

How Did Participants Fare in 2011?¹

Overall, participants fared well in 2011: savings levels increased, employers contributed more to employee accounts, those utilizing target date options outperformed 60% of participants, and the majority of participants did not panic and stayed the course with their asset allocation.

Participants Saved More in 2011.

Despite the market volatility and a sluggish economic environment, the average employee contribution edged higher to \$5,750 in 2011, up from \$5,680 a year ago, as participants on average continued to defer more than 8% of their annual salaries. In addition, the average participant account balance recovered 7.6% from the previous quarter with the average 401(k) balance being \$69,100 at year-end. It is encouraging that contributions actually held up during the past year given the market action as the evidence is clear that increases in contributions, however small, can make a significant impact over time.



**Participants continue
to defer about 8%
of their salaries**

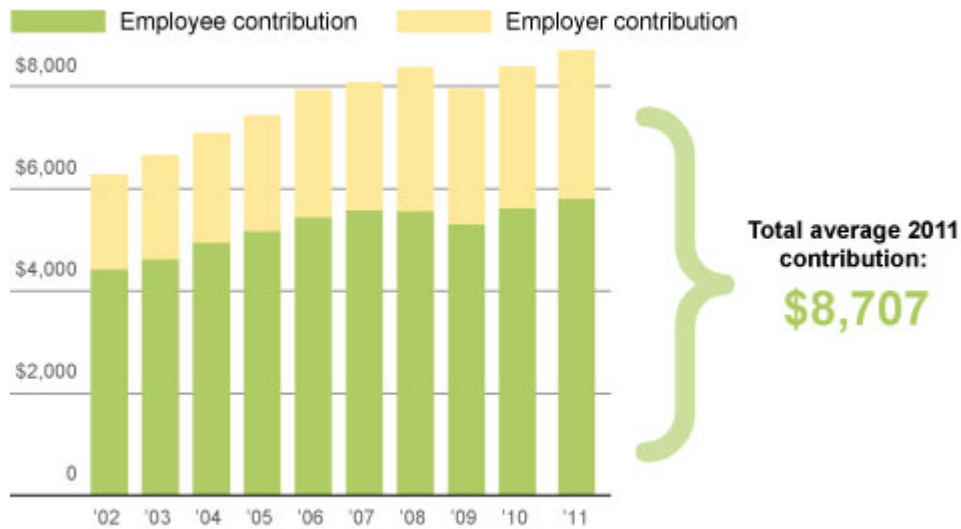
Turn here®



Employers are doing their part as well.

More employees received company contributions in 2011 than in 2010, demonstrating that employers remained committed to employee retirement readiness. Overall, 75% of employers contributed to their employees' retirement savings, and 82% of active participants overall received employer contributions (company match and/or profit sharing) during 2011, up from 79 percent one year prior. The average employer contribution per participant receiving such a contribution was \$3,270, up from \$3,170 one year prior.

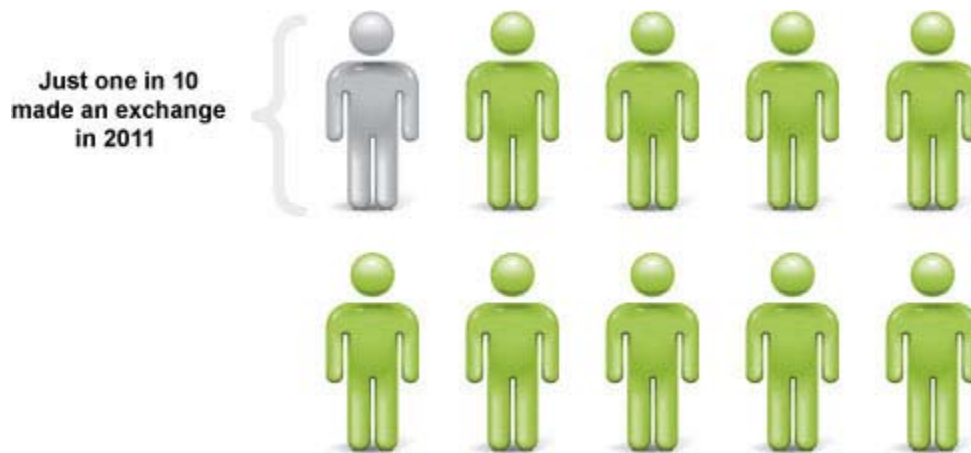
Employee and Employer 401(k) Contributions Continue to Rise



Workplace defined contribution data based on 20,000 plans and 11.6 million recordkept participants as of Dec. 31, 2011, and do not include tax-exempt accounts and non-qualified plans. Contributions are in nominal dollars.

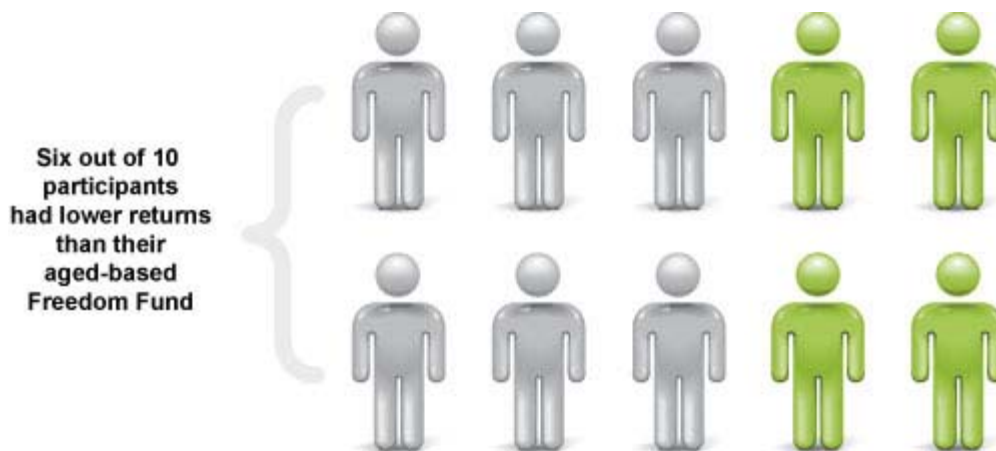
The majority stayed the course in 2011.

Only one in ten (10.6%) participants made an exchange (transferred money from one investment option to another) during 2011. This is down slightly from previous years and may be attributed to the increased use of age-based target date funds and an appreciation for a long-term, steady approach to retirement investing. For the few investors who did make exchanges, we saw a trend toward moving assets out of equities toward conservative options such as short term, stable value, and fixed income.



Target date options helped drive improved diversification and asset allocation for employees in 2011.

Fidelity recordkeeper data on those participants with a 10-year rate of return² showed that 60% of participants underperformed (had lower returns) in comparison to their age-based Fidelity Freedom[®] Fund. These figures assume a retirement date at age 65 and 59% of these participants took on more risk than their age-based Freedom Fund over the prior 10-year return period. Of the participants with higher risk than their age-based Freedom Fund, 62% had lower returns over the 10 years. Put another way, this is good news for the one in four participants who invested 100% of their 401(k) assets in target date options, and for nearly half of Gen Y participants who invested all their assets in the option.



Moving Forward

1. **Reinforce the value of saving.** The sooner employees start, the more potential their money has to grow. For participants age 50 and older, offering "catch-up" contributions can be an added benefit.
2. **Encourage participants to contribute up to the match.** Employer contributions combined with employee contributions can help participants take full advantage of the tax-deferred growth and compounding return potential.
3. **Promote an all-in-one approach.** Many participants may benefit from the use of professionally managed asset allocation products such as age-based target date funds, which rebalance automatically as the funds approach their target dates and beyond.

¹ Based on Fidelity Investments recordkept data of corporate defined contribution (DC) plans of nearly 20,500 plans and 11.6 million participants as of December 31, 2011, unless otherwise noted.

² Based on the 10-year personal rate of return (PRR) of 1.9 million retirement plan participants.

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

For plan sponsor and institutional use only.

Keep in mind investing involves risk. The value of your investment will fluctuate over time and you may gain or lose money.

Past performance is no guarantee of future results.

The investment risks of each Fidelity Freedom Fund change over time as the fund's asset allocations change. The funds are subject to the volatility of the financial markets, including equity and fixed income investments in the U.S. and abroad and may be subject to risks associated with investing in high yield, small cap, commodity-linked and foreign securities. Principal invested is not guaranteed at any time, including at or after the target dates.

"Risk" is the standard deviation of returns, a measure of the volatility of returns.

All returns shown represent 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. Participant returns are cumulative for the period indicated and are based on a time-weighted investment return formula that eliminates the effect of participants' cash flows during the entire return period. The formula is intended to reflect the performance of the managers of the underlying investments rather than the actual returns of investors who may have bought and sold the investments at different times over the return period. Returns that take into account the effect of participant cash flows during the return period (i.e. dollar weighted returns) could be significantly different from these time-weighted returns. The longer the return period, the larger the cash flows and the more volatile the investment, the greater the potential difference between the two types of returns. Plan returns were calculated based on aggregate plan assets, not individual participant returns. Freedom Funds returns were calculated pursuant to SEC rules. All returns are historical and include change in share value and reinvestment of dividends and capital gains, if any.

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

Fidelity Brokerage Services LLC, Member NYSE, [SIPC](#), 900 Salem Street, Smithfield, RI 02917