

Investment Approach

The Fidelity Puritan Fund offers the opportunity for income and capital growth while constraining the level of risk. When the outlook for markets is neutral, the fund invests approximately 60% of its assets in stocks and other equity securities. The fund also holds bonds and other debt securities, including lower-quality debt securities, and maintains at least 25% of its assets in fixed income senior securities, including debt securities and preferred stock. The fund may invest in securities of domestic and foreign issuers.

Performance Commentary

The Fidelity Puritan Fund return of 14.04% outperformed by 1.91% the custom benchmark return of 12.13% for the twelve-month period ending December 31, 2010.

Fund Characteristics	Fidelity Puritan	
Total Fund Assets	\$16.7 billion	
Style Characteristics	Growth	
Capitalization Focus	Large	
Target Allocations	Stocks	60%
	Bonds	40%
Actual Allocations	Stocks	62.6%
	Bonds	35.2%
	Cash & Other	2.2%
Number of Holdings	Total	1,952
Turnover	104%	
Fees	0.61% Annually	
Portfolio Manager (tenure)	George Fischer since December 2004 and Ramin Arani since February 2007	

There is no universe comparison graph for the Fidelity Puritan Fund because there is not a broad universe of competing funds.

Historical Returns

	Fidelity Puritan	Custom Benchmark*	Return
	Return	Return	Difference
2001	-1.1%	0.9%	-1.9%
2002	-7.9	-5.2	-2.7
2003	22.2	19.9	2.3
2004	9.3	11.8	-2.5
2005	4.7	5.2	-0.5
2006	14.8	14.9	-0.1
2007	6.1	2.3	3.9
2008	-29.2	-22.8	-6.4
2009	26.7	18.4	8.3
2010	14.0	12.1	1.9
Trailing 3-Year	0.8%	0.8%	0.0
Trailing 5-Year	4.5	3.8	0.7
Trailing 10-Year	4.7	5.0	-0.2

* 60% Russell 3000 Value to 7/1/08, S&P 500 since then / 40% Agg Bond Index

Assessment

The Fidelity Puritan Fund is a balanced fund that has performed well, relative to the benchmark, over the past two years and longer time periods. The underperformance for the ten-year time period is primarily the result of fees. We recommend retention of this fund.