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## **FIDELITY LAUNCHES ITS FIRST LONG-SHORT MUTUAL FUND**

**Fidelity 130/30 Large Cap Fund has Retail and Advisor share classes; Fund that takes both long and short positions seen as a natural extension of research-oriented investment process and 15-year short-selling record**

BOSTON, April 7, 2008 – Fidelity Investments today launched its first mutual fund that will engage in “short” sales as well as “long” investments, fulfilling growing demand among individual investors and financial advisors for institutional-like investment strategies.

“Investors, particularly those who take a more sophisticated approach to constructing their portfolios, are expressing interest in funds that adopt institutional-like strategies for achieving attractive risk-adjusted returns,” said Sanjiv Mirchandani, president, Fidelity Personal and Workplace Investing Growth Business. “We believe Fidelity 130/30 Large Cap Fund could be a compelling large-cap equity option within a diversified portfolio.”

“Interest in long-short products also is increasing among advisors,” said Marty Willis, executive vice president, Fidelity Investments Institutional Services. “Advisors are beginning to recommend long/short solutions, particularly 130/30 structures, for their clients seeking attractive risk-adjusted returns.”

### **The 130/30 Strategy**

“130/30” refers to the 130% of investments in the portfolio invested “long” (or bought with the expectation that the stock will outperform the market) and the 30% of investments in the portfolio held “short” (or those borrowed and sold with the expectation that they will underperform). The added 30% of long exposure comes from investing the proceeds of short sales. The goal of a 130/30 strategy is to provide 100% market exposure (beta = 1), but with a better risk-adjusted return than other strategies that target the same benchmark.

Fidelity 130/30 Large Cap Fund will be managed by Keith Quinton. Quinton is a seven-year Fidelity veteran and the manager of Fidelity Disciplined Equity Fund, Fidelity Tax Managed Stock Fund and Fidelity Advisor Tax Managed Stock Fund. He has nearly 25-years of investment management experience including specific expertise in quantitative analysis.

“As a portfolio manager, the appeal of a 130/30 fund is that it gives me more flexibility to overweight stocks that are attractive and underweight stocks that are unattractive while maintaining net stock exposure similar to long-only funds,” said Quinton. “We see long-short structures, and in particular 130/30, as an extension of the investment process of a research-oriented firm like ours because we are utilizing all of our analysts’ work, both low-rated and highly rated securities under coverage.” He added: “What people may not realize is that Fidelity has a more than 15-year record in shorting via portfolios available to institutional clients; now we’re bringing that experience to bear on behalf of mutual fund investors.”

Quinton will use a combination of Fidelity’s extensive fundamental research and fundamentally based quantitative models to select long and short investment ideas. From this integrated investment process, the portfolio will measure its performance against the S&P 500 while maintaining market-capitalization and style exposures similar to that of the index. Selling securities short may help manage the fund’s overall risk profile, but can also introduce some unique risks. Individuals, or those investors who choose to work with advisors, should consider their own personal risk profile and tolerance. This fund may not be appropriate for every investor. “This is a structure that allows for flexibility and risk control,” said Quinton.

The fund will have the typical risks associated with equity investing and some risks that are specific to the 130/30 approach such as the complexity of managing short sales and the potentially larger losses from short sales compared to long positions. In addition, the fund will have expenses not typically associated with mutual funds such as interest and dividend expenses on short positions.

Fidelity 130/30 Large Cap Fund is available directly to investors and through advisors at banks, insurance companies and broker-dealers via Fidelity Advisor 130/30 Large Cap Fund (classes A, T, B, C and Institutional).

### **About Fidelity Investments Institutional Services**

Fidelity Investments Institutional Services Company provides investment management services through investment professionals at financial institutions nationwide, including wirehouses, regional and independent broker/dealers, banks, trust companies and insurance companies. The company offers Fidelity Advisor Funds<sup>®</sup>, Variable Insurance Product (VIP) Portfolios, systematic investment plans, institutional money market funds and a comprehensive line of retirement products and services. Fidelity Investments Institutional Services Company's total assets under management were \$298.5 billion as of February 29, 2008. For more information, advisors may visit <https://advisor.fidelity.com>.

### **About Fidelity Investments**

Fidelity Investments is one of the world's largest providers of financial services, with custodied assets of \$3.3 trillion, including managed assets of more than \$1.5 trillion as of February 29, 2008. Fidelity offers investment management, retirement planning, brokerage, and human resources and benefits outsourcing services to 24 million individuals and institutions as well as through 5,500 financial intermediary firms. The firm is the largest mutual fund company in the United States, the No. 1 provider of workplace retirement savings plans, the largest mutual fund supermarket and a leading online brokerage firm. For more information about Fidelity Investments, visit [www.fidelity.com](http://www.fidelity.com).

Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Short positions pose a risk because they lose value as a security's price increases; therefore, the loss on a short sale is theoretically unlimited. Leverage can increase market exposure and magnify investment risk.

Diversification does not guarantee a profit or protect against a loss.

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