

Fidelity Leverage Co Stk

Ticker: FLVXC Load: None NAV: \$29.23 Yield: 0.7% Total Assets: \$4,317 mil Mstar Category: Mid-Cap Blend

Governance and Management

Stewardship Grade: B

Portfolio Manager(s)

Fidelity veteran Tom Soviero took charge of this fund in July 2003. He is backed by an experienced team of Fidelity analysts and looks to leverage Fidelity's high-yield and equity research. He has had successful stints at Fidelity High Income and Fidelity Advisor High Income Advantage, which he continues to manage. Soviero was also recently named the manager of Fidelity Convertible Securities.

Strategy

Manager Tom Soviero's strategy revolves around buying what he considers attractively valued stocks that issue high-yield debt or otherwise have leveraged capital structures. However, junk-bond issuers run the risk of not being able to pay back or refinance their debt. In those cases, stock investors can be left with little or nothing to show. Soviero looks for companies that have a catalyst for improvement, such as a management change, a new product, or a pricing change, and keeps the fund fairly concentrated in his favorite names.

Performance 04-30-06

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2002	-1.96	-18.54	-3.44	27.39	-1.77
2003	4.40	44.06	6.63	22.41	96.31
2004	5.48	2.50	-0.57	15.76	24.46
2005	4.67	1.73	8.31	1.86	17.47
2006	9.68	—	—	—	—

Trailing	Total Return%	+/- S&P 500	+/- S&P Mid 400	%Rank Cat	Growth of \$10,000
3 Mo	5.11	2.23	2.05	16	10,511
6 Mo	20.07	10.44	4.81	5	12,007
1 Yr	32.79	17.38	4.49	9	13,279
3 Yr Avg	37.96	23.29	14.27	2	26,258
5 Yr Avg	25.58	22.88	14.87	2	31,232
10 Yr Avg	—	—	—	—	—
15 Yr Avg	—	—	—	—	—

Tax Analysis	Tax-Adj Rtn%	%Rank Cat	Tax-Cost Rat	%Rank Cat
3 Yr (estimated)	36.80	2	0.84	46
5 Yr (estimated)	24.75	2	0.66	50
10 Yr (estimated)	—	—	—	—

Potential Capital Gain Exposure: 31% of assets

Morningstar's Take by Scott Berry 01-23-06

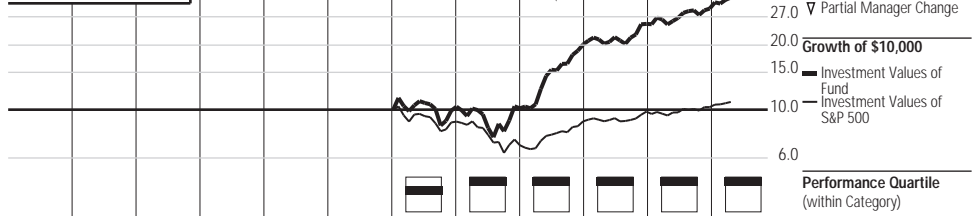
Fidelity Leveraged Company Stock is not the next Magellan.

This fund's incredible success has some asking whether it could become Fidelity's next flagship mutual fund. We don't think so. For starters, manager Tom Soviero's concentrated approach (the fund's top 20 holdings typically account for roughly 50% of assets) adds to the fund's risk level and makes it less suitable as a core portfolio holding than Fidelity Magellan or Contrafund, currently Fidelity's largest fund. Further, we hope that Soviero's focus on common stocks of leveraged companies (those that issue lower-quality debt) will prompt Fidelity to close the fund sooner than it might close siblings with broader mandates.

That's not to say the fund's success can't continue. Backed by both Fidelity's large high-yield analyst group and its equity analyst group, Soviero has the resources and experience to identify attractively valued opportunities. His approach isn't very scientific, but he leans more toward value

Historical Profile

Return High
Risk High
Rating ★★★★★
Highest



Year	2001	2002	2003	2004	2005	04-06	History
NAV	10.18	10.00	19.33	22.68	26.02	29.23	NAV
Total Return %	3.23	-1.77	96.31	24.46	17.47	12.34	Total Return %
+/-S&P 500	15.11	20.32	67.64	13.59	12.56	6.74	+/-S&P 500
+/-S&P Mid 400	3.83	12.76	60.72	7.99	4.92	3.20	+/-S&P Mid 400
Income Return %	2.00	0.00	0.00	0.21	0.93	0.00	Income Return %
Capital Return %	1.23	-1.77	96.31	24.25	16.54	12.34	Capital Return %
Total Rtn % Rank Cat	40	3	1	5	5	7	Total Rtn % Rank Cat
Income \$	0.00	0.00	0.00	0.04	0.21	0.00	Income \$
Capital Gains \$	0.00	0.00	0.27	1.12	0.41	0.00	Capital Gains \$
Expense Ratio %	0.83	0.93	0.83	0.85	0.84	—	Expense Ratio %
Income Ratio %	1.12	1.16	0.07	0.23	1.04	—	Income Ratio %
Turnover Rate %	230	203	79	35	16	—	Turnover Rate %
Net Assets \$mil	60	79	1,206	2,142	3,521	4,317	Net Assets \$mil

Rating and Risk

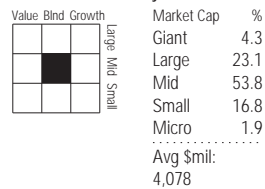
Time Period	Load-Adj Return %	Morningstar Rtn vs Cat	Morningstar Risk vs Cat	Morningstar Risk-Adj Rating
1 Yr	32.79	—	—	—
3 Yr	37.96	High	High	★★★★★
5 Yr	25.58	High	High	★★★★★
10 Yr	—	—	—	—
Incept	24.89	—	—	—

Other Measures	Standard Index S&P 500	Best Fit Index Mstar Mid Value
Alpha	12.0	0.9
Beta	1.66	1.43
R-Squared	66	75
Standard Deviation	16.00	—
Mean	37.96	—
Sharpe Ratio	1.96	—

Portfolio Analysis 01-31-06

Share change since 10-05	Total Stocks:148	Sector	PE	Tot Ret%	% Assets
Forest Oil	—	Energy	15.2	19.82	4.87
AES	—	Utilities	17.9	7.20	3.98
Service Corporation Inte	—	Consumer	42.4	-0.98	3.36
Teekay Shipping	—	Business	5.6	-2.55	3.31
General Maritime	—	Business	5.9	-5.25	3.19
ON Semiconductor	—	Hardware	34.2	30.02	3.08
Range Resources	—	Energy	30.9	0.80	2.73
Sprint Nextel	—	Telecom	28.5	6.27	2.40
OMI	—	Business	5.7	6.81	2.34
Chesapeake Energy	—	Energy	12.6	0.00	2.23
Celanese	—	Ind Mtrls	—	15.27	2.22
Davita	—	Health	28.3	11.10	2.18
Qwest Communications Int	—	Telecom	—	18.76	2.15
Grey Wolf	—	Energy	14.4	0.91	1.92
CMS Energy	—	Utilities	—	-8.20	1.72
Valero Energy	—	Energy	10.6	25.61	1.66
Atmel	—	Hardware	—	69.58	1.56
Amkor Technology	—	Hardware	—	115.89	1.51
Universal Compression	—	Energy	40.5	35.94	1.33
International Paper	—	Ind Mtrls	20.9	8.96	1.31

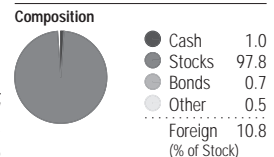
Current Investment Style



Value Measures	Rel Category
Price/Earnings	15.83 0.95
Price/Book	2.13 0.92
Price/Sales	0.70 0.62
Price/Cash Flow	5.53 0.68
Dividend Yield %	0.89 0.72
Growth Measures	% Rel Category
Long-Term Erngs	11.11 0.89
Book Value	3.48 0.41
Sales	3.37 0.39
Cash Flow	7.09 0.82
Historical Erngs	39.26 2.37

Profitability	% Rel Category
Return on Equity	14.34 0.93
Return on Assets	3.66 0.46
Net Margin	7.13 0.67

Sector Weightings	% of Stocks	Rel S&P 500	3 Year High Low
Info	22.92	1.15	—
Software	0.23	0.07	0 0
Hardware	13.93	1.38	14 3
Media	1.35	0.39	6 1
Telecom	7.41	2.33	17 7
Service	29.18	0.63	—
Health	3.18	0.26	5 3
Consumer	7.94	1.01	9 3
Business	16.82	3.56	24 16
Financial	1.24	0.06	6 1
Mfg	47.90	1.42	—
Goods	3.81	0.46	4 2
Ind Mtrls	13.45	1.08	17 12
Energy	24.64	2.46	25 13
Utilities	6.00	2.09	11 6



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Advisor: Fidelity Management & Research (FMR)
Subadvisor: Multiple Subadvisors
NTF Plans: Fidelity Retail-NTF, Fidelity Instl-NTF

Minimum Purchase: \$10000 Add: \$1000 IRA: \$2500
Min Auto Inv Plan: \$10000 Add: \$500
Sales Fees: No-load, 1.50%R
Management Fee: 0.63%
Actual Fees: Mgt:0.62% Dist: —
Expense Projections: 3Yr:\$278 5Yr:\$482 10Yr:\$1073
Income Distrib: —