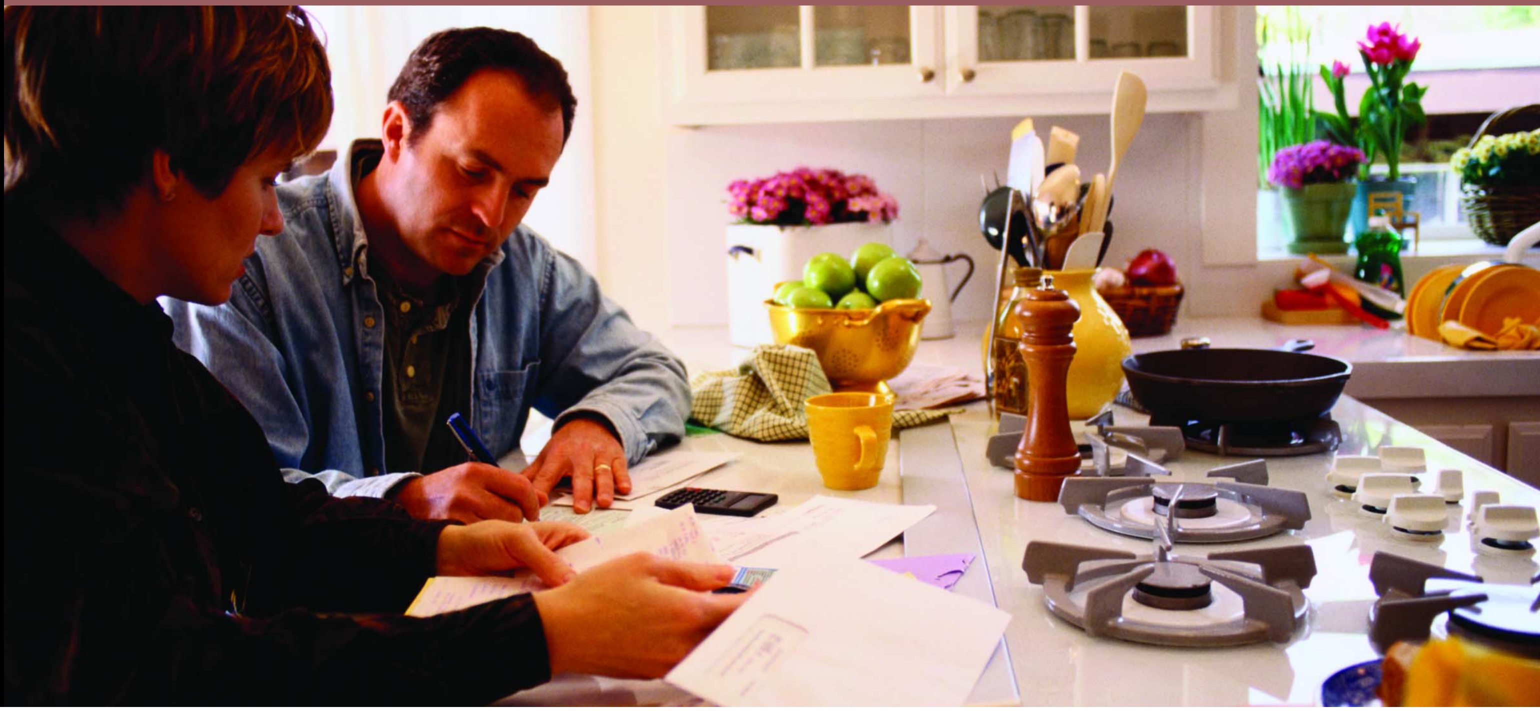

living with market ups and downs

As an investor, you've most likely experienced that feeling of uncertainty when the markets fluctuate. It's important to recognize that market ups and downs are normal and to stay with the goals and strategy you've developed for your workplace savings plan without worrying about short-term declines. The most effective approach is to plan rather than panic.

In this brochure, you'll discover simple strategies that can help you ride out short-term swings and build an investment plan that makes sense for you:

1. Contribute regularly through both market ups and downs

2. Recognize that every investment carries risk

3. Choose investments that help balance risk with rewards

4. Monitor and manage your plan

Fidelity INVESTMENTS®

1. contribute

regularly through both market ups and downs

Time gives long-term investors the flexibility to wait out the effects of short-term market fluctuation. One of the best ways to meet your goals is to keep investing, without hesitation or regard to what the market is doing on a particular day. This is because even modest, regular contributions can have a dramatic effect on your investments over the long term. (Contributing to your workplace savings plan is a great example!) Review the chart below to see how investing a fixed amount on a periodic basis—called dollar cost averaging—can work for you. Keep in mind that investing regularly does not ensure a profit or protect against the possibility of losing money.

An important point to remember: Be prepared for setbacks. The market goes up; the market goes down. Slumping corporate profits, rising inflation, changing interest rates, unfavorable legislation, or political crises can all push market prices down. Before you invest, make sure you're emotionally prepared to live with the daily changes, as well as the front-page headlines and news reports that come with them.

The benefits of dollar cost averaging

Investing regularly takes advantage of dollar cost averaging—which simply means that when prices are high you'll buy fewer shares, and when prices are low you'll buy more shares. Though dollar cost averaging doesn't ensure a profit or guarantee against a loss, it does provide a method of investing that can potentially lower your average cost per share. Of course, in order for dollar cost averaging to be effective you must continue to contribute and purchase shares in both market ups and downs, keeping in mind your financial ability to do so.

	Share price	Investment	Shares purchased
January	$10	$100	10
February	$7	$100	14.3
March	$6	$100	16.7
April	$8	$100	12.5
May	$9	$100	11.1
TOTAL	**$8 average**	**$500**	**64.6**

This hypothetical example is for illustrative purposes only.

2. recognize

that every investment carries risk

Because each investment performs differently in various market conditions, a certain amount of risk is unavoidable in almost any kind of investing, whether you're investing in stocks, bonds, or short-term investments. Know that, generally, the greater the risk, the greater the potential reward. It's all part of investing. Before we outline the differences between each type of investment, it's important for you to understand how risk plays a part in reaching your long-term goals.

Types of risk

Investment risk. Investment risk is the chance that your investment may lose value. For example, stocks generally have more investment risk than other types of investments because their value can fluctuate dramatically; however, over time their return tends to be greater than that of bonds or short-term investments. Still, bonds do carry investment risk—for example, when interest rates rise.

Inflation risk. Inflation risk is the chance that the buying power of your money could decrease over time. It's most often related to short-term investments and bonds, which people usually consider "less risky" because they carry less investment risk. However, short-term investments and bonds are "more risky" from an inflation risk perspective because they sometimes carry returns that may fall below the rate of inflation, thus diminishing your money's buying power.

It's important that you understand these risks and build a portfolio that balances the investments' return potential with a level of risk you can live with, while keeping in mind your long-term retirement goals.

Opportunity costs—the hidden risk

Trying to "time" the market by making changes in your investments based on what you think the market will do next could mean you miss out on some big growth opportunities. Take a look at the chart to see how you could potentially miss the market's best days if you don't stay invested.

This hypothetical illustration shows that an investor who kept $10,000 invested in the stock market throughout 2003 would have realized a 28.68% gain. But the investor would have lost money if he or she missed 10 or more of the market's top days.

Source: Standard & Poor's, 2003. Past performance is no guarantee of future results. Returns include the reinvestment of dividends and other earnings. This example is for illustrative purposes only and does not represent actual or future performance of any investment option, and an investment cannot be made in any index. Stocks are represented by the Standard & Poor's 500 Index (S&P 500®). The S&P 500® is a registered service mark of The McGraw-Hill Companies, Inc., and is a widely recognized, unmanaged index of 500 U.S. common stocks. Stock prices are more volatile than those of other securities.

3. choose

investments that help balance risk with rewards

The three building blocks in any portfolio are stocks, bonds, and short-term investments. Investors with a long-term horizon (seven years or more) and greater tolerance for risk may benefit from the growth potential of stocks. Although stocks have more investment risk than bonds or short-term investments, they may help your assets keep up with inflation and maintain the purchasing power of your money over time. Stocks have outperformed all other investments over the past 50 years, boosting investment values more than bonds, Treasury bills, and other interest-bearing investments such as CDs and money markets. Keep in mind that past performance is no guarantee of future results.

Investors with a shorter time horizon to retirement or those looking to add an element of stability in their portfolio may want to consider bonds and/or short-term investments. While the returns of these two investment types have, over time, been significantly lower than stocks, they can be helpful in offsetting the investment risk of stocks and may provide a more stable portfolio for investors who are close to retirement. Of course, when investing in money market funds (a type of short-term investment), it's important to keep in mind that, unlike CDs, an investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency. Although they seek to preserve the value of your investment at $1 per share, it is possible to lose money by investing in these funds.

On the following page, review three approaches to balancing risk with rewards when investing.

What's your strategy?

If you need help building or reassessing your asset allocation strategy, go to the Tools & Calculators section at **www.fidelity.com/atwork** to download and fill out the Asset Allocation Planner. It can help you determine a mix of stocks, bonds, and short-term investments that may be right for you based on your personal needs and risk tolerance.

Many people find that no one investment, or one type of investment, can provide an ideal balance of investment risk and potential return. Consider these approaches:

Asset Allocation. Spreading your assets across the three basic asset classes—stocks, bonds, and short-term investments—is one way to limit risk and to benefit from all types of market conditions. Typically, when one asset class in the market is down, another is up. Staying with an asset allocation strategy for the long term may be a better approach than constantly trying to keep ahead of the markets.

Diversification. Investing in different types and styles of investments within an asset class—large cap growth funds and small cap value funds, for example—is another way to further reduce your investment risk over time.

Rebalancing. Because various types of investments perform differently over time, you may find your portfolio "out of balance" with the asset allocation and diversification percentages originally selected. Rebalancing simply means making adjustments to your portfolio—either by changing where your contributions are invested or by shifting money between investment options—back to those original percentages. It's a good practice to look at your account portfolio and rebalance, if necessary, at least once a year or as your circumstances change.

There is no single right answer about how many investment options to select. Choose a number that provides adequate opportunity to diversify across and within asset classes without duplication, and that you can monitor without difficulty. Remember: Neither diversification nor asset allocation ensures a profit or guarantees against loss.

4. monitor

and manage your plan

Now that you better understand how to invest through market ups and downs, it's time to put that knowledge to work. As we said, the key is to keep investing, to follow your long-term investment plan, and to rebalance your account as needed. Fortunately, you don't have to go it alone.

Stay invested and on track with a variety of tools and information:

- Log on to Fidelity NetBenefits® at **www.fidelity.com/atwork** to check investment performance, use planning tools, make changes to your investments, and learn more about market volatility.
- Learn about creating your investment strategy by taking the ***Investment Strategy* workshop.** Visit **www.fidelity.com/atwork**, scroll down to the Toolbox, and click on Fidelity e-Learning® workshops.
- Call a Fidelity Retirement Services Specialist at **1-800-343-0860,** Monday through Friday, from 8:00 A.M. to midnight ET.

Need help?
We've got answers.
Call 1-800-343-0860
or visit
www.fidelity.com/atwork.

Please consider the investment options' objectives, risks, charges and expenses before investing. For this and other information on any investment option available through the plan, call or write to Fidelity for a free prospectus or fact sheet. Read it carefully before you invest.

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