1	52.5	--	--	--			
338	FLCSX	Large Cap Stock		15.07	Buy	3.5	0.5	50.5	80.9	-3.8	2.2	1.29			
21	FMAGX	Magellan		63.36	Hold	3.0	-1.5	41.1	62.7	-6.2	-0.8	1.32			
1282	FNCMX	Nasdaq Composite Index	0.75%/90 days	29.68	OK to Buy	4.4	-1.3	45.0	63.5	-1.8	2.4	1.16			
93	FOCPX	OTC		44.58	Buy	4.1	-2.5	62.2	71.1	2.5	6.1	1.32			
320	FDSX	Stock Selector		21.61	Hold	3.1	-0.5	28.8	52.6	-5.8	0.6	1.03			
5	FTRNX	Trend		55.40	OK to Buy	4.0	-1.5	44.5	60.8	-1.8	2.8	1.15			
LARGE CAP BLEND						Category Averages			3.6	-0.5	27.8	55.3	-7.0	-0.2	1.10
315	FDEQX	Disciplined Equity		20.75	Sell↓	3.7	-1.2	22.0	44.5	-7.4	-0.3	1.02			
330	FDGFX	Dividend Growth		23.64	Buy	3.7	-0.1	51.0	82.3	-4.4	1.0	1.28			
3	FFIDX	Fidelity Fund		28.00	OK to Sell↓	3.6	-1.2	26.8	49.9	-4.5	1.4	1.05			
27	FGRIX	Growth & Income		16.04	OK to Sell	3.5	-0.1	23.1	53.6	-15.2	-6.9	1.20			
1827	FLCEX	Large Cap Core Enhcd Index		7.69	Hold	3.1	-0.8	23.3	48.5	--	--	--			
361	FGRTX	Mega Cap Stock		8.74	Buy	2.6	-0.7	28.6	58.2	-4.9	1.0	1.04			
650	FUSEX	Spartan 500 Index ⁴		39.19	Hold	3.1	-0.6	26.5	53.7	-5.7	0.3	1.00			
397	FSTMX	Spartan Total Mkt. Index ⁴	0.50%/90 days	31.54	Hold	3.4	-0.1	28.4	56.1	-5.3	1.0	1.03			
343	FTXMX	Tax Managed Stock		10.88	Sell	5.2	-0.2	20.7	45.1	-8.2	-0.6	1.10			
832	FVDFX	Value Discovery		12.91	Hold	3.9	0.3	27.7	61.0	-7.4	1.5	1.16			
LARGE CAP VALUE						Category Averages			3.1	-0.2	22.7	57.6	-9.3	-1.4	1.13
1271	FBCVX	Blue Chip Value		9.99	Hold	3.4	0.3	27.8	63.3	-9.9	-1.8	1.18			
23	FEQIX	Equity-Income		38.99	Buy	2.8	-0.4	29.5	64.5	-8.6	-0.8	1.15			
319	FEQTX	Equity-Income II		16.24	Buy	2.7	-0.6	25.1	60.6	-8.2	-1.6	1.11			
708	FSLVX	Large Cap Value		9.72	OK to Sell	3.4	-0.2	15.6	50.6	-10.4	-1.6	1.09			
1828	FLVEX	Large Cap Value Enhcd Index		6.70	Hold	3.4	0.0	15.6	48.8	--	--	--			

Notes: *Fidelity's index funds (Spartan 500 Index, Nasdaq Composite Index, Spartan Int'l Index and U.S. Bond Index) used as proxies for their respective indexes. ¹ Relative Volatility of the fund versus the S&P 500 over the last 36 months; 1.50 means the fund has been 50% more volatile. ² Durations (a measure of interest rate sensitivity) reflect prior quarter figures. ³ Stated yield is before any inflation adjustment, your effective yield may be different. ⁴ Also available in an Advantage share class with a minimum of \$100,000, but a lower expense ratio of 0.07% (versus 0.10% for the Investor class). ⁵ Also available in Advantage shares with a minimum of \$100,000, but a lower expense ratio of 0.10% (versus 0.20% for the Investor class). ⁶ Formerly Small Cap Retirement. ⁷ Distributed yield is calculated by taking a fund's actual distributions over the past year divided by its current NAV. (p) Partial year; (↑) Rating upgraded; (↓) Rating downgraded.

Fund Commentary *cont'd from page 5*

Fidelity's index funds, **Spartan 500 Index** (a proxy for the S&P 500) gained 3.1% in February and is down 0.6% for the year. Richer in tech, the **Nasdaq Composite Index** fund fared better last month, gaining 4.4%. But because of January's retreat of 5.4%, this barometer of OTC stock performance is still under water for the year (down 1.3%).

Stock Funds

The average Fidelity stock fund rose 4.0% in February. Generally

speaking, funds with larger stakes in technology and economically sensitive cyclicals posted better returns. Of course, tech stocks are typically favored by growth-oriented managers, and so many were performance leaders (though some were held back by poorly performing biotechs). For their part, more value-oriented funds took a back seat to growth, as financials (including banks) were laggards.

In terms of market cap (rather than investment style), small-cap stocks outpaced large-caps last month. One reason is that many large-cap funds are heavy in financials.

But this was not always reflected in Fidelity's funds. For example, **Small Cap Discovery** and **Small Cap Value** were laggards in February with gains of just 2.2% and 1.6%, respectively. At the same time, **Small Cap Enhanced Index** jumped 4.1%.

However, mid-cap stocks were the market's real "sweet spot" last month. Four out of the top six stock funds in February were mid-caps: **Growth Strategies**, **Mid Cap Stock**, **Mid Cap Growth** and **Mid Cap Value**. Their gains ranged from between 5.2% and 6.2%. Significant holdings in the strong-performing communica-

FIDELITY SCORECARD - FEBRUARY 28, 2010

Fund No.	Fund Ticker	Fund Name	Short-Term Trading Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹			
						Feb	YTD	2009	1 Year	3 Year	5 Year				
MID-CAP GROWTH						Category Averages			5.3	0.8	42.9	66.6	-5.3	1.9	1.28
324	FDEGX	Growth Strategies	1.50%/90 days	16.35	Hold	6.0	0.5	39.7	57.7	-6.2	0.9	1.25			
2012	FMEIX	Mid Cap Enhanced Index	0.75%/30 days	8.33	Hold	5.0	0.6	37.6	64.4	--	--	--			
793	FSMGX	Mid Cap Growth	0.75%/30 days	9.98	Hold	5.8	0.4	46.4	67.2	-8.9	-1.7	1.31			
337	FMCSX	Mid-Cap Stock	0.75%/30 days	24.11	OK to Buy	6.2	3.0	50.4	78.0	-4.9	4.1	1.37			
300	FMILX	New Millennium		24.51	OK to Buy	3.7	-0.5	40.2	65.8	-1.3	4.3	1.18			
MID-CAP BLEND						Category Averages			4.1	1.8	48.6	83.0	-5.1	2.3	1.41
122	FLVCX	Leveraged Company Stock	1.50%/90 days	23.06	Buy	3.3	0.6	59.6	93.3	-6.3	2.1	1.71			
316	FLPSX	Low-Priced Stock	1.50%/90 days	32.52	Buy	3.5	1.8	39.1	66.6	-2.6	3.4	1.15			
398	FSEMXX	Spartan Extended Mkt Index ⁴	0.75%/90 days	31.08	Hold	4.9	2.2	36.7	68.2	-4.1	3.2	1.19			
14	FSLSX	Value Strategies		22.64	Buy	4.8	2.4	59.2	104.0	-7.3	0.6	1.60			
MID-CAP VALUE						Category Averages			4.8	1.9	39.8	81.2	-7.6	1.1	1.39
762	FSMVX	Mid Cap Value	0.75%/30 days	13.06	Hold	5.2	2.3	35.4	75.4	-6.7	1.5	1.30			
39	FDVLX	Value		57.81	Buy	4.4	1.5	44.1	87.1	-8.4	0.6	1.47			
SMALL CAP GROWTH						Category Averages			3.9	0.3	32.9	62.7	-7.0	1.1	1.32
2011	FCPEX	Small Cap Enhanced Index	1.50%/90 days	8.05	OK to Sell	4.1	0.0	23.6	55.9	--	--	--			
1388	FCPGX	Small Cap Growth	1.50%/90 days	12.40	Hold	3.0	-0.2	42.9	66.7	-4.2	2.8	1.26			
336	FDSCX	Small Cap Independence	1.50%/90 days	14.07	Hold	4.7	1.1	32.3	65.6	-9.8	-0.7	1.37			
SMALL CAP BLEND						Category Averages			3.7	0.9	56.7	93.9	1.0	4.6	1.41
384	FSCRX	Small Cap Discovery ⁶	1.50%/90 days	14.07	OK to Buy	2.2	1.2	50.7	88.6	1.9	5.1	1.38			
340	FSLCX	Small Cap Stock	2.00%/90 days	16.04	Buy↑	5.1	0.6	62.7	99.3	0.0	4.2	1.44			
SMALL CAP VALUE						Category Averages			1.6	1.3	36.6	77.9	-1.5	4.9	1.33
1389	FCPVX	Small Cap Value	1.50%/90 days	12.85	Hold	1.6	1.3	36.6	77.9	-1.5	4.9	1.33			
SPECIALTY															
2063	FOTTX	130/30 Large Cap		6.54	OK to Sell	4.0	-0.9	3.6	25.1	--	--	--			
304	FBALX	Balanced		16.36	Hold	1.9	0.0	28.1	42.5	-2.1	3.2	0.80			
308	FCVXX	Convertible Securities		22.14	Buy	3.6	1.6	64.1	81.7	-0.8	4.8	1.36			
1960	FDYSX	Dynamic Strategies		8.37	Hold	2.3	-0.8	28.7	42.4	--	--	--			
355	FFNOX	Four-in-One Index		24.00	Hold	2.1	-1.1	25.0	47.4	-4.2	1.7	0.91			
334	FGBLX	Global Balanced	1.00%/30 days	19.74	OK to Buy	1.7	-1.8	22.5	36.8	1.1	5.3	0.75			
2120	FFGCX	Global Commodity Stock	1.00%/30 days	14.02	Buy	2.6	-4.7	48.0p	--	--	--	--			
1368	FIREX	International Real Estate	1.50%/90 days	8.33	OK to Sell	1.5	-5.3	35.8	69.8	-16.9	-0.8	1.41			
4	FPURX	Puritan		16.09	OK to Buy	2.2	0.2	26.7	40.7	-1.7	2.7	0.72			
833	FRIFX	Real Estate Income	0.75%/90 days	9.42	OK to Buy	1.5	2.3	46.8	53.9	-1.7	2.6	0.80			
303	FRESX	Real Estate Investment	0.75%/90 days	20.28	Hold	7.2	0.6	32.9	110.4	-15.3	0.8	2.08			
1329	FSDIX	Strategic Dividend & Income		9.59	OK to Buy	3.5	0.5	37.7	68.0	-6.5	0.8	1.15			
1505	FSRRX	Strategic Real Return	0.75%/60 days	8.50	Hold↓	1.4	-0.1	28.4	34.7	-0.2	--	0.69			
311	FIUIX	Telecom & Utilities		13.44	Hold	0.8	-4.1	11.1	22.2	-9.4	2.0	0.91			
ASSET ALLOCATION															
328	FASIX	Asset Manager 20%		12.05	Hold	0.6	0.7	19.5	23.3	2.3	4.2	0.37			
1957	FTANX	Asset Manager 30%		9.20	Hold	1.0	0.6	23.6	29.5	--	--	--			
1958	FFANX	Asset Manager 40%		8.94	Hold	1.1	0.3	26.0	34.3	--	--	--			
314	FASMXX	Asset Manager 50%		13.82	Hold	1.3	-0.2	30.9	40.7	-0.4	2.8	0.70			
1959	FSANX	Asset Manager 60%		8.60	Hold	1.5	-0.5	32.7	45.1	--	--	--			
321	FASGX	Asset Manager 70%		14.21	Hold	1.7	-0.8	35.7	50.4	-2.5	1.7	0.90			
347	FAMRX	Asset Manager 85%		11.48	Hold	2.0	-1.5	38.7	56.8	-3.7	2.4	1.03			

tions equipment sector boosted returns. For its part, **Low-Priced Stock** (up 3.5%) was held back by its 31% stake in weaker foreign stocks.

Fixed Income Funds

In the fixed-income arena, high-yield bond funds posted modest gains amid concerns over the health of the economy. Fidelity's most aggressive offering, **Capital & Income**, did best with a gain of 0.8%.

Turning to taxable bond funds, Fidelity's most interest-sensitive, longest duration funds fared the worst, with **Inflation-Protected Bond** dropping

1.2% and **Spartan Long-Term Treasury Index** falling 0.2%. All other funds were in the black. Inflation-Protected Bond's inflation-protection feature seems to have worked against it in February, as the similar duration **Spartan Intermediate Treasury Index** managed to gain 0.4% for the month.

For all the talk about states and municipalities wilting under the weight of crushing debt, across the board, nationally diversified and state-specific muni bonds all posted solid gains. In fact, the riskier states generally turned in the best performances! **California**

Muni gained 1.2%, and **New York Muni** was up 1.1%. Regardless, we encourage members to hold Fidelity's more geographically diversified (and safer) national muni funds.

Finally, just when you thought they couldn't go any lower, the yield on **Cash Reserves** fell from 0.08% to 0.02%, while the yield on **Select Money Market** fell from 0.15% to 0.09%. Of course, a more important consideration in choosing a money market fund is checkwriting fees and other practical features like account balances. Check with Fidelity if considering a move. ■

FIDELITY SCORECARD - FEBRUARY 28, 2010

Fund No.	Fund Ticker	Fund Name	Short-Term Trading Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹			
						Feb	YTD	2009	1 Year	3 Year	5 Year				
INTERNATIONAL						Category Averages			0.8	-4.0	41.9	64.4	-5.6	4.7	1.42
309	FICDX	Canada	1.50%/90 days	48.06	Hold	7.2	-0.9	39.6	60.2	1.8	8.9	1.53			
352	FHKCX	China Region	1.50%/90 days	26.10	Buy	1.6	-6.4	65.6	72.1	8.4	12.5	1.60			
325	FDIVX	Diversified International	1.00%/30 days	26.50	Hold↓	-0.2	-5.4	31.8	52.1	-7.5	2.1	1.27			
2053	FEMEX	Emerg Europe, MidEast, Africa	1.50%/90 days	7.46	OK to Buy	-0.7	-2.1	61.4	74.1	--	--	--			
322	FEMKX	Emerging Markets	1.50%/90 days	21.31	Buy	0.1	-5.8	76.0	92.1	0.0	10.4	1.79			
301	FIEUX	Europe	1.00%/30 days	27.24	Hold	-0.8	-7.6	31.7	49.5	-7.2	2.2	1.25			
341	FECAX	Europe Capital App	1.00%/30 days	16.39	Hold	-0.7	-7.6	32.1	49.9	-9.4	2.3	1.28			
335	FIVFX	Int'l Cap App	1.00%/30 days	10.81	Buy	-0.4	-4.7	55.2	82.9	-9.4	-0.2	1.53			
305	FIGRX	International Discovery	1.00%/30 days	28.57	Hold	-0.3	-5.9	30.1	50.2	-6.7	3.0	1.22			
2010	FIENX	International Enhanced Index	1.00%/30 days	6.58	OK to Sell	0.5	-4.6	24.6	52.4	--	--	--			
1979	FIGFX	International Growth	1.00%/30 days	7.16	Hold	1.4	-4.3	36.5	56.7	--	--	--			
818	FISMX	Int'l Small Cap	2.00%/90 days	17.12	Hold	-0.4	-2.5	45.5	64.0	-5.7	3.2	1.36			
1504	FSCOX	Int'l Small Cap Opportunities	2.00%/90 days	8.29	Hold	0.4	-3.4	46.3	67.6	-16.5	--	1.52			
1597	FIVLX	International Value	1.00%/30 days	7.45	Hold	-0.7	-6.6	36.1	66.1	-9.9	--	1.42			
350	FJPNX	Japan	1.50%/90 days	10.38	OK to Sell	1.1	2.6	15.3	47.6	-10.9	-0.4	1.13			
360	FJSCX	Japan Smaller Companies	1.50%/90 days	8.36	OK to Sell	-0.2	0.5	18.1	65.8	-11.9	-5.9	1.26			
349	FLATX	Latin America	1.50%/90 days	49.01	OK to Buy	4.4	-5.5	91.6	92.7	6.5	18.8	1.82			
342	FNORX	Nordic	1.50%/90 days	26.74	Hold	1.3	-2.3	47.5	78.9	-7.6	4.0	1.59			
94	FOSFX	Overseas	1.00%/30 days	29.15	OK to Sell	-0.8	-5.8	25.2	46.1	-8.9	1.4	1.29			
302	FPBFX	Pacific Basin	1.50%/90 days	20.49	Buy	2.1	0.9	59.3	102.2	-4.1	5.8	1.65			
351	FSEAX	Southeast Asia	1.50%/90 days	24.18	OK to Sell	0.8	-4.9	39.2	52.5	-0.5	10.8	1.48			
399	FSIIX	Spartan Int'l Index ⁴	1.00%/90 days	31.74	Hold	-0.1	-5.1	28.5	56.4	-7.9	2.1	1.24			
1978	FTIEX	Total International Equity	1.00%/30 days	6.40	OK to Buy	0.3	-5.3	41.2	64.9	--	--	--			
318	FVWFX	Worldwide	1.00%/30 days	15.48	Hold	2.2	-3.7	28.5	49.3	-4.6	2.9	1.15			
SELECT PORTFOLIOS						Category Averages			4.1	0.6	44.7	70.0	-3.1	3.5	1.41
34	FSAIX	Air Transportation	0.75%/30 days	35.30	Hold	9.8	10.8	22.3	103.5	-5.0	6.2	1.66			
502	FSAVX	Automotive	0.75%/30 days	31.63	OK to Buy	3.2	0.5	122.3	215.4	-6.0	-0.3	2.57			
507	FSRBX	Banking	0.75%/30 days	16.63	Hold	1.5	9.1	5.1	87.0	-16.9	-7.8	1.59			
42	FBIOX	Biotechnology	0.75%/30 days	67.83	Hold	1.5	3.6	10.8	24.2	2.0	6.7	1.02			
68	FSLBX	Brokerage & Investment	0.75%/30 days	47.30	Hold	2.5	-0.3	50.4	78.4	-8.6	4.0	1.49			
69	FSCHX	Chemicals	0.75%/30 days	75.43	OK to Buy	4.7	0.2	65.3	79.2	4.5	6.3	1.37			
518	FSDCX	Communications Equipment	0.75%/30 days	20.79	Buy↑	7.9	0.1	80.7	94.5	0.5	3.5	1.64			
7	FDCPX	Computers	0.75%/30 days	43.59	OK to Buy	5.7	-4.4	83.2	86.0	3.5	4.7	1.45			
511	FSHOX	Construction & Housing	0.75%/30 days	29.89	OK to Buy	5.7	2.8	22.9	67.5	-8.3	-2.4	1.48			
517	FSCPX	Consumer Discretionary	0.75%/30 days	19.37	OK to Buy	5.8	3.1	38.1	66.5	-5.9	0.2	1.18			
9	FDFAX	Consumer Staples	0.75%/30 days	61.34	Hold	2.1	0.9	20.9	41.0	4.3	7.6	0.79			
67	FSDAX	Defense & Aerospace	0.75%/30 days	62.05	OK to Sell	4.0	2.7	24.9	62.1	-4.4	4.5	1.32			
8	FSELX	Electronics	0.75%/30 days	39.66	Buy	6.8	-4.4	85.0	89.5	-4.1	0.9	1.55			
60	FSENX	Energy	0.75%/30 days	43.55	Hold	3.3	-1.4	47.1	59.1	-1.0	7.2	1.71			
43	FSESX	Energy Service	0.75%/30 days	58.27	Hold	3.2	0.2	62.0	72.2	-2.1	6.0	1.99			
516	FSLEX	Environmental	0.75%/30 days	14.94	OK to Sell	2.0	-3.9	17.2	37.8	-4.0	2.0	1.07			
66	FIDSX	Financial Services	0.75%/30 days	59.31	Hold	1.3	2.2	25.9	79.5	-17.4	-6.6	1.47			
41	FSAGX	Gold	0.75%/30 days	40.85	Hold	7.1	-4.6	38.0	35.5	9.3	17.7	2.27			
63	FSPHX	Health Care	0.75%/30 days	109.17	Hold	1.8	2.3	32.1	48.7	0.4	4.9	0.94			
98	FSVLX	Home Finance	0.75%/30 days	11.58	OK to Sell	4.9	5.5	1.9	44.7	-34.3	-21.0	1.38			
510	FSCGX	Industrial Equipment	0.75%/30 days	26.16	Hold	4.7	2.8	38.9	89.1	-2.7	3.2	1.49			
515	FCYIX	Industrials	0.75%/30 days	18.39	Hold	5.0	1.4	38.9	83.0	-0.6	4.5	1.40			
45	FSPCX	Insurance	0.75%/30 days	41.55	OK to Sell↓	3.9	5.0	21.8	75.0	-12.8	-4.0	1.39			
353	FBSOX	IT Services	0.75%/30 days	17.08	Hold	0.1	-4.2	59.1	60.8	3.9	7.7	1.20			
62	FDLSX	Leisure	0.75%/30 days	69.99	Hold	5.4	5.3	24.3	52.4	-1.3	4.1	1.07			
509	FSDPX	Materials	0.75%/30 days	52.61	OK to Buy	4.8	-2.5	78.7	91.8	3.1	9.4	1.55			
505	FSHCX	Medical Delivery	0.75%/30 days	44.37	Hold	2.7	3.1	49.0	73.8	-1.7	3.9	1.34			
354	FSMEX	Medical Equipment	0.75%/30 days	25.23	OK to Sell	2.0	3.1	32.6	45.8	6.3	6.4	0.93			
503	FBMPX	Multimedia	0.75%/30 days	34.39	OK to Buy	5.9	0.8	54.4	89.0	-4.7	1.7	1.30			
513	FSNGX	Natural Gas	0.75%/30 days	31.34	Hold	3.1	-0.6	56.3	63.6	-3.3	4.7	1.81			
514	FNARX	Natural Resources	0.75%/30 days	27.66	Hold	4.0	-2.8	51.7	61.1	0.7	9.6	1.73			
580	FPHAX	Pharmaceuticals	0.75%/30 days	10.93	Hold	1.2	0.5	25.4	46.1	3.1	7.4	0.89			
46	FSRPX	Retailing	0.75%/30 days	45.11	Buy	7.6	5.1	57.8	79.3	0.9	6.0	1.23			
28	FSCSX	Software & Computer Svcs	0.75%/30 days	72.29	OK to Buy	2.6	-4.8	61.5	62.9	3.4	8.7	1.22			
64	FSPTX	Technology	0.75%/30 days	72.24	Buy	5.1	-4.3	90.3	94.6	1.2	4.7	1.59			
96	FSTCX	Telecommunications	0.75%/30 days	37.73	Hold	2.0	-5.8	51.6	42.4	-8.3	2.9	1.31			
512	FSRFX	Transportation	0.75%/30 days	41.97	Hold	11.4	6.7	23.3	77.5	-3.4	3.5	1.26			
65	FSUTX	Utilities	0.75%/30 days	42.25	Hold	-1.2	-5.5	14.4	24.5	-8.1	3.2	0.98			
963	FWRLX	Wireless	0.75%/30 days	6.47	Hold	3.0	-4.3	59.0	47.1	-1.4	5.0	1.39			

FIDELITY SCORECARD - FEBRUARY 28, 2010

Fund No.	Fund Ticker	Fund Name	Short-Term Trading Fee	\$Price (NAV)	Advice	Total Return (%)			SEC	Dist ⁷	Dur ²	Tax-Equivalent Yield						
						Feb	YTD	2009	%Yield	%Yield	(Yrs)	Federal Tax Bracket						
TAXABLE BOND						Category Averages			0.2	1.7	5.5	2.46	3.07	4.3				
15	FGMNX	Ginnie Mae		11.51	Hold	0.4	1.9	6.9	2.73	3.53	2.9							
54	FGOVX	Government Income		10.53	OK to Sell	0.3	1.7	1.3	2.17	2.98	4.6							
794	FINPX	Inflation-Protected Bond ⁸		11.23	Hold↓	-1.2	0.4	9.7	0.51	0.97	6.1							
32	FTHRX	Intermediate Bond		10.32	Buy	0.5	2.3	17.1	3.03	4.23	3.7							
452	FSTGX	Intermediate Gov't Income		10.82	OK to Sell	0.3	1.6	0.9	1.52	2.11	3.6							
26	FBNDX	Investment Grade Bond		7.15	Buy	0.4	2.1	16.0	3.46	4.09	4.2							
40	FMSFX	Mortgage Securities		10.60	Hold	0.4	1.9	9.6	3.90	4.93	2.6							
450	FSHBX	Short-Term Bond		8.38	Buy↑	0.3	1.2	7.4	1.58	2.61	1.7							
1561	FIBIX	Sptn Interm Treas Index ⁵		10.46	OK to Sell	0.4	2.6	-5.0	2.94	3.13	6.6							
1562	FLBIX	Sptn Lng-Term Treas Index ⁵		10.23	Sell	-0.2	2.5	-13.4	4.13	4.00	12.7							
1560	FSBIX	Sptn Sht-Term Treas Index ⁵		10.45	Hold	0.2	1.3	-0.1	1.04	1.63	2.6							
820	FTBFX	Total Bond		10.61	Buy	0.3	2.0	19.8	3.92	4.40	3.8							
651	FBIDX	U.S. Bond Index		11.19	Hold	0.3	1.8	6.5	2.98	3.54	4.1							
812	FUSFX	Ultra-Short Bond	0.25%/60 days	8.16	Hold	0.1	0.5	1.0	0.57	0.80	0.6							
HIGH-YIELD BOND						Category Averages			0.4	1.0	44.0	6.11	5.86					
38	FAGIX	Capital & Income	1.00%/90 days	8.61	OK to Buy	0.8	0.9	72.1	6.98	6.73	--							
814	FFRHX	Floating Rate High Income	1.00%/60 days	9.47	OK to Buy	0.2	1.1	28.9	3.95	3.01	--							
1366	FHIFX	Focused High Income	1.00%/90 days	9.15	Buy	0.4	0.8	35.1	6.93	6.71	--							
455	SPHIX	High Income	1.00%/90 days	8.46	Buy	0.2	1.1	51.5	7.65	6.82	--							
331	FNMIK	New Markets Income	1.00%/90 days	15.08	Buy	0.7	1.3	44.6	6.13	7.02	--							
368	FSICX	Strategic Income		10.83	Buy	0.1	1.0	31.8	5.03	4.86	--							
NATIONAL MUNICIPAL BOND						Category Averages			0.8	1.3	10.2	2.84	3.58	6.2	25%	28%	33%	35%
36	FLTMX	Interm Municipal Income	0.50%/30 days	10.23	Buy	0.9	1.4	8.8	2.60	3.47	5.3	3.5	3.6	3.9	4.0			
37	FHIGX	Municipal Income	0.50%/30 days	12.55	Buy	0.9	1.4	13.1	3.68	4.13	8.3	4.9	5.1	5.5	5.7			
404	FSTFX	Short-Int Municipal Income	0.50%/30 days	10.69	OK to Buy	0.6	1.0	5.6	1.36	2.60	2.8	1.8	1.9	2.0	2.1			
90	FTABX	Tax-Free Bond	0.50%/30 days	10.82	Buy	0.9	1.3	13.3	3.71	4.11	8.2	4.9	5.2	5.5	5.7			
STATE-SPECIFIC MUNICIPAL BOND						Category Averages			0.9	1.3	11.1	3.03	3.64	7.1				
434	FSAZX	Arizona Muni Income	0.50%/30 days	11.34	OK to Buy	0.9	1.1	13.7	3.49	3.70	8.4	4.7	4.8	5.2	5.4			
91	FCTFX	California Muni Income	0.50%/30 days	11.88	Hold	1.2	1.8	11.7	3.98	4.23	8.0	5.3	5.5	5.9	6.1			
1534	FICSTX	Calif Short-Interm Tax Free	0.50%/30 days	10.64	OK to Buy	0.6	1.1	6.2	1.52	2.50	3.0	2.0	2.1	2.3	2.3			
407	FICNX	Connecticut Muni Income	0.50%/30 days	11.47	OK to Buy	0.9	1.4	11.0	2.78	3.46	6.8	3.7	3.9	4.1	4.3			
429	SMDMX	Maryland Muni Income	0.50%/30 days	10.98	OK to Buy	0.8	1.3	13.8	2.87	3.48	7.4	3.8	4.0	4.3	4.4			
70	FDMMX	Mass Muni Income	0.50%/30 days	11.90	OK to Buy	0.9	1.5	12.7	3.28	3.82	7.8	4.4	4.6	4.9	5.0			
81	FMHTX	Michigan Muni Income	0.50%/30 days	11.93	Hold	0.8	1.3	9.3	3.09	3.85	6.7	4.1	4.3	4.6	4.8			
82	FIMIX	Minnesota Muni Income	0.50%/30 days	11.49	OK to Buy	1.0	1.5	9.9	2.49	3.48	6.4	3.3	3.5	3.7	3.8			
416	FNJHX	New Jersey Muni Income	0.50%/30 days	11.59	Hold	1.1	1.5	11.8	3.12	3.73	7.5	4.2	4.3	4.7	4.8			
71	FTFMX	New York Muni Income	0.50%/30 days	12.93	Hold	1.1	1.4	12.1	3.33	3.80	8.2	4.4	4.6	5.0	5.1			
88	FOHFX	Ohio Muni Income	0.50%/30 days	11.66	OK to Buy	0.7	1.1	11.1	3.22	3.89	7.8	4.3	4.5	4.8	5.0			
402	FPXTX	Pennsylvania Muni Income	0.50%/30 days	10.83	OK to Buy	0.8	1.1	9.7	3.15	3.80	6.8	4.2	4.4	4.7	4.8			
TAXABLE MONEY MARKET						Category Averages			0.00	0.00	0.45	0.02						
55	FDRXX	Cash Reserves		1.00	--	0.00	0.01	0.61	0.02	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	0.00	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	0.00	0.62	0.01	na	na							
85	FSLXX	Select MM		1.00	--	0.01	0.02	0.67	0.09	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	FTEXTX	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	0.00	0.15	0.01	na	na	0.0	0.0	0.0	0.0			
97	FCFX	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	0.00	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	0.00	0.19	0.01	na	na	0.0	0.0	0.0	0.0			
92	FNYXX	New York		1.00	--	0.00	0.00	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 - FEBRUARY 28, 2010

Fund No.	Fund Ticker	Fund Name	Short-Term Trading Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹
						Feb	YTD	2009	1 Year	3 Year	5 Year	
FIDELITY PERSONAL RETIREMENT ANNUITY PORTFOLIOS												
9067	FLRQC	Fid VIP Asset Manager		11.49	Hold	2.1	0.0	28.7	39.6	1.4	3.1	0.79
9066	FAEEC	Fid VIP Asset Manager: Growth		10.87	Hold	2.8	-0.7	32.4	48.7	-0.4	2.0	1.00
9069	FJBAC	Fid VIP Balanced		11.51	Hold	2.7	0.5	38.1	55.8	-0.9	3.1	0.93
9081	FVHAC	Fid VIP Consumer Discretionary	1.00%/60 days	9.65	OK to Buy	5.8	3.0	37.8	66.6	-5.9	-0.1	1.16
9171	FCSAC	Fid VIP Consumer Staples	1.00%/60 days	10.58	Hold	2.1	0.8	20.4	40.6	--	--	--
9065	FPDFC	Fid VIP Contrafund		10.63	Hold	3.0	-1.4	35.3	59.6	-3.7	2.6	1.11
9148	FPRGC	Fid VIP Disciplined Small Cap		7.93	OK to Sell	4.2	0.0	21.8	53.8	-8.1	--	1.15
9074	FZAMC	Fid VIP Dynamic Capital App		10.68	OK to Sell	5.4	1.6	35.7	65.5	-5.2	3.1	1.14
9198	FEMAC	Fid VIP Emerging Markets	1.00%/60 days	7.34	Buy	0.1	-5.8	75.1	89.2	--	--	--
9085	FJLLC	Fid VIP Energy	1.00%/60 days	12.27	Hold	3.2	-1.3	47.4	59.8	-1.2	7.1	1.73
9061	FLOLC	Fid VIP Equity-Income		9.16	Buy	2.7	-0.5	29.8	64.3	-9.3	-1.4	1.17
9083	FONNC	Fid VIP Financial Services	1.00%/60 days	6.90	Hold	1.3	2.3	27.0	85.1	-17.4	-6.8	1.54
9157	FMPAC	Fid VIP FundsManager 20		11.19	Hold	0.6	0.5	10.0	14.9	1.8	--	0.28
9158	FMPBC	Fid VIP FundsManager 50		10.35	Hold	1.3	-0.1	18.7	29.9	-1.2	--	0.59
9197	FMPPC	Fid VIP FundsManager 60		9.15	Hold	1.5	-0.4	22.2	36.1	--	--	--
9159	FMPCC	Fid VIP FundsManager 70		9.59	Hold	1.8	-0.8	24.1	40.4	-3.9	--	0.81
9160	FMPDC	Fid VIP FundsManager 85		9.06	Hold	2.1	-1.1	28.2	49.1	-5.8	--	0.97
9062	FMNDC	Fid VIP Growth		9.20	OK to Sell	4.7	-1.1	27.8	46.4	-5.7	-0.8	1.10
9070	FLFNC	Fid VIP Growth & Income		9.69	OK to Sell	3.5	-0.4	26.8	50.6	-6.4	-0.1	1.02
9068	FIDPC	Fid VIP Growth Opportunities		8.78	Buy	4.1	-1.6	45.2	58.2	-8.3	-2.0	1.37
9078	FPVDC	Fid VIP Growth Stock		9.97	OK to Buy	4.0	-1.3	44.3	61.0	-1.6	--	1.15
9077	FQBRC	Fid VIP Growth Strategies		9.31	Hold	6.0	0.4	39.4	57.2	-6.5	--	1.20
9084	FPDRC	Fid VIP Health Care	1.00%/60 days	11.02	Hold	1.9	2.4	32.2	48.6	-0.2	4.4	0.91
9060	FBBLC	Fid VIP High Income		12.45	Buy	0.0	0.9	43.4	36.7	2.8	4.4	0.73
9064	FXVLT	Fid VIP Index 500		9.74	Hold	3.1	-0.7	26.3	53.4	-5.9	0.0	0.99
9082	FBALC	Fid VIP Industrials	1.00%/60 days	12.08	Hold	4.9	1.3	39.6	84.2	-0.4	4.6	1.39
9076	FVJIC	Fid VIP Int'l Capital App	1.00%/60 days	9.36	Buy	-0.5	-4.8	55.2	82.7	-9.6	--	1.54
9063	FTLKC	Fid VIP Investment Grade Bond		12.37	Buy	0.4	2.0	15.5	17.4	5.3	4.5	0.25
9172	FVMAC	Fid VIP Materials	1.00%/60 days	10.44	OK to Buy	4.9	-2.4	77.6	90.7	--	--	--
9071	FNBSC	Fid VIP Mid Cap		11.68	Hold	3.6	0.4	39.6	58.5	-1.4	4.3	1.11
9059	FTNJC	Fid VIP Money Market		11.46	--	0.0	0.0	0.4	0.2	2.4	2.9	0.03
9088	FEMMC	Fid VIP Overseas	1.00%/60 days	10.12	OK to Sell	-0.1	-6.0	26.1	48.2	-8.2	1.2	1.23
9072	FFWKC	Fid VIP Real Estate		9.62	Hold	6.5	0.2	37.2	116.2	-14.0	2.0	2.17
9075	FGDQC	Fid VIP Strategic Income		13.39	Buy	0.0	0.9	29.7	31.7	6.7	6.1	0.45
9086	FYENC	Fid VIP Technology	1.00%/60 days	12.23	Buy	4.8	-4.5	95.4	97.8	1.2	5.2	1.55
9173	FVTAC	Fid VIP Telecommunications	1.00%/60 days	7.21	Hold	1.3	-5.9	47.5	38.8	--	--	--
9087	FXRRC	Fid VIP Utilities	1.00%/60 days	11.03	Hold	-1.2	-5.5	14.9	24.9	-7.4	3.7	0.98
9079	FKMSC	Fid VIP Value		9.17	Buy	4.3	1.3	42.1	83.8	-9.1	--	1.45
9080	FUEBC	Fid VIP Value Leaders		8.78	Hold	3.3	0.2	27.4	62.8	-10.1	--	1.18
9073	FRBSC	Fid VIP Value Strategies		9.80	Buy	4.8	2.3	57.1	101.8	-7.9	0.0	1.59
9272	FYBXC	Credit Suisse Int'l Equity Flex III		10.10	OK to Sell	0.0	-4.1	1.0p	--	--	--	--
9147	FPRLC	Lazard Retirement Emerging Mkts		12.37	Buy	0.4	-3.5	69.8	91.2	3.9	--	1.58
9143	FPRMC	Morgan Stanley Emerg Mkt Debt		12.89	Buy	1.5	1.5	29.9	33.1	5.7	7.5	0.64
9144	FPRNC	Morgan Stanley Emerg Mkt Equity		10.76	Buy	-0.1	-6.3	69.4	86.2	-0.5	9.8	1.70
9145	FPROC	Morgan Stanley Gbl Value Equity		7.97	OK to Sell	1.1	-2.4	15.7	33.6	-10.4	-2.0	0.95
9146	FPRPC	Morgan Stanley Int'l Magnum		8.68	Hold	0.6	-5.1	32.2	57.3	-7.7	1.3	1.29
9276	FPMBC	Pimco VIT Low Duration		10.30	Hold	0.3	1.4	1.6p	--	--	--	--
9277	FPNBC	Pimco VIT Real Return		10.40	Buy	-0.8	1.0	3.0p	--	--	--	--
9278	FPOBC	Pimco VIT Total Return		10.34	Buy	0.5	2.0	1.3p	--	--	--	--
9174	FMCCC	Strategic Adv Mid Cap Val										
9175	FSCCC	Strategic Adv Small Cap										

Funds have been liquidated

ANNUITY MODEL PORTFOLIOS

Annuity Growth Model	
Fund	Allocation
Fidelity VIP Strategic Income	35%
Fidelity VIP Growth Opportunities	24
Fidelity VIP Value	19
Fidelity VIP Emerging Markets	11
Fidelity VIP Equity-Income	11
Total Return: Feb: 2.1% YTD: -0.6%	

Annuity Growth & Income Model	
Fund	Allocation
Fidelity VIP Investment Grade	30%
Fidelity VIP Strategic Income	27
Fidelity VIP Growth Opportunities	23
Fidelity VIP Value	16
Fidelity VIP Equity-Income	4
Total Return: Feb: 1.9% YTD: 0.7%	

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: Feb: 1.1% YTD: 0.9%	

Inside Fidelity

Manager Changes — Victor Thay, the manager of **Export & Multinational**, passed away last month. He was only 35-years-old. We extend our condolences to his family, friends and colleagues.

Heather Carrillo replaces Victor on Export. Carrillo has been managing **Select Computers** since 2006, and has run several other Select funds. Our *Hold* rating on Export remains until such time that we can review the new manager and how she repositions this large-cap growth fund.

Replacing Carrillo on Select Computers is Matthew Schuldt. Schuldt joined Fidelity in 2006 as an equity analyst following several different sectors. His experience also includes his January 2008 assignment to **Select Chemicals**. But, given his new charge, he's turning that fund over to Mahmoud Sharaf. Sharaf joined Fidelity in 2007 and, like all Select fund managers, has covered a number of different sectors within the research group.

Anna Davydova is the new man-

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 March:

Equity-Inc, Large Cap Growth, Large Cap Value, MA Muni Inc, Mid Cap Growth, Mid Cap Value, NY Muni Inc, Real Estate Inc, Real Estate Inv, Tax-Free Bond, Telecom & Utilities

The final distributions for February were as follows:

Fund	Ex-Date	\$ Amt	NAV
Contrafund	2/5	0.09	54.99
Dyn Strategies	2/12	0.02	8.22
Strategic Income	2/12	0.01	10.72
Trend	2/5	0.01	53.05

ager of **Select Environmental**; Douglas Simmons continues as a co-manager on the fund. Anna joined Fidelity in 2005 as a research analyst covering coal, small cap oil services and oil tankers. In 2007, she began covering the alternative energy sector.

Finally, effective April 1, Guillermo de las Casas will run **International Real Estate**, succeeding Steven Buller. Steve will continue to oversee **Real Estate Investment**, which he's done since 1998. Guillermo joined Fidelity in 2007 as a research analyst covering international real estate securities in Asia, Europe and Latin America.

New ETF Funds — For “at least the next three years,” Fidelity will make 25 popular iShares (exchange-traded index funds) available to brokerage clients on an exclusive commission-free basis. (BlackRock bought the iShares business from Barclays in June 2009.) Brokerage customers already have access to about 800 ETFs, but this collaboration is unique and especially cost-effective. Moreover, we have reason to believe that at some point, iShares will be made available to Fidelity retirement investors in 401(k) and 403(b) plans.

For a complete listing of these new offerings, please go to our members-only website: fidelityinsight.com

Fee Reduction — Effective February 3, Fidelity reduced online equity commissions to a flat \$7.95. This eliminates tiered pricing and, says Fidelity, “reduces some customers’ commissions by as much as 60 percent.” That’s a reference to the fact that some customers had paid as much as \$19.95 per transaction, a figure that fell greatly from that level depending upon assets and trading volume.

Make no mistake about it, with this

move, along with the new ETFs, Fidelity is firing a shot across the bow of its brokerage rivals Schwab, Ameritrade and E*TRADE, and, on the ETF front, even Vanguard.

Fidelity’s Financials — Despite its assets under management jumping 21% in 2009, Fidelity’s revenues fell 10.9%. This is partly the result of assets flowing into fixed-income funds (bonds and money markets) where management fees (and profit margins) are lower relative to stock funds. On the other hand, operating income did rise 5.2% as Fidelity trimmed expenses. Notably, Fidelity laid off 3,000 employees a year ago. ■

Message To Members

The competition for fund assets and brokerage customers heated up this winter. This is evident with Fidelity making two bold moves (see *Inside Fidelity*) to grab market share from its competitors.

Frankly, we love the competition, and so should you!

As Fidelity continues to cut costs and expand their product offerings, we all win. In last month’s report, we detailed the significant upturn in fund performance. (On an asset-weighted basis, 74% of Fidelity funds beat their competitors last year, up from 56% in 2008!) That excites us even more. But with hundreds of funds from which to choose at Fidelity, we’re glad that you have also chosen us to help with your investment decisions. As always if you have an editorial question just email us at the address below.

Sincerely,
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