

choosing

plan investments that are right for you

Your **North Dakota Public Employees Retirement System Deferred Compensation Companion Plan** offers a variety of investment options. The question is, how will you know which options best suit your unique financial needs? Here's a simple, three-part strategy to help you make informed choices:

1. Review the important differences between investment options
2. Review your plan's investment options and how they align with your investment approach
3. Select your investments



I. review

the important differences between investment options

Comparing Investment Options

Fidelity utilizes Morningstar categories to help you make meaningful comparisons between investment options that may seem similar but that have very different investing styles. Morningstar, a global investment research firm and trusted source for investment information, data, and analysis of stocks, mutual funds, and annuities, analyzes an investment's underlying holdings rather than assigning a category to an investment option based on its objective. The information in the following pages will help you better understand your plan's investment options.

Stable Value

A *managed income* or *stable value* investment option is a type of fixed income investment option typically available to participants in defined contribution plans. The primary objective of this type of investment option is to preserve principal invested while providing a competitive level of income over time. The investment option pursues these objectives by investing in short- and medium-term debt instruments such as U.S. Treasury bonds, corporate bonds, mortgage-backed securities, asset-backed securities, and other debt securities, and by using insurance company or bank wrap agreements, which serve to aid in maintaining the stable unit price. This unit price is not guaranteed, however, and the yield of this type of investment will fluctuate over time, depending on market conditions. Because managed income or stable value funds will typically invest in longer term investments than would a money market fund, they may potentially offer higher long-term returns. These investment options are not SEC-registered mutual funds.

Bond

Bond investment options seek to provide a level of current income by investing primarily in debt securities. Bond investment options are typically made up of individual bonds within a specified range of maturity, credit quality, and type of issuer. Bond investment options may invest in government bonds, corporate bonds, mortgage- and asset-backed securities and other debt instruments, or a combination of these. The level of risk involved in investment in a bond investment option depends on the term to maturity, credit quality, and other relevant characteristics of the underlying debt instruments owned by the investment option. Some bond investment options hold foreign debt securities or securities that may involve more risk than other similar investments based on ratings assigned by organizations such as Moody's and Standard & Poor's. Most bond investment options pay regular income; however, the amount of each payment varies with market conditions and changes in option holdings, as does the option's value per unit. A bond investment option may not provide the amount of income originally anticipated, especially during periods of extreme market fluctuation; however, its share/unit price tends to fluctuate less than that of a stock fund.

Balanced/Hybrid

Balanced or *hybrid* investment options typically maintain a mixed portfolio of bonds, preferred stocks, common stocks, and money market instruments. Balanced/hybrid investment options provide investors with a more conservative investment approach than pure stock investments, and a more aggressive approach than pure bond investments. These investment options tend to focus on providing a level of current income to their investors while providing the opportunity for capital appreciation via the stock component of the portfolio. By investing in a combination of stocks and bonds, investors can benefit from the long-term growth potential of stocks, as well as the lower level of volatility associated with bonds.

Domestic Equity

Large Value

These investment options invest primarily in large U.S. stocks that are value oriented. Stocks in the top 70% of the capitalization (capitalization is the total equity market value of the company expressed in millions of dollars) of the U.S. equity market are defined as large cap. Value is defined based on a strong value style (low price ratios and high dividend yields) and a weak growth style (low growth rates for earnings, sales, book value, and cash flow). The share/unit price of a stock investment will fluctuate in response to the activities of individual companies within the investment, as well as to general market and economic conditions. Large capitalization companies may have less growth potential than smaller companies and may be able to react less quickly to changes in the marketplace, although they generally offer less volatility than smaller investment options.

Large Blend

These investment options invest in a variety of large U.S. stocks. Stocks in the top 70% of the capitalization of the U.S. equity market are defined as large cap. The blend style is assigned to investment options for which neither growth nor value characteristics predominate. The share/unit price of a stock investment option will fluctuate in response to the activities of individual companies within the investment option, as well as to general market and economic conditions. Large capitalization companies may have less growth potential than smaller companies and may be able to react less quickly to changes in the marketplace, although they generally offer less volatility than smaller companies.

Large Growth

These investment options invest primarily in large U.S. stocks that are growth oriented. Stocks in the top 70% of the capitalization of the U.S. equity market are defined as large cap. Growth is defined based on a strong growth style (high growth rates for earnings, sales, book value, and cash flow) and a weak value style (high price ratios and low dividend yields). The share/unit price of a stock investment will fluctuate in response to the activities of individual companies within the investment option, as well as to general market and economic conditions. Large capitalization companies may have less growth potential than smaller companies and may be able to react less quickly to changes in the marketplace, although they generally offer less volatility than smaller companies.

Mid Value These investment options invest primarily in mid-cap U.S. stocks that are value oriented. Stocks that fall between 70% and 90% of the capitalization of the U.S. equity market are defined as mid-cap. Value is defined based on a strong value style (low price ratios and high dividend yields) and a weak growth style (low growth rates for earnings, sales, book value, and cash flow). The share/unit price for this type of investment may be volatile, as investments in mid-sized companies may involve greater risk than those in larger, more well known companies, but may be less volatile than investments in smaller companies.

Mid Blend These investment options invest in a variety of mid-cap U.S. stocks. Stocks that fall between 70% and 90% of the capitalization of the U.S. equity market are defined as mid-cap. The blend style is assigned to investment options for which neither growth nor value characteristics predominate. The share/unit price for this type of investment option may be volatile, as investments in mid-sized companies may involve greater risk than those in larger, more well known companies, but may be less volatile than investments in smaller companies.

Mid Growth These investment options invest primarily in mid-cap U.S. stocks that are growth oriented. Stocks that fall between 70% and 90% of the capitalization of the U.S. equity market are defined as mid-cap. Growth is defined based on a strong growth style (high growth rates for earnings, sales, book value, and cash flow) and a weak value style (high price ratios and low dividend yields). The share/unit price for this type of investment may be volatile, as investments in mid-sized companies may involve greater risk than those in larger, more well known companies, but may be less volatile than investments in smaller companies.

Small Value These investment options invest primarily in small U.S. stocks that are value oriented. Stocks in the bottom 10% of the capitalization of the U.S. equity market are defined as small cap. Value is defined based on a strong value style (low price ratios and high dividend yields) and a weak growth style (low growth rates for earnings, sales, book value, and cash flow). The share/unit price of a stock investment will fluctuate in response to the activities of individual companies within the investment option, as well as to general market and economic conditions. The securities of smaller, less well known companies may be more volatile than those of larger companies, although they may potentially offer higher long-term returns.

Small Blend

These investment options invest in a variety of small U.S. stocks. Stocks in the bottom 10% of the capitalization of the U.S. equity market are defined as small cap. The blend style is assigned to investments for which neither growth nor value characteristics predominate. The share/unit price of a stock investment will fluctuate in response to the activities of individual companies within the investment option, as well as to general market and economic conditions. The securities of smaller, less well known companies may be more volatile than those of larger companies, although they may potentially offer higher long-term returns.

Small Growth

These investment options invest primarily in small U.S. stocks that are growth oriented. Stocks in the bottom 10% of the capitalization of the U.S. equity market are defined as small cap. Growth is defined based on a strong growth style (high growth rates for earnings, sales, book value, and cash flow) and a weak value style (high price ratios and low dividend yields). The share/unit price of a stock investment will fluctuate in response to the activities of individual companies within the investment option, as well as to general market and economic conditions. The securities of smaller, less well known companies may be more volatile than those of larger companies, although they may potentially offer higher long-term returns.

International/ Global

International investment options invest assets in securities whose primary trading markets are outside the United States, while global equity investment options typically invest in securities within the domestic U.S. market as well as worldwide. Some of these investment options diversify their investments across a broad range of markets and securities, while others may target a particular country or region, or a particular sector such as technology stocks. Targeted investment options are generally more volatile than broadly diversified funds. Foreign investments, particularly those in emerging markets, may involve greater risk than U.S. investments. This risk, especially in emerging markets, includes the political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation.

Life-Cycle Fidelity Freedom Funds®

Fidelity Freedom Funds® are designed for participants who want a simple yet diversified approach to investing for retirement. The Fidelity Freedom Funds invest in other Fidelity mutual funds to provide moderate asset allocation. The allocation strategy among the underlying stock, bond, and money market funds that compose each Freedom fund with a target retirement date is based on the number of years until that date and will become more conservative as that date nears. The Fidelity Freedom Income Fund,® designed for those already in retirement, emphasizes bond and money market mutual funds and seeks to maintain a stable asset allocation from year to year. Share price, yield, and return will vary, and you may have a gain or a loss when you sell your shares.

2. review

your plan's investment options and how they align with your investment approach

Objective: Capital Preservation
Lower Risk/Lower Potential Return

Investment Options

Objective: Aggressive Growth of Capital
Higher Risk/Higher Potential Return

Stable Value/ Managed Income	Bond	Balanced/ Hybrid	Domestic Equity			International/ Global Equity
			LARGE VALUE	LARGE BLEND	LARGE GROWTH	
			MID VALUE	MID BLEND	MID GROWTH	
			SMALL VALUE	SMALL BLEND	SMALL GROWTH	

Last categorization update 4/30/04.

This spectrum, with the exception of the Domestic Equity category, is based on Fidelity's analysis of the characteristics of the general investment categories and not on the actual investment options and their holdings, which can change frequently. Investment options in the Domestic Equity category are based on the options' Morningstar categories as of the date indicated. Morningstar categories are based on a fund's style as measured by its underlying portfolio holdings over the past three years and may change at any time. These style calculations do not represent the investment options' objectives and do not predict the investment options' future styles. Investment options are listed in alphabetical order within each investment category. Risk associated with the investment options can vary significantly within each particular investment category and the relative risk of categories may change under certain economic conditions. For a more complete discussion of risk associated with the investment options, please read the prospectuses or annuity contracts or fixed annuity fact sheets before making your investment decisions. The spectrum does not represent actual or implied performance.

Objective: Capital Preservation
Lower Risk/Lower Potential Return

Objective: Aggressive Growth of Capital
Higher Risk/Higher Potential Return

Life-Cycle Funds									
▼ Fidelity Freedom Income Fund®	▼ Fidelity Freedom 2000 Fund®	▼ Fidelity Freedom 2005 Fund SM	▼ Fidelity Freedom 2010 Fund®	▼ Fidelity Freedom 2015 Fund SM	▼ Fidelity Freedom 2020 Fund®	▼ Fidelity Freedom 2025 Fund SM	▼ Fidelity Freedom 2030 Fund®	▼ Fidelity Freedom 2035 Fund SM	▼ Fidelity Freedom 2040 Fund®
(Retired)	(Target Retirement Years 2000–2002)	(Target Retirement Years 2003–2007)	(Target Retirement Years 2008–2012)	(Target Retirement Years 2013–2017)	(Target Retirement Years 2018–2022)	(Target Retirement Years 2023–2027)	(Target Retirement Years 2028–2032)	(Target Retirement Years 2033–2037)	(Target Retirement Years 2038–2042)

The Fidelity Freedom Funds® are represented on a separate spectrum because each fund (except Fidelity Freedom Income) will gradually adjust its asset allocation to be more conservative as the fund approaches its target date. Approximately five to ten years after the target date, the asset allocation of each fund will match the allocation of the Freedom Income Fund. The spectrum illustrates the relative risk and return of each fund as compared with the other funds in the Freedom family.

Stable Value

Managed Income Portfolio (00632)

What it is: A stable value fund (not a mutual fund). It is a commingled pool of the Fidelity Group Trust for Employee Benefit Plans and is managed by Fidelity Management Trust Company (FMTC).

Goal: Seeks to preserve your principal investment while earning interest income. The fund will try to maintain a stable \$1 unit price. However, the portfolio cannot guarantee this stable unit price, and its yield will fluctuate.

What it invests in: The portfolio invests in investment contracts issued by insurance companies and other financial institutions, and in fixed income securities as further described below. A portion of the portfolio is invested in a money market fund to provide daily liquidity. Investment contracts provide for the payment of a specified rate of interest to the portfolio and for the repayment of principal when the contract matures. Participant withdrawals and exchanges are paid at book value (principal and interest accrued to date) during the term of the contract. Some investment contracts are structured solely as a general debt obligation of the issuer. Other investment contracts (“wrap contracts”) are purchased in conjunction with an investment by the portfolio in fixed income securities, which may include U.S. Treasury bonds, corporate bonds, mortgage-backed securities, asset-backed securities, and bond funds. There is no immediate recognition of investment gains and losses on the fixed income securities. Instead, the gain or loss is recognized over time by adjusting the interest rate credited to the portfolio under the wrap contract. All investment contracts and fixed income securities purchased for the portfolio must satisfy the credit quality standards of FMTC. The investment contract and fixed income security commitments are backed solely by the financial resources of the issuer. In addition, investment contract issuers may impose a contract penalty on withdrawals or exchanges from the portfolio caused by an extraordinary corporate event (layoff, sale of a line of business, etc.). Units of the portfolio are not guaranteed by FMTC, the plan sponsor, or insured by the FDIC. The portfolio strives to maintain a \$1 unit price, but cannot guarantee that it will be able to do so, and its yield will fluctuate.

Bond

PIMCO Total Return Fund—Administrative Class (99474)

What it is: An income mutual fund.

Goal: To provide high total return that exceeds general bond market indices.

What it invests in: All types of bonds, including U.S. government, corporate, mortgage and foreign. While the fund maintains an average portfolio duration of three to six years (approximately equal to an average maturity of five to 12 years), investments may also include short- and long-maturity bonds. Share price, yield, and return will vary.

Administrative Class shares are available through the plan. Managed by Pacific Investment Management Company, which provided the description for this fund.

Balanced/Hybrid

Fidelity Puritan® Fund (00004)

What it is: A balanced mutual fund.

Goal: Seeks to provide income and capital growth consistent with reasonable risk.

What it invests in: Normally invests approximately 60% of its assets in stocks and other equity securities and the remainder in bonds and other debt securities, including lower-quality debt securities, when the outlook for the markets is neutral. Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. The fund will invest at least 25% of its assets in fixed income senior securities (including debt securities and preferred stocks). The fund may invest in securities of domestic and foreign issuers. Share price and return will vary.

Domestic Equity

Large Value

Fidelity Equity-Income Fund (00023)

What it is: A growth and income mutual fund.

Goal: Seeks to provide reasonable income. In pursuing this objective, the fund will also consider the potential for capital appreciation. The fund seeks to provide a yield that exceeds the composite yield of the S&P 500® Index.

What it invests in: Normally invests at least 80% of its assets in income-producing equity securities, which tends to lead to investments in large cap “value” stocks. The fund may potentially invest in other types of equity and debt securities, including lower-quality debt securities. Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. The fund may invest in securities of domestic and foreign issuers. Share price and return will vary.

The S&P 500® Index is a registered service mark of The McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates. It is an unmanaged index of the common stock prices of 500 widely held U.S. stocks that includes the reinvestment of dividends.

Large Blend

Fidelity Dividend Growth Fund (00330)

What it is: A growth mutual fund.

Goal: Seeks to provide capital appreciation.

What it invests in: Normally invests at least 80% of its assets in equity securities. Normally invests primarily in common stocks of companies that pay dividends or that Fidelity Management & Research Company (FMR) believes have the potential to pay dividends in the future. The fund may invest in securities of domestic and foreign issuers. It is important to note that the fund does not invest for income. Share price and return will vary.

Spartan® U.S. Equity Index Fund (00650)

What it is: A growth and income mutual fund.

Goal: Seeks to provide investment results that correspond to the total return (i.e., the combination of capital changes and income) performance of common stocks publicly traded in the United States.

What it invests in: Normally invests at least 80% of its assets in common stocks included in the S&P 500® Index, which broadly represents the performance of common stocks publicly traded in the United States. Share price and return will vary.

The S&P 500® Index is a registered service mark of The McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates. It is an unmanaged index of the common stock prices of 500 widely held U.S. stocks that includes the reinvestment of dividends.

Large Growth

Fidelity Blue Chip Growth Fund (00312)

What it is: A growth mutual fund.

Goal: Seeks to provide growth of capital over the long term.

What it invests in: Normally invests primarily in common stocks of well-known and established companies. Normally invests at least 80% of its assets in blue chip companies (those with a market capitalization of at least \$200 million if the company's stock is included in the S&P 500® Index or the Dow Jones Industrial Average, or \$1 billion if not included in either index). The fund may also invest in companies that the manager believes have above-average growth potential. The fund may invest in securities of domestic and foreign issuers. Share price and return will vary.

The Dow Jones Industrial Average is an unmanaged index composed of common stocks of major industrial companies, and assumes reinvestment of dividends.

The S&P 500® Index is a registered service mark of The McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates. It is an unmanaged index of the common stock prices of 500 widely held U.S. stocks that includes the reinvestment of dividends.

Fidelity Growth Company Fund (00025)

What it is: A growth mutual fund.

Goal: Seeks to provide capital appreciation.

What it invests in: Normally invests primarily in common stocks. The fund invests in companies that the manager believes have above-average growth potential. The fund may invest in securities of domestic and foreign issuers. Share price and return will vary.

Mid Value

Mutual Shares Fund—Class A (93202)

What it is: A growth and income mutual fund.

Goal: To increase the value of your investment through capital growth.

What it invests in: Primarily in common and preferred stocks, debt securities (bonds), and convertible securities considered by the manager to be undervalued. Such securities can experience greater ups and downs than other securities. The fund may also invest in securities of companies involved in mergers, consolidations, liquidations or reorganizations, as well as lower-rated bonds that entail higher credit risks. Share price and return will vary.

Class A shares are available through the plan. Managed by Franklin Mutual Advisers, Inc., which provided the description for this fund.

Domestic Equity
continued

Mid Blend

Dreyfus Mid Cap Index Fund (45668)

What it is: A mid-cap index mutual fund.

Goal: Seeks to match the performance of the S&P® MidCap 400 Index.

What it invests in: The fund generally invests in all 400 stocks in the S&P® MidCap 400 Index in proportion to their weighting in the index. Investments in mid-sized companies may involve greater risks than those of larger, more well-known companies, but may be less volatile than investments in smaller companies. Share price and return will vary.

Managed by The Dreyfus Corporation, which provided the description for this fund.

The S&P MidCap 400 Index is an unmanaged market capitalization-weighted index of 400 medium-capitalization stocks.

Spartan® Extended Market Index Fund (00398)

What it is: An index mutual fund.

Goal: Seeks to provide investment results that correspond to the total returns of stocks of small to mid-cap U.S. companies.

What it invests in: Normally invests at least 80% of its assets in common stocks included in the Wilshire 4500 Completion Index, which represents the performance of stocks of small to mid-capitalization U.S. companies. Investments in smaller companies may involve more risk than those of larger, more well known companies. If you sell any of your shares after holding them for less than 90 days, the fund will deduct a short-term trading fee from your account equal to 0.75% of the value of the shares sold. Share price and return will vary.

The Wilshire 4500 Completion Index (Wilshire 4500) is an unmanaged, market-capitalization weighted index of approximately 6,500 U.S. equity securities. The Wilshire 4500 includes all the stocks in the Wilshire 5000 Total Market Index except for the stocks included in the S&P 500 Index.

Mid Growth

Fidelity Mid-Cap Stock Fund (00337)

What it is: A growth mutual fund.

Goal: Seeks to provide long-term growth of capital.

What it invests in: Normally invests at least 80% of its assets in common stocks of companies with medium market capitalizations (those with market capitalizations similar to companies in the Russell Midcap® Index or the S&P® MidCap 400 Index). The fund may potentially invest in companies with smaller or larger market capitalizations. Investments in mid-sized companies may involve greater risk than those of larger, more well known companies, but may be less volatile than investments in smaller companies. The fund may invest in securities of domestic and foreign issuers. If you sell any of your shares after holding them for less than 30 days, the fund will deduct a short-term trading fee from your account equal to 0.75% of the value of the shares sold. Share price and return will vary.

The Russell Midcap® Index is an unmanaged market capitalization-weighted index of medium-capitalization U.S. company stocks.

The S&P® MidCap 400 Index is an unmanaged market capitalization-weighted index of 400 medium-capitalization stocks.

Small Value

PIMCO NFJ Small-Cap Value Fund—Administrative Class (46224)

What it is: A small cap value mutual fund.

Goal: Seeks long-term growth of capital and income.

What it invests in: Primarily in common stocks of companies with market capitalizations between \$50 million and \$1 billion and below average price to earnings ratios relative to their earnings groups. Stocks of smaller companies may have more abrupt or erratic price movements than stocks of larger companies. Investments in smaller companies may involve greater risks than those of larger, more well-known companies. Share price and return will vary.

Administrative Class shares are available through the plan. Managed by NFJ Investment Group, a subsidiary partnership of PIMCO Advisors L.P., which provided the description for this fund.

Small Blend

Dreyfus Small Cap Stock Index Fund (93982)

What it is: A growth mutual fund.

Goal: To match the total return of the S&P® SmallCap 600 Index.

What it invests in: The fund invests primarily in the 600 companies that make up the S&P® Small Cap 600 Index and in other securities that are based on the value of the index. The fund's manager focuses on duplicating the composition and performance of the index, as opposed to a strategy of selecting attractive stocks. The stocks of smaller companies may have more abrupt or erratic price movements than stocks of larger companies. The fund may also invest in fixed-income securities (bonds). Share price and return will vary.

Managed by The Dreyfus Corporation and its affiliate, Mellon Equity Associates, which provided the description for this fund.

The S&P® 600 Small Cap Index is a widely recognized, unmanaged index and is composed of 600 selected common stocks of domestic companies with market capitalizations ranging generally between \$38 million and \$2.7 billion. It includes reinvestment of dividends.

Small Growth

Morgan Stanley Institutional Fund, Inc.—Small Company Growth Portfolio— Class B (93098)

What it is: A growth-oriented mutual fund.

Goal: To increase the value of your investment over the long term through price appreciation of small-sized companies.

What it invests in: Primarily in common stocks of small-sized domestic (U.S.) corporations and, to a limited extent, foreign (non-U.S.) corporations. Management invests in companies that it believes are underfollowed by market analysts and that exhibit some or all of the following characteristics: (i) superior growth prospects, (ii) accelerating returns on invested capital, (iii) sustainable competitive advantages, and (iv) experienced and incentivized management teams. Investments in smaller companies may involve greater risks and a higher degree of price volatility. Investments in smaller companies may involve greater risk than those in larger, better-known companies. Share price and return will vary and investor's shares, when redeemed, may be worth more or less than their original cost.

Class B shares are available through the plan. Managed by Morgan Stanley Investment Management Inc., which provided the description for this fund.

International/ Global

Fidelity Diversified International Fund (00325)

What it is: A growth mutual fund that invests internationally.

Goal: Seeks to provide capital growth.

What it invests in: Normally invests primarily in foreign securities. The fund normally invests primarily in common stocks. Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation. If you sell your shares after holding them for less than 30 days, the fund will deduct a short-term trading fee from your account equal to 1% of the value of the shares sold. Share price and return will vary.

Life-Cycle

Fidelity Freedom Funds®

Fidelity Freedom Funds®

What they are: The Fidelity Freedom Funds are investment options that allow the investor to select the fund that best matches his or her expected retirement year. The Fidelity Freedom Funds invest in a diversified portfolio of other Fidelity mutual funds to provide moderate asset allocation. They are designed for investors who want a simple, yet diversified approach to investing for their retirement. The allocation strategy for the underlying stock, bond, and money market mutual funds is based on the number of years until the Freedom funds reach their target retirement dates. Each Freedom fund with a target retirement date will gradually adopt a more conservative asset allocation as it approaches its target retirement date. Therefore, each fund's target asset allocation percentages will change over time to become more conservative, by gradually reducing allocations to stock funds and increasing allocations to bond and money market funds. The Fidelity Freedom Income Fund,® designed for those already in retirement, emphasizes bond and money market mutual funds and seeks to maintain a stable asset allocation from year to year.

Goal: The Freedom funds with target retirement dates seek to provide high total returns. The Freedom Income Fund seeks high current income and, secondarily, capital appreciation.

What they invest in: Each Freedom fund invests in a diversified portfolio of well-established Fidelity stock, bond, and money market mutual funds. Fidelity Freedom 2040, with the longest time horizon, invests primarily in stock mutual funds to take advantage of potentially greater growth opportunities. The asset mix of each Freedom fund with a target retirement date (Freedom 2000, 2005, 2010, 2015, 2020, 2025, 2030, 2035, and 2040) will gradually become more conservative over time so investors can stay with the same fund before and after retirement. After reaching the target retirement date, these Freedom funds continue to be managed more conservatively for five to ten more years until their asset mix is approximately the same as Freedom

Income Fund. Ultimately, after notifying the funds' investors, the funds will merge into the Freedom Income Fund. The Freedom Income Fund, designed for those already retired, is invested more conservatively, with a larger percentage in bond and money market funds, and has a smaller percentage of equity mutual funds. The funds' manager must invest in the group of underlying funds named in the prospectus, and will aim for the projected target asset allocation percentages announced to investors in the funds' annual and semiannual reports. Freedom funds with target retirement dates may invest in domestic and foreign stock funds, high yield and investment grade bond funds, and a money market fund. The Freedom Income Fund invests in domestic stock funds, investment grade bond funds, and a money market fund. These funds are subject to the volatility of the financial markets in the U.S. and abroad and may be subject to the additional risks associated with investing in high yield, small cap, and foreign securities. Share price and return of each Freedom fund will vary.

Fidelity Freedom Income Fund® (00369)

What it invests in: Approximately 20% in Fidelity stock mutual funds, 40% in Fidelity bond mutual funds, and 40% in Fidelity money market mutual funds. Share price and return will vary.

Fidelity Freedom 2000 Fund® (00370)

What it invests in: Approximately 23% in Fidelity stock mutual funds, 39% in Fidelity bond mutual funds, and 38% in Fidelity money market mutual funds. The mix of underlying funds will gradually become more conservative over time. Share price and return will vary.

Fidelity Freedom 2005 FundSM (01312)

What it invests in: Approximately 45% in Fidelity stock mutual funds, 45% in Fidelity bond mutual funds, and 10% in Fidelity money market mutual funds. The mix of underlying funds will gradually become more conservative over time. Share price and return will vary.

Fidelity Freedom 2010 Fund® (00371)

What it invests in: Approximately 45% in Fidelity stock mutual funds, 45% in Fidelity bond mutual funds, and 10% in Fidelity money market mutual funds. The mix of underlying funds will gradually become more conservative over time. Share price and return will vary.

Fidelity Freedom 2015 FundSM (01313)

What it invests in: Approximately 58% in Fidelity stock mutual funds, 37% in Fidelity bond mutual funds, and 5% in Fidelity money market mutual funds. The mix of underlying funds will gradually become more conservative over time. Share price and return will vary.

Life-Cycle

Fidelity Freedom Funds® continued

Fidelity Freedom 2020 Fund® (00372)

What it invests in: Approximately 70% in Fidelity stock mutual funds and 30% in Fidelity bond mutual funds. The mix of underlying funds will gradually become more conservative over time. Share price and return will vary.

Fidelity Freedom 2025 FundSM (01314)

What it invests in: Approximately 76% in Fidelity stock mutual funds and 24% in Fidelity bond mutual funds. The mix of underlying funds will gradually become more conservative over time. Share price and return will vary.

Fidelity Freedom 2030 Fund® (00373)

What it invests in: Approximately 82% in Fidelity stock mutual funds and 18% in Fidelity bond mutual funds. The mix of underlying funds will gradually become more conservative over time. Share price and return will vary.

Fidelity Freedom 2035 FundSM (01315)

What it invests in: Approximately 85% in Fidelity stock mutual funds and 15% in Fidelity bond mutual funds. The mix of underlying funds will gradually become more conservative over time. Share price and return will vary.

Fidelity Freedom 2040 Fund® (00718)

What it invests in: Approximately 88% in Fidelity stock mutual funds and 12% in Fidelity bond mutual funds. The mix of underlying funds will gradually become more conservative over time. Share price and return will vary.

The percentages represent anticipated target asset allocation at September 30, 2004.

Strategic Advisers, Inc., a subsidiary of FMR Corp., manages the Fidelity Freedom Funds.®

3. **select** your investments

After you have reviewed your investment choices, choose the options that best meet your investment objectives and strategies. Follow the instructions on “How to Enroll” provided by your workplace savings plan. When you contact Fidelity to make your investment choices, be sure to use the investment option codes listed in this brochure that correspond to the options you want to invest in.

Additional Help

Need additional help determining your investment strategy? Mutual fund prospectuses and annual and semiannual reports are available if you’re looking for investment objectives and strategies, fees and expenses, holdings, historical performance, and benchmark indexes. Annual and semiannual reports issued by investment options contain important information about an investment option’s investment objective, historical performance, and expenses, as well as the portfolio manager’s investment outlook. You have the option of reviewing reports for the investment options you own at www.fidelity.com/atwork, or you can receive paper copies by mail. If you don’t already receive paper copies and would like to, or to request an individual report, prospectus, or annuity contract, please call a Fidelity Retirement Services Specialist at **1-800-343-0860**.

Visit Fidelity’s Web site at www.fidelity.com/atwork to utilize Fidelity’s interactive planning tools and calculators or visit the Fidelity e-Learning® section for self-paced interactive workshops to help you make the most of your retirement plan.

Changing Investments

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