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February 28, 2008

Via Electronic Mail

Ms. Nancy M. Morris, Secretary
Securities and Exchange Commission
100 F Street, NE,
Washington, DC 20549-1090

Re: *Proposed rule: Enhanced Disclosure and New Prospectus Delivery Option for Registered Open-End Management Investment Companies (Release No. 33-8861; IC-28064; File No. S7-28-07)*

Dear Ms. Morris:

Fidelity Management & Research Company ("Fidelity"), the investment adviser to the Fidelity funds, appreciates the opportunity to comment on the Securities and Exchange Commission's proposal providing for a new prospectus delivery option for mutual funds and related amendments to Form N-1A. Fidelity is the investment manager for 390 registered investment companies in the Fidelity Group of Funds with aggregate assets in excess of \$1.3 trillion.

Fidelity commends the Commission and its staff for the considerable work and careful deliberation that underlies the far-sighted summary prospectus rule proposal. Rule 498, when adopted, will allow mutual fund groups to use a summary prospectus to disclose the core information that will enable investors to reach informed decisions in their purchase of mutual fund shares. Investors will reap the benefits of a clear, concise, timely and informative disclosure document while retaining the ability readily to obtain and review more detailed information in a fund's full statutory prospectus and other disclosure documents. While Fidelity strongly supports the proposed rule, we respectfully suggest that the Commission consider certain refinements, which we discuss below. Our suggestions fall into three categories:

First, if the Commission decides to retain a requirement for quarterly updating of investment performance and portfolio holdings, we urge the Commission to deem the posting of this data on a fund group's website to be fully sufficient for purposes of the rule. A fund group should be free, of course, to sticker or reprint summary prospectuses to add this quarterly updating, but this should not be mandatory. Inasmuch as the proposed rule deems access to a fund's website to be a fully sufficient way for investors to obtain a statutory prospectus, it seems

quite consistent with this approach to deem website posting of quarterly updates of fund performance and portfolio holdings to be sufficient as well.

Second, we encourage the Commission to reconsider the proposed rule's approach to what will be deemed to be effective delivery of the full prospectus for a fund to meet the "confirming prospectus" delivery requirements of Sections 5(b)(2) and 10(a) of the Securities Act of 1933. The Commission should drop the proposed rule's detailed technological preconditions. In their stead, the Commission should adopt a straightforward, result-oriented test for web-based "delivery" that simply requires that a fund group provide access to statutory prospectuses maintained in an identified website supported by procedures that are reasonably designed to provide reliable accessibility for investors. This general standard will allow fund groups to take advantage of advances in technology rather than remain tied to a frozen set of technological criteria that are prescribed in the proposed rule, such as hypertext linking.

Third, we have recommendations that relate to format and sequencing of information in the summary prospectus. We have also requested that the Commission (i) provide guidance regarding "greater prominence" and (ii) modify certain proposed Form N-1A amendments.

I. Quarterly Updates of Investment Performance and Portfolio Holdings

If the Commission decides to retain the quarterly updating requirement of investment performance and portfolio holdings, we encourage the Commission to allow fund groups to provide this information on the fund group's website as an alternative to requiring it to be in the summary prospectus. We propose that the Commission require the summary prospectus to contain a legend notifying investors of the availability of updated performance and portfolio holdings information on the fund group's website. Quarterly performance and holdings information is currently widely accessible to shareholders on fund groups' websites. Given that a fund group's website is deemed, under the Commission's proposal, to be a fully sufficient way for investors to obtain a statutory prospectus, we believe that it should also be sufficient to provide updated fund performance and portfolio holdings information on the fund group's website.

Requiring calendar quarter updated performance and holdings information to be included in the summary prospectus is likely to give rise to significant operational burdens for funds and intermediaries. Fund groups that stagger fiscal year ends of their funds to spread workloads over the course of the year would be faced with cyclical workload compression and significant bottlenecks. Updating the summary prospectus each calendar quarter would not simply be a matter of plugging into the summary prospectus updated quarterly performance and holdings information that is already available in fund fact sheets. It would require that the entire summary prospectus be prepared, reviewed and filed in accordance with the fund's rigorous disclosure review process. The ability to update by label or sticker rather than reprinting as provided in the proposed rule would be inconsistent with Fidelity's current disclosure production process and impracticable to implement. This process would be in addition to a fund's current fiscal quarter-end obligations. As a result, any fund that has fiscal quarters that differ from calendar year quarters, would face the daunting challenge of producing, in one form or another, eight quarterly

filings or updates per year.

Additionally, requiring that summary prospectuses be updated on a quarterly basis would necessarily require that some portion of the summary prospectuses printed but not used in the prior quarter be replaced at an additional printing cost, which will reduce or eliminate the potential cost savings associated with printing and mailing fewer statutory prospectuses. Although fund groups may switch to printing prospectuses on demand, that is likely to be a more costly option than printing annual quantities based on typical demand. The proposed rule could also lead to the use of outdated or inconsistent materials in the event some fund groups or intermediaries choose to use the summary prospectus while others use the statutory prospectus in connection with sales of mutual funds.

In sum, in our view allowing fund groups to use their websites to provide updated quarterly performance and portfolio holdings information will enable fund groups and dealers to provide this information to investors in a cost-effective manner that will further, rather than detract from, the Commission's objective of making updated information readily available to investors.

II. Providing for Greater Certainty for Fund Groups to Establish Compliance with the Prospectus Delivery Requirements of the 1933 Act.

Fidelity strongly supports the Commission's goal of streamlining essential information in a summary prospectus while ensuring that investors have ready and reliable access to additional information on a fund group's website.

Fidelity currently maintains on its website each of the fund disclosure documents currently required by law – the statutory prospectus, SAI and annual and semi-annual shareholder reports – that would be required to be posted on the Internet under the proposed rule. We agree with conditions in the proposed rule that promote Internet availability as an alternative to the delivery of a hard copy statutory prospectus. For this reason, we support the proposal's requirement that the summary prospectus contain a legend explaining how an investor can obtain access to the statutory prospectus by accessing the fund group's website. We urge the Commission, however, to drop the proposed rule's web-based technological requirements -- most notably, those that mandate hypertext linking -- as pre-conditions for a fund (or underwriter or dealer) to satisfy the statutory prospectus delivery requirements of Section 5(b)(2) of the 1933 Act. This is especially important in light of the severity under the 1933 Act of a prospectus delivery failure, namely, the right of an investor to rescind the purchase.

In addition to dropping the hypertext linking requirements, the Commission should also consider dropping the condition in the proposed rule that would require that a current version of a summary prospectus remain on a fund group's website for at least 90 days after an investor's purchase of fund shares. If for some reason, especially an unforeseeable reason, website availability of a summary or statutory prospectus is interrupted or ceases after, say, 75 days, the proposal would create the presumption (perhaps non-rebuttable) that the fund (or dealer or

underwriter) failed to meet the statutory prospectus requirements of Section 5(b)(2). Whether or not the safe harbor of paragraph (f)(4) of the proposed rule is available, it is difficult to see how public policy is served by retroactively negating the legal sufficiency of the sale of fund shares when (i) the investor has timely received a summary prospectus that contains all of the information required and (ii) the investor has had more than an adequate opportunity (in this example, 75 days) to go online to obtain a full statutory prospectus or, for that matter, to call an 800 number to request a statutory prospectus.

Therefore, we urge the Commission to drop the technological prescriptions in the proposed rule (found in paragraphs (f)(1), (f)(2) and (f)(3)) governing delivery of a statutory prospectus under Section 5(b)(2) of the 1933 Act. The SEC should substitute a straightforward standard along the following lines:

Effective statutory prospectus delivery will be deemed to occur where (i) a summary prospectus, complying in all material respects with the proposed rule, is delivered to an investor, (ii) a full prospectus, complying in all material respects with applicable disclosure requirements, is effective and has been incorporated by reference into the summary prospectus, (iii) the summary prospectus explains how an investor can obtain access to the statutory prospectus by accessing the fund group's website or calling a toll-free number, and (iv) the fund group provides access to the statutory prospectus in an identified website that is supported by procedures that are reasonably designed to provide reliable accessibility for investors.

We would point out that the test under Rule 498 for a fund to demonstrate effective delivery of a full statutory prospectus under Section 5(b)(2) would coexist with, rather than displace, any other basis by which a fund (or dealer or underwriter) could demonstrate compliance with Section 5(b)(2). For example, where a fund group sends an annual revised prospectus to an existing fund investor, the fund has met its statutory prospectus delivery requirements for any additional purchases by the fund investor during the time that statutory prospectus remains in effect -- whether or not the fund group has posted its statutory prospectus online. We suggest that the Commission make this clear in the adopting release for the summary prospectus rule.

The Commission will note that our proposed revision to the proposed rule would not link effective delivery of a statutory prospectus to any requirement that a fund's statement of additional information be readily accessible online. Fidelity does make its funds' SAIs available online, and we recognize that the Commission may wish to encourage all fund groups to do so. But, when a full statutory prospectus is delivered at or prior to the time of sale, neither the statute nor the SEC's rules have required funds to deliver SAIs to fund investors in order to satisfy the prospectus delivery requirements of Section 5(b)(2). It is difficult to understand why the use of a summary prospectus should lead to any change in approach with regard to the SAI, provided that the fund group makes the statutory prospectus available online to the fund investor.

III. Recommendations Relating to Format and Sequencing of Information in the summary prospectus; Providing Guidance Regarding “Greater Prominence”; Modifying Certain Proposed Form N-1A Amendments.

We agree that the format of the summary prospectus should generally be consistent for all funds; however, we submit that the proposed rule should be amended to provide for some flexibility in the format of disclosure for life cycle and target risk funds.

The "fund by fund" format in a summary prospectus, which precludes the grouping or consolidation of information for closely related funds, would in some cases impede, rather than promote, clear and concise disclosure to investors. For example, for an investor attempting to determine his or her investments in or allocations to one or more aggressive, moderate or conservative risk-based portfolios, a summary prospectus that consolidates certain information for these related funds will be a more informative and concise disclosure document for that investor. Similarly, an investor evaluating the twelve Fidelity Freedom funds may find it more convenient to review a summary of each fund in the product line, as opposed to twelve separate summary prospectuses. Accordingly, we request that the Commission modify the proposed rule to provide an exception to permit life cycle and target risk funds to integrate the presentation of summaries for multiple funds.

Paragraph (c) of the proposed rule would require, among other things, that “if any other materials accompany the summary prospectus, the summary prospectus is given greater prominence than those materials and is not bound together with any of those materials.” This requirement would be problematic to implement for certain product offerings, such as variable insurance products, which are typically wrapped with insurance product prospectuses. We request that the Commission (i) provide guidance with respect to “greater prominence” and the prohibition on binding materials together, and (ii) consider providing flexibility with respect to this proposed requirement.

The proposed Form N-1A amendments would place the location of the fee table in between disclosure of the fund's investment objective and disclosure of the fund's investment strategies and risks. While we appreciate the importance of fee disclosure, we believe this placement would disrupt the logical and unified presentation of two essential and related fund characteristics. The fund's investment strategies are an integral part of understanding how the fund will seek to achieve its objective(s). Moreover, we do not believe that the prominence of the fee table in a short 3 to 4 page document would be undermined if the fee table were moved. Accordingly, we recommend that the Commission move the fee table disclosure to follow disclosure regarding the fund's investment strategies and risks.

The proposed Form N-1A amendments would also revise the parenthetical following the heading “Annual Fund Operating Expenses” in the fee table to read “ongoing expenses that you pay each year as a percentage of the value of your investment” in place of “expenses that are deducted from Fund assets.” We believe this language could lead to investor confusion. For example, this change may cause investors to think that insurance product expenses such as

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annuity charges are included as part of annual fund operating expenses. We request that the Commission reconsider this disclosure.

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For the reasons set forth above, we respectfully request that the Commission consider modifications to the proposed rule in order to make the proposals truly cost-effective to the benefit of all shareholders.

We appreciate the opportunity to comment on the Commission's proposed rule. Fidelity would be pleased to provide any further information or respond to any questions that the Commission or the staff may have.

Sincerely,

A handwritten signature in black ink that reads "Eric D. Roiter". The signature is written in a cursive, slightly slanted style.

Eric D. Roiter