

FIDELITY INSIGHT

THE INDEPENDENT REPORT ON FIDELITY FUNDS

AUGUST 2011

VOLUME 27, NUMBER 8

MARKET OUTLOOK

Debt Deal Eases Default Fears, But Growth Outlook Worsens

After much partisan wrangling, it appears that Congress will approve an eleventh hour debt deal — as we had been predicting. It was not the far-reaching deal we had originally hoped for, but more of the “we’ll deal with the problem later — somehow” kind of deal that we had sadly come to expect. In broad strokes, the deal includes just under \$1.0 trillion in spending cuts over the next 10 years, plus a panel of six Republicans and six Democrats are tasked with finding \$1.2 to \$1.5 trillion in further deficit cuts by Thanksgiving.



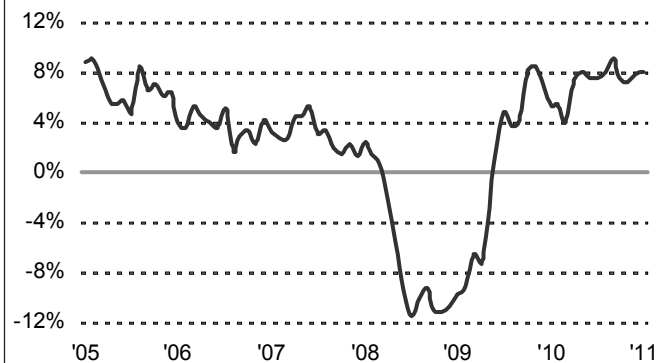
John M. Boyd

Despite the deal, we still see a downgrade in the credit rating of US debt from AAA as a possible fallout. The rating agencies had suggested that any debt deal would have to make a serious dent in the deficit of around \$4 trillion to keep our rating intact. This deal falls far short of that. However, the agencies could decide to cut the US some slack, or take a wait-and-see attitude with respect to what comes out of the bipartisan panel. But, in any case, we don’t believe a debt downgrade would spark a big reaction in the bond market for a couple of reasons.

One, the reason for a possible downgrade is the fact that our current level of debt (and its projected growth) is

HALF FULL OR HALF EMPTY?

Year Over Year % Change in Total Retail Sales



On a month-over-month basis, retail sales have been flat since April, which is not a positive trend. But if we look at spending on a year-over-year basis, we get quite a different picture. Compared to last year, spending is up around 8%. As with a number of other pieces of economic data, while growth this year is weak, we are still improving from the same period a year ago. That makes reading the economic tea leaves difficult. We would prefer to see faster growth, but we’ll take comfort as long as we continue to be better off than last year.

unsustainably high relative to our GDP. But that fact is already well-known in the market, so the rating agencies would simply be confirming the obvious.

Two, we don’t see a massive run on Treasuries because there is simply no better alternative. The Treasury market is the largest (55% of the world’s bond supply) and most liquid bond market in the world. Yes, rates might move higher. But they won’t spike and shouldn’t rise enough to have a major negative impact on the economy. With the release of GDP figures at the end of the month, the economy has been found to be much weaker in the first half of the year than was expected. More on that later.

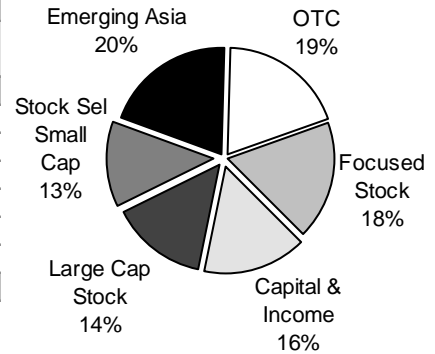
What about the stock market? Well, J.P. Morgan studied the previous seven instances in which a sovereign AAA credit was downgraded, including Japan (1998), Sweden (1993) and Canada (1994), among others. What they found was that the downgrade most often coincided with the start of a rally in stocks, with cyclical stocks rallying 86% of the time, while more defensive fare was usually down.

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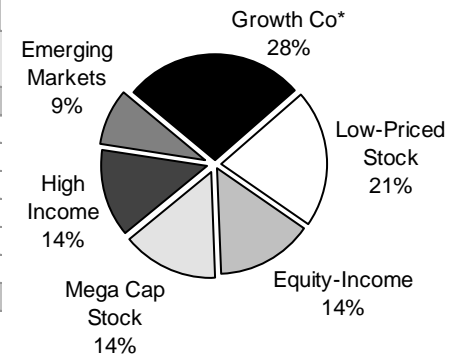
FIDELITY INSIGHT MODEL PORTFOLIOS - JULY 31, 2011

Aggressive Growth Model		Rel Vol: 1.08	Est. Yield: 1.2%	YTD Return: 3.9%		
Current Asset Allocation		Stocks 83.3%	Bonds 0.0%	Cash 2.4%	Alternative ¹ 14.2%	Foreign 26.6%
Holdings	Ticker	Alloc	NAV	Shares	Value	Jul Ret
Emerging Asia	FSEAX	20%	\$31.97	1,042.38	\$33,325	1.8%
OTC	FOCPX	19	59.27	542.94	32,180	-0.8
Focused Stock	FTQGX	18	14.55	2,008.32	29,221	-2.6
Capital & Income	FAGIX	16	9.57	2,751.10	26,328	0.0
Large Cap Stock	FLCSX	14	17.84	1,343.49	23,968	-2.6
Stock Sel Small Cap	FDSCX	13	19.23	1,127.28	21,678	-3.7
Current Value (4/7/99 = \$100,000)					\$166,699	-1.1%



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

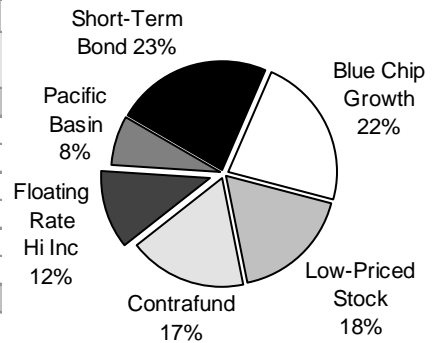
Growth Model		Rel Vol: 1.04	Est. Yield: 1.5%	YTD Return: 5.0%		
Current Asset Allocation		Stocks 83.0%	Bonds 0.3%	Cash 3.6%	Alternative ¹ 13.1%	Foreign 21.1%
Holdings	Ticker	Alloc	NAV	Shares	Value	Jul Ret
Growth Company*	FDGRX	28%	\$90.43	3,582.28	\$323,946	-1.3%
Low-Priced Stock	FLPSX	21	40.67	5,818.27	236,629	-2.4
Equity-Income	FEQIX	14	44.36	3,741.11	165,956	-3.6
Mega Cap Stock	FGRTX	14	10.27	16,045.29	164,785	-1.5
High Income	SPHIX	14	9.10	17,471.06	158,987	1.1
Emerging Markets	FEMKX	9	26.62	3,812.35	101,485	1.3
Current Value (1/1/87 = \$100,000)					\$1,151,787	-1.4%



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

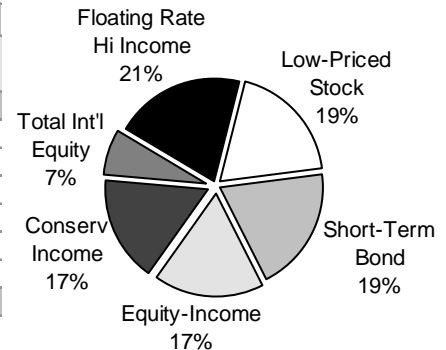
For moderately aggressive members who want equity-dominated portfolios and have no income needs for at least 10 years. Target volatility range: 0.50-1.00.

Growth & Income Model		Rel Vol: 0.74	Est. Yield: 0.7%	YTD Return: 4.3%		
Current Asset Allocation		Stocks 61.8%	Bonds 22.9%	Cash 4.9%	Alternative ¹ 10.3%	Foreign 18.8%
Holdings	Ticker	Alloc	NAV	Shares	Value	Jul Ret
Short-Term Bond	FSHBX	23%	\$8.54	25,842.16	\$220,692	0.5%
Blue Chip Growth	FBGRX	22	48.16	4,403.36	212,066	-0.1
Low-Priced Stock	FLPSX	18	40.67	4,101.41	166,804	-2.4
Contrafund	FCNTX	17	70.88	2,317.01	164,230	0.4
Floating Rate Hi Income	FFRHX	12	9.80	11,289.14	110,634	0.1
Pacific Basin	FPBFX	8	27.18	2,596.92	70,584	3.5
Current Value (1/1/87 = \$100,000)					\$945,010	0.0%



A good choice for members retiring in five-10 years looking for less volatility than the market. Seeks a yield in excess of the S&P 500. Target volatility range: 0.25-0.75.

Income & Preservation Model		Rel Vol: 0.57	Est. Yield: 1.4%	YTD Return: 2.1%		
Current Asset Allocation		Stocks 39.8%	Bonds 36.3%	Cash 5.5%	Alternative ¹ 18.3%	Foreign 8.6%
Holdings	Ticker	Alloc	NAV	Shares	Value	Jul Ret
Floating Rate Hi Income	FFRHX	21%	\$9.80	11,915.25	\$116,769	0.1%
Low-Priced Stock	FLPSX	19	40.67	2,586.61	105,197	-2.4
Short-Term Bond	FSHBX	19	8.54	12,787.71	109,207	0.5
Equity-Income	FEQIX	17	44.36	2,183.52	96,861	-3.6
Conservative Income	FCONX	17	10.00	9,416.58	94,166	-0.1
Total Int'l Equity	FTIEX	7	7.64	4,994.01	38,154	-1.3
Current Value (1/1/87 = \$100,000)					\$560,355	-1.1%



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.

GDP Double Whammy

While the endless wrangling over the debt ceiling garnered all the headlines, in our view, the more important concern is really the direction of the economy. On that score, the markets got a double whammy on the last trading day of July when the first estimate for GDP growth in the second quarter came in well below expectations at 1.3%. Meanwhile, the first quarter was revised down from 1.9% to just 0.4%. No matter how you slice it, that was very disappointing news. (Unless you are a cockeyed optimist who could now say growth accelerated sharply in the second quarter!)

Adding to concerns over growth was an unexpectedly weak national Purchasing Managers Index (PMI) which came in at just 50.9 for July down from 55.3 in June. (Any number over 50.0 indicates expansion.) This weakness is not confined to the US either. Similar figures out of China show that its been successful in slowing down its economy — an intended strategy to release building inflationary pressures. But what might be good for China may not be so good for exports from the rest of the globe.

Not all the economic data last month was bleak, however. Jobless claims unexpectedly dropped below 400,000 for the first time in 16 weeks, although not by much (398,000) and could well be revised over that mark next week. But that is a seasonally adjusted figure and whenever it surprises in either direction, I look at the unadjusted figures for confirmation. The good news is that the “raw” figure also dropped significantly. In fact, if instead of using the seasonally adjusted data we simply look at the raw data on a year-over-year basis, we find that every week this year, save one, initial unemployment claims have been less than last year.

Don't get me wrong the employment picture is still very bad, but it is still better than a year ago.

WHICH FUNDS SHOULD YOU BUY NOW!

Equity Funds: **Blue Chip Growth**, **Focused Stock**, **Growth Co** and **OTC** are our top large-cap growth picks (see p. 11), while **Equity-Income** is still a good value play. **Low-Priced Stock** (see p. 4) and **Stock Selector Small Cap** ply the mid- and small-cap arenas, respectively; **Contrafund** is a conservative “all-cap” approach to growth.

Bond Funds: **Short-Term Bond** affords limited interest-rate risk. **Conservative Income** gets you a bit more yield than a money market fund. **Short-Intermediate Muni** is our preferred choice for tax-free income.

International Funds: **Emerging Asia** and **Emerging Markets** are long-term, volatile equity plays in the developing markets. **Pacific Basin** provides broader exposure and, therefore, less risk.

High Yield Fund: **Capital & Income** is an aggressive play on improving company balance sheets. **High Income** is a bit less risky and **Floating Rate High Income** is the most conservative high-yield option, but **Corporate Bond** (listed among Taxables) is an even less risky alternative. ■

While we continue to expect GDP to improve in the second half of the year, gains will likely be more muted and south of 3% — perhaps well south. Now, in the category of “be careful what you wish for,” as a consequence of the debt deal, government expenditures are likely to start coming down, removing some support for our currently quite fragile economic recovery.

Well, it is certainly difficult to say how the debt deal will affect the economy, especially since much of it is still undetermined. But, J.P. Morgan also looked at periods in the US from 1901 - 2010 where government outlays were falling. There were 22 years that fit that bill and GDP growth averaged 3.2% per year — pretty much along the long-term average. Perhaps more important, they found that the stock market averaged an 11.2% gain during those years.

Earnings Still Strong, However

The real bright spot continues to be corporate earnings. As I write this, 331 of the S&P 500 companies have reported second quarter earnings and 72% have beaten their estimates. While that figure will probably come down as the rest of the companies report, it is well ahead of the first quarter's “beat rate” of 59.5%. In fact, S&P 500 earnings per share for the second quarter will very likely set a

new record quarterly high, eclipsing the previous mark set in June of 2007. Importantly, a similar percentage of firms are also beating revenue forecasts. And those revenues are running 10% ahead of last year — it's not just cost cutting.

How have earnings done so well when our economy has shown so little growth? Thank the emerging markets. Overall, S&P 500 companies derive about half of their sales from overseas. And despite efforts to slow their economies, the emerging markets continue to grow significantly. (While China's GDP growth is slowing, its second quarter came in at a still robust 9.5% versus a year ago, down just a little from 9.7% in the first quarter.) Significantly, earnings estimates for the second half have been reduced only modestly to date.

In short, while the eleventh hour debt deal removes a near-term market worry, the more pressing concern for investors for the balance of this year is what happens to economic growth. If growth improves in the second half as expected, even if muted, stocks will probably do okay, and we'd certainly rather own them than bonds. But, if growth should weaken further it could be an ugly end to the summer for stocks. As we enter the dog days of summer, that is where we will be focusing our attention. ■

— John M. Boyd

FUND UPDATE

Manager To Take Leave From Low-Priced

As we noted in our Special Hotline update of July 13, Joel Tillinghast is planning to take a four-month leave from **Low-Priced Stock**. Fidelity says it will last from September 6 through December 31.

In our conversation with Brian Hogan, who is the president of Fidelity's stock fund group, he was adamant that this move was purely Joel's idea, and that it is his intent to return to the full-time management of the fund. I was also told that Joel's leave is not health related,



Joel Tillinghast

but that he's been running the fund non-stop since its 1989 inception. Naturally, Brian cannot guarantee anyone that Joel will return. However, Joel had told him that he has every desire to return to the only fund he's ever run and, in fact, helped to create.

For our part, we own Low-Priced in three model portfolios and have been recommending the fund for over 20 years. (Joel's unsurpassed trackrecord on the fund speaks for itself — see box.)

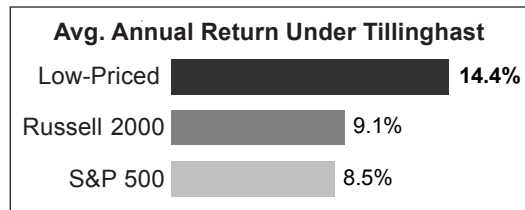
Naturally, we share your concern over this development. So with respect to our action recommendation, **anyone who owns Low-Priced Stock should continue to hold the fund.** This recommendation — or any

fund recommendation for that matter — could change for a variety of reasons, including any portfolio repositioning that we don't like. Our *Buy* rating may also change if Joel's management responsibilities permanently change, but given our trade, we think that unlikely.

The New, Temporary Team

In the meantime, an interim team of six veteran analysts will run the small-to-mid-cap-oriented fund.

Although it has always been benchmarked to the small-cap Russell 2000, over the years, the fund's large asset base has forced Joel to buy many bigger-cap stocks. In fact, just over a third of the fund's assets are small in size; 45% are in mid-caps and the remainder is in large-to-mid caps.



Team members were handpicked by Joel in a fashion that is already successfully employed at **Stock Selector Small Cap**. We hold that fund in our Aggressive Growth Model, while teams are similarly deployed elsewhere (see below).

There are five dedicated sector analysts who Joel has long relied upon to help him run the fund. In addition, veteran small-cap fund manager Jamie Harmon — who Joel has also worked with for many years — is the fund's interim lead manager.

THE "TEMP" TEAM

Lead Manager/Health Care:

Jamie Harmon

Consumer discretionary & Staples:

Kathy Buck

Energy, Materials & Utilities

*Shadman Riaz

Financials:

Justin Bennett

Industrials:

John Mirshekari

Technology & Telecom:

*Rayna Lesser Hannaway

**Also has co-manager responsibilities at Stock Selector Small Cap.*

Brian Hogan also assured us that while Joel is taking a well-deserved hiatus from the \$28 billion fund and its nearly 900 positions, he will remain somewhat tethered to "his baby." For example, Harmon will

not sell any of the fund's top-50 holdings without first consulting with Joel. That amounts to a quarter of the fund's stock holdings effectively being off-limits. (The fund's 10-biggest positions

are 15% of its assets, while another 10% is cash. It's also worth noting that about a third of the fund's assets have long been invested in foreign stocks.)

Needless-to-say, we'll be keeping an especially close eye on Low-Priced Stock. But as we understand both Joel's and Fidelity's plans during this forthcoming period, we firmly believe the fund will remain in the hands of a very competent and experienced manager, or team of managers. We continue to rate it a *Buy*. ■

What's In A Name?

On August 1, **Large Cap Value** will be renamed **Stock Selector Large Cap Value**. In joining Fidelity's growing series of "Stock Selector" (SS) funds, it formalizes the team-managed investment approach it adopted earlier this year.

More precisely, managers are assigned a specific industry "sleeve." In the case of SS Large Cap Value,

former lead manager Bruce Dirks was reinforced by six other co-managers. (He still runs **Mid Cap Value**, but we wouldn't be surprised to see that fund eventually join the Stock Selector series.) Meanwhile, **SS All Cap** has two "primary" co-managers, plus nine sector co-managers. And as for **SS Small Cap**, it has six co-managers, but no lead manager.

If all this rings somewhat familiar, a growing number of funds are

using investment teams (now including **Low-Priced Stock** — see above). **Balanced, Int'l Small Cap** and **Value** have already made this transition. While this is a radical departure for a fund company that made its name on "star" managers like **Magellan's** Peter Lynch, we welcome the move as, in certain cases, investment teams are a more potent approach. That said, we continue to rate the fund *OK to Sell*. ■

FUND COMMENTARY

Debt Woes Weigh On Stocks; Bonds Rally

Through early July, we found ourselves wondering if we we're the only people who were paying attention to



John Bonnanzio

Washington's protracted battle over the nation's debt ceiling. Notably, stocks actually gained ground during the first three weeks of the month. Was this

American optimism at its best? Or had the gods-of-money merely begun their summer ritual of burying their feet — and presumably their heads — into the warm sands of the Hamptons?

Whatever they were doing, they clearly woke up in the last week of July. Stocks experienced their worst week in a year when investors finally started to focus on the possibility that a debt deal might not actually get done and, moreover, that the economy might be getting worse rather than better. Also of concern was the real potential for a downgrade of US Treasuries' AAA credit rating even with a deal. (We are less concerned about the latter. See *Market Outlook*.)

A less obvious realization for a growing number of Americans is that the country is on a path toward going broke until, and unless, we decide to do something meaningful about it.

That's the longer-term worry. More immediately, stock investors face the growing possibility of another recession. That fear was ignited by the government's significant downward revision to first-quarter GDP growth, plus an unexpectedly bad report for the second. Yes, corporate profit growth has been very strong this year. Unfortunately, it's clear that S&P 500 companies are faring especially well outside the US — but less so here. Back home, retail sales are miraculously holding their own. But companies continue to pare back jobs. (When Goldman Sachs is

laying off hundreds of employees in the US, but is reportedly hiring in Singapore and Brazil, what does that tell you?) In fact, private sector layoffs, coupled with cuts by states and local governments (and you can expect more of that), have pushed the nation's unemployment rate back up to 9.2%.

Model Portfolios

Amid these rapidly shifting economic sands, we were generally pleased with the performances of our model portfolios, and are making no trades.

Against July's backdrop of the large-cap S&P 500 falling 2.0% and **Spartan US Bond Index** rising 1.6%, our Aggressive Growth Model was off 1.1%, the Growth Model retreated 1.4% and the Select Model fell 1.7%. Our more risk-averse Growth & Income Model was unchanged and the Income & Preservation Model was down 1.1%.

Helping our models' relative returns was our diversification into international stock funds.

Granted, they have not always been helpful this year, but in July **Emerging Asia** and **Emerging Markets** rose 1.8% and 1.3%, respectively. Owing to Japan, **Pacific Basin** popped 3.5%. **Total Int'l Equity** was less helpful, retreating 1.3%. The Select Model was hit especially hard by **Industrials** (down 6.3%), but was helped by **Natural Gas** (up 3.1%).

Some of the models' biggest detractors ply entirely different arenas: big-cap financials hurt **Equity-Income** while **Stock Selector Small Cap** was bruised by a broad decline in small-cap growth stocks. The funds fell 3.6% and 3.7%, respectively.

Notwithstanding the scorching stocks took last month, for the year-to-date, the S&P 500 (up 3.8%) is still above water. Bonds have gained 4.2% through July (more on that below).

The Aggressive Growth (up 3.9%), Growth (up 5.0%), and Growth & Income (up 4.3%) models have all been helped this year by their positions in large-cap growth funds (see p. 11) and high-yield bonds. **OTC** has soared 7.9%, **Growth Company** has risen 8.8% and **Blue Chip Growth** has risen 6.2%.

Among junk bond funds (which tend to have higher correlations to stock funds than do taxable bonds), **Capital & Income** (up 4.9%), **High Income** (up 5.4%) and even the conservative **Floating Rate High Income** (up 1.7%) enjoyed good results. For its part, **Low-Priced Stock** (see facing page) didn't perform especially well in July (down 2.4%), but it has certainly helped our models on a year-to-date basis (up 6.0%).

Fixed-Income Funds

Despite the debt problem, investors still sought out Treasuries for their (still) perceived safety, a weak economy and their unmatched liquidity. **Inflation-Protected Bond** (which holds TIPS) jumped 3.9% in July and is now up 9.4% for the year. **Spartan Long-Term Treasury** fared even better last month (up 4.3%) and it's up 6.6% for the year.

And, despite concerns that Washington's fiscal woes would cascade down upon states, Fidelity's muni bond funds are all higher for the month and year: the diversified **Muni Income** is doing best in its category with its year-to-date gain of 5.3%. ■

— John Bonnanzio

AUGUST SCORECARD RATING CHANGES

Fund	Ratings		Comments
	Old	New	
Int'l Cap App	H	B ↑	Good mix of emerging and developed markets.
Lg Cap Grow Enh Idx	H	B ↑	We like this area of the market (see p. 11).
Select Electronics	H	B ↑	Global demand for chips is still rising (see p. 8).
Trend	B	B ↑	Manager doing a good job in this space (p. 12).
B = Buy; B = OK to Buy; H = Hold; S = OK to Sell; S = Sell, NC = No change (↑) Rating upgraded; (↓) Rating downgraded.			

FIDELITY SCORECARD - JULY 31, 2011

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹	Assets (\$Mil)			
						Jul	YTD	2010	1 Year	3 Year	5 Year					
Comparative Indexes		S&P 500 (Large cap)*				-2.0	3.8	15.0	19.6	2.9	2.4	1.00				
		Nasdaq Composite (OTC)*				-0.6	4.2	17.8	23.1	6.6	6.4	1.12				
		MSCI EAFE (International)*				-1.8	3.6	7.7	17.1	-0.9	1.1	1.27				
		Sptn Extd Mkt (Small-mid caps)				-3.3	3.6	28.6	25.9	7.0	5.8	1.21				
		Barclays Aggregate Bond*				1.6	4.2	6.3	4.1	6.6	5.9	0.18				
LARGE CAP GROWTH						Category Averages			-1.3	5.1	18.6	25.3	4.2	4.9	1.11	
312	FBGRX	Blue Chip Growth		48.16	Buy	-0.1	6.2	19.6	28.1	8.4	6.8	1.10	\$12,066			
307	FDCAX	Capital Appreciation		25.79	OK to Buy	-3.4	1.8	18.3	14.8	4.0	3.1	1.15	4,526			
22	FCNTX	Contrafund		70.88	Buy	0.4	4.8	16.9	22.7	4.2	5.3	0.88	61,125			
332	FEXPX	Export and Multinational	0.75%/30d	22.29	OK to Sell	-1.7	2.2	11.9	18.3	1.5	2.1	1.06	2,222			
500	FFTYX	Fifty		18.47	OK to Buy	-2.6	4.8	17.8	25.1	0.3	1.6	1.15	795			
333	FTQGX	Focused Stock		14.55	Buy	-2.6	6.6	24.1	33.2	5.5	5.9	0.99	598			
25	FDGRX	Growth Company (closed)		90.43	Buy	-1.3	8.8	20.6	31.0	6.7	8.0	1.07	28,589			
339	FDSVX	Growth Discovery		14.82	Buy	-0.4	8.3	24.0	32.4	2.5	5.6	1.11	949			
73	FDFFX	Independence		25.37	OK to Buy	-1.3	4.2	22.2	27.0	-0.9	5.7	1.34	3,970			
763	FSLGX	Large Cap Growth		10.53	Buy	-0.2	8.1	19.8	30.3	4.5	2.9	1.02	136			
1829	FLGEX	Large Cap Growth Enhcd Index		10.20	OK to Buy↑	-1.4	6.3	14.0	24.1	5.0	--	0.98	81			
338	FLCSX	Large Cap Stock		17.84	Buy	-2.6	1.6	18.2	19.3	5.2	3.7	1.26	933			
21	FMAGX	Magellan		71.85	OK to Sell	-1.4	0.4	12.4	17.3	-1.6	0.8	1.27	16,269			
1282	FNCMX	Nasdaq Composite Index	0.75%/90d	36.68	OK to Buy	-0.6	4.2	17.8	23.1	6.6	6.4	1.12	313			
93	FOCPX	OTC		59.27	Buy	-0.8	7.9	20.1	31.7	9.9	11.3	1.24	6,377			
320	FDSSX	Stock Selector All Cap		26.39	Hold	-2.3	2.5	19.2	21.8	2.1	2.7	1.06	1,469			
5	FTRNX	Trend		72.80	Buy↑	-0.1	8.0	19.8	30.3	7.0	6.4	1.09	1,122			
LARGE CAP BLEND						Category Averages			-2.3	3.5	14.8	19.8	1.3	1.3	1.09	
315	FDEGX	Disciplined Equity		23.28	Hold	-2.6	3.3	8.3	14.5	-1.8	0.0	1.01	8,157			
330	FDGFX	Dividend Growth		28.96	Buy	-2.2	1.9	21.2	22.6	7.2	3.8	1.31	9,317			
3	FFIDX	Fidelity Fund		33.90	Hold	-1.3	5.5	14.6	23.8	1.9	3.4	1.05	4,946			
27	FGRIX	Growth & Income		18.58	Hold	-2.1	2.3	14.6	19.2	-4.3	-4.6	1.18	5,056			
1827	FLCEX	Large Cap Core Enhcd Index		8.97	OK to Sell	-2.2	5.2	12.2	20.4	2.2	--	0.96	88			
361	FGRTX	Mega Cap Stock		10.27	Buy	-1.5	2.8	14.4	18.6	2.7	2.5	1.05	821			
650	FUSEX	Spartan 500 Index ⁴		45.78	Hold	-2.0	3.8	15.0	19.6	2.9	2.4	1.00	20,123			
397	FSTMX	Spartan Total Mkt. Index ⁴	0.50%/90d	37.74	Hold	-2.3	3.9	17.4	20.9	3.7	3.1	1.03	5,533			
343	FTXMX	Tax Managed Stock		12.96	Hold	-3.6	4.0	14.7	20.8	-2.3	0.5	1.10	70			
832	FVDFX	Value Discovery		14.98	Hold	-3.1	2.3	15.4	17.7	1.0	0.9	1.17	541			
LARGE CAP VALUE						Category Averages			-3.7	1.8	12.2	15.1	-0.5	-1.1	1.11	
1271	FBCVX	Blue Chip Value		10.86	Sell	-4.6	0.5	10.1	12.1	-2.2	-1.9	1.19	433			
23	FEQIX	Equity-Income		44.36	Buy	-3.6	1.0	15.1	15.7	1.5	0.0	1.16	9,023			
319	FEQTX	Equity-Income II		18.31	Buy	-3.6	1.1	13.5	15.4	0.4	-0.1	1.13	4,695			
708	FSLVX	Large Cap Value ⁸		10.77	OK to Sell	-3.2	2.4	9.3	14.0	-2.8	-2.4	1.08	577			
1828	FLVEX	Large Cap Value Enhcd Index		7.71	OK to Sell	-3.4	4.0	12.7	18.1	0.4	--	1.00	88			
MID-CAP GROWTH						Category Averages			-1.8	4.7	23.1	25.0	5.4	4.5	1.21	
324	FDEGX	Growth Strategies	1.50%/90d	21.36	Buy	-0.7	4.5	25.6	26.2	4.7	5.1	1.15	1,922			
2012	FMEIX	Mid Cap Enhanced Index	0.75%/30d	9.90	Hold	-3.9	4.7	22.4	25.8	6.1	--	1.14	75			
793	FSMGX	Mid Cap Growth	0.75%/30d	13.01	Buy	-0.6	4.6	25.2	26.1	4.1	2.1	1.28	292			
337	FMCSX	Mid-Cap Stock	0.75%/30d	28.44	Hold	-2.8	3.7	23.6	23.5	4.8	4.3	1.36	6,249			
300	FMLX	New Millennium		30.84	OK to Buy	-1.0	5.9	18.9	23.4	7.3	6.7	1.14	1,846			

Notes: *Fidelity's Spartan 500 Index, Nasdaq Composite Index, Spartan Int'l Index and U.S. Bond Index used as proxies for their respective indexes. ¹ Relative Volatility versus the S&P 500 over the last 36 months; 1.50 means the fund has been 50% more volatile. ² Duration is a measure of interest rate sensitivity. 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 Dynamic Strategies. ⁷ Distributed yield is calculated by taking a fund's actual distributions over the past year divided by its current NAV. ⁸ Renamed Stock Selector Large Cap Value on August 1. (p) Partial year; (↑) Rating upgraded; (↓) Rating downgraded.

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	'10
AG													31.4	-8.4	-20.9	-15.8	36.6	14.8	17.9	14.2	14.5	-42.0	28.6	10.8
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	11.5
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	9.9
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	6.4

FIDELITY SCORECARD - JULY 31, 2011

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹	Assets (\$Mil)		
						Jul	YTD	2010	1 Year	3 Year	5 Year				
MID-CAP BLEND						Category Averages			-3.2	3.5	25.1	23.9	5.0	4.8	1.38
122	FLVCX	Leveraged Company Stock	1.50%/90d	28.85	Buy	-4.1	1.5	24.5	23.3	-1.6	3.3	1.65	\$3,939		
316	FLPSX	Low-Priced Stock	1.50%/90d	40.67	Buy	-2.4	6.0	20.7	23.5	7.9	5.9	1.12	26,788		
398	FSEMX	Spartan Extended Mkt Index ⁴	0.75%/90d	39.06	Hold	-3.3	3.6	28.6	25.9	7.0	5.8	1.21	4,584		
14	FSLSX	Value Strategies		28.69	Buy	-3.0	3.0	26.5	23.0	6.7	4.0	1.55	331		
MID-CAP VALUE						Category Averages			-3.8	1.4	23.8	19.1	4.0	2.3	1.37
762	FSMVX	Mid Cap Value	0.75%/30d	16.19	Hold	-4.1	1.5	25.4	19.1	5.0	2.8	1.28	634		
39	FDVLX	Value		69.58	Hold	-3.6	1.3	22.3	19.2	2.9	1.8	1.47	6,865		
SMALL CAP GROWTH						Category Averages			-3.3	4.8	28.8	28.5	6.2	5.3	1.27
2011	FCPEX	Small Cap Enhanced Index	1.50%/90d	10.24	Hold	-3.6	4.5	26.1	25.6	5.3	--	1.20	123		
1388	FCPGX	Small Cap Growth	1.50%/90d	16.65	Buy	-2.6	6.1	26.6	30.2	7.9	6.8	1.25	1,391		
336	FDSCX	Stock Selector Small Cap	1.50%/90d	19.23	Buy	-3.7	3.9	33.7	29.7	5.3	3.7	1.36	1,929		
SMALL CAP BLEND						Category Averages			-5.4	-0.1	27.7	21.7	11.4	7.8	1.42
384	FSCRX	Small Cap Discovery	1.50%/90d	20.93	OK to Buy	-3.6	3.6	32.4	27.1	16.0	9.8	1.36	2,092		
340	FSLCX	Small Cap Stock	2.00%/90d	18.87	Buy	-7.3	-3.7	23.0	16.3	6.9	5.9	1.48	3,813		
SMALL CAP VALUE						Category Averages			-2.5	0.1	25.1	17.0	10.8	6.1	1.29
1389	FCPVX	Small Cap Value	1.50%/90d	15.62	Hold	-2.5	0.1	25.1	17.0	10.8	6.1	1.29	1,903		
SPECIALTY						Category Averages			-3.2	4.3	9.7	16.9	-8.0	--	1.04
2063	FOTTX	130/30 Large Cap		7.55	Hold	-3.2	4.3	9.7	16.9	-8.0	--	1.04	23		
304	FBALX	Balanced		18.85	OK to Buy	-0.2	4.3	13.8	15.2	4.8	4.3	0.75	16,476		
308	FCVSX	Convertible Securities		25.75	Buy	-2.9	2.5	20.9	18.3	3.9	5.9	1.27	2,376		
1960	FDYSX	Global Strategies ⁶		9.55	Hold	0.3	3.1	15.0	16.2	4.4	--	0.79	252		
355	FFNOX	Four-in-One Index		28.00	Hold	-1.6	3.8	13.7	17.3	3.4	3.2	0.91	2,392		
334	FGBLX	Global Balanced	1.00%/30d	23.43	Hold	-0.1	5.1	12.5	18.1	5.5	6.6	0.77	558		
2120	FFGCX	Global Commodity Stock	1.00%/30d	17.28	Buy	0.4	0.8	18.1	28.7	--	--	--	648		
1368	FIREX	International Real Estate	1.50%/90d	9.30	Sell	-0.3	-0.9	14.5	17.2	-1.4	-2.6	1.36	322		
4	FPURX	Puritan		18.56	OK to Buy	-0.3	4.6	14.0	16.4	5.7	4.5	0.71	16,344		
833	FRIFX	Real Estate Income	0.75%/90d	10.75	OK to Buy	0.2	5.2	18.8	13.4	10.6	4.8	0.73	1,663		
303	FRESX	Real Estate Investment	0.75%/90d	28.76	Hold	1.8	12.0	29.9	24.7	5.8	1.8	1.94	3,545		
1329	FSDIX	Strategic Dividend & Income		11.23	Buy	-1.2	7.7	13.7	17.7	3.9	2.1	1.12	678		
1505	FSRRX	Strategic Real Return	0.75%/60d	9.94	Hold	2.0	5.2	13.9	14.9	4.5	4.4	0.66	4,084		
311	FIUIX	Telecom & Utilities		16.92	Buy	-2.0	7.4	17.3	20.5	2.7	2.9	0.83	958		
ASSET ALLOCATION						Category Averages			0.5	3.2	8.9	8.2	6.1	4.9	0.36
328	FASIX	Asset Manager 20%		13.09	Hold	0.5	3.2	8.9	8.2	6.1	4.9	0.36	3,657		
1957	FTANX	Asset Manager 30%		9.89	Hold	0.4	3.4	10.9	10.2	6.3	--	0.47	207		
1958	FFANX	Asset Manager 40%		9.78	Hold	0.0	3.4	12.1	11.9	6.2	--	0.56	142		
314	FASMX	Asset Manager 50%		15.82	Hold	-0.2	3.5	13.5	14.0	6.6	4.9	0.69	6,504		
1959	FSANX	Asset Manager 60%		9.81	Hold	-0.6	3.3	14.3	15.2	6.7	--	0.76	246		
321	FASGX	Asset Manager 70%		16.83	Hold	-1.0	3.1	15.8	17.2	5.8	4.3	0.89	2,434		
347	FAMRX	Asset Manager 85%		13.76	Hold	-1.5	2.7	16.6	19.3	5.3	4.0	1.02	657		
INTERNATIONAL						Category Averages			-0.5	2.2	16.1	20.0	0.9	3.4	1.34
309	FICDX	Canada	1.50%/90d	59.06	Buy	-1.2	1.6	21.8	21.1	0.5	7.8	1.34	4,504		
352	FHKCX	China Region	1.50%/90d	32.18	Hold	0.9	-1.0	18.0	16.9	9.4	13.0	1.28	1,917		
325	FDIVX	Diversified International	1.00%/30d	30.97	OK to Sell	-0.6	2.7	9.7	18.6	-2.0	1.2	1.25	21,933		
351	FSEAX	Emerging Asia	1.50%/90d	31.97	Buy	1.8	4.4	22.8	24.1	5.6	10.7	1.18	1,855		
2053	FEMEX	Emerg Europe, MidEast, Africa	1.50%/90d	9.67	OK to Buy	0.3	2.3	25.5	20.9	4.9	--	1.47	144		
322	FEMKX	Emerging Markets	1.50%/90d	26.62	Buy	1.3	1.0	18.2	19.2	0.5	7.7	1.59	3,651		
301	FIEUX	Europe	1.00%/30d	32.07	OK to Sell	-2.6	2.4	8.6	19.6	-1.4	1.5	1.31	754		
341	FECAX	Europe Capital App	1.00%/30d	19.45	OK to Sell	-2.7	2.2	8.4	19.3	-2.3	1.1	1.35	404		
335	FIVFX	International Cap App	1.00%/30d	13.29	Buy↑	-0.7	3.1	15.9	22.3	2.9	1.5	1.49	633		
305	FIGRX	International Discovery	1.00%/30d	33.67	OK to Sell	-0.6	1.9	11.0	18.5	-1.0	2.2	1.23	7,854		
2010	FIENX	International Enhanced Index	1.00%/30d	7.60	OK to Sell	-1.8	4.1	8.7	18.8	-2.3	--	1.26	27		
1979	FIGFX	International Growth	1.00%/30d	8.90	OK to Buy	-1.3	2.7	16.9	22.2	3.1	--	1.19	59		
818	FISMX	International Small Cap	2.00%/90d	22.52	Buy	0.6	5.9	25.4	31.4	5.7	4.8	1.29	1,101		
1504	FSCOX	International Small Cap Opps	2.00%/90d	10.69	Buy	-1.1	2.9	23.3	22.9	-2.8	-1.1	1.44	376		
1597	FIVLX	International Value	1.00%/30d	8.34	OK to Sell	-2.2	2.5	5.2	14.5	-2.9	-0.8	1.44	189		
350	FJPNX	Japan	1.50%/90d	10.75	OK to Buy	2.5	-3.9	14.7	9.6	-2.9	-4.4	1.12	526		
360	FJSCX	Japan Smaller Companies	1.50%/90d	9.59	OK to Buy	4.5	4.4	12.3	17.7	2.0	-5.3	1.26	349		
349	FLATX	Latin America	1.50%/90d	56.98	Hold	-3.3	-3.5	16.5	14.3	0.1	11.7	1.62	3,402		
342	FNORX	Nordic	1.50%/90d	33.96	OK to Buy	-4.5	-1.1	26.5	18.9	-1.3	3.8	1.63	457		
94	FOSFX	Overseas	1.00%/30d	33.81	OK to Sell	-0.7	4.1	6.6	20.5	-3.5	0.1	1.26	3,379		
302	FPBFX	Pacific Basin	1.50%/90d	27.18	Buy	3.5	4.3	32.8	29.2	9.0	6.9	1.49	905		
399	FSIIX	Spartan Int'l Index ⁴	1.00%/90d	36.30	Hold	-1.8	3.6	7.7	17.1	-0.9	1.1	1.27	6,531		
1978	FTIEX	Total International Equity	1.00%/30d	7.64	Buy	-1.3	2.1	12.5	18.4	0.0	--	1.33	142		
318	FVWFX	Worldwide	1.00%/30d	19.50	Hold	-1.4	4.5	17.0	25.2	2.1	4.6	1.14	1,236		

SELECT MODEL PORTFOLIO

Our 15% position in **Natural Gas** finally enjoyed a good month as global energy prices rebounded, making domestic natural gas a more competitive alternative.

Not only were earnings up in the sector, but there were other signs that the US economy is starting to embrace the shale gas revolution. A major pipeline operator announced plans to reverse the direction of flow between



Jack Bowers

Colorado and the East Coast — a move that's expected to reduce pricing volatility on the West Coast by transporting Marcellus shale gas anywhere it's needed. Also, some natural gas firms are beginning to promote the fuel as a low-cost transportation alternative. Chesapeake plans to finance a network of LNG fueling stations so that big-rigs can run on something less expensive than diesel. They are also funding liquid fuel initiatives that could lead to

viable alternatives to ethanol (which may start to lose its subsidies) and gasoline.

As for Select fund rating changes (see p. 5), this month we upgraded **Electronics** to *Buy*.

Despite the continuing softness in the domestic economy, global demand for chips is still rising, and this segment of the technology group (an important piece of large-cap growth funds — see p. 11) remains cheap on both a relative and absolute basis. Because the semiconductor industry is capital intensive and requires rigorous quality control, emerging countries with cheap labor are not much of a competitive threat, and that's unlikely to change in the future. ■

Select Model Portfolio

Fund	Allocation
Pharmaceuticals (FPHAX)	19%
Chemicals (FSCHX)	19
Technology (FSPTX)	18
Natural Gas (FSNGX)	15
Industrials (FCYIX)	15
IT Services (FBSOX)	14
Total Return: Jul: -1.7% YTD: 4.4%	

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹	Assets (\$Mil)
						Jul	YTD	2010	1 Year	3 Year	5 Year		
SELECT PORTFOLIOS						-2.7	3.5	22.2	23.9	6.6	5.2	1.34	
Category Averages													
34	FSAIX	Air Transportation	0.75%/30d	36.59	Hold	-8.3	-6.3	33.4	4.6	12.8	2.7	1.54	\$68
502	FSAVX	Automotive	0.75%/30d	41.52	OK to Buy	-6.5	-6.6	46.2	24.2	15.5	6.5	2.40	162
507	FSRBX	Banking	0.75%/30d	17.08	Hold	-2.6	-7.7	21.4	0.9	-1.8	-9.2	1.51	456
42	FBIOX	Biotechnology	0.75%/30d	85.44	OK to Sell	-1.2	17.1	11.4	33.3	4.8	7.4	1.01	1,296
68	FSLBX	Brokerage & Investment	0.75%/30d	47.45	Hold	-2.7	-9.5	11.2	2.2	-1.0	-2.3	1.46	412
69	FSCHX	Chemicals	0.75%/30d	105.28	Buy	-1.9	10.3	30.7	40.9	9.2	14.9	1.43	818
518	FSDCX	Communications Equipment	0.75%/30d	24.59	OK to Buy	-10.6	-7.2	27.7	12.2	7.5	6.5	1.59	389
7	FDCPX	Computers	0.75%/30d	57.77	OK to Buy	-2.8	2.4	23.8	25.8	12.7	12.3	1.26	575
511	FSHOX	Construction & Housing	0.75%/30d	34.76	OK to Sell	-3.2	-0.9	21.5	20.0	6.0	1.9	1.48	86
517	FSCPX	Consumer Discretionary	0.75%/30d	24.32	Hold	-1.0	3.2	31.2	26.3	12.4	4.7	1.19	229
98	FVLX	Consumer Finance	0.75%/30d	11.72	Hold	-3.7	3.2	5.9	4.2	-11.0	-20.7	1.21	131
9	FDFAX	Consumer Staples	0.75%/30d	71.43	Hold	-1.1	5.5	15.2	19.0	7.7	8.7	0.78	972
67	FSDAX	Defense & Aerospace	0.75%/30d	78.98	OK to Sell	-4.5	8.0	21.9	21.0	7.1	5.4	1.24	698
8	FSELX	Electronics	0.75%/30d	48.40	Buy↑	-3.6	0.1	16.8	26.3	10.8	4.7	1.52	1,087
60	FSENX	Energy	0.75%/30d	58.52	Hold	1.4	12.1	19.0	45.6	-1.5	5.3	1.53	2,754
43	FSESX	Energy Service	0.75%/30d	87.48	Hold	5.9	17.6	27.9	59.3	-4.4	6.0	1.87	1,875
516	FSLEX	Environment & Alt Energy	0.75%/30d	17.48	Hold	-9.8	-1.8	14.9	11.8	-0.2	1.8	1.08	91
66	FIDSX	Financial Services	0.75%/30d	56.22	Hold	-3.6	-8.7	6.5	-2.8	-6.3	-9.9	1.46	363
41	FSAGX	Gold	0.75%/30d	48.97	OK to Sell	4.7	-4.2	35.3	23.3	13.4	14.1	2.03	4,129
63	FSPHX	Health Care	0.75%/30d	139.62	Hold	-2.8	12.1	17.0	34.8	10.0	6.8	0.92	2,185
510	FSCGX	Industrial Equipment	0.75%/30d	33.05	OK to Buy	-6.7	-2.1	33.9	20.2	3.4	5.8	1.53	303
515	FCYIX	Industrials	0.75%/30d	23.33	Buy	-6.3	0.3	31.1	20.1	5.9	7.3	1.43	545
45	FSPCX	Insurance	0.75%/30d	45.79	Hold	-4.1	-2.9	20.1	8.3	2.5	-3.9	1.29	226
353	FBSOX	IT Services	0.75%/30d	22.11	Buy	-2.4	6.3	18.5	28.2	11.6	11.4	1.12	222
62	FDLSX	Leisure	0.75%/30d	97.43	Hold	0.4	7.0	37.9	28.5	16.0	10.1	1.05	409
509	FSDPX	Materials	0.75%/30d	70.46	Hold	-1.6	3.8	28.1	33.3	8.0	12.2	1.55	1,157
505	FSHCX	Medical Delivery	0.75%/30d	58.13	OK to Buy	-2.6	17.0	15.4	43.5	13.5	7.1	1.21	863
354	FSMEX	Medical Equipment	0.75%/30d	29.74	OK to Sell	-4.1	8.4	12.7	28.7	5.9	9.5	1.01	1,595
503	FBMPX	Multimedia	0.75%/30d	45.55	Hold	-5.0	7.0	25.8	24.2	13.4	6.1	1.32	205
513	FSNGX	Natural Gas	0.75%/30d	35.55	Buy	3.1	7.1	6.4	28.8	-6.5	1.0	1.56	1,007
514	FNARX	Natural Resources	0.75%/30d	37.90	Hold	1.5	9.1	23.1	43.2	0.5	8.2	1.53	1,811
580	FPHAX	Pharmaceuticals	0.75%/30d	13.74	Buy	-0.8	13.6	16.4	33.6	13.3	8.6	0.83	635
46	FSRPX	Retailing	0.75%/30d	54.78	Hold	0.9	8.0	28.1	36.1	20.2	10.3	1.23	217
28	FSCSX	Software & Computer Svcs	0.75%/30d	85.75	OK to Buy	-1.6	4.7	18.9	30.0	12.1	11.5	1.02	1,211
64	FSPTX	Technology	0.75%/30d	96.37	Buy	-2.1	0.8	26.7	27.2	13.7	10.8	1.40	2,473
96	FSTCX	Telecommunications	0.75%/30d	47.55	Buy	-5.7	2.5	18.3	18.8	7.2	4.2	1.16	376
512	FSRFX	Transportation	0.75%/30d	53.06	Hold	-6.8	-2.9	41.3	10.8	7.4	5.6	1.27	255
65	FSUTX	Utilities	0.75%/30d	52.31	Buy	-0.7	8.4	10.9	18.1	0.0	3.2	0.86	452
963	FWRLX	Wireless	0.75%/30d	7.94	OK to Buy	-2.9	3.1	15.2	16.5	5.4	6.2	1.20	289

FIDELITY SCORECARD - JULY 31, 2011

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						
						Jul	YTD	2010										
TAXABLE BOND						Category Averages			1.7	4.5	6.2	2.09	2.50	4.9				
2267	FCONX	Conservative Income Bond		10.00	Buy	-0.1	0.1p	--	0.34	--	na							
2208	FCBFX	Corporate Bond		10.64	OK to Buy	2.4	6.9	5.6p	3.09	3.89	6.3							
15	FGMNX	Ginnie Mae		11.78	Hold	1.2	4.7	7.0	3.44	3.21	4.4							
54	FGOVX	Government Income		10.68	Hold	1.4	3.7	5.1	1.78	2.11	4.7							
794	FINPX	Inflation-Protected Bond ³		12.61	Hold	3.9	9.4	5.9	0.05	0.93	6.4							
32	FTHRXX	Intermediate Bond		10.82	OK to Buy	1.5	4.4	7.6	2.16	3.01	3.9							
452	FSTGX	Intermediate Gov't Income		10.97	Hold	1.3	3.4	4.7	1.04	1.56	3.7							
26	FBNDX	Investment Grade Bond		7.61	OK to Buy	1.5	4.9	8.4	3.03	3.09	5.0							
40	FMSFX	Mortgage Securities		11.06	Hold	1.0	4.1	7.3	3.38	3.34	4.2							
450	FSHBX	Short-Term Bond		8.54	Buy	0.5	1.8	3.8	0.89	1.55	1.8							
1561	FIBIX	Sptn Interm Treas Index ⁵		11.14	Hold	2.9	6.3	8.5	2.10	2.71	6.5							
1562	FLBIX	Sptn Lng-Term Treas Index ⁵		10.88	Hold	4.3	6.6	9.2	3.85	3.79	14.4							
1560	FSBIX	Sptn Sht-Term Treas Index ⁵		10.63	Hold	0.8	2.3	3.5	0.50	1.33	2.6							
651	FBIDX	Sptn US Bond Index		11.60	Hold	1.6	4.2	6.3	2.60	2.94	4.9							
820	FTBFX	Total Bond		11.01	OK to Buy	1.5	4.8	8.6	3.04	3.74	4.6							
812	USFSX	Ultra-Short Bond	0.25%/60d	8.20	Hold	0.0	0.5	1.2	0.46	0.37	0.5							
HIGH-YIELD BOND						Category Averages			0.9	4.9	11.9	4.84	5.45					
38	FAGIX	Capital & Income	1.00%/90d	9.57	Buy	0.0	4.9	17.1	4.76	6.18	--							
814	FFRHXX	Floating Rate High Income	1.00%/60d	9.80	Buy	0.1	1.7	7.8	3.13	3.36	--							
1366	FHIFX	Focused High Income	1.00%/90d	9.27	Buy	1.2	5.4	12.1	5.19	6.22	--							
2297	FGHNXX	Global High Income	1.00%/90d		OK to Buy	0.8	-0.1p	--	5.56	--	--							
455	SPHIX	High Income	1.00%/90d	9.10	Buy	1.1	5.4	13.7	6.06	6.84	--							
331	FNMIX	New Markets Income	1.00%/90d	16.15	OK to Buy	1.9	6.5	10.9	5.39	5.42	--							
368	FSICX	Strategic Income		11.38	Buy	1.2	5.7	9.9	3.81	4.72	--							
NATIONAL MUNICIPAL BOND						Category Averages			0.8	4.3	2.3	2.74	3.47	6.1	25%	28%	33%	35%
36	FLTXX	Interm Municipal Income	0.50%/30d	10.21	Hold	0.8	4.0	2.7	2.50	3.46	5.3	3.3	3.5	3.7	3.8			
37	FHIGX	Municipal Income	0.50%/30d	12.61	Hold	1.0	5.3	2.6	3.61	4.09	8.2	4.8	5.0	5.4	5.6			
404	FSTFX	Short-Int Municipal Income	0.50%/30d	10.75	OK to Buy	0.7	2.8	2.0	1.25	2.22	2.7	1.7	1.7	1.9	1.9			
90	FTABX	Tax-Free Bond	0.50%/30d	10.82	Hold	0.9	5.2	2.1	3.59	4.12	8.2	4.8	5.0	5.4	5.5			
STATE-SPECIFIC MUNICIPAL BOND						Category Averages			0.9	4.6	2.3	2.96	3.62	7.1				
434	FSAZX	Arizona Muni Income	0.50%/30d	11.38	Hold	0.8	4.5	2.3	3.38	3.69	7.9	4.7	4.9	5.3	5.4			
91	FCTFX	California Muni Income	0.50%/30d	11.98	Hold	1.1	5.7	3.2	3.82	4.21	7.9	5.6	5.8	6.3	6.6			
1534	FCSTX	Calif Short-Interm Tax Free	0.50%/30d	10.71	Hold	0.6	3.0	2.2	1.26	2.34	2.8	1.9	1.9	2.1	2.2			
407	FICNX	Connecticut Muni Income	0.50%/30d	11.55	Hold	0.9	5.0	2.2	2.64	3.26	7.1	3.7	3.9	4.1	4.3			
429	SMDMX	Maryland Muni Income	0.50%/30d	11.01	Hold	0.8	4.2	2.3	2.68	3.33	7.1	3.8	3.9	4.2	4.4			
70	FDMMX	Mass Muni Income	0.50%/30d	11.93	Hold	0.9	4.9	2.4	3.16	3.79	8.0	4.4	4.6	5.0	5.1			
81	FMHTX	Michigan Muni Income	0.50%/30d	11.90	Hold	1.1	4.5	2.3	3.14	3.90	6.9	4.4	4.6	4.9	5.1			
82	FIMIX	Minnesota Muni Income	0.50%/30d	11.52	Hold	0.8	4.6	2.4	2.51	3.45	6.3	3.6	3.8	4.1	4.2			
416	FNJHX	New Jersey Muni Income	0.50%/30d	11.55	Hold	1.3	4.6	2.1	3.11	3.83	7.4	4.4	4.6	5.0	5.3			
71	FTFMX	New York Muni Income	0.50%/30d	12.89	Hold	0.7	4.6	2.4	3.30	3.88	8.0	4.7	4.9	5.3	5.6			
88	FOHFX	Ohio Muni Income	0.50%/30d	11.66	Hold	0.8	4.8	2.0	3.19	3.81	7.8	4.5	4.7	5.1	5.2			
402	FPXTX	Pennsylvania Muni Income	0.50%/30d	10.76	Hold	0.9	4.7	2.0	3.36	3.88	7.7	4.6	4.8	5.2	5.3			
TAXABLE MONEY MARKET						Category Averages			0.00	0.01	0.04	0.01						
55	FDRXX	Cash Reserves		1.00	--	0.00	0.01	0.06	0.01	na	na							
631	FGMXX	Retirement Government MM		1.00	--	0.00	0.01	0.01	0.01	na	na							
630	FRTXX	Retirement MM		1.00	--	0.00	0.01	0.02	0.01	na	na							
458	SPAXX	Government MM		1.00	--	0.00	0.01	0.01	0.01	na	na							
454	SPRXX	Money Market		1.00	--	0.00	0.01	0.03	0.01	na	na							
85	FSLXX	Select MM		1.00	--	0.00	0.04	0.13	0.01	na	na							
50	FGRXX	U.S. Gov't Reserves		1.00	--	0.00	0.01	0.02	0.01	na	na							
415	FDLXX	US Treasury MM		1.00	--	0.00	0.01	0.01	0.01	na	na							
MUNICIPAL MONEY MARKET						Category Averages			0.00	0.01	0.01	0.01						
460	FIMXX	AMT Tax-Free Money Fnd		1.00	--	0.00	0.01	0.02	0.01	na	na	0.0	0.0	0.0	0.0			
10	FTEXX	Municipal Money Market		1.00	--	0.00	0.01	0.01	0.01	na	na	0.0	0.0	0.0	0.0			
275	FMOXX	Tax-Free Money Market		1.00	--	0.00	0.01	0.01	0.01	na	na	0.0	0.0	0.0	0.0			
STATE MUNICIPAL MONEY MARKET						Category Averages			0.00	0.01	0.01	0.01						
433	FSAXX	Arizona		1.00	--	0.00	0.01	0.01	0.01	na	na	0.0	0.0	0.0	0.0			
457	FSPXX	California AMT Tax-Free		1.00	--	0.00	0.01	0.02	0.01	na	na	0.0	0.0	0.0	0.0			
97	FCFXX	California		1.00	--	0.00	0.01	0.01	0.01	na	na	0.0	0.0	0.0	0.0			
418	FCMXX	Connecticut		1.00	--	0.00	0.01	0.01	0.01	na	na	0.0	0.0	0.0	0.0			
426	FMSXX	Mass AMT Tax-Free		1.00	--	0.00	0.01	0.01	0.01	na	na	0.0	0.0	0.0	0.0			
74	FDMXX	Massachusetts		1.00	--	0.00	0.01	0.02	0.01	na	na	0.0	0.0	0.0	0.0			
420	FMIXX	Michigan		1.00	--	0.00	0.01	0.01	0.01	na	na	0.0	0.0	0.0	0.0			
423	FSJXX	New Jersey AMT Tax-Free		1.00	--	0.00	0.01	0.01	0.01	na	na	0.0	0.0	0.0	0.0			
417	FNJXX	New Jersey		1.00	--	0.00	0.01	0.01	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	0.02	0.01	na	na	0.0	0.0	0.0	0.0			
92	FNYXX	New York		1.00	--	0.00	0.01	0.01	0.01	na	na	0.0	0.0	0.0	0.0			
419	FOMXX	Ohio		1.00	--	0.00	0.01	0.01	0.01	na	na	0.0	0.0	0.0	0.0			
401	FPTXX	Pennsylvania		1.00	--	0.00	0.01	0.01	0.01	na	na	0.0	0.0	0.0	0.0			

Tax-equivalent yields for state funds assume top state (City tax excluded) tax level for that federal bracket.

FIDELITY SCORECARD - JULY 31, 2011

Fund No.	Fund Ticker	Fund Name	Style	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹
							Jul	YTD	2010	1 Year	3 Year	5 Year	
FIDELITY PERSONAL RETIREMENT ANNUITY PORTFOLIOS													
9067	FLRQC	Fid VIP Asset Manager	Allocation		13.62	Hold	0.0	4.0	13.9	15.4	3.9	5.8	0.74
9066	FAEEC	Fid VIP Asset Manager: Growth	Allocation		13.19	Hold	-0.5	4.0	16.0	19.3	2.5	5.4	0.95
9069	FJBAC	Fid VIP Balanced	Allocation		13.83	OK to Buy	-1.1	2.5	17.7	17.5	6.6	5.2	0.93
9081	FVHAC	Fid VIP Consumer Discretionary	Sector	1.00%/60d	12.61	Hold	-1.1	2.9	30.8	25.9	12.3	4.6	1.18
9171	FCSAC	Fid VIP Consumer Staples	Sector	1.00%/60d	12.65	Hold	-1.1	5.0	14.8	18.3	7.6	--	0.77
9065	FPDFC	Fid VIP Contrafund	Large Growth		13.05	Hold	-1.3	3.6	16.8	20.9	3.7	3.6	1.09
9148	FPRGC	Fid VIP Disciplined Small Cap	Small Growth		10.32	Hold	-3.7	4.0	25.1	24.7	4.3	2.5	1.20
9074	FZAMC	Fid VIP Dynamic Capital App	Large Growth		12.61	OK to Buy	-3.6	1.6	18.0	14.4	3.4	2.6	1.16
9198	FEMAC	Fid VIP Emerging Markets	Emg Mkts	1.00%/60d	9.21	Buy	1.2	0.7	17.5	18.3	2.2	--	1.52
9085	FJLLC	Fid VIP Energy	Sector	1.00%/60d	16.54	Hold	1.3	11.8	19.0	45.3	-1.7	5.4	1.53
9061	FLOLC	Fid VIP Equity-Income	Large Value		10.94	Buy	-2.6	3.5	14.8	18.6	1.6	0.0	1.17
9083	FONNC	Fid VIP Financial Services	Sector	1.00%/60d	6.57	Hold	-3.7	-8.9	7.0	-2.7	-6.3	-9.9	1.50
9157	FMPAC	Fid VIP FundsManager 20	Allocation		12.26	Hold	0.4	2.7	7.2	7.0	4.3	4.2	0.27
9158	FMPBC	Fid VIP FundsManager 50	Allocation		11.96	Hold	-0.2	3.3	11.6	13.0	4.6	4.0	0.58
9197	FMPPC	Fid VIP FundsManager 60	Allocation		10.74	Hold	-0.5	3.1	13.3	14.7	4.6	--	0.70
9159	FMPCC	Fid VIP FundsManager 70	Allocation		11.41	Hold	-0.8	3.5	14.0	16.9	3.8	3.3	0.80
9160	FMPDC	Fid VIP FundsManager 85	Allocation		10.93	Hold	-1.3	2.9	15.9	18.6	3.0	2.6	0.96
9062	FMNDC	Fid VIP Growth	Large Growth		12.45	Buy	-0.4	8.1	23.8	32.0	1.7	4.4	1.10
9070	FLFNC	Fid VIP Growth & Income	Large Blend		11.39	Hold	-2.1	2.2	14.4	19.2	0.1	1.3	1.05
9068	FIDPC	Fid VIP Growth Opportunities	Large Growth		11.94	Buy	-1.4	8.5	23.4	33.0	2.7	4.6	1.23
9078	FPVDC	Fid VIP Growth Stock	Large Growth		13.10	OK to Buy	-0.2	8.3	19.7	30.2	6.7	6.7	1.08
9077	FQBRC	Fid VIP Growth Strategies	Mid Growth		12.03	Buy	-0.8	4.2	24.5	25.6	4.3	4.6	1.14
9084	FPDRC	Fid VIP Health Care	Sector	1.00%/60d	14.12	Hold	-2.7	12.1	16.9	34.7	10.1	6.6	0.91
9060	FBBLC	Fid VIP High Income	High-Yield Bond		14.80	Buy	1.2	5.5	13.8	12.3	9.2	7.1	0.68
9064	FXVLT	Fid VIP Index 500	Large Blend		11.66	Hold	-2.1	3.7	14.7	19.3	2.7	2.1	1.00
9082	FBALC	Fid VIP Industrials	Sector	1.00%/60d	15.61	Buy	-6.3	0.2	30.6	19.7	6.1	7.4	1.44
9076	FVJIC	Fid VIP Int'l Capital App	Diversified Int'l	1.00%/60d	11.68	Buy	-0.7	3.0	15.4	22.1	2.7	1.3	1.50
9063	FTLKC	Fid VIP Investment Grade Bond	Inv Grd Bond		13.62	OK to Buy	1.5	4.5	7.5	5.4	7.8	6.1	0.23
9172	FVMAC	Fid VIP Materials	Sector	1.00%/60d	14.21	Hold	-1.6	3.6	28.1	33.2	7.8	--	1.55
9071	FNBSC	Fid VIP Mid Cap	Mid Growth		14.79	OK to Buy	-1.8	-1.0	28.4	20.3	5.3	5.7	1.08
9059	FTNJC	Fid VIP Money Market	Money Mkt		11.45	--	0.0	0.0	-0.1	-0.1	0.4	2.0	0.01
9088	FEMMC	Fid VIP Overseas	Diversified Int'l	1.00%/60d	12.59	OK to Sell	-1.4	3.7	12.8	22.6	-1.1	1.6	1.25
9072	FFWKC	Fid VIP Real Estate	Sector		13.89	Hold	0.8	11.4	29.9	23.9	6.3	2.4	2.02
9075	FGDQC	Fid VIP Strategic Income	High-Yield Bond		15.28	Buy	1.2	5.3	9.4	9.0	9.9	8.1	0.44
9086	FYENC	Fid VIP Technology	Sector	1.00%/60d	16.38	Buy	-2.3	0.5	27.3	27.4	15.0	10.9	1.40
9173	FVTAC	Fid VIP Telecommunications	Sector	1.00%/60d	9.17	Buy	-5.5	2.1	17.2	18.3	5.9	--	1.14
9087	FXRRC	Fid VIP Utilities	Sector	1.00%/60d	13.99	Buy	-0.7	8.2	10.8	17.8	0.1	3.8	0.86
9079	FKMSC	Fid VIP Value	Mid Value		10.84	Buy	-3.0	1.9	17.4	16.5	1.3	0.5	1.43
9080	FUEBC	Fid VIP Value Leaders	Large Value		9.65	Sell	-4.6	0.3	9.8	11.8	-2.4	-2.1	1.19
9073	FRBSC	Fid VIP Value Strategies	Mid Blend		12.45	Buy	-2.9	2.9	26.2	22.9	6.1	3.5	1.54
9272	FYBXC	Credit Suisse Int'l Equity Flex III	Diversified Int'l		11.54	OK to Sell	-2.6	2.1	12.0	18.7	--	--	--
9285	FIGXC	Invesco Van Kampen Gbl Val Eqty	Global Stock		9.12	OK to Sell	-2.9	0.9	10.7	13.8	-1.9	-1.3	0.94
9147	FPRLC	Lazard Retirement Emerging Mkts	Emg Mkts		15.62	Buy	-0.2	-0.7	22.7	13.2	4.4	11.4	1.50
9143	FPRMC	Morgan Stanley Emerg Mkt Debt	Emg Mkt Bond		14.82	OK to Buy	1.8	6.6	9.5	7.4	8.8	8.1	0.62
9144	FPRNC	Morgan Stanley Emerg Mkt Equity	Emg Mkts		13.51	Buy	0.1	-1.0	18.7	14.8	2.5	8.3	1.47
9146	FPRPC	Morgan Stanley Glb Tactical Alloc	Diversified Int'l		10.00	Hold	-0.6	3.7	5.4	16.5	-2.3	0.9	1.26
9276	FPMBC	Pimco VIT Low Duration	Shrt-Term Bond		10.87	Buy	0.2	1.9	5.0	3.3	--	--	0.11
9277	FPNBC	Pimco VIT Real Return	TIPS		12.03	Hold	3.2	8.4	7.8	10.6	--	--	--
9278	FPOBC	Pimco VIT Total Return	Intermed Bond		11.35	OK to Buy	1.1	3.9	7.8	4.9	--	--	--

ANNUITY MODEL PORTFOLIOS

Annuity Growth Model	
Fund	Allocation
Fidelity VIP Strategic Income	33%
Fidelity VIP Growth Opportunities	27
Fidelity VIP Value	19
Fidelity VIP Equity-Income	11
Lazard Retirement Emerg Mkts	10
Total Return: Jul: -0.9% YTD: 4.7%	

Annuity Growth & Income Model	
Fund	Allocation
Fidelity VIP Strategic Income	26%
Pimco Low Duration	19
Fidelity VIP Value	17
Fidelity VIP Equity-Income	14
Fidelity VIP Growth Opportunities	14
Lazard Retirement Emerg Mkts	10
Total Return: Jul: -0.8% YTD: 3.6%	

Annuity Income & Preservation Model	
Fund	Allocation
Pimco Low Duration	23%
Fidelity VIP Strategic Income	21
Fidelity VIP Money Market	20
Fidelity VIP Value	14
VIP Equity-Income	12
Lazard Retirement Emerg Mkts	10
Total Return: Jul: -0.5% YTD: 2.1%	

AT A GLANCE

Large-Cap Growth: A Value Proposition?

Given the strong performance of large-cap growth funds in recent years, it may surprise you to know that they are not only cheap compared to their historical valuations, but also cheap relative to their large-cap value counterparts.

Investors typically pay a premium to own faster-growing (as measured by sales and earnings) companies. So they tend to have higher price to earnings (P/E) ratios. The average P/E on the Russell 1000 Growth Index since 1995 is a robust 31.8.

Conversely, value stocks typically sport more modest P/Es because of their more subdued growth prospects. The average P/E of the Russell 1000 Value Index since 1995 is 17.7. The average valuation premium on large-cap growth stocks is thus 1.8 times that of value stocks (31.8/17.7).

Today, however, the P/E on the Russell 1000 Growth is just 17.9 — a 44% discount to its long-term average. And the Russell 1000 Value P/E is 13.4 making the premium for large

growth just 1.3 times (17.9/13.4).

So why are growth stocks looking more attractive these days? Simply put, while growth has done well versus value since 2007, if we go back to 2000, value has crushed growth in terms of performance. Since 2000, the Russell 1000 Value Index has gained 56.2% versus a loss of 14.8% for the Growth Index! Put another way, at the peak of the tech bubble in 2000, the price of the Russell 1000 Growth Index (the P in the P/E) was 1.6 times the price of the Value Index. Today, the situation has almost completely reversed with the price of the Value Index now 1.3 times higher than the Growth Index!

Many Options

Fidelity's diversified stock funds are not restricted to holding only stocks in their designated "space." So, for example, you shouldn't be surprised that in their large-cap growth funds, you will find some small- and mid-cap stocks, value stocks and, for that matter, a smattering of foreign stocks! (Up to 22% for **Magellan**.)

With that in mind, we rate 14 of Fidelity's 17 large-cap growth funds

either *Buy* or *OK to Buy*. (**Export & Multinational** and **Magellan** are rated *OK to Sell* and **Stock Selector All Cap** is rated *Hold*.)

With respect to market cap, their average weighted median is \$24 billion, which is half as much as the S&P 500. The largest big-cap player is **Large Cap Stock** (\$54 billion); the smallest is **Independence** (\$13 billion).

Accurate valuation metrics are harder to pinpoint, but relative volatility provides a window — even if imperfect: on average, Fidelity's large-cap growth funds are 13% more volatile (risky) than the market. That's not particularly aggressive, as their five large-cap value funds are 11% more volatile.

Typically, large-cap value funds are about 10% less volatile. But ever since the housing and credit crises hit the financial services sector in 2008, value funds have grown significantly more volatile. This has further altered their risk-reward characteristics in favor of large-cap growth funds.

With so many choices, why do we favor some more than others?

As noted, this entire class of funds is already rated very favorably. In the cases of **Magellan** and **Export**, the former has been unable to do anything worthwhile during Harry Lange's five-plus years on the fund, while **Export**'s new manager, Heather Carrillo, undertook a radical make-over, increasing her foreign exposure last year just in time for US stocks to outperform. (We're not counting her out, as we actually like the fund's long-term repositioning.)

As for our preferred funds, there are our tried-and-true managers whose stockpicking prowess has clearly withstood the test of time, and whose funds we might own in any market conditions. This elite group consists of Will Danoff of **Contrafund** and Steven Wymer of **Growth Company** (which has been closed to new investors since 2006).

For over 20 years, Will has run

Large Cap Growth *cont'd on page 12*

FUND UPDATE

Keeping An Eye On Focused Stock

Since 2007 Stephen DuFour has run **Focused Stock** [ticker: FTQGX]. Launched 10 years earlier as one of a handful of "quant" funds deploying computer-driven analysis, it still uses algorithms to examine various financial metrics (such as earnings forecasts and valuations).

What has changed is that **Focused Stock** is no longer a "go-anywhere" fund. While it holds everything from small-to-mega-cap sized stocks, overall, its in the large-cap growth camp, though it's still benchmarked against the "blendier" and bigger-cap S&P 500 index.

Contributing to this fund's uniqueness, it has one of the lowest market caps relative to its peers

(\$15.7 billion), one of the smallest asset bases (\$570 million), and the fewest holdings (47).

Over the years, DuFour has made sizeable sector bets, traded aggressively, and now he's put 16% of assets overseas. In this year's choppy market, performance remains ahead of its benchmark. Overweights in energy and especially health care have helped to offset a less-helpful bet in consumer discretionary stocks, while underweighting financials have aided its relative performance.

We've grown more positive about Fidelity's various quant funds. Under Steve, it's hard to argue with his fund's successes in very different and challenging markets. With a volatility (risk) that matches the market, but returns that have beaten it, you'll find this *Buy*-rated fund in our Aggressive Growth Model. ■

Large Cap Growth *cont'd from page 11*

Contra in a lower-risk (low-volatility) manner. Even so, the earliest of his investors would have turned a \$100,000 investment into a tidy \$1 million-plus, while S&P 500 index investors would have garnered less than half as much.

Steve's been running Growth Co. since 1997. Relative to Contra, his higher risk profile comes from his willingness to hold more tech and a greater share of small-to-mid-cap stocks.

With less time under their managerial belts, for their tenure through the end of June, Fergus Shiel (**Capital Appreciation**) has done a bit better than the S&P 500 (29.2% vs 23.2%), while Steve DuFour (**Focused Stock** — see p. 11), and Rob Bertelson (**Independence**) have crushed that index (29.2% vs 1.8% and 21.3% vs. 3.9%, respectively).

And Matt Fruhan has done well during his run at **Large Cap Stock**, beating the S&P 500 37.6% to 25.7%. Matt also runs two large-cap blend funds: **Growth & Income** and **Mega Cap Stock**. With three very similar funds to oversee, Fidelity is making a big bet on Matt. And, as we own two of his funds in our models, we share their confidence!

The remaining large-cap funds all approach this arena in slightly different ways. For example, **Blue Chip Growth** is an attractive option because it owns what it says it owns: faster-growing, well-run companies whose brand franchises are household names for very good reasons: they're market leaders. And while that fund is very well diversified with nearly 300 positions, **Fifty** fund tries to accomplish the same goal (capital appreciation) with one-sixth the number of stocks. At the other extreme is the **Nasdaq Composite Index** fund

which is a passive holder of over 2,000 companies. And while we're okay with investors owning that fund for its cheap expenses (0.35% versus 0.77% for its group's average) and 50% weight in tech, we prefer Gavin Baker's **OTC** fund. Though he came to it late in 2009 (so he can't take full credit for crushing the Nasdaq with its return of 62.2% versus 45.3%), he does get full credit for taking a commanding lead over the index both last year and so far this year (see p. 6 of the *Scorecard*).

As for **Trend** (one of Fidelity's oldest funds), it got whacked along with similar funds in 2008 — and perhaps more than most. But Manager Jeff Feingold has still handily outpaced the S&P 24.7% versus 2.9% over his tenure, and we like that! So apparently does Fidelity, which assigned him to run **Large Cap Growth** in 2009. So far he's up 34.4% to 24.3% for the S&P 500. ■

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 August.

Fidelity Fifty, Fidelity Fund, Growth Discovery, Mega Cap Stock and Real Estate Income.

The final distributions for July were as follows:

Fund	Ex-Date	\$ Amt	NAV
Puritan	7/8	0.10	18.91
Equity-Income	7/8	0.25	46.42
Growth & Income	7/8	0.09	19.25
Balanced	7/8	0.10	19.17
Convertible Securi	7/8	0.19	26.88
Telecom and Utiliti	7/8	0.17	17.43
Asset Manager 50	7/8	0.086	16.02
Equity-Income II	7/8	0.10	19.17
Spartan 500 Index	7/8	0.23	47.58
Strategic Div & Inc	7/8	0.09	11.55
Strategic Real Ret	7/8	0.095	9.88
Asset Manager 40	7/8	0.05	9.87
Dynam Strategies	7/8	0.051	9.64

Inside Fidelity

Name Change — On August 1, **Large Cap Value** changed its name to **Stock Selector Large Cap Value**. (See p. 4.)

Correction — In last month's report, our *Scorecard* provided the incorrect redemption fees for several funds. Because this information had been correct in prior issues, frankly, we continue to investigate how this otherwise "static" data was inadvertently altered. Of course, we have since corrected this data, and apologize for any inconvenience this may have caused.

In the meantime, we continue to urge you to pay close attention to both fees and the potential tax implications that are incurred whenever you're buying and selling funds. As careful as we try to be, we are clearly short of perfect! ■

MESSAGE TO MEMBERS

Investing In An Uncharted Market

Over the past few weeks, more than a few members have written or phoned to ask us: "in this 'storm,' what trades do you plan to make?"

We made none last month, as we decided that maintaining our well-diversified portfolios in this uncharted market was our best investment counsel.

Of course, our direction may change at any time, as we are always at the mercy of the market's shifting winds and currents. If we plan to tack or change our sails, you'll hear it first on our Friday Hotline messages.

Sincerely,
John Boyd
John Bonnanzio
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Fidelity Insight (ISSN 0892-2934) is published monthly for \$229 per year by the **Mutual Fund Investors Association**.

Founding Editor: Eric Kobren **President & Publisher:** Jack Bowers **Editors:** John Boyd, John G.F. Bonnanzio **Production & Design:** Kim Dowgos, Teri Weir. 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 © 2011. 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.

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