

City of Los Angeles

Presented by Jeff Miller, CFA
August 2007



▶ Agenda

▶ City of Los Angeles: Strategic Discussion

- I. Financial Markets Review
- II. Distribution of Plan Assets
- III. Plan Performance
- IV. Quarterly Fund Overviews
- V. Appendix

Presented by:

Jeff Miller, CFA
Vice President



 Financial Markets Review
Q2 2007

▶ Executive Summary *(as of 6/30/07)*

- ▶ **Amid strong global economic growth, bond yields and stocks rose**
 - » Foreign economies led, as U.S. growth lagged due to continued housing weakness
 - » U.S. consumer spending remained solid amid low unemployment, despite higher gas prices
 - » Sub-prime securities sparked more debt market jitters, but record LBO activity continued

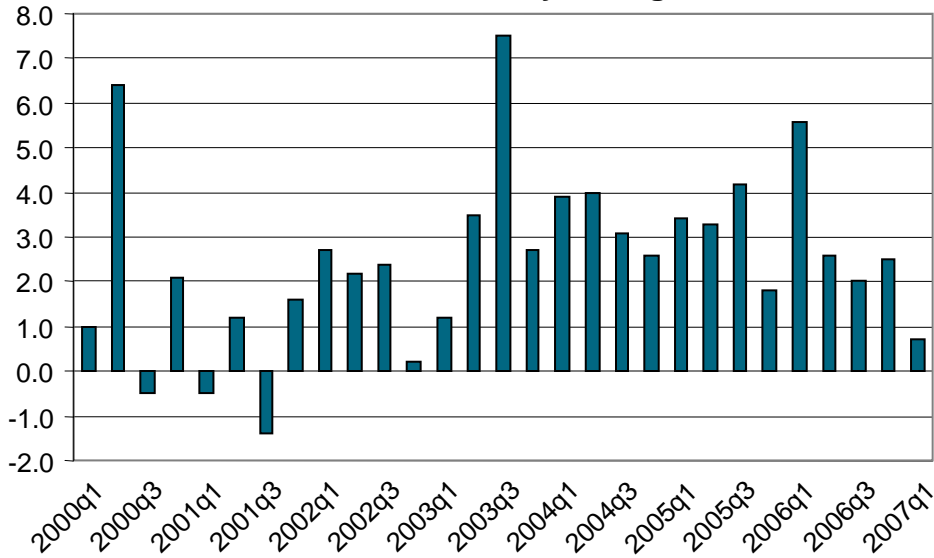
- ▶ **U.S. stocks registered strong returns**
 - » Large-caps and growth style performed best; tight range among caps and styles
 - » Corporate profit growth decelerated but remained solid; M&A activity helped boost prices
 - » Energy, technology and industrials performed well while utilities lagged

- ▶ **International stock markets also posted gains**
 - » Strong economic and profit growth provided boost
 - » The weakening US dollar also contributed to returns for US investors
 - » Emerging markets registered the best returns; Europe also performed well

- ▶ **Long-term yields rose, yield curve steepened, bond prices dropped**
 - » Markets no longer anticipated a Federal Reserve rate cut in 2007
 - » Bond market volatility rose, but leveraged loan issuance was still able to hit an all-time high

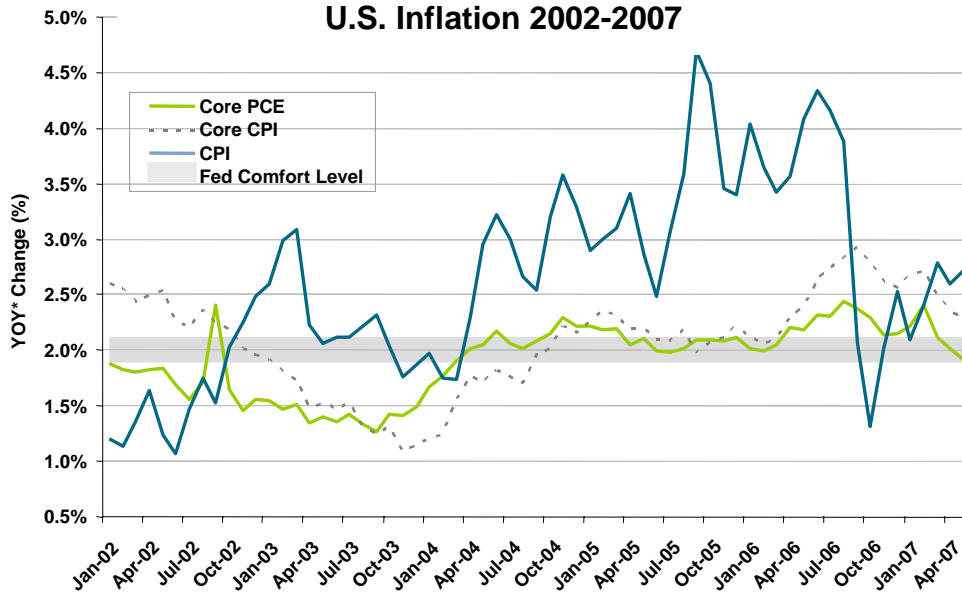
Economy

Gross Domestic % Quarterly Change from 2000–2007



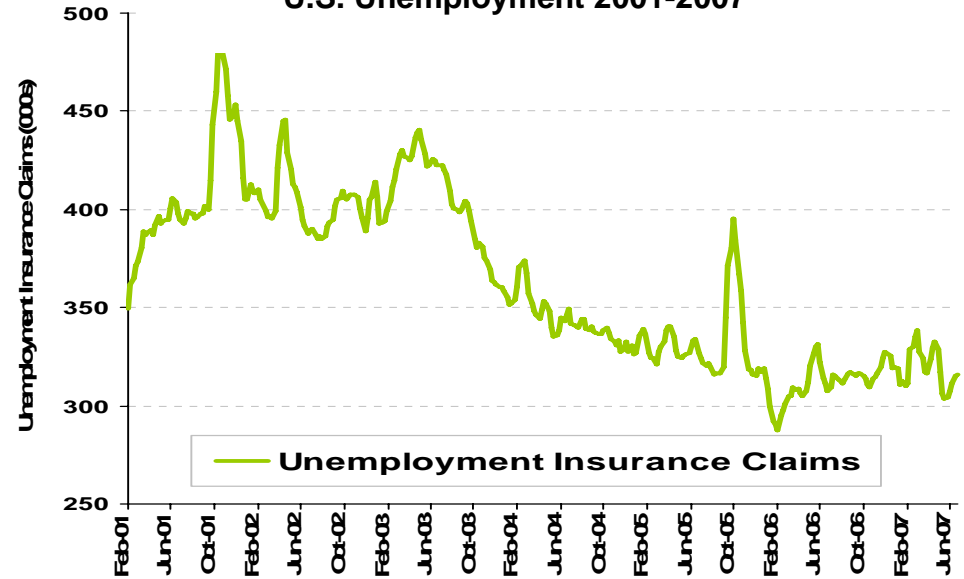
Source: Bureau of Economic Analysis, National Economic Accounts July 5, 2007

U.S. Inflation 2002-2007



Source: Haver Analytics, FMRCo (MARE) as of 6/30/07

U.S. Unemployment 2001-2007



Unemployment insurance claims represents the 4-week moving average of initial claims for unemployment insurance in state programs, seasonally adjusted.

Source: Haver Analytics, FMRCo (MARE) as of 6/30/07

*YOY: year-over-year.

Core CPI: CPI less food and energy.

Core PCE: Deflator for personal consumption expenditures excluding food & energy, seasonally adjusted, 2000 = 100.

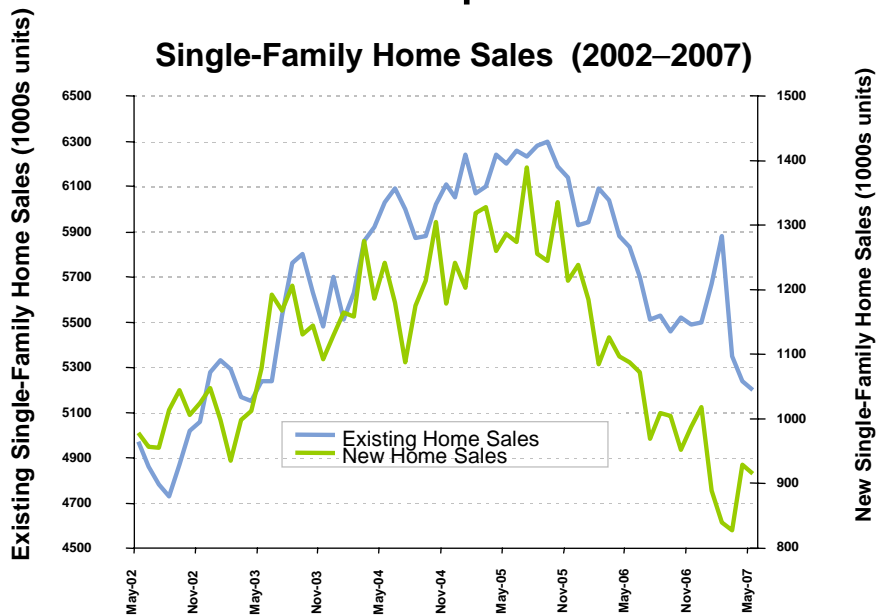
CPI: Consumer Price Index, seasonally adjusted, 1982-84=100.

Fed Comfort Level: The Federal Open Market Committee meets eight times per year to set key interest rates, such as the discount rate, and to decide whether to increase or decrease the money supply, which the Fed does through buying and selling government securities. The Fed typically will not change rates if inflation is within a determined 'comfort' level.

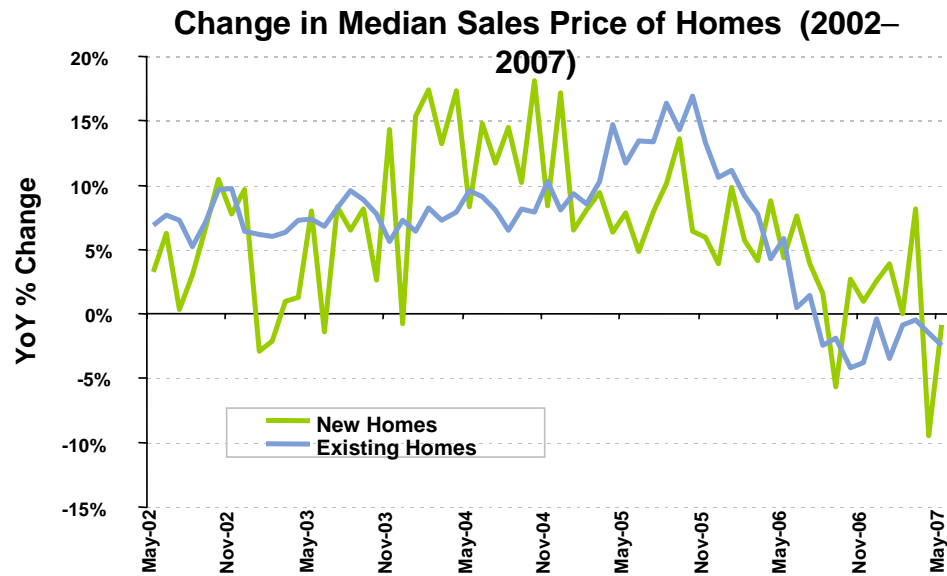
Source: Haver Analytics, Bureau of Economic Analysis, Bureau of Labor Statistics, FMRCo (MARE) as of 5/31/07

Past performance is no guarantee of future results.

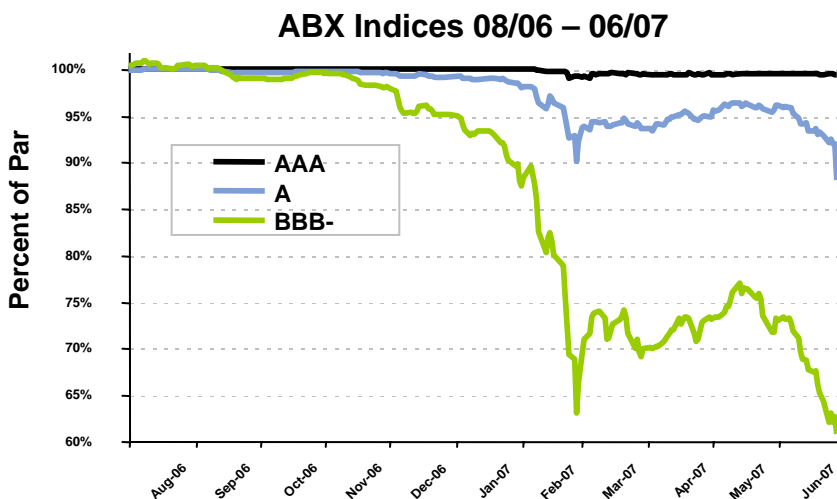
Q2 2007 Topics of Interest



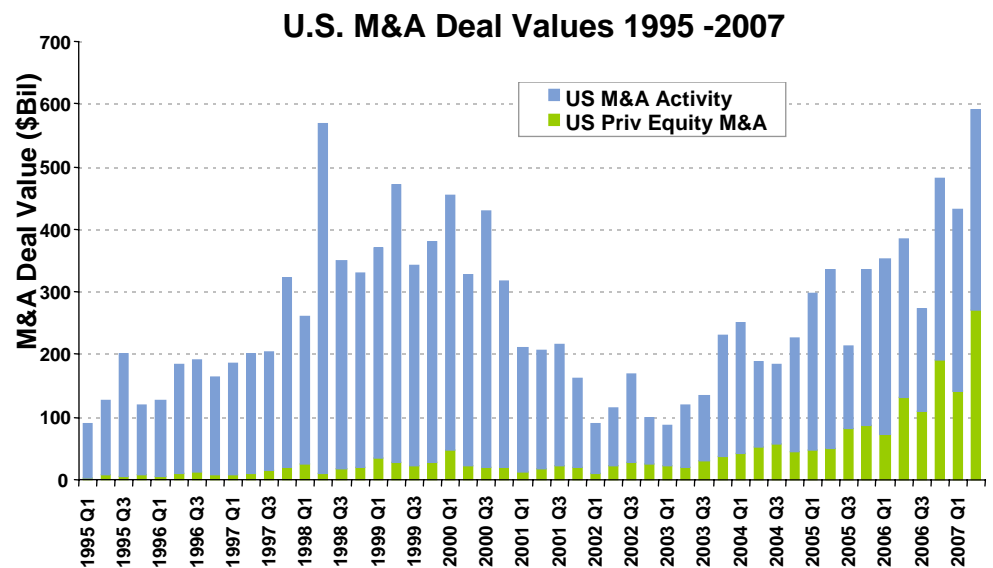
All figures are seasonally adjusted. Source: Census Bureau, National Association of Realtors, FMRCo (MARE), Haver Analytics as of 5/31/07



Source: Census Bureau, National Association of Realtors, FMRCo (MARE), Haver Analytics as of 5/31/07



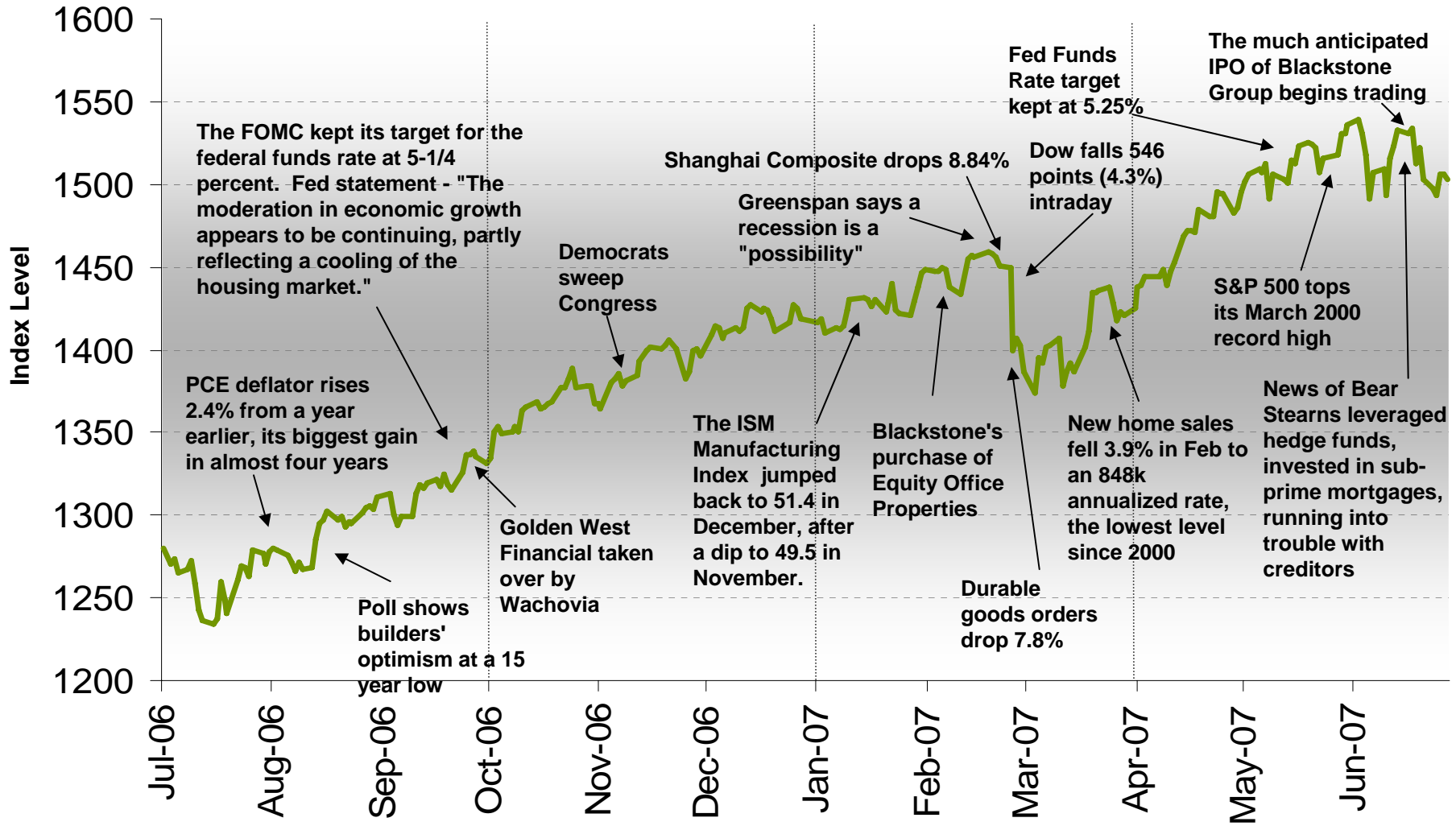
ABX.HE indices represent a standardized basket of home equity Asset Backed Security obligations, each based on the rating of their reference obligations. The indices shown above are series 6 version 2 of the ABX. Source: Markt Group Limited™, Bianco Research, FMRCo (MARE) as of 6/30/2007.



Source: Dealogic, FMRCo (MARE) as of 6/30/07

▶ Past 12 Months in Review

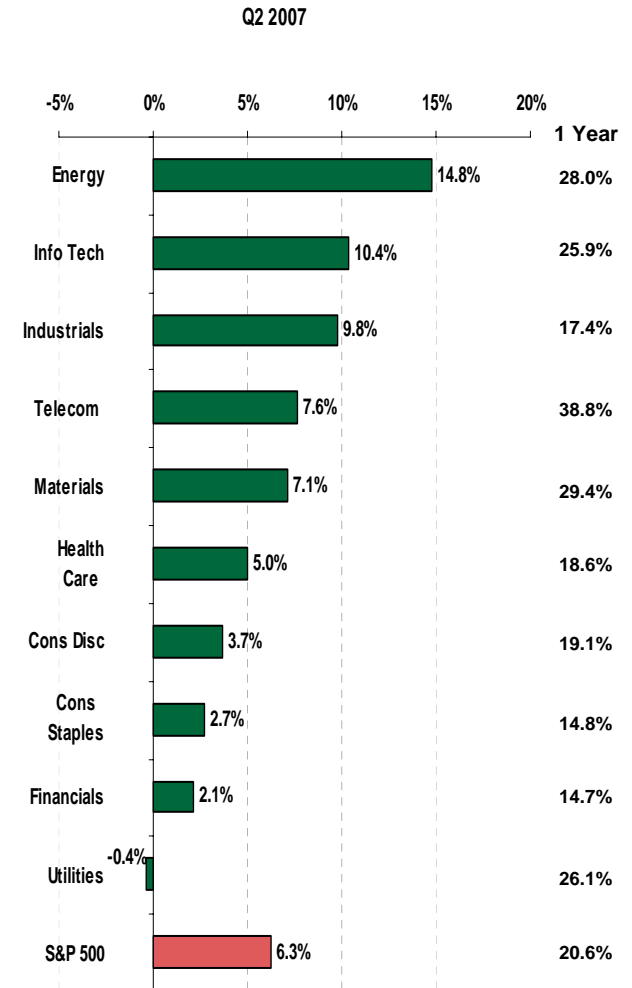
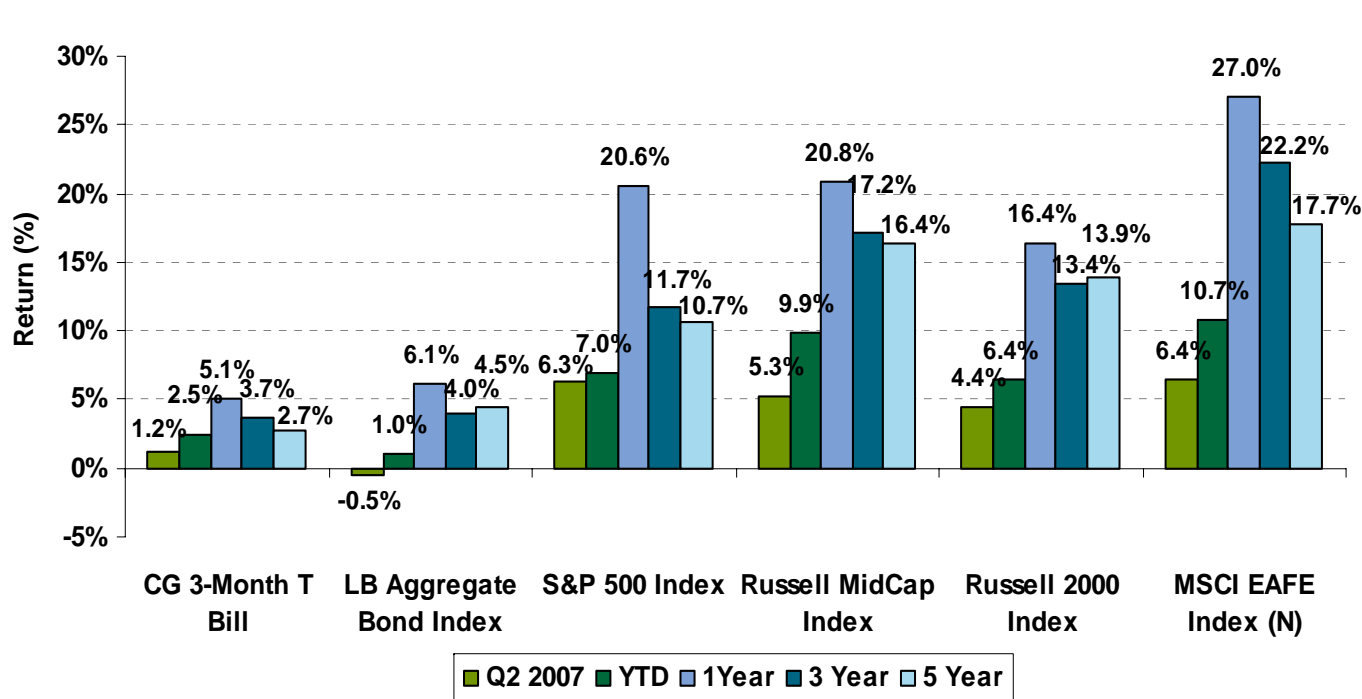
S&P 500 Index



Sources: Investor's Business Daily, FederalReserve.gov, FactSet, Wall Street Journal

Past performance is no guarantee of future results.

Financial Market Returns as of June 30, 2007



Source: FMR Co. 06/30/07

3 and 5 year performance numbers are average annual total return as of 06/30/07.

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.

Investments in smaller companies may involve greater risks than those in larger, more well known companies.

In general, bond prices rise when interest rates fall, and vice versa. This effect is usually more pronounced for longer-term securities.

Past performance is no guarantee of future results.

▶ Domestic Equity Style (% Change)

As of 06/30/2007

| | VALUE | BLEND | GROWTH |
|-------|------------|------------|------------|
| LARGE | Q2 4.93 | Q2 5.90 | Q2 6.86 |
| | 1 Yr 21.87 | 1 Yr 20.43 | 1 Yr 19.04 |
| | 3 Yr 15.93 | 3 Yr 12.34 | 3 Yr 8.70 |
| MID | Q2 3.65 | Q2 5.30 | Q2 6.74 |
| | 1 Yr 22.09 | 1 Yr 20.83 | 1 Yr 19.73 |
| | 3 Yr 19.32 | 3 Yr 17.16 | 3 Yr 14.48 |
| SMALL | Q2 2.30 | Q2 4.42 | Q2 6.69 |
| | 1 Yr 16.05 | 1 Yr 16.43 | 1 Yr 16.83 |
| | 3 Yr 15.02 | 3 Yr 13.45 | 3 Yr 11.76 |

Look Back as of 12/31/1999

| | VALUE | BLEND | GROWTH |
|-------|------------|------------|------------|
| LARGE | Q2 5.44 | Q2 16.06 | Q2 25.14 |
| | 1 Yr 7.35 | 1 Yr 20.91 | 1 Yr 33.16 |
| | 3 Yr 18.83 | 3 Yr 26.84 | 3 Yr 34.07 |
| MID | Q2 3.77 | Q2 17.23 | Q2 39.47 |
| | 1 Yr -0.11 | 1 Yr 18.23 | 1 Yr 51.30 |
| | 3 Yr 12.15 | 3 Yr 18.86 | 3 Yr 29.77 |
| SMALL | Q2 1.53 | Q2 18.45 | Q2 33.39 |
| | 1 Yr -1.49 | 1 Yr 21.26 | 1 Yr 43.09 |
| | 3 Yr 6.69 | 3 Yr 13.08 | 3 Yr 17.83 |

 Signifies top performing index for each timeframe

The above styles are represented by: Large Value = Russell® 1000 Value, Large Blend = Russell® 1000, Large Growth = Russell® 1000 Growth.
 Mid Value = Russell® Mid Cap Value, Mid Blend = Russell® Mid Cap, Mid Growth = Russell® Mid Cap Growth.
 Small Value = Russell® 2000 Value, Small Blend = Russell® 2000, Small Growth = Russell® 2000 Growth.

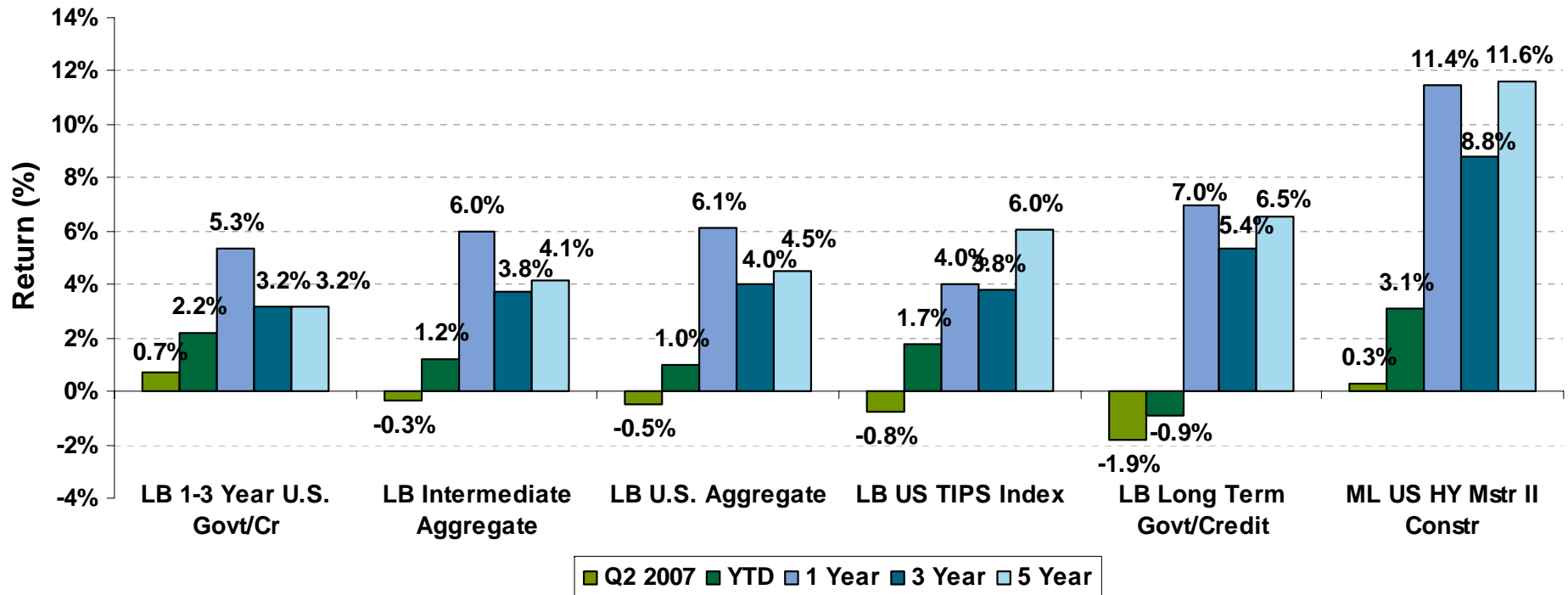
Source: FMR & Frank Russell.

3 year performance numbers are average annual returns.

Investments in smaller companies may involve greater risks than those in larger, more well known companies.

Past performance is no guarantee of future results

Fixed Income Market Returns as of June 30, 2007



Source: FMR Co 06/30/2007

3 and 5 year are average annual returns.

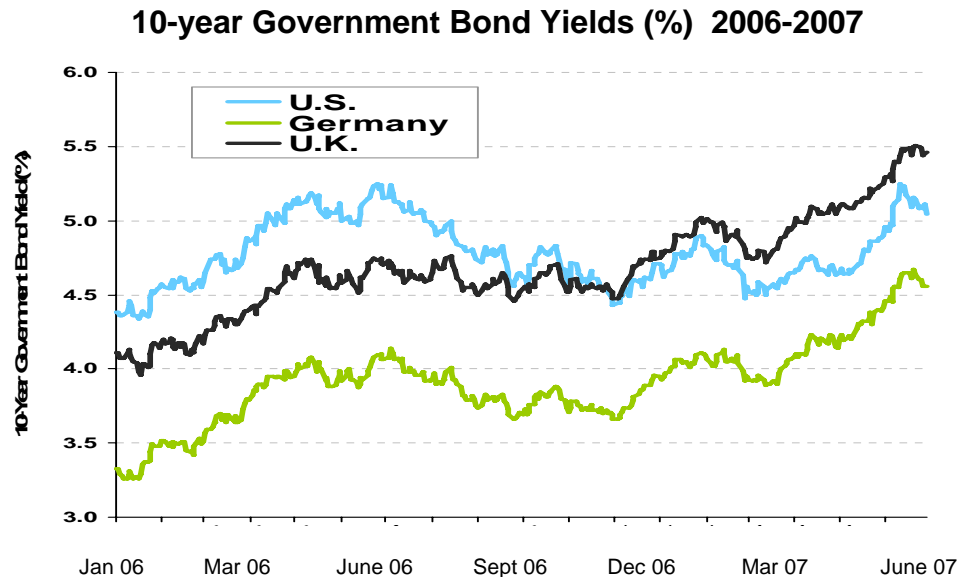
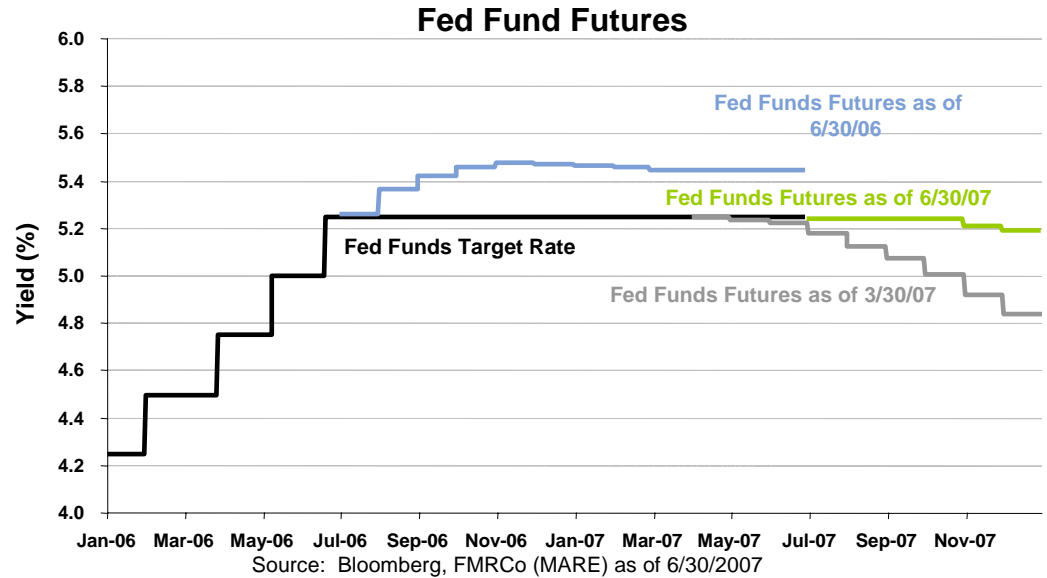
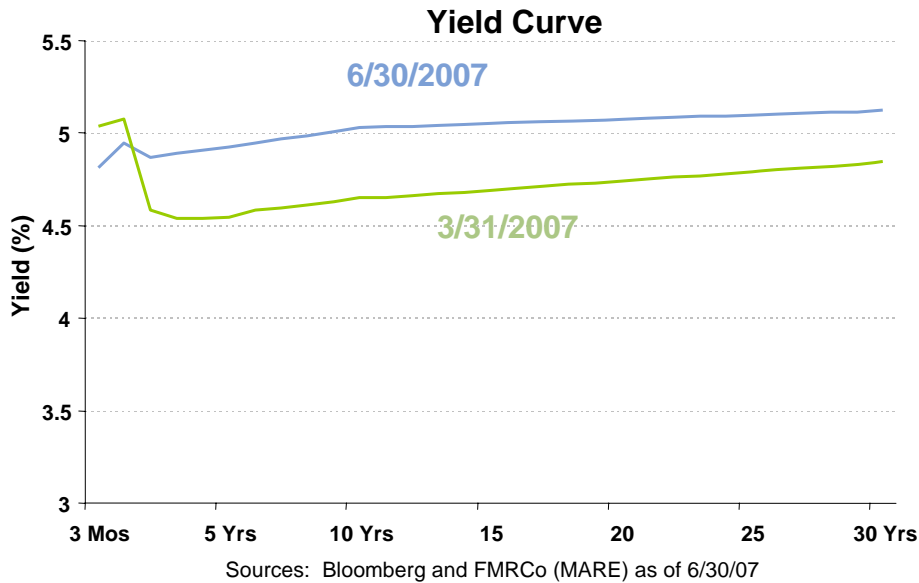
Due to inception dates – 10 year performance is not available for the LB US TIPS Index and the ML US HY Mstr II Const. Index.

In general, bond prices rise when interest rates fall, and vice versa. This effect is usually more pronounced for longer-term 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 value of inflation-protected debt securities tends to change less due to changes in inflation than other types of bonds but may decrease with decreases in inflation or, as with other debt securities, with increases in interest rates.

Interest Rates, Yields and Fed Fund Futures



Source: Financial Times, Haver, FMRCo (MARE) as of 6/30/2007

In general, bond prices rise when interest rates fall, and vice versa. This effect is usually more pronounced for longer-term securities.

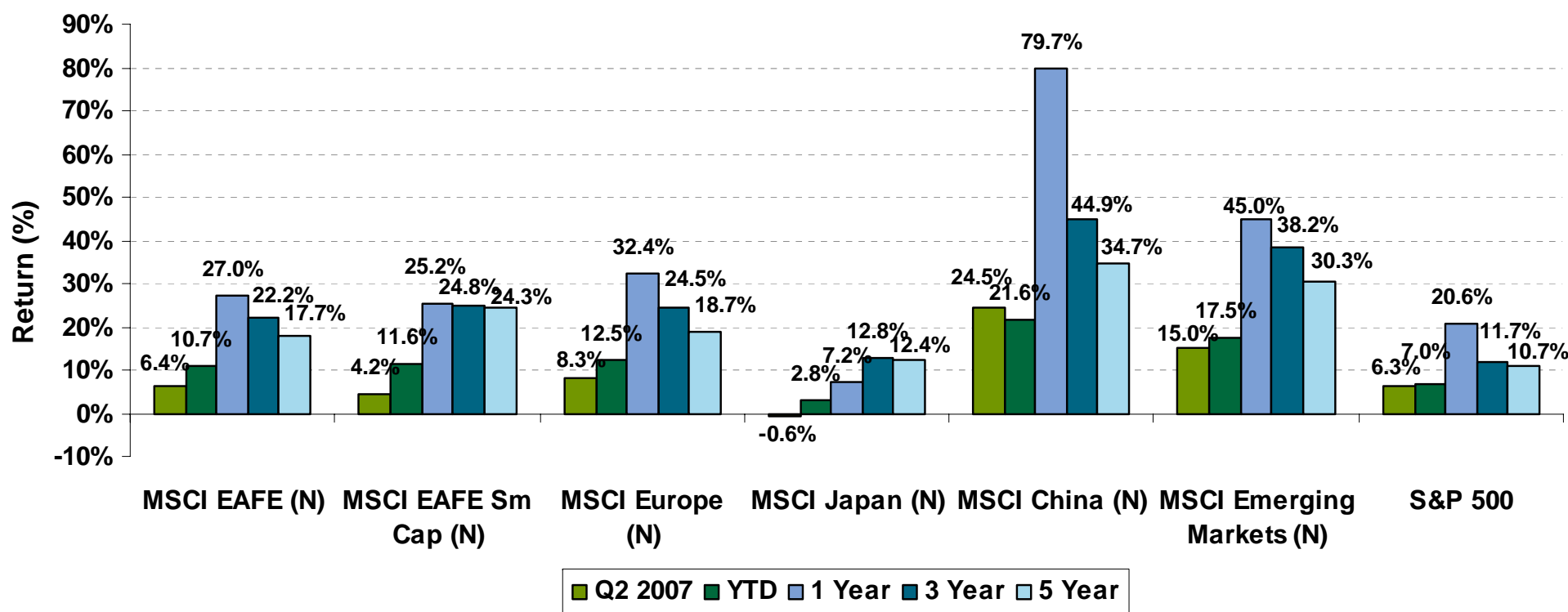
| | Number of Rate Increases Since Jan 2006 | Final Rate (%) |
|-----------|---|----------------|
| Eurozone | 7 | 4.00% |
| India* | 7 | 7.75% |
| U.K. | 4 | 5.50% |
| China | 4 | 6.57% |
| Australia | 3 | 6.25% |
| Japan | 2 | 0.50% |

Source: Haver Analytics, FMRCo (MARE) as of 6/30/2007

Official rates are the benchmark rates set or targeted by the country's central bank; number of rate increases are since Jan 1, 2006.

*Note: The Reserve Bank of India changed its benchmark interest rate from the reserve-repo rate to the repo rate in October of 2006. The number of rate increases and final rate % reflected above chains together policy adjustments for the reverse-repo rate from 1/06 through 10/06 (3 increases) and the repo rate thereafter (3 increases, final rate of 7.5%).

International Equity Markets as of June 30, 2007



Source: FMR Co 06/30/07

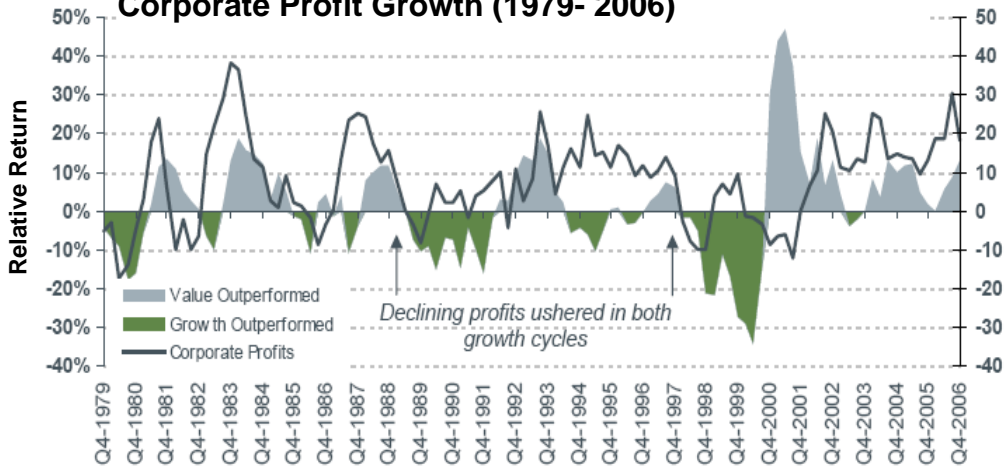
3 and 5 year performance numbers are average annual total return as of 06/30/07.

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.

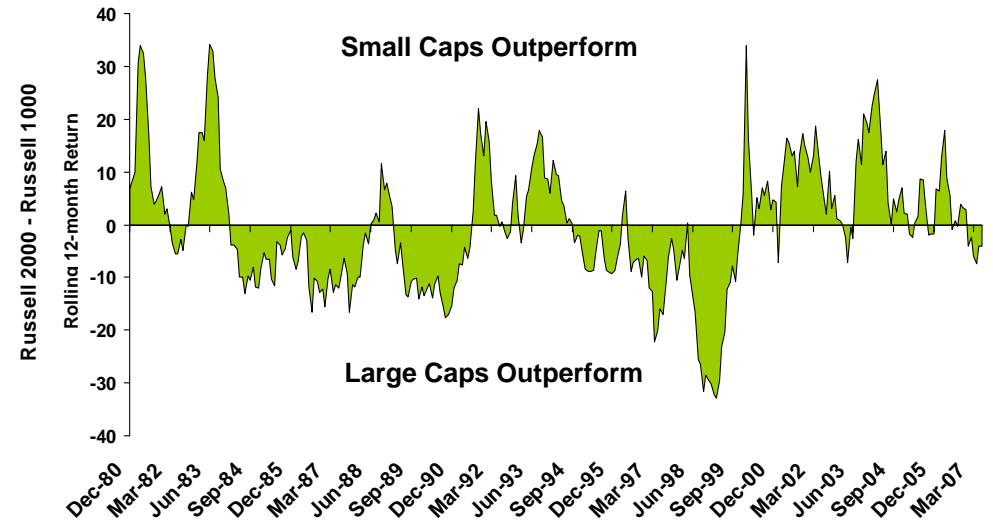
Past performance is no guarantee of future results.

Historical Relative Performance and Valuations

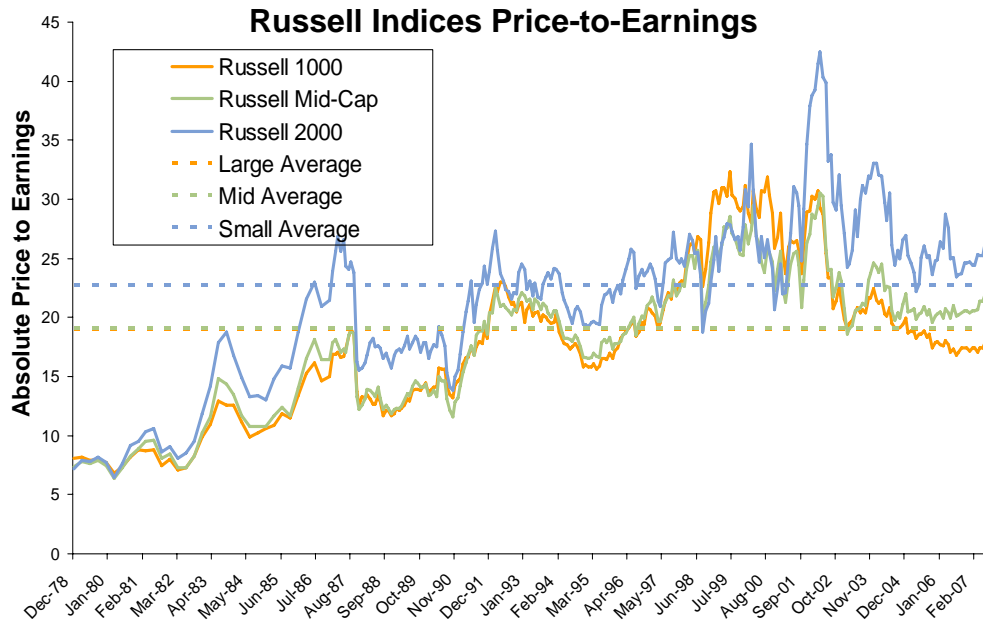
Value minus Growth Relative 1 Yr Performance vs. Corporate Profit Growth (1979- 2006)



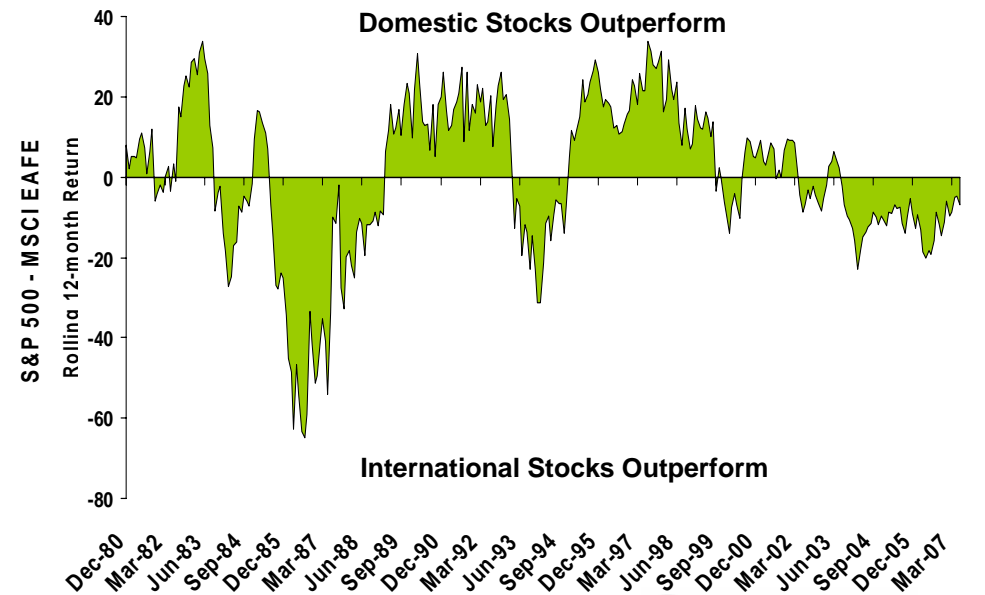
Source: FMRCo. Relative style performance is represented by Russell 3000 Value and Russell 3000 Growth Index. Corporate profits are represented by corporate profits before tax with valuation and capital consumption adjustments as reported by the Bureau of Economic Analysis.



Source: FMRCo as of 6/30/2007



Source: FactSet, Frank J. Russell as of 6/30/2007. Large & Mid averages are very close, only one line may be visible on the graph.



Source: FMRCo as of 6/30/2007

Market Perspective Notes

Federal Funds Futures Contracts: The federal funds futures contract is an interest rate futures contract that is based on the average federal funds rate over a particular calendar month. A contract can be written for any month up to 24 months in the future. A fed funds futures contract can be interpreted as specifying that one bank delivers an overnight loan to another bank at some future date at a predetermined interest rate, the federal funds futures rate. By entering into a fed funds futures contract, a bank is able to essentially “lock in” a rate for future borrowing or lending.

Consumer Price Index (CPI): A measure of change in consumer prices, as determined by a monthly survey of the U.S. Bureau of Labor Statistics. Among the more than 200 categories of expenditure items are the major items of housing costs, food, apparel, medical care, recreation, transportation and energy.

References to specific security, sector or investment strategy should not be construed as recommendations or investment advice. The statements and opinions are subject to change at any time, based on market and other conditions.

Past performance is no guarantee of future results.

Indices are unmanaged and you cannot invest directly in an index.

For Plan Sponsor Use Only

*Fidelity Investments Institutional Services Company, Inc.
82 Devonshire Street, Boston, MA 02109*

438442.4.0

Distribution of Plan Assets

Investment Options Spectrum

Categories to the left have potentially more inflation risk and less investment risk

Categories to the right have potentially less inflation risk and more investment risk

| Money Market | Managed Income | Bond | Balanced/Hybrid | Domestic Equity | | | International/Global Equity | Specialty | Company Stock |
|--------------|----------------|------|-----------------|--------------------|--------------------|--|--|-----------|---------------|
| | | | | <u>Large Value</u> | <u>Large Blend</u> | <u>Large Growth</u> Fidelity <i>Magellan</i> [®] Fund | Fidelity Diversified International Fund | | |
| | | | | <u>Mid Value</u> | <u>Mid Blend</u> | <u>Mid Growth</u> | | | |
| | | | | <u>Small Value</u> | <u>Small Blend</u> | <u>Small Growth</u> | | | |

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 mutual fund options, please read the prospectuses before making your investment decisions. The spectrum does not represent actual or implied performance.

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.

In general, bond prices rise when interest rates fall, and vice versa. This effect is usually more pronounced for longer-term securities.

Before investing in any mutual fund, please carefully consider the investment objectives, risks, charges and expenses. For this and other information, call or write Fidelity for a free prospectus. Read it carefully before you invest.

Fidelity Investments Institutional Services Company, Inc. 82 Devonshire Street, Boston, MA 02109

Plan Performance

Current Performance

Understanding investment performance: As you review this update, please remember that the performance data stated represents past performance, which does not guarantee future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance stated. Periods of market strength may not be repeated. To learn more or to obtain the most recent month-end performance, call Fidelity or visit www.401k.com.

% Rank in Category is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is one and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of one. % Rank in Category is based on total returns, which include reinvested dividends and capital gains, if any, and exclude sales charges.

HISTORICAL PERFORMANCE

*Average Annual Total Return for Periods
Ending June 30, 2007*

| Fund Name: | YTD | | | MStar | MStar | MStar | MStar | Inception Date | Short-term Trading Fee (% / days) | Expense Ratio |
|---|------------|---------|-------|------------|------------|------------|------------|----------------|-----------------------------------|---------------|
| | 07/31/2007 | 2Q 2007 | 1 YR | Count Rank | Count Rank | Count Rank | Count Rank | | | |
| Fidelity <i>Magellan</i> [®] Fund | 8.76 | 8.60 | 16.74 | 9.96 | 8.81 | 6.51 | 18.46 | 05/02/1963 | N/A | 0.53 |
| <i>S&P 500</i> | 3.64 | 6.28 | 20.59 | 11.68 | 10.71 | 7.13 | | | | |
| Morningstar Large Growth Funds (Count) | 6.41 | 6.70 | 17.17 | [1687] | 9.27 | [1426] | 8.96 | [1151] | 5.47 | [471] |
| Morningstar Large Growth % rank in Category | | | | 54% | 35% | 47% | 33% | | | |
| Fidelity Diversified International Fund | 10.18 | 7.77 | 25.72 | 22.14 | 19.02 | 12.78 | 12.81 | 12/27/1991 | 1.00/30 | 0.88 |
| <i>MSCI EAFE (Net MA)</i> | 9.25 | 6.51 | 27.20 | 22.54 | 17.98 | 7.89 | | | | |
| Morningstar Foreign Large Growth Funds (Count) | 9.58 | 7.11 | 27.20 | [222] | 21.09 | [183] | 15.80 | [155] | 7.02 | [60] |
| Morningstar Foreign Large Growth % rank in Category | | | | 56% | 35% | 9% | 11% | | | |

Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of Fund figures are reported as of the inception date to the period indicated. These figures do not include the effect of sales charges, if any, as these charges are waived for contributions made through your company's employee benefit plans. If sales charges were included, returns would have been lower.

Performance Notes

Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of Fund figures are reported as of the inception date to the period indicated. These figures do not include the effect of sales charges, if any, as these charges are waived for contributions made through your company's employee benefit plans. If sales charges were included, returns would have been lower.

Indices are unmanaged and you cannot invest directly in an index.

Morningstar, Inc., provided data on the non-Fidelity mutual funds. Although the data is gathered from reliable sources, accuracy and completeness cannot be guaranteed by Morningstar.

The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends and capital gains, if any, and excludes sales charges.

With the exception of domestic equity mutual funds, investment options have been assigned to investment categories based on Fidelity's analysis. Fidelity has verified the accuracy of the placement of certain third party non-mutual funds with either the plan sponsor or the plan sponsor's consultant. Within Domestic Equities, mutual funds are listed according to their actual 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 3 years and may change at any time. These style calculations do not represent the funds' objectives and do not predict the funds' future styles.

Expense Ratio Footnotes

Unless indicated below, expense ratio is after reductions and is an annualized figure which reflects amounts reimbursed by the fund company or reductions from brokerage service arrangements or other expense offset arrangements. For Fidelity Funds, it is from the fund's most current annual or semiannual report. For non-Fidelity funds, data is from the fund's most current annual report and is provided by Morningstar. This figure represents the net expenses paid by the fund and does not represent the amount paid by the fund during periods when reimbursements or reductions occur.

Morningstar Category Expense Ratio: This figure represents average net expense ratio paid by the funds in the Morningstar category. The information is based on the net expense ratio as reported in each fund's most current annual report and is provided by Morningstar.

Investment Risk

Fidelity Freedom Funds® are subject to the volatility of the financial markets in the U.S. and abroad and may be subject to the additional risk associated with investing in high yield, small cap, and foreign securities.

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.

In general, bond prices rise when interest rates fall, and vice versa. This effect is usually more pronounced for longer-term securities.

Before investing in any mutual fund, please carefully consider the investment objectives, risks, charges and expenses. For this and other information, call or write Fidelity for a free prospectus. Read it carefully before you invest.

Fidelity Investments Institutional Services Company, Inc. 82 Devonshire Street, Boston, MA 02109



 Quarterly Fund Overviews

FUND DESCRIPTION

Objective: Seeks capital appreciation.

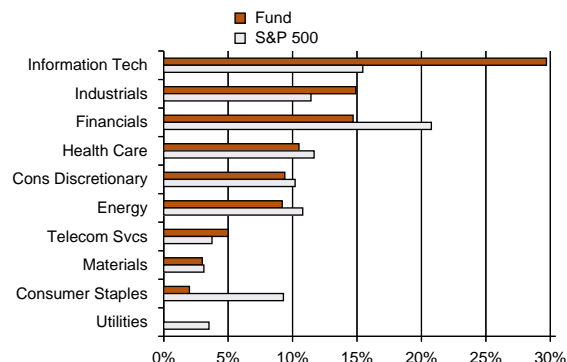
Strategy: Normally invests primarily in common stocks of domestic and foreign issuers. Invests in either "growth" stocks or "value" stocks or both. Uses fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments.

Risk: The value of the fund's domestic and foreign investments will vary from day to day in response to many factors. Stock values fluctuate in response to the activities of individual companies, and general market and economic conditions. Foreign investments may involve greater risks than U.S. investments. You may have a gain or loss when you sell your shares.

FUND FACTS

| | |
|---|-------------------|
| Ticker Symbol | FMAGX |
| Inception Date | 05/02/63 |
| Fund Manager | Harry Lange |
| Tenure on Fund | since 10/05 |
| Morningstar Category | Large Growth |
| Morningstar Overall Rating (06/07) [†] | ★★★★ (1426 Funds) |
| Total Net Assets (\$Million) | 44,373 |
| Expense Ratio | 0.54% |
| Mstar Cat Avg Peer Total Exp Ratio | 1.46% |
| Sh Term Trading Fee/Holding Period | N/A |
| Number of Holdings | 257 |
| Annual Turnover Rate (03/07) | 41% |

SECTOR WEIGHTINGS - 06/30/07



Examples of specific sectors are given for illustrative purposes only and should not be used or construed as a recommendation for any sector.

TOP 10 HOLDINGS - 06/30/07

| Company |
|--------------------------------|
| 1. NOKIA CORP SPON ADR |
| 2. CORNING INC |
| 3. GOOGLE INC A |
| 4. AMER INTL GROUP INC |
| 5. PEABODY ENERGY CORP |
| 6. STAPLES INC |
| 7. SCHLUMBERGER LTD |
| 8. CANADIAN NATL RESOURCES LTD |
| 9. AT&T INC |
| 10. ALLERGAN INC |

% of TNA: 26.7

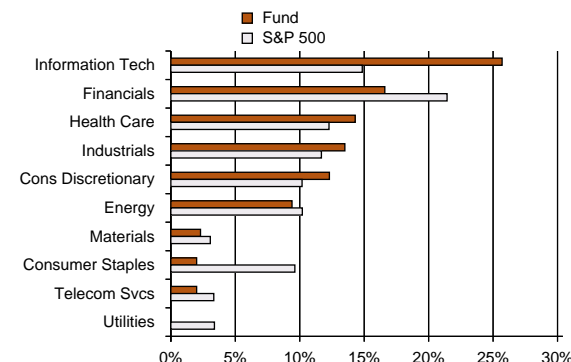
TOP 10 HOLDINGS - 06/30/06

| Company |
|---------------------------|
| 1. NOKIA CORP SPON ADR |
| 2. SCHLUMBERGER LTD |
| 3. JOHNSON & JOHNSON |
| 4. UNITEDHEALTH GROUP INC |
| 5. GENERAL ELECTRIC CO |
| 6. PEABODY ENERGY CORP |
| 7. AMER INTL GROUP INC |
| 8. GOOGLE INC A |
| 9. GENENTECH INC |
| 10. CORNING INC |

% of TNA: 26.9

The top 10 holdings are presented to illustrate examples of the holdings in which the fund may invest, and may not be representative of the fund's current or future investments. Holdings for stock funds do not include money market investments or futures contracts.

SECTOR WEIGHTINGS - 06/30/06



| Portfolio Characteristics | Fund Positions | S&P 500 Positions |
|------------------------------|----------------|-------------------|
| Avg Wgt Mkt Cap (\$B) | 55.00 | 104.60 |
| Med Wgt Mkt Cap (\$B) | 31.60 | 61.40 |
| P/E Ratio (12 Mo Trailing) | 21.7x | 16.8x |
| P/B Ratio | 3.8x | 2.9x |
| Dividend Yield | 0.90% | 1.80% |
| 5 Year Hist EPS Growth | 27.70% | 19.60% |
| Portfolio Statistics (3 Yr.) | Fund | S&P 500 |
| R ² | 0.79 | 1.00 |
| Beta | 1.05 | 1.00 |
| Alpha | -2.01% | 0.00% |
| Standard Deviation | 8.72% | 7.40% |
| Sharpe Ratio | 0.72 | 1.05 |
| Information Ratio | -0.37 | 0.00 |
| Asset Allocation | | |
| Equities | 98.7% | |
| Convertibles | 0.0% | |
| Bonds | 0.0% | |
| Cash & Other | 1.3% | |
| Foreign Investments | 28.5% | |

The asset allocation information reflects the fund's investments on the date indicated and may not be representative of the fund's current or future allocation.

The dividend yield of the fund's and benchmark's positions represents the asset-weighted average dividend yield of the underlying equity positions at calendar quarter end. It in no way represents the yield or performance of the fund or benchmark.

[†] The Overall Morningstar Rating[™] for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, calculated as of the date shown (at least as recent as quarter end).

FIDELITY MAGELLAN[®] FUND

QUARTERLY FUND OVERVIEW (QFO)

Second Quarter - June 30, 2007

PERFORMANCE

| | Cumulative Returns (%) | | | Average Annual Returns (%) | | | | Calendar Year Returns (%) | | | | |
|----------------------------|------------------------|-------|------------|----------------------------|------------|----------|-------|---------------------------|------------|------------|------------|------------|
| | 3 Mo | YTD | 1 Year | 3 Year | 5 Year | 10 Year | LOF | 2006 | 2005 | 2004 | 2003 | 2002 |
| Fund | 8.60 | 10.78 | 16.74 | 9.96 | 8.81 | 6.51 | 18.46 | 7.22 | 6.42 | 7.49 | 24.82 | -23.66 |
| S&P 500 | 6.28 | 6.96 | 20.59 | 11.68 | 10.71 | 7.13 | - | 15.79 | 4.91 | 10.88 | 28.68 | -22.10 |
| Large Growth Cat Avg | 6.70 | 8.13 | 17.17 | 9.27 | 8.96 | 5.47 | - | 7.26 | 7.00 | 8.36 | 29.33 | -26.69 |
| % Rank in Category (Count) | (-) | (-) | 54 (1,687) | 35 (1,426) | 47 (1,151) | 33 (471) | (-) | 48 (1,691) | 40 (1,851) | 79 (1,485) | 68 (1,221) | 69 (1,132) |

Understanding investment performance: As you review this update, please remember that the performance data stated represents past performance, which does not guarantee future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance stated. To learn more or to obtain the most recent month-end performance, call Fidelity or visit www.401k.com. Indices are unmanaged and you cannot invest directly in an index.

Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of Fund figures are reported as of the inception date to the period indicated. These figures do not include the effect of sales charges, if any, as these charges are waived for contributions made through your company's employee benefit plans. If sales charges were included, returns would have been lower.

% Rank in Category is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is one and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of one. The number in parentheses represents the number of funds in the category. % Rank in Category is based on total returns, which include reinvested dividends and capital gains, if any, and exclude sales charges.

For a mutual fund, the expense ratio is the total annual fund or class operating expenses (before waivers or reimbursements) paid by the fund and stated as a percent of the fund's total net assets. Mutual fund data has been drawn from the most recent prospectus.

Morningstar Category Expense Ratio: This figure represents average net expense ratio paid by the funds in the Morningstar category. The information is based on the net expense ratio as reported in each fund's most current annual report and is provided by Morningstar.

Performance Commentary

During the second quarter of 2007, the U.S. equity markets registered positive returns, primarily due to solid corporate earnings growth and increased merger and acquisition (M&A) activity. Investor expectations for continued, albeit moderating profit growth, propelled most equity indices near their all-time highs. However, the markets witnessed volatility late in the quarter, as strengthening economic data and persistent inflationary pressure sparked concerns that the Federal Reserve Board (Fed) may raise its federal funds rate before the end of the year. Within the S&P 500[®] Index, the energy sector posted the highest return. Rising oil and natural gas prices, driven by geopolitical concerns, benefited energy stocks. The utilities sector had the worst performance during the quarter as rising interest rates dampened its appeal among market participants. The Fidelity Magellan Fund outperformed its benchmark, the S&P 500[®] Index. An overweighting in the information technology sector, mainly in hardware companies, contributed to the fund's relative return. Here, top-holding Nokia was the largest contributor. The company benefited from robust demand for mobile phones in emerging markets. Furthermore, favorable stock selection in the industrials sector, particularly holdings in the capital goods industries, augmented the fund's return. Within industrials, holdings in a solar energy company helped, as the company posted strong earnings driven by higher prices and increased production. On the other hand, stock selection in the consumer discretionary sector, particularly retailing and consumer durables holdings, detracted from performance. Within retailing, an overweighting in Staples, an office supplies retailer, held back the fund's return. The company's share price fell on lower-than-expected, first-quarter sales and a cautious earnings outlook. Stock choices in the pharmaceuticals, bio-technology and life science industries also dampened the fund's return. Here, an overweighting in a Japanese pharmaceutical company detracted. The company's share price fell on a lower-than-expected price set for its cancer drug by the Japanese health ministry. During the 12-month period ended June 30, 2007, the U.S. equity markets generated double-digit returns, as measured by the S&P 500 Index. The markets gained due to healthy corporate earnings, M&A activity and continued economic growth. The Fed's decision to keep the federal funds rate unchanged, despite inflationary concerns, bolstered investor sentiment during the period. Within the S&P 500 Index, the telecommunication services sector registered the highest return due to growth in wireless and data services businesses, as well as merger-related cost synergies. In contrast, the financials sector posted the worst performance as defaults among subprime mortgage borrowers weighed on financials stocks. The Fidelity Magellan Fund trailed its benchmark for the 12-month period. Stock selection in the energy sector lowered the fund's return. Here, holdings in coal producers, including top-10 holding Peabody Energy, detracted. The shares of coal producers fell on lower earnings, hurt by weaker demand amid mild U.S. weather conditions. An underweighting in integrated oil companies, which gained on strong earnings driven by higher refining margins, also hurt performance. Furthermore, stock choices in the retailing, consumer durables & apparel, and consumer services industries hampered the fund's return. An overweighting in a coffee retailer detracted. The company lowered its earnings guidance because of rising dairy costs and slowing U.S. sales. On the other side, stock choices in the capital goods industry benefited in the fund. As in the quarter, a solar energy company contributed the most. The fund also benefited from stock selection in the insurance industry, where a position in a Chinese life insurer helped. The company reported robust earnings due to strong premium growth and higher investment returns.

The views expressed herein are only through the period noted and are subject to change at any time based on market and other conditions.

The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends and capital gains, if any, and excludes sales charges.

For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating (based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance, including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and is rated separately, which may cause slight variations in the distribution percentages.) The Overall Morningstar Rating[™] for a fund is derived from a weighted average of the performance figures associated with its three-, five-, and ten-year (if applicable) Morningstar Rating metrics, calculated as of the date shown (at least as recent as quarter end). If the fund has multiple share classes, the Morningstar Rating is for the share class specified only; other classes may have different performance characteristics. The fund rated 4, 3, and 4 stars out of 1426, 1151, and 471 funds in the category for the three-, five-, and ten-year periods respectively. Past performance is no guarantee of future results.

© 2007 Morningstar, Inc. All rights reserved. The information contained herein: 1) is proprietary to Morningstar and/or its affiliates; 2) may not be copied or distributed; 3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Fidelity does not review the Morningstar data, and for mutual fund performance information, you should check the fund's current prospectus for the most up-to-date information concerning applicable loads, fees, and expenses.

Before investing in any mutual fund, please carefully consider the investment objectives, risks, charges and expenses. For this and other information, call or write Fidelity for a free prospectus. Read it carefully before you invest. All numbers are unaudited.

Fidelity Investments Institutional Services Company, Inc., 82 Devonshire Street, Boston, Massachusetts 02109

FOR PLAN SPONSOR USE ONLY

466411



FIDELITY DIVERSIFIED INTERNATIONAL FUND

QUARTERLY FUND OVERVIEW (QFO)

Second Quarter - June 30, 2007

FUND DESCRIPTION

Objective: Seeks capital growth.

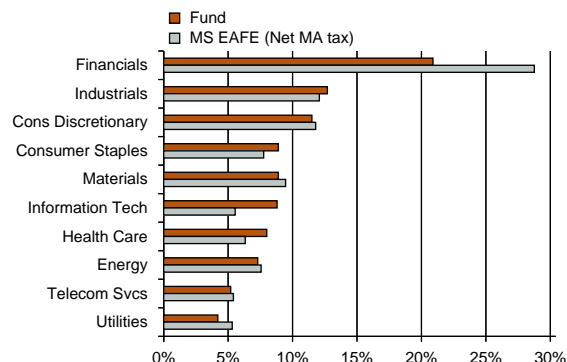
Strategy: Normally investing primarily in non-U.S. securities. Normally invests primarily in common stocks. Allocates investments across countries and regions considering size of the market in each country and region relative to size of the international market as a whole.

Risk: The value of the fund's domestic and foreign investments will vary from day to day in response to many factors. Stock values fluctuate in response to the activities of individual companies, and general market and economic conditions. You may have a gain or loss when you sell your shares. The securities of small, less well-known companies may be more volatile than those of larger companies. In addition to those general risks, international investing involves different or increased risks. The performance of international funds depends upon currency values, political and regulatory environments, and overall market and economic factors in the countries in which they invest. The risks are magnified in countries with emerging markets, since these countries may have relatively unstable governments and less established markets and economies.

FUND FACTS

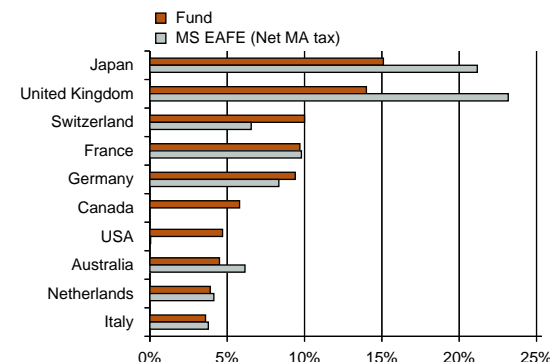
| | |
|---|----------------------|
| Ticker Symbol | FDIVX |
| Inception Date | 12/27/91 |
| Fund Manager | William Bower |
| Tenure on Fund | since 4/01 |
| Morningstar Category | Foreign Large Growth |
| Morningstar Overall Rating (06/07) [†] | ★★★★ (183 Funds) |
| Total Net Assets (\$Million) | 53,189 |
| Expense Ratio | 1.01% |
| Mstar Cat Avg Peer Total Exp Ratio | 1.80% |
| Sh Term Trading Fee/Holding Period | 1%/30 days |
| Number of Holdings | 349 |
| Annual Turnover Rate (04/07) | 61% |

SECTOR WEIGHTINGS



Examples of specific sectors and/or countries are given for illustrative purposes only and should not be used or construed as a recommendation for any sector and/or country.

TOP COUNTRY WEIGHTINGS



TOP 10 HOLDINGS - 06/30/07

| Company |
|---------------------------------|
| 1. ROCHE HLDGS GENUSSSCHEINE |
| 2. BAYER AG |
| 3. VODAFONE GROUP PLC SPON ADR |
| 4. TOYOTA MOTOR CORP ADR 2 |
| 5. FIAT SPA |
| 6. TESCO PLC |
| 7. CANADIAN NATL RESOURCES LTD |
| 8. NINTENDO CO LTD |
| 9. E.ON AG |
| 10. UNICREDITO ITALIANO SPA ORD |

% of TNA: 14.3

TOP 10 HOLDINGS - 06/30/06

| Company |
|--------------------------------|
| 1. ROCHE HLDGS GENUSSSCHEINE |
| 2. NOVARTIS AG SPON ADR |
| 3. SANOFI AVENTIS SPON ADR |
| 4. ORIX CORP |
| 5. UBS AG REG (USA) |
| 6. ING GROEP NV CVA |
| 7. UNICREDITO ITALIANO SPA ORD |
| 8. TOTAL SA SPONS ADR |
| 9. RENAULT SA ORD |
| 10. MIZUHO FINANCIAL GROUP INC |

% of TNA: 12.4

The top 10 holdings are presented to illustrate examples of the holdings in which the fund may invest, and may not be representative of the fund's current or future investments. Holdings for stock funds do not include money market investments or futures contracts.

| Portfolio Characteristics | Fund Positions | MS EAFE (Net MA tax) Positions |
|------------------------------|----------------|--------------------------------|
| Avg Wgt Mkt Cap (\$B) | 54.30 | - |
| Med Wgt Mkt Cap (\$B) | 36.20 | - |
| P/E Ratio (12 Mo Trailing) | 18.1x | - |
| P/B Ratio | 3.0x | - |
| Dividend Yield | 1.80% | - |
| 5 Year Hist EPS Growth | 22.40% | - |
| Portfolio Statistics (3 Yr.) | Fund | MS EAFE (Net MA tax) |
| R ² | 0.95 | 1.00 |
| Beta | 1.07 | 1.00 |
| Alpha | -1.61% | 0.00% |
| Standard Deviation | 10.20% | 9.33% |
| Sharpe Ratio | 1.67 | 1.85 |
| Information Ratio | -0.10 | 0.00 |
| Asset Allocation | | |
| Equities | 96.4% | |
| Convertibles | 0.0% | |
| Bonds | 0.0% | |
| Cash & Other | 3.6% | |
| Foreign Investments | 95.0% | |

The asset allocation information reflects the fund's investments on the date indicated and may not be representative of the fund's current or future allocation.

The dividend yield of the fund's and benchmark's positions represents the asset-weighted average dividend yield of the underlying equity positions at calendar quarter end. It in no way represents the yield or performance of the fund or benchmark.

[†] The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, calculated as of the date shown (at least as recent as quarter end).

FIDELITY DIVERSIFIED INTERNATIONAL FUND

QUARTERLY FUND OVERVIEW (QFO)

Second Quarter - June 30, 2007

PERFORMANCE

| | Cumulative Returns (%) | | | Average Annual Returns (%) | | | | Calendar Year Returns (%) | | | | |
|------------------------------|------------------------|-------|----------|----------------------------|---------|---------|-------|---------------------------|----------|----------|---------|---------|
| | 3 Mo | YTD | 1 Year | 3 Year | 5 Year | 10 Year | LOF | 2006 | 2005 | 2004 | 2003 | 2002 |
| Fund | 7.77 | 11.10 | 25.72 | 22.14 | 19.02 | 12.78 | 12.81 | 22.52 | 17.23 | 19.66 | 42.38 | -9.37 |
| MS EAFE (Net MA tax) | 6.51 | 10.88 | 27.20 | 22.54 | 17.98 | 7.89 | - | 26.53 | 13.72 | 20.42 | 38.97 | -15.74 |
| Foreign Large Growth Cat Avg | 7.11 | 10.65 | 27.20 | 21.09 | 15.80 | 7.02 | - | 24.23 | 14.98 | 16.74 | 35.07 | -17.99 |
| % Rank in Category (Count) | -(-) | -(-) | 56 (222) | 35 (183) | 9 (155) | 11 (60) | - (-) | 61 (246) | 34 (223) | 17 (203) | 5 (207) | 5 (188) |

Understanding investment performance: As you review this update, please remember that the performance data stated represents past performance, which does not guarantee future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance stated. To learn more or to obtain the most recent month-end performance, call Fidelity or visit www.401k.com. Indices are unmanaged and you cannot invest directly in an index.

Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of Fund figures are reported as of the inception date to the period indicated. These figures do not include the effect of sales charges, if any, as these charges are waived for contributions made through your company's employee benefit plans. If sales charges were included, returns would have been lower.

% Rank in Category is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is one and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of one. The number in parentheses represents the number of funds in the category. % Rank in Category is based on total returns, which include reinvested dividends and capital gains, if any, and exclude sales charges.

For a mutual fund, the expense ratio is the total annual fund or class operating expenses (before waivers or reimbursements) paid by the fund and stated as a percent of the fund's total net assets. Mutual fund data has been drawn from the most recent prospectus.

Morningstar Category Expense Ratio: This figure represents average net expense ratio paid by the funds in the Morningstar category. The information is based on the net expense ratio as reported in each fund's most current annual report and is provided by Morningstar.

Performance Commentary

During the second quarter of 2007, the global economies registered robust growth marked by an improved outlook for the U.S. and international economies, strong corporate earnings and high market liquidity. Liquidity, in particular, continued to fuel an environment of consolidation and private equity buyouts. However, concerns about defaults in the subprime mortgage industry and rising energy prices weighed on investor sentiment, particularly in the U.S. The U.S. Federal Reserve and the Bank of Japan, kept their benchmark interest rates constant. However, other central banks across the world, including the European Central Bank and the Bank of England, raised their benchmark interest rates to counter inflationary concerns. From a global perspective, the energy and the materials sectors had the best performance due to high demand, amid rising global infrastructure spending. In contrast, healthcare was the worst performing sector. Of the 23 national market constituents within the MSCI[®] World index, 22 reported positive returns when measured in U.S. dollar terms. Canada, New Zealand and some developed countries in Europe posted impressive results. In Europe, high consumer spending, strong corporate performance and industry consolidation were the main themes, against a backdrop of low unemployment. However, a defining feature of global growth this quarter was the contribution from developing countries, with China, Brazil and India, in particular, posting stellar returns. Japan, however, ended the period in negative territory, hurt by a weak yen. For U.S. investors, a weakening dollar versus most of the world's currencies was a positive, providing them with additional returns on the conversion of their foreign investments back into dollars. During this period, the Fidelity Diversified International Fund outperformed the MSCI[®] EAFE[®] Index. The financials sector was the biggest contributor to the fund's relative return, helped by an underweighting in the banking and real estate industry groups and favorable stock selection in key emerging-markets banks. The fund also benefited from holdings in the utilities sector that gained against a backdrop of industry consolidation across Europe. Favorable security selection in the telecommunications services sector also helped bolster performance. On the other hand, holdings in the materials sector detracted the most from fund performance as a result of certain stock choices and not owning some of the better performing companies in this sector. The industrials sector also restrained returns owing to unfavorable stock positions in the transportation industry.

The views expressed herein are only through the period noted and are subject to change at any time based on market and other conditions.

The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends and capital gains, if any, and excludes sales charges.

For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating (based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance, including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and is rated separately, which may cause slight variations in the distribution percentages.) The Overall Morningstar Rating[™] for a fund is derived from a weighted average of the performance figures associated with its three-, five-, and ten-year (if applicable) Morningstar Rating metrics, calculated as of the date shown (at least as recent as quarter end). If the fund has multiple share classes, the Morningstar Rating is for the share class specified only; other classes may have different performance characteristics. The fund rated 3, 4, and 5 stars out of 183, 155, and 60 funds in the category for the three-, five-, and ten-year periods respectively. Past performance is no guarantee of future results.

© 2007 Morningstar, Inc. All rights reserved. The information contained herein: 1) is proprietary to Morningstar and/or its affiliates; 2) may not be copied or distributed; 3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Fidelity does not review the Morningstar data, and for mutual fund performance information, you should check the fund's current prospectus for the most up-to-date information concerning applicable loads, fees, and expenses.

Before investing in any mutual fund, please carefully consider the investment objectives, risks, charges and expenses. For this and other information, call or write Fidelity for a free prospectus. Read it carefully before you invest.

All numbers are unaudited.

Fidelity Investments Institutional Services Company, Inc., 82 Devonshire Street, Boston, Massachusetts 02109

FOR PLAN SPONSOR USE ONLY

466415





 Appendix

▶ Regulatory Update SEC Redemption Fee (Rule 22c-2)

» Overview:

- SEC adopted in March 2005 to address market timing in accounts held by financial intermediaries in omnibus accounts
- The Rule requires, with exceptions, that mutual fund companies:
 - Either impose a redemption fee for short term trades in mutual funds or determine that a redemption fee is not necessary or appropriate for the funds
 - Enter into information sharing agreements with their financial intermediaries
- The Rule requires that financial intermediaries (i.e., Fidelity as recordkeeper)
 - Contractually agree to provide, upon the fund company's request, shareholder identification and transaction information for positions held in accounts
 - Execute instructions from the fund company to restrict or prohibit any additional purchases or exchanges by a shareholder identified as having violated the fund's market timing policies

» Implications:

- Fidelity must execute information sharing agreements with all mutual fund companies with covered funds on Fidelity's recordkeeping platform
 - Amendments sent to all such mutual fund companies to update their legal agreement that governs the trading of their funds to ensure Rule 22c-2 compliance; return date of February 16 required

**The deadline for execution of the information sharing agreements is April 16, 2007.
Implementation date is October 16, 2007.**

General Notes

Fidelity Freedom Funds® are subject to the volatility of the financial markets in the U.S. and abroad and may be subject to the additional risk associated with investing in high yield, small cap, and foreign securities.

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.

In general, bond prices rise when interest rates fall, and vice versa. This effect is usually more pronounced for longer-term securities.

Because of their narrow focus, sector funds may be more volatile than funds that diversify across many sectors.

Investments in smaller companies may involve greater risk than those in larger, more well known companies.

An investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in these funds.

©2006 Morningstar, Inc. All rights reserved. The Morningstar information contained herein: 1) is proprietary to Morningstar and/or its affiliates; 2) may not be copied or distributed; 3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Fidelity does not review the Morningstar data, and for mutual fund performance information, you should check the fund's current prospectus for the most up-to-date information concerning applicable loads, fees, and expenses.

This presentation is for the sole use of [City of Los Angeles](#) and may not be distributed to the public.

Before investing in any mutual fund, please carefully consider the investment objectives, risks, charges and expenses. For this and other information, call or write Fidelity for a free prospectus. Read it carefully before you invest.

Fidelity Investments Institutional Services Company, Inc. 82 Devonshire Street, Boston, MA 02109

433415

templ.ir.0806

Fidelity Confidential

