E.C. Johnson 3d Letter to Shareholders/Customers/Employees

December 21, 2006

An Open Letter from Edward C. Johnson 3d, Chairman of the Board of Trustees of the Fidelity Mutual Funds

Dear Shareholders, Customers, Clients and Employees:

More than two years ago, the NASD brought to our attention information that a number of our equity traders and supervisors had accepted lavish travel, entertainment, gifts and gratuities (TEGG) from broker-dealers who execute trades for the Fidelity mutual funds. We investigated these violations of our policies and as a result, we took action against these individuals. Some were fined, some have left the company, none who were involved in serious misconduct are associated any longer with equity trading at Fidelity. In addition, we enhanced appropriate policies, conducted extensive training and education, and added new management oversight of the equity trading operation.

Investigations also have been conducted by the Securities and Exchange Commission and NASD, as well as by the Independent Trustees of the Fidelity Funds. We have cooperated fully with all of these investigations.

Although this matter has not yet been resolved with the SEC and the NASD, the Independent Trustees' inquiry has been completed and we have reached agreement on a settlement of this matter that is discussed in a report issued by the Independent Trustees.

The report - which can be found on this Web site - states:

"The Independent Trustees believe that, in spite of the absence of proof that the (Fidelity) Funds experienced diminished execution quality as a result of traders' improper receipt of TEGG, the conduct at issue was serious (and) is worthy of redress…" The report also states: "… inadequate supervision and other shortcomings exposed the Funds to the potential risks of adverse publicity, loss of credibility with their principal regulators, and loss of Fund shareholders."

These are serious charges. On behalf of myself and Fidelity, I extend an apology for this improper behavior. In addition, although there was an absence of proof of diminished execution quality, there is no question that the Funds were put at potential risk, as identified in the Trustees' report. Therefore, I have agreed that Fidelity should pay a penalty set by the Trustees for this misbehavior and the company's failure to stop it.

Under the terms of the settlement with the Independent Trustees, Fidelity has made arrangements to pay $42 million plus interest to the Fidelity Mutual Funds based on an allocation formula to be agreed to with the Independent Trustees. Fidelity also has committed to make comparable distributions to institutional and other accounts it advises, and to pay the costs of the Independent Trustees' investigation. Fidelity has agreed further to continue the enhanced oversight of its traders and to carry on its work aimed at reducing trading costs as much as possible consistent with overall best execution.

We are continuing to work with the SEC to resolve this matter and are hopeful that our agreement with the Independent Trustees will provide a basis for that resolution.

We believe that under the leadership of first Marvin L. Mann, then Robert M. Gates and now Ned C. Lautenbach, the Independent Trustees have reached a reasonable and just resolution of this issue. We also appreciate the SEC's wisdom in permitting the Independent Trustees to complete their work in advance of the final resolution with the Commission.

Fidelity Statement In Response To Independent Trustees' Report

More than two years ago, the National Association of Securities Dealers and the Securities and Exchange Commission began investigations into the acceptance by Fidelity equity traders of gifts, gratuities and business entertainment from brokers with whom Fidelity Investments did business in 2002 to late 2004.

In the fall of 2004, Fidelity Investments began its own internal review of the matter and found that certain individuals on its equity trading desk had violated its own policy and procedures by accepting lavish gifts and entertainment from brokers with whom Fidelity does business.

Fidelity took strong disciplinary action against those individuals involved in this misconduct, including sanctions, fines, suspensions, demotions and, in appropriate cases, termination from employment. Those responsible for the most serious misconduct have long since left the firm or been reassigned to projects outside the trading desk.

While Fidelity has stated repeatedly over the last two years that we deeply regret this behavior, it is important to note that this misconduct was an aberration and not at all indicative of Fidelity's record of commitment to the interests of fund shareholders and to other clients. Fidelity has a longstanding record of demonstrating our commitment to ethical conduct and compliance with the rules and regulations of our industry.

Throughout the two-year investigation, the Board of Trustees of the Fidelity Group of mutual funds has been kept apprised of all matters related to Fidelity's own review and to the ongoing regulatory investigations. The Independent Trustees of the Board also embarked on their own investigation of the matter beginning in 2005 and today announced the conclusions of that review.

Fidelity Investments has cooperated fully with the Independent Trustees' investigation and concurs with the conclusion reached by the Trustees that "in spite of the absence of proof that the Funds experienced diminished execution quality" it is appropriate for Fidelity to make a one-time payment of $42 million plus interest to the funds. We will also separately reimburse the funds for expenses incurred by the Independent Trustees in the conduct of their review. We have also committed to make comparable payments to institutional and other accounts we advise.

As the Trustees note, we undertook several other corrective actions in 2004 and early 2005 to address the issues raised by our own internal investigation of this matter in order to further enhance the trading operation and bring benefits to fund shareholders and other clients. Among the steps taken by Fidelity once it became aware of this issue in 2004, were: restructuring and enhancing the trading desk and its management team; expanding the resources and role of the Ethics Office, which is primarily responsible for firm-wide compliance; revamping and enhancing appropriate policies and procedures; and conducting extensive training and education of all investment management and other employees of the new policies and procedures.

It is also important to note that Fidelity's fundamental trading practices are recognized throughout the industry as being sound and well-designed to enable our mutual funds, institutional commingled pools and separate accounts to trade effectively and efficiently. The industry's largest benchmarking consulting firm has established that Fidelity has consistently achieved superior trade execution for its fund shareholders.

Over the past decade alone, Fidelity has invested significant amounts of its own money in state-of-the-art technology and implemented major changes on the trading desk to enhance execution quality, resulting in a savings of $1.5 billion during the 2002-2004 period to Fidelity fund shareholders and other clients, and billions more over the entire decade. The trading desk as a whole has outperformed the market while reducing average commission rates below industry averages. Fidelity is one of only six firms out of 158 tracked by an industry expert that performed in the top quartile of rankings in every quarter from the beginning of 2002 through 2004.

Fidelity has continued its leadership in driving down commission rates and reducing costs for fund shareholders and investors by implementing additional innovations to improve investment returns, such as unbundling the payment of trade execution commissions from research payments.

Fidelity's commitment to its fund shareholders and investors remains absolute

In closing, I again apologize for the misconduct that has occurred. This is not the Fidelity way, and I assure you that we have redoubled our efforts to improve all aspects of our business and to uphold our historical standards of honesty, integrity and ethical behavior.

Sincerely,

Edward C. Johnson 3d

Report and Conclusions of the Independent Trustees of the Fidelity Funds on Fidelity Traders' Receipt of Improper Travel, Entertainment, Gifts and Gratuities

On July 20, 2005, the Independent Trustees of the Fidelity Funds ("Funds") authorized an independent review with the objective of developing an authoritative, independent assessment of whether, and to what extent, the Funds may have been impacted as a result of the acceptance by some traders employed on Fidelity's equity trading desk of travel, entertainment, gifts and gratuities ("TEGG") in violation of Fidelity policies.

The Honorable John S. Martin, Jr. was engaged to conduct the review. The Independent Trustees instructed Judge Martin to conduct a thorough, authoritative and independent assessment of the adverse impact on the Funds, if any, resulting from trades initiated by Fidelity traders in recognition of improper TEGG. To assist Judge Martin in this effort, an economic consultant was engaged in mid-September 2005 to perform an econometric and statistical analysis of Fund trading activity during the relevant period. During the course of this inquiry, Judge Martin met with the Independent Trustees as a group and with the Funds' Governance and Nominating Committee. Judge Martin also spoke frequently with the Chairman of the Independent Trustees.

The Independent Trustees accepted Judge Martin's final report of his investigation on November 16, 2006.

Judge Martin directed the economic consultant to conduct a statistical analysis of trades placed by specific Fidelity traders that had been identified by the Securities and Exchange Commission ("SEC") as having received improper TEGG from specified brokers. Judge Martin also conducted interviews, reviewed email and other communications among traders and brokers, and reviewed testimony that was taken in the course of the SEC inquiry into this matter. At the end of his review and consideration of this material, including the statistical analysis conducted by the economic consultant, Judge Martin concluded that it was not possible to prove statistically that traders' receipt of TEGG did or did not result in excessive execution costs for the Funds. Judge Martin also concluded that certain traders had misdirected order flow among the brokerage firms on Fidelity's approved list. Judge Martin then relied on elements of the statistical analysis as well as other considerations to recommend that Fidelity pay the affected Funds $40.7 million, plus interest and expenses of the investigation.

The Independent Trustees believe that Judge Martin's inquiry has provided a thorough, exhaustive and technically sound basis on which to propose a resolution of this matter on behalf of the Funds. The Independent Trustees believe that, in spite of the absence of proof that the Funds experienced diminished execution quality as a result of traders' receipt of improper TEGG, the conduct at issue was serious, is worthy of redress and, as Judge Martin concluded, any uncertainty should be resolved in favor of the Funds. The Independent Trustees further note that inadequate supervision and other shortcomings exposed the Funds to the potential risks of adverse publicity, loss of credibility with their principal regulators, and loss of Fund shareholders. Drawing on Judge Martin's exhaustive investigation, as well as their own inquiry and deliberations concerning this matter, the Independent Trustees believe that it would be appropriate for Fidelity to pay to the affected Funds $42 million, plus interest and expenses.

The Independent Trustees request that Fidelity submit for Independent Trustee approval a proposed allocation among the affected Funds of the amounts payable by Fidelity to them.

In reaching these conclusions, the Independent Trustees considered Fidelity's remedial efforts in response to the TEGG matter, and positive actions with respect to brokerage practices generally, including new management in the trading room and other personnel actions, a heightened emphasis on a culture of compliance surrounding the equity trading desk, and the development and implementation of new and more stringent firm-wide TEGG policies. The Independent Trustees also appreciate that Fidelity has been an industry leader in its efforts to reduce Fund trading costs, reduce brokerage commissions paid by the Funds and unbundle research costs from Fund trading costs, all of which efforts have benefited Fund shareholders.

The Independent Trustees, with Fidelity, will continue to monitor the compliance of Fidelity employees with Fidelity's TEGG-related policies and procedures and other ethical guidelines as well as execution quality with respect to the Funds' portfolio transactions, and request that Fidelity continue to make periodic reports on these matters to the Board or the Compliance Committee, as appropriate. Further, the Independent Trustees request that Fidelity remain diligent in its efforts to reduce trading costs and to seek superior execution quality for the Funds.

December 14, 2006