

Jack  
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# Fidelity

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Best Performing  
Fidelity Newsletter

20  
Years

# Monitor™

## No Need To Change Strategy

Some market declines are accompanied by a collapse in profits. Others occur mainly in the heads of investors – they are accompanied by fear and a desire to lock in profits, but the bottom line for corporate America doesn't change much.

Past bear markets provide examples of both types. Head-fakes include the 1973-74 selloff, where investors were rattled by the Arab oil embargo, but S&P 500 earnings continued to climb each quarter. Ditto for the 1987 crash – investors panicked, but earnings just kept getting better and better. On the other hand, serious profit slumps include the 1930s, the 1990-91 recession, and the tech stock bust of 2000-2002. For those situations, a decline in stock values was driven by a major erosion of corporate

NO NEED - Continued on page 2

## Changes For Select System, VIP Sector Model, and Unique Opportunities Model

The following changes will take place on Monday, 2/11:

Our Select System will be selling **Wireless** (963/FWRLX) and using the proceeds to purchase **Natural Gas** (513/FSNGX), for an approximate mix of 17% **Medical Equipment**, 14% **Computers**, 20% **Consumer Staples**, 18% **Natural Resources**, 16% **Natural Gas**, and 15% **Chemicals**. Weakness in the dollar means that all commodities are worth more in dollar terms, and we anticipate that demand for electricity will continue to grow even if the U.S. economy slows down. The only easy way to meet this demand is to burn more natural gas.

Our VIP Sector Model will sell one-third of **VIP Technology** and buy **VIP Energy**.

Our Unique Opportunities Model will be selling half of **Leveraged Company** (122/FLVCX) and buying **Value Discovery** (832/FVDFX), for a mix of 18% **Indust. Equipment**, 20% **Independence**, 18% **Leveraged Company**, 18% **Value Discovery**, and 26% **Trend**. We still like the overweighted energy and materials position in **Leveraged Company**, but it's very similar to **Independence**. Moving part of it into **Value Discovery** will give us a bit more financial exposure, making for a more balanced portfolio.

## Review & Recommendations

Stocks tumbled as investors reacted to economic data that suggested a U.S. recession and a global slowdown were distinct possibilities. The Fed eased twice, first with a surprise 75 basis point cut, then with an expected 50 point reduction at the end of its regular meeting. The moves did little to dampen the sour mood on Wall Street. Technology stocks were hit especially hard, despite favorable earnings reports. The S&P 500 fell 6.0% for January.

### GROWTH FUNDS

Growth Model holdings are listed on page 7. Our favorite growth funds include **Value Discovery**, **Trend**, **Independence**, **Stock Selector**, **Growth Discovery**, **Export** and **Tax-Managed Stock**.

Large-cap value funds suffered less than others. **Large Cap Value Enhanced Index** lost 4.7%, **Low-Priced Stock** declined 5.0%, and **Blue Chip Value** was down 5.1%. Funds that focused heavily on growth stocks suffered big losses. **Aggressive Growth** lost 12.4%, **Fidelity Fifty** fell 12.9%, and **OTC Portfolio** tumbled 13.7%.

### INTERNATIONAL FUNDS

**Canada** has exposure to natural resources, and makes a good alternative to emerging market funds.

Foreign funds were hit hard across the board. **Global Balanced**, losing 4.3%, held up better than others. Emerging markets landed on the bottom as valuations came down from inflated levels. Finishing last were **China Region**, down 14.7%, and **Southeast Asia**, which fell 16.1%.

### GROWTH & INCOME FUNDS

Growth and Income Model holdings are listed on page 7. Our favorites include **Convertible Securities**, **Balanced**, **Puritan**, **Asset Manager 70%**, and **Fidelity Fund**.

**Strategic Dividend & Income** pulled back 3.7%. **Balanced** and **Puritan** also held up well, with respective losses of 4.5% and 4.7%. On the bottom end, **Fidelity Fund** was down 7.6%.

### INCOME FUNDS

Income Model holdings are listed on page 7. Our favorites in this group are **Freedom Income** and **Asset Manager 20%**.

RECOMMENDATIONS - Continued on page 8

earnings, and for certain industry groups it was a long-lasting slump.

It's a bit early to know which type of market decline we're in right now. If you look at the stocks of banks, autos, and home builders, the profit slump is quite serious and will probably be long-lasting. But outside of those groups, earnings haven't changed all that much. And even with an economic slowdown, any negative impact will probably be short-lived.

In theory, the markets have been discounting the impact of a recession in the U.S. and a slowdown worldwide, but it's possible the selloff has been over-done. U.S. unemployment rates are still at relatively low levels, and there are plenty of good reasons they might stay that way.

High prices for wheat, corn, and soybeans have boosted the value of U.S. farmland and are putting lots of money into the economy. Other exports are also getting a boost from the weak dollar and rising emerging country demand. Boeing has about four years of backlog to fill. General Electric is seeing growth in power generation equipment, clean water production, and medical imaging. A wide range of technology companies are providing hardware and software to facilitate growing use of the internet. It seems unlikely that infrastructure spending like this will wind down just because Americans have stopped buying high-ticket items such as houses and cars. Even if global growth does slow down, countries that are boosting living standards could easily justify using their sovereign wealth funds to cover the cost.

Then there's oil and natural gas. Energy prices may pull back temporarily, but there won't be any layoffs in this industry. In addition to putting money into the pockets of U.S. employees who work in the sector, some oil money may even find its way into the U.S. housing market – perhaps from Canadian oil sands workers who buy vacation homes on Arizona golf courses.

At some point, fear of stocks will subside and rational thinking will prevail. It may take a few weeks, or perhaps even a few quarters. But the Fed is engaged, the dollar is weak, and the threat of job losses is low except in the construction industry. As such, long-term investors are likely to be compensated for the risks they bear.

There's no reason to do anything dramatically different at this stage. Moving into cash and bonds may hurt rather than help, because it compromises your ability to keep up with inflation. With prices

climbing around 4% year-over-year, so-called riskless investments may soon be eroding about 2% per year on an after-tax basis. Money market investors should worry more about the possibility of a 10% loss in purchasing power over the next five years, rather than losing sleep over the tiny chance that their fund might break the buck. On the other hand, stepping up exposure to beaten-down stock groups may not be all that easy either, because mortgage defaults might escalate over time. Consumers facing bankruptcy might look at the new laws and realize they are better off walking away from their home mortgage(s) in order to service their credit card debt. That's the opposite of what happened in the past.

The best bet at this point is to stick with your long-term strategy. If you want to use the selloff as an opportunity to lock in some capital losses for tax purposes, that's fine. But try to resist the temptation to make major shifts in your overall asset allocation. Even though it might take a few more quarterly earnings cycles before the market comes around, U.S. stocks are still an attractive asset class. ■

## Question & Answer Forum

### Why are you cutting back on Leveraged Company Stock when it has such a great five-year record?

**Leveraged Company Stock** buys stocks of companies that borrow heavily. Until last summer there wasn't much to lose by loading up on debt, so it wasn't hard to win big by borrowing big. Now the landscape has shifted and many heavily-leveraged companies are facing headwinds. Manager Thomas Soviero is betting heavy on firms that can benefit from a weaker dollar, which makes a lot of sense. But even with an attractive industry mix, there may not be any big advantage in seeking out companies with heavy debt loads.

We still like **Leveraged Company Stock**, and we'll continue to rate it a buy. But within the Unique Opportunities Model, **Leveraged Company** and **Independence** have similar bets on energy, materials, and industrial stocks. By moving half of **Leveraged Company** into **Value Discovery**, we'll gain some diversification.

### I just sold all my stock funds and went to cash. Doesn't that make sense, given that a recession is right around the corner?

Not really. Some of the strongest rallies on record have started in the middle of a recession.

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Financial markets are very good at disappointing the majority, which is why stocks often move up when it's least expected.

When investing for the long run, it rarely pays to time the market. Stocks move *up* twice as often as they move *down*, so anyone who is constantly moving in and out of equities is almost certain to dilute their long-term performance.

Even if you manage to get out near the top of a market cycle, odds are you won't get back in at the right time. It takes someone who is very nervous about losing money to sell everything after a long rally, and a battle-hardened opportunist to scoop up bargains after a long selloff. It's rare the same person can play both roles. More commonly, those who go to cash stay there too long, buying back into stocks only after the market hits new highs.

Even if you do have the rare ability to outsmart the market, there's more money to be made by staying in stocks and picking the best funds. Some years ago, we compared perfect market timing with perfect fund selection over a 14-year period. Money that was perfectly timed grew by a factor of 25, which is not bad. But money that was in the best performing Fidelity stock fund each quarter grew by a factor of 200. No one can do that well in the real world, but if you're good, it makes sense to play the best game.

### **Why is gold doing so well? Are you planning to upgrade Select Gold to a buy?**

Some scientists believe there is enough gold in Earth's core to cover the planet's land area to a depth of 18 inches. But near the surface, gold is still scarce, and several factors are driving up its price.

Many emerging markets are struggling with double-digit inflation, and investors in those countries are buying the metal as an inflation hedge. The weak dollar magnifies the trend, because gold's rally looks stronger in dollar terms. Thanks to gold metal ETFs – which are becoming available in all major stock markets around the world – it's much easier to include it in your portfolio. The annual production of gold from the world's mines is not easily increased, and might even shrink in 2008 because of electricity shortages in South Africa.

Still, there's an important difference between gold and other commodities. Because the precious metal is used mainly to back paper currencies and make jewelry, it doesn't get consumed very fast. Add up all of the gold that has been mined since the dawn of time, and some 90% of it is still laying around. This "inventory" is very large compared to

annual production, which sets the stage for big cycles. Usually, after a large run-up, consumers everywhere will dig up old jewelry and cash it in. And sometimes central banks will reduce their stockpiles if they have a pressing financial situation.

Because it's such an unpredictable commodity, investments in gold metal or gold stocks should be made for at least 5 years, and should be limited to around 5-10% of overall holdings. Consider gold a hedge. Unless inflation is a growing concern, gold-oriented holdings tend to trail the stock market.

Fidelity Select **Gold** does not directly own gold metal. Instead, it buys stocks of mining companies. Because the cost of getting gold out of the ground is about half the market price, earnings for mining companies tend to fluctuate twice as much as the underlying metal. And so do the stocks. **Gold** is typically the most volatile fund in the Select family, and currently carries 75% more risk than the S&P 500. It's not unusual for stock funds like this to gain or lose 20% in a single month.

Currently we have a hold rating on **Gold**. The long-term trend is favorable, but the volatility is high. In our view, **Natural Resources** makes a better inflation hedge. While it includes a 4-5% position in gold stocks, most of its holding are in the energy sector. Over the long run, the price of oil and the price of gold tend to behave similarly, but in the next five years oil is likely to see a larger gain. And oil stocks also tend to run with less volatility.

### **I don't understand why the P/E ratio on the Dow Jones Industrial Average has jumped so high. Are stocks really that expensive?**

No. P/E ratios are often misleading, because they only look at earnings over the last 12 months, and they ignore the amount of debt that companies carry on their books. In this case, a very large loss at General Motors has wiped out two-thirds of the earnings of the other 29 Dow components. The resulting P/E ratio for the index comes out around 47, but the problem is small E, not large P. In effect, the ratio is overstated by a factor of about 3. A similar situation is occurring in the S&P 500 because of bank losses, but so far it has been mild in comparison – the S&P 500 P/E ratio currently stands at about 17.

This isn't a new problem. It happened in the early 1980s, when the Dow components of the time were operating near breakeven (when earnings go to zero, the P/E ratio goes to infinity). During that period, the P/E for the Dow was pushed over 100.

Q&A FORUM - Continued on page 8

#### **GUIDE TO FIGURES LISTED ON PAGES 4 AND 5**

Gain/loss percentages are for prior month's close (annualized for periods over a year). Reinvested distributions are assumed. Size figures are for the close of the prior month, in millions. Risk is based on standard deviation of daily gains and losses over a one-year period, relative to the S&P 500. Fee: **0.75(90)** indicates a 0.75% redemption fee on shares held less than 90 days. All retail Fidelity funds are no-load. If a fund is closed to new investors, it is listed as such in the Fee column. Fidelity limits roundtrip trades to two in the last 90 days and four in the last 12 months (a roundtrip trade is defined as the purchase and sale of a fund within 30 days). Fund ratings: **B\*\*\*\*\*** is for a **favorite buy**, **B\*\*\*\*** means **buy**, **H\*\*\*** means **hold** for the long run, **S\*\*** means reduce to below 5% of holdings, **S\*** means **sell** and move to a buy-rated fund within the same asset class. Upgrades and downgrades from the prior month are indicated by ↑ and ↓.

| JANUARY PERFORMANCE              |        |         |          |        |         | 2008  | One   | Three | One   | 3-Yr  | 5-Yr | 10-Yr |
|----------------------------------|--------|---------|----------|--------|---------|-------|-------|-------|-------|-------|------|-------|
| Fund Name (Code/Symbol)          | Rating | Risk    | Fee      | NAV    | Size    | YTD   | Mth   | Mth   | Year  | Rate  | Rate | Rate  |
| Aggressive Gth (324/FDEGX)       | H***   | 1.13    | 1.5(90)  | 20.16  | 3606.7  | -12.4 | -12.4 | -19.7 | 1.6   | 8.2   | 12.6 | 1.8   |
| Blue Chip Gth (312/FBGRX)        | B****  | 0.99    | none     | 40.09  | 16516.6 | -9.0  | -9.0  | -12.7 | 0.1   | 4.7   | 8.8  | 3.1   |
| Blue Chip Value (1271/FBCVX)     | H***   | 1.07    | none     | 13.85  | 686.6   | -5.1  | -5.1  | -10.5 | -2.5  | 8.3   |      |       |
| Capital Apprec (307/FDCAX)       | H***   | 1.15    | none     | 25.07  | 9049.7  | -6.3  | -6.3  | -15.5 | -2.9  | 7.8   | 15.3 | 7.7   |
| Contrafund (22/FCNTX)            | B****  | 0.95    | Closed   | 66.16  | 80864.0 | -9.5  | -9.5  | -11.6 | 6.1   | 12.5  | 16.4 | 9.7   |
| Growth Discovery (339/FDSVX)     | B****  | 1.01    | none     | 14.72  | 1897.0  | -9.5  | -9.5  | -13.2 | 13.2  | 12.3  | 12.5 |       |
| Disc Equity (315/FDEQX)          | H***   | 1.04    | none     | 27.18  | 12111.9 | -7.9  | -7.9  | -11.2 | 0.2   | 9.2   | 13.4 | 6.3   |
| Dividend Gth (330/FDGFY)         | H***   | 0.91    | none     | 27.78  | 14491.8 | -5.5  | -5.5  | -11.9 | -5.7  | 5.2   | 8.8  | 6.2   |
| Export Fund (332/FEXPX)          | B****  | 1.11    | 0.75(30) | 23.22  | 4837.5  | -9.8  | -9.8  | -14.9 | 0.9   | 9.5   | 14.9 | 10.7  |
| Fidelity Fifty (500/FFTYX)       | H***   | 1.10    | none     | 18.99  | 1657.3  | -12.9 | -12.9 | -19.6 | -4.7  | 7.7   | 9.5  | 8.2   |
| Focused Stock (333/FTQGX)        | H***   | 1.17    | none     | 12.17  | 92.5    | -8.4  | -8.4  | -12.7 | 4.3   | 10.0  | 14.3 | 4.2   |
| Growth Company (25/FDGRX)        | B****  | 1.06    | Closed   | 75.28  | 37072.9 | -9.3  | -9.3  | -14.4 | 6.9   | 12.3  | 17.1 | 8.5   |
| Independence (73/FDFFX)          | B****  | 1.28    | none     | 25.28  | 6198.2  | -8.6  | -8.6  | -11.7 | 16.6  | 14.6  | 15.5 | 9.3   |
| Lg Cap Core En Idx (1827/FLCEX)  | H***   | 1.0 Est | none     | 9.48   | 781.9   | -6.8  | -6.8  | -10.7 |       |       |      |       |
| Lg Cap Gth En Idx (1829/FLGEX)   | H***   | 1.0 Est | none     | 9.49   | 38.7    | -7.8  | -7.8  | -12.3 |       |       |      |       |
| Large Cap Growth (763/FSLGX)     | S**    | 1.03    | none     | 9.89   | 169.9   | -7.7  | -7.7  | -12.4 | -7.3  | 4.3   | 10.8 |       |
| Large-Cap Stock (338/FLCSX)      | B****  | 1.03    | none     | 17.89  | 1192.4  | -7.4  | -7.4  | -12.0 | 2.7   | 9.2   | 11.7 | 5.0   |
| Lg Cap Val En Idx (1828/FLVEX)   | H***   | 1.0 Est | none     | 9.01   | 23.3    | -4.7  | -4.7  | -9.9  |       |       |      |       |
| Large Cap Value (708/FSLVX)      | H***   | 1.07    | none     | 13.57  | 1626.1  | -6.4  | -6.4  | -11.4 | -4.4  | 8.7   | 14.1 |       |
| Lev Co Stock (122/FLVCX)         | B****  | 1.18    | 1.5(90)  | 29.48  | 7694.1  | -8.8  | -8.8  | -14.4 | 4.9   | 14.2  | 28.9 |       |
| Low-Priced Stock (316/FLPSX)     | H***   | 0.96    | Closed   | 39.08  | 35230.7 | -5.0  | -5.0  | -10.5 | -3.2  | 8.6   | 17.2 | 12.4  |
| Magellan (21/FMAGX)              | B****↑ | 1.11    | none     | 85.47  | 44821.9 | -8.9  | -8.9  | -12.1 | 5.2   | 8.0   | 11.2 | 5.2   |
| Mid Cap Growth (793/FSMGX)       | S**    | 1.18    | 0.75(30) | 12.21  | 391.1   | -9.7  | -9.7  | -14.1 | -9.7  | 5.0   | 13.2 |       |
| Mid Cap Stock (337/FMCSX)        | H***   | 1.09    | Closed   | 26.66  | 15163.7 | -8.8  | -8.8  | -14.9 | -4.8  | 10.7  | 14.2 | 9.9   |
| Mid Cap Value (762/FSMVX)        | S**    | 1.11    | 0.75(30) | 15.09  | 834.9   | -7.3  | -7.3  | -12.3 | -7.7  | 7.9   | 15.6 |       |
| New Millennium (300/FMILX)       | B****  | 1.06    | none     | 26.85  | 2300.0  | -9.6  | -9.6  | -14.0 | 2.2   | 11.0  | 14.5 | 12.1  |
| OTC Portfolio (93/FOCPX)         | H***   | 1.18    | none     | 45.00  | 9105.5  | -13.7 | -13.7 | -19.9 | 6.5   | 10.9  | 14.6 | 6.8   |
| Small Cap Gth (1388/FCPGX)       | H***   | 1.05    | 1.5(90)  | 14.43  | 1309.6  | -8.6  | -8.6  | -13.0 | 3.6   | 11.0  |      |       |
| Small Cap Indep (336/FDSCX)      | H***   | 1.09    | 1.5(90)  | 17.64  | 2352.5  | -11.4 | -11.4 | -19.3 | -7.4  | 7.0   | 13.8 | 6.0   |
| Small Cap Stock (340/FSLCX)      | H***   | 0.93    | Closed   | 16.15  | 4705.0  | -7.3  | -7.3  | -12.9 | -1.1  | 7.6   | 15.5 |       |
| Small Cap Value (1389/FCPVX)     | S**    | 1.13    | 1.5(90)  | 12.71  | 1209.8  | -6.5  | -6.5  | -13.8 | -7.1  | 8.9   |      |       |
| Stock Selector (320/FDSSX)       | B****↑ | 0.98    | none     | 27.42  | 982.1   | -7.1  | -7.1  | -10.7 | 2.5   | 9.3   | 13.0 | 5.0   |
| Tax Mgd Stock (343/FTXMX)        | B****  | 1.04    | 1(730)   | 14.74  | 100.2   | -8.2  | -8.2  | -11.1 | 2.3   | 10.5  | 14.2 |       |
| Trend (5/FTRNX)                  | B****  | 1.11    | none     | 62.58  | 1138.8  | -11.5 | -11.5 | -15.4 | 3.4   | 9.4   | 13.1 | 5.3   |
| Value (39/FDVLX)                 | H***   | 1.04    | none     | 70.84  | 20398.6 | -5.6  | -5.6  | -13.2 | -6.4  | 8.8   | 16.4 | 9.5   |
| Value Discovery (832/FVDFX)      | B****  | 1.05    | none     | 16.77  | 1254.8  | -6.5  | -6.5  | -11.5 | 0.6   | 12.3  | 16.7 |       |
| Value Strategies (14/FSLSX)      | H***   | 1.11    | none     | 26.51  | 364.3   | -7.9  | -7.9  | -15.5 | -6.4  | 6.9   | 17.3 |       |
| GROWTH & INCOME FUNDS:           |        |         |          |        |         |       |       |       |       |       |      |       |
| Balanced (304/FBALX)             | B****  | 0.70    | none     | 18.73  | 27227.2 | -4.5  | -4.5  | -7.9  | 2.4   | 9.1   | 13.2 | 8.8   |
| Convertible Sec (308/FCVX)       | B****↑ | 0.86    | none     | 26.34  | 2977.4  | -5.9  | -5.9  | -9.9  | 6.4   | 10.9  | 13.2 | 11.1  |
| Equity-Income (23/FEQIX)         | H***   | 1.04    | none     | 52.25  | 30460.3 | -5.3  | -5.3  | -11.2 | -5.2  | 7.6   | 12.7 | 6.2   |
| Equity-Income II (319/FEQTX)     | H***   | 1.04    | none     | 21.63  | 10307.5 | -5.1  | -5.1  | -9.8  | -2.2  | 6.8   | 12.3 | 6.4   |
| Fidelity Fund (3/FFIDX)          | B****  | 0.99    | none     | 36.84  | 7882.4  | -7.6  | -7.6  | -10.3 | 5.6   | 10.3  | 13.4 | 6.1   |
| Growth & Income (27/FGRIX)       | H***   | 1.07    | none     | 26.04  | 19209.0 | -4.5  | -4.5  | -10.4 | -5.1  | 3.8   | 7.9  | 3.8   |
| Mega Cap Stock (361/FGRTX)       | B****  | 0.97    | none     | 10.94  | 551.3   | -6.3  | -6.3  | -10.3 | 2.7   | 8.9   | 11.0 |       |
| Puritan (4/FPURX)                | B****  | 0.65    | none     | 18.14  | 25414.5 | -4.7  | -4.7  | -7.4  | 0.3   | 7.3   | 10.6 | 6.6   |
| Strategic Div & Inc (1329/FSDIX) | B****  | 0.85    | none     | 12.05  | 1129.1  | -3.7  | -3.7  | -10.2 | -3.4  | 8.1   |      |       |
| Utilities (311/FUIX)             | H***   | 1.04    | none     | 19.00  | 1406.4  | -7.5  | -7.5  | -10.2 | 0.2   | 14.6  | 17.2 | 5.6   |
| SELECT FUNDS:                    |        |         |          |        |         |       |       |       |       |       |      |       |
| Air Transportation (34/FSAIX)    | H***   | 1.31    | 0.75(30) | 40.34  | 56.1    | -4.4  | -4.4  | -17.6 | -11.3 | 13.0  | 18.3 | 10.1  |
| Automotive (502/FAVX)            | S**    | 1.34    | 0.75(30) | 36.22  | 37.2    | -3.1  | -3.1  | -20.7 | -7.4  | 3.7   | 11.6 | 4.8   |
| Banking (507/FSRBX)              | S***   | 1.51    | 0.75(30) | 25.05  | 249.3   | 2.3   | 2.3   | -10.7 | -19.2 | -2.2  | 6.1  | 4.4   |
| Biotechnology (42/FBIOX)         | H***   | 0.97    | 0.75(30) | 65.11  | 1187.9  | -2.4  | -2.4  | -11.1 | -1.6  | 6.5   | 10.8 | 8.6   |
| Brokerage (68/FSLBX)             | H***↑  | 1.46    | 0.75(30) | 62.71  | 787.7   | -6.8  | -6.8  | -12.4 | -10.2 | 14.5  | 18.8 | 12.1  |
| IT Ser / Bus Ser (353/FBSOX)     | H***   | 1.10    | 0.75(30) | 15.08  | 46.6    | -9.8  | -9.8  | -13.1 | -0.3  | 8.4   | 13.5 |       |
| Chemicals (69/FSCHX)             | B****  | 1.22    | 0.75(30) | 78.91  | 287.8   | -4.6  | -4.6  | -6.5  | 17.5  | 13.7  | 21.3 | 10.7  |
| Computers (7/FDCPX)              | B****  | 1.32    | 0.75(30) | 39.32  | 565.5   | -18.7 | -18.7 | -25.5 | -3.4  | 5.7   | 12.8 | 5.6   |
| Const & Housing (511/FSHOX)      | S**    | 1.55    | 0.75(30) | 35.66  | 75.6    | 5.3   | 5.3   | -5.1  | -13.7 | 1.8   | 15.9 | 9.3   |
| Consumer Disc (517/FSCPX)        | S**    | 1.13    | 0.75(30) | 20.60  | 25.9    | -2.0  | -2.0  | -11.7 | -13.9 | 2.0   | 7.8  | 3.8   |
| Industrial / Cyc Ind (515/FCYIX) | H***   | 1.10    | 0.75(30) | 20.66  | 130.1   | -7.2  | -7.2  | -10.5 | 6.7   | 12.6  | 20.1 | 9.9   |
| Defense & Aero (67/FSDAX)        | H***   | 1.02    | 0.75(30) | 82.44  | 1427.9  | -6.8  | -6.8  | -11.9 | 6.3   | 16.2  | 21.3 | 12.4  |
| Com Equip / DevC (518/FSDCX)     | H***   | 1.35    | 0.75(30) | 19.89  | 291.2   | -11.4 | -11.4 | -23.2 | -1.5  | 3.5   | 14.6 | 6.0   |
| Electronics (8/FSLEX)            | H***   | 1.29    | 0.75(30) | 38.40  | 1536.6  | -15.8 | -15.8 | -22.9 | -13.0 | 2.3   | 10.6 | 5.4   |
| Energy (60/FSNEX)                | B****  | 1.43    | 0.75(30) | 59.41  | 3239.6  | -10.9 | -10.9 | -7.3  | 29.4  | 29.3  | 30.3 | 16.3  |
| Energy Service (43/FSSEX)        | B****  | 1.62    | 0.75(30) | 83.92  | 2506.6  | -17.4 | -17.4 | -15.6 | 30.7  | 27.1  | 26.8 | 14.0  |
| Environmental (516/FSLEX)        | H***   | 1.01    | 0.75(30) | 17.70  | 38.7    | -8.6  | -8.6  | -10.0 | 1.5   | 8.9   | 12.2 | 1.5   |
| Financial Services (66/FIDSX)    | S**    | 1.39    | 0.75(30) | 93.50  | 400.9   | -2.3  | -2.3  | -13.0 | -16.5 | 2.4   | 9.3  | 6.4   |
| Con Stap / Food Ag (9/FDFAX)     | B****  | 0.71    | 0.75(30) | 62.57  | 654.3   | -6.0  | -6.0  | -5.6  | 11.0  | 13.0  | 14.9 | 8.2   |
| Gold (41/FSAGX)                  | H***   | 1.70    | 0.75(30) | 43.27  | 1714.7  | 8.5   | 8.5   | -0.8  | 37.2  | 35.9  | 23.2 | 16.2  |
| Health Care (63/FSPHX)           | B****  | 0.80    | 0.75(30) | 117.47 | 2115.2  | -6.6  | -6.6  | -8.8  | 2.4   | 9.9   | 10.2 | 7.1   |
| Home Finance (98/FSVLX)          | S**    | 1.87    | 0.75(30) | 29.00  | 153.2   | 1.5   | 1.5   | -16.8 | -37.2 | -11.9 | 0.5  | 1.5   |
| Indust Equip (510/FSGCG)         | B****  | 1.09    | 0.75(30) | 32.70  | 192.8   | -9.0  | -9.0  | -10.1 | 9.7   | 13.0  | 19.2 | 8.3   |
| Materials / Ind Mat (509/FSDPX)  | H***   | 1.33    | 0.75(30) | 55.14  | 389.4   | -5.7  | -5.7  | -8.4  | 16.1  | 20.2  | 23.1 | 11.5  |
| Insurance (45/FSPCX)             | H***↑  | 1.19    | 0.75(30) | 58.68  | 179.2   | -6.8  | -6.8  | -11.4 | -9.0  | 4.7   | 10.8 | 9.9   |
| Leisure (62/FDLSX)               | H***   | 1.04    | 0.75(30) | 73.50  | 236.0   | -4.5  | -4.5  | -12.4 | -3.4  | 7.1   | 14.7 | 8.4   |
| Medical Delivery (505/FSHCX)     | B****  | 0.80    | 0.75(30) | 49.12  | 703.9   | -6.7  | -6.7  | -3.8  | 6.2   | 10.7  | 20.7 | 9.9   |
| Medical Equip/Sys (354/FSMEX)    | B****  | 0.79    | 0.75(30) | 24.42  | 953.0   | -1.8  | -1.8  | -1.5  | 11.1  | 9.2   | 15.2 |       |
| Multimedia (503/FBMPX)           | S**    | 0.99    | 0.75(30) | 35.11  | 58.6    | -6.6  | -6.6  | -14.4 | -18.2 | 2.2   | 8.3  | 7.1   |
| Natural Gas (513/FSNGX)          | B****  | 1.35    | 0.75(30) | 44.76  | 1454.5  | -7.7  | -7.7  | -7.1  | 24.8  | 24.3  | 29.4 | 17.5  |
| Nat Resources (514/FNARX)        | B****  | 1.43    | 0.75(30) | 35.86  | 2335.6  | -10.5 | -10.5 | -8.1  | 32.2  | 31.9  | 30.9 | 16.4  |
| Networking (912/FNINX)           | H***   | 1.27    | 0.75(30) | 2.09   | 62.1    | -15.7 | -15.7 | -29.2 | -16.1 | -1.2  | 6.9  |       |
| Paper & Forest (506/FSFPX)       | S**    | 1.24    | 0.75(30) | 30.11  | 23.3    | -3.9  | -3.9  | -10.9 | -5.8  | 3.2   | 6.2  | 4.5   |
| Pharmaceuticals (580/FPHAX)      | H***   | 0.89    | 0.75(30) | 10.74  | 201.9   | -7.7  | -7.7  | -9.7  | 1.9   | 10.9  | 10.2 |       |
| Retailing (46/FSRPX)             | S**    | 1.33    | 0.75(30) | 40.03  | 55.7    | -2.2  | -2.2  | -10.3 | -13.5 | 4.3   | 12.7 | 6.0   |
| Software (28/FSCTX)              | H***   | 1.15    | 0.75(30) | 70.18  | 977.9   | -13.6 | -13.6 | -17.3 | 3.8   | 12.4  | 14.4 | 11.7  |
| Technology (64/FSPTX)            | H***   | 1.30    | 0.75(30) | 66.98  | 2026.4  | -17.6 | -17.6 | -26.7 | -3.1  | 5.8   | 12.4 | 7.0   |
| Telecom (96/FSTCX)               | H***   | 1.20    | 0.75(30) | 45.91  | 453.6   | -11.8 | -11.8 | -20.2 | -9.8  | 10.4  | 13.5 | 2.6   |
| Transportation (512/FSRFX)       | H***   | 1.32    | 0.75(30) | 46.67  | 70.8    | 2.0   | 2.0   | -9.4  | -4.2  | 9.5   | 18.1 | 10.8  |
| Utilities Growth (65/FSUTX)      | H***   | 1.15    | 0.75(30) | 59.43  | 754.3   | -7.5  | -7.5  | -8.5  | 9.2   | 16.8  | 20.2 | 7.1   |
| Wireless (963/FWRLX)             | H***   | 1.36    | 0.75(30) | 7.46   | 701.5   | -13.7 | -13.7 | -22.7 | 6.8   | 13.3  | 27.7 |       |

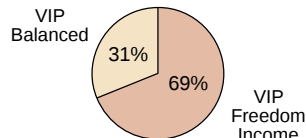
| JANUARY PERFORMANCE                |        |         |          |       |         | 30-day | 2008  | One   | Three | One   | 3-Yr | 5-Yr |
|------------------------------------|--------|---------|----------|-------|---------|--------|-------|-------|-------|-------|------|------|
| Fund Name (Code/Symbol)            | Rating | Risk    | Fee      | NAV   | Size    | Yield  | YTD   | Mth   | Mth   | Year  | Rate | Rate |
| Aggressive Int'l (335/FIVFX)       | H***   | 0.95    | 1 (30)   | 13.57 | 550.3   |        | -10.3 | -10.3 | -18.3 | -8.1  | 8.3  | 15.2 |
| Canada (309/FICDX)                 | B****  | 1.12    | 1.5(90)  | 57.19 | 4649.0  |        | -6.9  | -6.9  | -13.6 | 24.7  | 23.6 | 27.8 |
| China Region (352/FHKCX)           | S**    | 1.58    | 1.5(90)  | 26.59 | 1758.4  |        | -14.7 | -14.7 | -26.3 | 24.4  | 23.9 | 24.6 |
| Diversified Int'l (325/FDIVX)      | H***   | 1.04    | Closed   | 36.20 | 56765.0 |        | -9.3  | -9.3  | -14.3 | 4.3   | 15.4 | 21.4 |
| Emerging Mkts (322/FEMKX)          | S**    | 1.45    | 1.5(90)  | 29.58 | 6437.9  |        | -12.6 | -12.6 | -17.7 | 28.0  | 34.0 | 35.1 |
| Europe (301/FIEUX)                 | H***   | 1.11    | 1 (30)   | 37.88 | 5282.4  |        | -10.2 | -10.2 | -13.2 | 2.9   | 15.7 | 25.2 |
| Europe Cap Appr (341/FECAX)        | H***   | 1.08    | 1 (30)   | 23.89 | 1248.9  |        | -10.2 | -10.2 | -13.9 | 1.7   | 17.7 | 21.5 |
| Global Balanced (334/FGBLX)        | B****  | 0.61    | 1 (30)   | 21.51 | 381.9   |        | -4.3  | -4.3  | -7.3  | 8.1   | 11.1 | 15.1 |
| Int'l Discovery (305/FIGRX)        | H***   | 1.06    | 1 (30)   | 38.80 | 13925.3 |        | -9.9  | -9.9  | -14.8 | 6.4   | 16.9 | 22.7 |
| Int'l Small Cap (818/FISMX)        | H***   | 1.06    | Closed   | 20.93 | 1441.0  |        | -9.4  | -9.4  | -18.7 | 1.3   | 13.7 | 28.4 |
| Int'l Small Cap Opp (1504/FSCOX)   | H***   | 1.29    | 2 (90)   | 13.06 | 1101.3  |        | -9.4  | -9.4  | -22.9 | -9.7  |      |      |
| Int'l Value (1597/FIVLX)           | H***   | 1.10    | 1 (30)   | 10.47 | 343.0   |        | -8.4  | -8.4  | -14.4 | -0.8  |      |      |
| Japan (350/FJPNX)                  | H***   | 1.11    | 1.5(90)  | 13.63 | 1654.4  |        | -5.0  | -5.0  | -12.2 | -7.1  | 8.3  | 14.8 |
| Japan Smaller Co (360/FJSCX)       | H***   | 1.12    | Closed   | 10.00 | 707.0   |        | -9.3  | -9.3  | -19.3 | -20.1 | -4.7 | 11.8 |
| Latin America (349/FLATX)          | S**    | 1.98    | 1.5(90)  | 58.65 | 5831.5  |        | -5.4  | -5.4  | -10.4 | 34.2  | 45.2 | 49.3 |
| Nordic (342/FNORX)                 | H***   | 1.37    | 1.5(90)  | 40.60 | 912.1   |        | -10.5 | -10.5 | -16.5 | 8.0   | 22.8 | 28.5 |
| Overseas (94/FOSFX)                | H***   | 1.20    | 1 (30)   | 43.66 | 9106.4  |        | -9.8  | -9.8  | -15.7 | 9.0   | 17.6 | 21.8 |
| Pacific Basin (302/FPBFX)          | H***   | 1.25    | 1.5(90)  | 26.27 | 1148.7  |        | -13.0 | -13.0 | -20.2 | 9.3   | 18.5 | 22.2 |
| Southeast Asia (351/FSEAX)         | S**    | 1.55    | 1.5(90)  | 33.29 | 5368.7  |        | -16.1 | -16.1 | -27.4 | 32.0  | 33.0 | 32.7 |
| Worldwide (318/FWWFX)              | H***   | 1.05    | 1 (30)   | 19.40 | 1697.0  |        | -9.2  | -9.2  | -14.1 | 5.8   | 13.6 | 18.1 |
| INDEX AND ASSET ALLOCATION:        |        |         |          |       |         |        |       |       |       |       |      |      |
| Four-In-One Index (355/FNOX)       | H***   | 0.82    | none     | 28.93 | 2003.2  |        | -5.1  | -5.1  | -9.2  | -0.7  | 8.1  | 12.8 |
| NASDAQ Comp (1282/FNCMX)           | H***   | 1.09    | 0.75(90) | 31.62 | 190.0   |        | -9.9  | -9.9  | -16.3 | -2.5  | 5.6  |      |
| Spart Ext Mkt Idx (398/FSEMX)      | H***   | 1.02    | 0.75(90) | 35.94 | 2286.2  |        | -6.2  | -6.2  | -11.8 | -4.2  | 9.1  | 16.7 |
| Spart Int'l Index (399/FSIIX)      | H***   | 1.02    | 1(90)    | 43.45 | 4810.6  |        | -8.1  | -8.1  | -13.8 | 0.7   | 14.1 | 20.2 |
| Spart 500 Index (317/FSMKX)        | B****  | 1.00    | none     | 95.24 | 8011.5  |        | -6.0  | -6.0  | -10.6 | -2.4  | 7.2  | 11.9 |
| Spart Total Mkt Idx (397/FSTMX)    | H***   | 1.00    | 0.5(90)  | 38.42 | 4854.6  |        | -6.1  | -6.1  | -10.8 | -2.7  | 7.8  | 13.0 |
| Asset Mgr 20% (328/FASIX)          | B****  | 0.19    | none     | 12.34 | 2520.0  |        | -1.0  | -1.0  | -1.7  | 3.1   | 6.0  | 7.4  |
| Asset Mgr 30% (1957/FTANX)         | B****  | 0.3 Est | none     | 9.61  | 5.3     |        | -1.9  | -1.9  |       |       |      |      |
| Asset Mgr 40% (1958/FFANX)         | B****  | 0.4 Est | none     | 9.43  | 3.5     |        | -3.0  | -3.0  |       |       |      |      |
| Asset Mgr 50% (314/FASMX)          | B****  | 0.48    | none     | 14.89 | 8431.3  |        | -4.0  | -4.0  | -6.7  | 0.9   | 5.5  | 7.6  |
| Asset Mgr 60% (1959/FSANX)         | B****  | 0.6 Est | none     | 9.13  | 4.2     |        | -4.9  | -4.9  |       |       |      |      |
| Asset Mgr 70% (321/FASGX)          | B****  | 0.68    | none     | 15.99 | 3057.0  |        | -5.9  | -5.9  | -9.8  | -0.5  | 5.6  | 8.7  |
| Asset Mgr 85% (347/FAMRX)          | B****  | 0.82    | none     | 13.16 | 569.0   |        | -7.0  | -7.0  | -11.8 | -1.3  | 7.8  | 14.8 |
| Freedom 2000 (370/FFBFX)           | B****  | 0.26    | none     | 12.24 | 1789.6  |        | -1.1  | -1.1  | -2.1  | 3.4   | 5.1  | 5.9  |
| Freedom 2005 (1312/FFVFX)          | B****  | 0.48    | none     | 11.41 | 1082.7  |        | -3.2  | -3.2  | -5.6  | 2.7   | 6.5  |      |
| Freedom 2010 (371/FFFCX)           | B****  | 0.50    | none     | 14.35 | 14721.0 |        | -3.2  | -3.2  | -5.7  | 3.0   | 6.8  | 8.9  |
| Freedom 2015 (1313/FFVFX)          | B****  | 0.55    | none     | 11.98 | 6995.9  |        | -3.9  | -3.9  | -6.8  | 2.3   | 7.4  |      |
| Freedom 2020 (372/FFFDX)           | B****  | 0.68    | none     | 15.04 | 21276.2 |        | -4.9  | -4.9  | -8.5  | 1.9   | 8.1  | 11.5 |
| Freedom 2025 (1314/FFTWX)          | B****  | 0.71    | none     | 12.48 | 6404.6  |        | -5.3  | -5.3  | -9.1  | 1.4   | 8.2  |      |
| Freedom 2030 (373/FFFEEX)          | B****  | 0.83    | none     | 15.48 | 14351.7 |        | -6.3  | -6.3  | -10.7 | 0.8   | 8.7  | 12.7 |
| Freedom 2035 (1315/FFTHX)          | B****  | 0.84    | none     | 12.80 | 3779.1  |        | -6.4  | -6.4  | -10.9 | 0.6   | 8.7  |      |
| Freedom 2040 (718/FFFFX)           | B****  | 0.87    | none     | 9.07  | 7436.4  |        | -6.8  | -6.8  | -11.4 | 0.3   | 8.8  | 13.5 |
| Freedom 2045 (1617/FFFGX)          | B****  | 0.88    | none     | 10.58 | 521.7   |        | -6.8  | -6.8  | -11.5 | 0.5   |      |      |
| Freedom 2050 (1618/FFFHX)          | B****  | 0.91    | none     | 10.61 | 550.4   |        | -7.2  | -7.2  | -12.1 | 0.2   |      |      |
| Freedom Income (369/FFFAX)         | B****  | 0.21    | none     | 11.38 | 2558.3  |        | -0.6  | -0.6  | -1.3  | 3.5   | 4.9  | 5.2  |
| Real Estate Income (833/FRIFX)     | S**    | 0.35    | 0.75(90) | 10.25 | 431.6   |        | -0.4  | -0.4  | -3.8  | -8.6  | 3.2  |      |
| Real Estate (303/FRESX)            | S**    | 1.69    | 0.75(90) | 26.14 | 4583.3  |        | 0.6   | 0.6   | -14.9 | -26.6 | 9.4  | 17.4 |
| Int'l Real Estate (1368/FIREX)     | S**    | 1.28    | 1.5(90)  | 12.75 | 826.8   |        | -4.9  | -4.9  | -17.5 | -12.8 | 13.3 |      |
| TAXABLE BOND FUNDS:                |        |         |          |       |         |        |       |       |       |       |      |      |
| Capital & Income (38/FAGIX)        | H***↑  | 0.30    | 1(90)    | 8.37  | 9718.3  | 7.31   | -3.1  | -3.1  | -5.3  | -0.4  | 6.2  | 12.4 |
| Floating Rate (814/FRHFX)          | S**    | 0.13    | 1(60)    | 9.22  | 2271.3  | 7.46   | -3.1  | -3.1  | -3.7  | -1.3  | 3.2  | 4.0  |
| Focused High Inc (1366/HHFX)       | H***↑  | 0.15    | 1(90)    | 9.75  | 53.7    | 7.07   | -0.8  | -0.8  | -1.0  | 1.9   | 4.6  |      |
| GNMA Portfolio (15/FGMNX)          | H***   | 0.21    | none     | 11.09 | 3211.7  | 4.89   | 1.9   | 1.9   | 3.9   | 8.8   | 4.9  | 4.3  |
| Gov't Income (54/FGOVX)            | H***   | 0.22    | none     | 10.57 | 6439.9  | 4.03   | 2.4   | 2.4   | 5.2   | 10.6  | 5.3  | 4.5  |
| High Income (455/SPHIX)            | H***↑  | 0.18    | 1(90)    | 8.41  | 5200.5  | 8.29   | -1.7  | -1.7  | -3.0  | -0.1  | 5.0  | 9.4  |
| Inflation-Protected (794/FINPX)    | H***   | 0.34    | none     | 11.47 | 1380.1  | 1.36   | 3.9   | 3.9   | 7.1   | 13.2  | 5.1  | 6.1  |
| Intermed Bond (32/FTHRX)           | H***   | 0.19    | none     | 10.24 | 7984.4  | 4.65   | 1.3   | 1.3   | 2.6   | 5.2   | 3.7  | 3.8  |
| Intermed Gov't Inc (452/FSTGX)     | H***   | 0.19    | none     | 10.49 | 755.0   | 3.85   | 2.4   | 2.4   | 5.1   | 10.5  | 5.1  | 4.0  |
| Invest Grade Bond (26/FBNDX)       | H***   | 0.23    | none     | 7.24  | 11240.4 | 5.06   | 1.1   | 1.1   | 2.0   | 3.7   | 3.5  | 4.1  |
| Mortgage Securities (40/FMSFX)     | H***   | 0.21    | none     | 10.52 | 1263.4  | 5.41   | 1.1   | 1.1   | 1.4   | 0.7   | 2.5  | 3.2  |
| New Markets Inc (331/FNMIX)        | S**    | 0.22    | 1(90)    | 14.68 | 2106.0  | 5.84   | 0.5   | 0.5   | -0.3  | 6.5   | 9.6  | 13.8 |
| Short-Term Bond (450/FSHBX)        | S**    | 0.11    | none     | 8.62  | 7123.9  | 4.57   | 0.6   | 0.6   | 1.1   | 2.0   | 3.0  | 2.8  |
| Spart Intermed Tr Idx (1561/FIBIX) | H***   | 0.32    | none     | 10.72 | 823.8   | 3.45   | 3.2   | 3.2   | 7.1   | 14.0  |      |      |
| Spart L-Term Tr Idx (1562/FLBIX)   | H***   | 0.50    | none     | 10.48 | 35.8    | 4.12   | 2.7   | 2.7   | 6.9   | 13.5  |      |      |
| Spart S-Term Tr Idx (1563/FSBIX)   | H***   | 0.15    | none     | 10.50 | 90.2    | 2.56   | 2.2   | 2.2   | 4.6   | 10.2  |      |      |
| Strategic Income (368/FSICX)       | H***↑  | 0.13    | none     | 10.48 | 5230.1  | 5.82   | 0.4   | 0.4   | 0.6   | 5.8   | 5.8  | 8.6  |
| Strategic Real Rtn (1505/FSRRX)    | H***   | 0.27    | 0.75(60) | 10.12 | 4715.9  | 3.96   | 1.3   | 1.3   | 0.5   | 4.0   |      |      |
| Total Bond (820/FTBFX)             | H***   | 0.20    | none     | 10.42 | 9221.3  | 4.91   | 1.3   | 1.3   | 2.7   | 5.5   | 4.2  | 4.8  |
| Ultra-Short Bond (812/FUSFX)       | S**    | 0.14    | 0.25(60) | 8.84  | 508.9   | 5.50   | -1.6  | -1.6  | -3.9  | -7.0  | 0.2  | 0.8  |
| US Bond Index (651/FBIDX)          | H***   | 0.22    | none     | 11.02 | 8178.7  | 4.66   | 1.6   | 1.6   | 3.3   | 7.1   | 4.3  | 4.5  |
| MUNICIPAL BOND FUNDS:              |        |         |          |       |         |        |       |       |       |       |      |      |
| AZ Municipal Inc (434/FAZAX)       | H***   | 0.16    | 0.5(30)  | 11.31 | 135.5   | 3.44   | 1.0   | 1.0   | 1.7   | 3.9   | 3.3  | 4.0  |
| CA Municipal Inc (91/FCTFX)        | H***   | 0.15    | 0.5(30)  | 12.23 | 1583.8  | 3.51   | 1.0   | 1.0   | 1.7   | 4.3   | 3.7  | 4.5  |
| CA Short-Int TF (1534/FCSTX)       | B****  | 0.08    | 0.5(30)  | 10.31 | 132.5   | 2.72   | 2.0   | 2.0   | 3.1   | 6.4   |      |      |
| CT Municipal Inc (407/FICNX)       | H***   | 0.14    | 0.5(30)  | 11.43 | 439.6   | 3.15   | 1.6   | 1.6   | 2.8   | 5.9   | 3.7  | 4.1  |
| Intermediate Muni (36/FLTMX)       | H***   | 0.11    | 0.5(30)  | 10.09 | 2006.4  | 3.16   | 1.6   | 1.6   | 2.7   | 5.9   | 3.8  | 4.2  |
| MA Municipal Inc (70/FDMMX)        | H***   | 0.15    | 0.5(30)  | 11.87 | 1875.8  | 3.46   | 1.1   | 1.1   | 2.2   | 4.8   | 3.9  | 4.6  |
| MD Municipal Inc (429/SMDMX)       | H***   | 0.15    | 0.5(30)  | 10.88 | 139.4   | 3.31   | 1.4   | 1.4   | 2.2   | 4.9   | 3.5  | 4.1  |
| MI Municipal Inc (81/FMHTX)        | H***   | 0.13    | 0.5(30)  | 11.90 | 590.7   | 3.11   | 1.5   | 1.5   | 2.7   | 5.8   | 3.9  | 4.5  |
| MN Municipal Inc (82/FIMIX)        | H***   | 0.12    | 0.5(30)  | 11.34 | 349.2   | 3.23   | 1.4   | 1.4   | 2.2   | 4.9   | 3.5  | 4.1  |
| Municipal Income (37/FHIGX)        | H***   | 0.14    | 0.5(30)  | 12.65 | 5135.0  | 3.58   | 0.9   | 0.9   | 1.9   | 4.3   | 3.8  | 4.7  |
| NJ Municipal Inc (416/FNJHX)       | H***   | 0.14    | 0.5(30)  | 11.59 | 581.4   | 3.26   | 1.3   | 1.3   | 2.5   | 5.5   | 3.9  | 4.5  |
| NY Municipal Inc (71/FTFMX)        | H***   | 0.15    | 0.5(30)  | 12.81 | 1436.8  | 3.38   | 1.2   | 1.2   | 2.3   | 4.9   | 3.7  | 4.5  |
| OH Municipal Inc (88/FOHFX)        | H***   | 0.15    | 0.5(30)  | 11.64 | 423.7   | 3.26   | 1.5   | 1.5   | 2.8   | 5.6   | 3.8  | 4.6  |
| PA Municipal Inc (402/FPXTX)       | H***   | 0.12    | 0.5(30)  | 10.83 | 316.2   | 3.17   | 1.2   | 1.2   | 2.4   | 5.5   | 3.7  | 4.3  |
| Short-Int Municipal (404/FSTFX)    | B****  | 0.07    | 0.5(30)  | 10.50 | 1648.2  | 2.58   | 2.1   | 2.1   | 3.3   | 6.7   | 3.5  | 3.0  |
| Tax-Free Bond (90/FTABX)           | H***   | 0.15    | 0.5(30)  | 10.78 | 866.7   | 3.64   | 1.2   | 1.2   | 2.1   | 4.7   | 3.9  | 4.9  |

| JANUARY PERFORMANCE<br>Indexes and Model Portfolios | Risk | Value     | 2008<br>YTD | One<br>Month | Three<br>Month | One<br>Year | 3-Yr<br>Rate | 5-Yr<br>Rate | 10-Yr<br>Rate |
|-----------------------------------------------------|------|-----------|-------------|--------------|----------------|-------------|--------------|--------------|---------------|
| Dow Jones Industrial                                | 0.92 | 12650.36  | -4.5        | -4.5         | -8.6           | 2.6         | 8.9          | 12.0         | 6.9           |
| S&P 500                                             | 1.00 | 1378.55   | -6.0        | -6.0         | -10.6          | -2.3        | 7.3          | 12.0         | 5.1           |
| NASDAQ                                              | 1.08 | 2389.86   | -9.8        | -9.8         | -16.2          | -2.2        | 5.9          | 13.3         | 4.5           |
| Russell 2000                                        | 1.25 | 713.30    | -6.8        | -6.8         | -13.6          | -9.8        | 5.8          | 15.3         | 6.5           |
| Fidelity Monitor Income Model                       | 0.29 | 88012.80  | -1.9        | -1.9         | -3.2           | 1.4         | 4.1          | 4.9          | 4.1           |
| Fidelity Monitor G&I Model                          | 0.62 | 181203.28 | -4.1        | -4.1         | -7.0           | 0.6         | 8.3          | 13.0         | 8.4           |
| Fidelity Monitor Growth Model                       | 1.02 | 196332.70 | -8.0        | -8.0         | -12.2          | -2.8        | 8.9          | 16.2         | 7.4           |
| Fidelity Monitor Select System                      | 0.98 | 377034.44 | -9.2        | -9.2         | -12.6          | 2.3         | 11.9         | 15.8         | 9.3           |
| Fidelity Monitor Unique Opportunities               | 1.11 | 127870.22 | -9.5        | -9.5         | -13.4          | 0.8         | 12.3         | 19.5         |               |

## VIP CORNER

Fidelity's Variable Insurance Products allow tax-deferred growth, but the benefit may be offset by higher tax rates at withdrawal. Performance figures reflect the Retirement Reserves fee structure. Returns for the Personal Retirement Annuity are roughly 0.5 percentage points higher per year.

### VIP INCOME MODEL

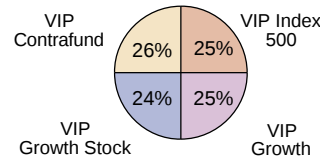


#### PAST PERFORMANCE

Starting Balance: \$10,000

|              |                      |
|--------------|----------------------|
| 1993: +12.3% | 2001: - 3.4%         |
| 1994: - 3.8% | 2002: + 7.3%         |
| 1995: +16.9% | 2003: + 9.9%         |
| 1996: + 6.9% | 2004: + 5.1%         |
| 1997: +10.9% | 2005: + 1.8%         |
| 1998: + 0.4% | 2006: + 6.1%         |
| 1999: + 0.8% | 2007: + 6.2%         |
| 2000: - 2.4% | <b>*2008: - 2.0%</b> |

### VIP GROWTH MODEL

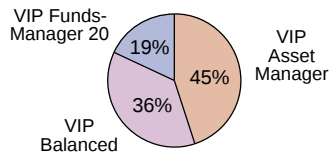


#### PAST PERFORMANCE

Starting Balance: \$10,000

|              |                      |
|--------------|----------------------|
| 1993: +20.6% | 2001: -14.0%         |
| 1994: + 4.6% | 2002: -21.7%         |
| 1995: +36.1% | 2003: +30.0%         |
| 1996: +16.1% | 2004: + 7.0%         |
| 1997: +23.5% | 2005: +10.1%         |
| 1998: +22.6% | 2006: +14.5%         |
| 1999: +22.1% | 2007: + 9.3%         |
| 2000: -10.3% | <b>*2008: - 9.0%</b> |

### VIP G & I MODEL

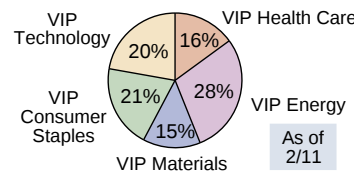


#### PAST PERFORMANCE

Starting Balance: \$10,000

|              |                      |
|--------------|----------------------|
| 1995: +26.4% | 2002: - 9.4%         |
| 1996: +12.8% | 2003: +20.8%         |
| 1997: +21.4% | 2004: + 6.3%         |
| 1998: +15.1% | 2005: + 4.5%         |
| 1999: + 6.1% | 2006: +11.6%         |
| 2000: - 4.9% | 2007: + 7.7%         |
| 2001: + 3.1% | <b>*2008: - 3.8%</b> |

### VIP SECTOR MODEL



#### PAST PERFORMANCE

Starting Balance: \$10,000

|              |                      |
|--------------|----------------------|
| 2003: +57.5% | 2006: +17.7%         |
| 2004: + 6.3% | 2007: +11.2%         |
| 2005: +14.0% | <b>*2008: +10.9%</b> |

Please see the figures at the bottom of the page for VIP model portfolio performance.

| JANUARY VIP PERFORMANCE<br>Portfolio | Rating | PRA<br>Value | RR<br>Value | 2008<br>YTD | One<br>Month | Three<br>Month | One<br>Year | 3-Yr<br>Rate | 5-Yr<br>Rate |
|--------------------------------------|--------|--------------|-------------|-------------|--------------|----------------|-------------|--------------|--------------|
| VIP Aggressive Growth                | H ***  | 11.39        | 11.92       | -12.6       | -12.6        | -19.9          | -0.3        |              |              |
| VIP Asset Manager                    | B **** | 12.05        | 37.80       | -4.2        | -4.2         | -5.9           | 8.6         | 6.9          | 8.3          |
| VIP Asset Manager: Growth            | B **** | 12.13        | 24.94       | -6.1        | -6.1         | -8.7           | 9.3         | 7.3          | 9.6          |
| VIP Balanced                         | B **** | 12.02        | 17.82       | -4.7        | -4.7         | -8.2           | 1.4         | 6.7          | 8.2          |
| VIP Consumer Discretionary           | S **   | 10.13        | 11.12       | -2.1        | -2.1         | -11.8          | -14.4       | 1.1          | 7.2          |
| VIP Consumer Staples                 | B **** | 10.47        | 10.44       | -5.8        | -5.8         | -5.5           |             |              |              |
| VIP Contrafund                       | B **** | 12.77        | 47.36       | -8.3        | -8.3         | -11.9          | 4.7         | 11.7         | 15.7         |
| VIP Disciplined Small Cap            | H ***  | 9.17         | 9.10        | -7.1        | -7.1         | -14.5          | -11.4       |              |              |
| VIP Dynamic Capital Appreciation     | H ***  | 12.38        | 15.00       | -6.4        | -6.4         | -15.8          | -3.5        | 11.4         |              |
| VIP Energy                           | B **** | 16.46        | 28.40       | -11.1       | -11.1        | -7.7           | 28.5        | 28.7         | 28.8         |
| VIP Equity-Income                    | H ***  | 11.76        | 65.67       | -5.3        | -5.3         | -11.4          | -5.8        | 7.0          | 12.1         |
| VIP Financial Services               | S **   | 10.45        | 12.71       | -2.3        | -2.3         | -13.1          | -16.9       | 1.8          | 8.7          |
| VIP Freedom 2005                     | B **** | 11.76        | 11.90       | -3.1        | -3.1         | -5.2           | 3.4         |              |              |
| VIP Freedom 2010                     | B **** | 11.76        | 11.94       | -3.2        | -3.2         | -5.4           | 3.3         |              |              |
| VIP Freedom 2015                     | B **** | 11.98        | 12.22       | -3.8        | -3.8         | -6.4           | 3.2         |              |              |
| VIP Freedom 2020                     | B **** | 12.09        | 12.40       | -4.9        | -4.9         | -8.2           | 2.6         |              |              |
| VIP Freedom 2025                     | B **** | 12.16        | 12.52       | -5.3        | -5.3         | -8.7           | 2.5         |              |              |
| VIP Freedom 2030                     | B **** | 12.24        | 12.67       | -6.2        | -6.2         | -10.3          | 2.1         |              |              |
| VIP Freedom Income                   | B **** | 11.35        | 11.35       | -0.7        | -0.7         | -1.1           | 3.9         |              |              |
| VIP FundsManager 20                  | B **** | 10.95        | 10.84       | -1.0        | -1.0         | -1.5           | 3.5         |              |              |
| VIP FundsManager 50                  | B **** | 10.91        | 10.80       | -3.6        | -3.6         | -5.9           | 1.2         |              |              |
| VIP FundsManager 70                  | B **** | 10.87        | 10.77       | -5.3        | -5.3         | -9.2           | -0.2        |              |              |
| VIP FundsManager 85                  | B **** | 10.83        | 10.72       | -6.7        | -6.7         | -11.5          | -1.2        |              |              |
| VIP Growth                           | B **** | 12.48        | 68.94       | -9.8        | -9.8         | -14.0          | 11.4        | 9.3          | 12.1         |
| VIP Growth & Income                  | B **** | 12.28        | 20.16       | -7.1        | -7.1         | -10.8          | 2.0         | 8.2          | 10.3         |
| VIP Growth Opportunities             | B **** | 11.72        | 14.15       | -14.5       | -14.5        | -19.7          | 0.4         | 6.6          | 10.8         |
| VIP Growth Stock                     | B **** | 11.21        | 11.40       | -11.7       | -11.7        | -16.3          | 5.4         |              |              |
| VIP Health Care                      | B **** | 11.25        | 13.00       | -6.8        | -6.8         | -9.2           | 0.1         | 8.8          | 9.3          |
| VIP High Income                      | H ***↑ | 11.29        | 31.49       | -1.9        | -1.9         | -3.0           | -0.8        | 4.2          | 8.5          |
| VIP Index 500                        | B **** | 11.61        | 37.47       | -6.1        | -6.1         | -10.8          | -3.2        | 6.4          | 11.0         |
| VIP Industrials                      | B **** | 13.19        | 19.01       | -7.4        | -7.4         | -10.7          | 6.2         | 12.3         | 19.8         |
| VIP Int'l Capital Appreciation       | H ***  | 11.54        | 12.10       | -10.3       | -10.3        | -18.2          | -8.9        |              |              |
| VIP Investment Grade Bond            | H ***  | 11.05        | 30.78       | 1.5         | 1.5          | 2.9            | 5.1         | 3.1          | 3.5          |
| VIP Materials                        | B **** | 10.77        | 10.73       | -5.5        | -5.5         | -8.3           |             |              |              |
| VIP Mid Cap                          | B **** | 12.72        | 22.74       | -7.9        | -7.9         | -12.8          | 4.1         | 12.0         | 19.1         |
| VIP Money Market                     |        | 11.15        | 21.48       | 0.3         | 0.3          | 1.0            | 4.3         | 3.6          | 2.3          |
| VIP Overseas                         | H ***  | 13.86        | 43.33       | -9.1        | -9.1         | -13.6          | 5.0         | 14.6         | 19.5         |
| VIP Real Estate                      | S **   | 11.63        | 18.43       | -0.3        | -0.3         | -14.5          | -25.0       | 11.0         |              |
| VIP Strategic Income                 | H ***↑ | 11.48        | 12.54       | 0.5         | 0.5          | 0.6            | 5.3         | 4.9          |              |
| VIP Technology                       | B **** | 10.93        | 10.15       | -18.2       | -18.2        | -27.5          | -6.3        | 5.4          | 11.9         |
| VIP Telecommunications               | H ***  | 8.74         | 8.71        | -11.9       | -11.9        | -20.5          |             |              |              |
| VIP Utilities                        | H ***  | 14.65        | 14.72       | -7.3        | -7.3         | -7.9           | 10.8        | 17.3         | 20.3         |
| VIP Value                            | H ***  | 11.27        | 11.59       | -5.7        | -5.7         | -13.4          | -7.3        |              |              |
| VIP Value Leaders                    | H ***  | 11.82        | 12.17       | -5.2        | -5.2         | -10.6          | -3.1        |              |              |
| VIP Value Strategies                 | H ***  | 11.53        | 14.60       | -8.1        | -8.1         | -15.7          | -7.2        | 6.1          |              |
| Fidelity Monitor VIP Income Model    |        |              | 20632.19    | -2.0        | -2.0         | -3.4           | 3.1         | 3.9          | 5.2          |
| Fidelity Monitor VIP G&I Model       |        |              | 26113.12    | -3.8        | -3.8         | -6.0           | 2.1         | 7.0          | 9.5          |
| Fidelity Monitor VIP Growth Model    |        |              | 37713.21    | -9.0        | -9.0         | -12.7          | -2.1        | 8.6          | 12.7         |
| Fidelity Monitor VIP Sector Model    |        |              | 18524.65    | -10.9       | -10.9        | -15.1          | -1.8        | 10.6         | 17.6         |

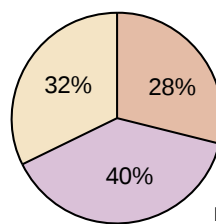
## INCOME MODEL

Our Income Model aims for long-term growth of 7% per year from a mix of funds that emphasize income.

| FUND           | NAV     | SHARES   | BALANCE    |
|----------------|---------|----------|------------|
| Puritan        | \$18.14 | 1344.588 | \$24390.83 |
| Asset Mgr 20%  | \$12.34 | 2835.871 | \$34994.65 |
| Freedom Income | \$11.38 | 2515.582 | \$28627.32 |

7% Foreign Holdings  
**Balance as of 1/31/08: \$88012.80**  
**Balance at start of 2008: \$89754.23**

Freedom Income  
369/FFFX



Puritan  
4/FPURX

Asset  
Mgr 20%  
328/FASIX

### PAST PERFORMANCE

Starting Balance: \$35,000  
 1992: +10.1% 2000: + 0.3%  
 1993: +11.3% 2001: + 5.6%  
 1994: - 2.1% 2002: + 5.4%  
 1995: +14.8% 2003: + 8.4%  
 1996: + 9.0% 2004: + 4.2%  
 1997: +10.5% 2005: + 3.6%  
 1998: + 3.5% 2006: + 6.9%  
 1999: + 3.0% 2007: + 4.0%

**2008 YTD: - 1.9%**

Our Income Model declined 1.9% for the month of January. The current asset mix is 32% stocks, 47% bonds, and 21% cash.

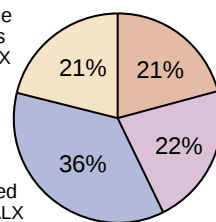
## GROWTH AND INCOME MODEL

Our Growth and Income Model aims for long-term growth of 10% per year from stocks and bonds.

| FUND             | NAV     | SHARES   | BALANCE    |
|------------------|---------|----------|------------|
| Asset Mgr 20%    | \$12.34 | 3091.867 | \$38153.64 |
| Puritan          | \$18.14 | 2249.813 | \$40811.61 |
| Balanced         | \$18.73 | 3473.505 | \$65058.75 |
| Conv. Securities | \$26.34 | 1410.514 | \$37179.28 |

10% Foreign Holdings  
**Balance as of 1/31/08: \$181203.28**  
**Balance at start of 2008: \$189006.21**

Convertible Securities  
308/FCVX



Asset Mgr.  
20% (Inc)  
328/FASIX

Balanced  
304/FBALX

Puritan  
4/FPURX

### PAST PERFORMANCE

Starting Balance: \$50,000  
 1994: - 3.7% 2001: + 1.3%  
 1995: +21.6% 2002: - 6.4%  
 1996: +15.8% 2003: +33.0%  
 1997: +18.7% 2004: +11.5%  
 1998: +11.1% 2005: + 8.2%  
 1999: +12.2% 2006: +13.7%  
 2000: + 2.7% 2007: + 6.1%

**2008 YTD: - 4.1%**

For January our Growth and Income Model was down 4.1%. The current asset mix is 62% stocks, 33% bonds, and 5% cash.

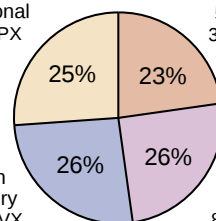
## GROWTH MODEL

Our Growth Model aims for long-term growth of 13% per year. The model focuses on domestic funds and strives to hold profitable positions for at least a year.

| FUND              | NAV     | SHARES   | BALANCE    |
|-------------------|---------|----------|------------|
| Spartan 500 Index | \$95.24 | 481.853  | \$45891.68 |
| Value Discovery   | \$16.77 | 2994.897 | \$50224.42 |
| Growth Discovery  | \$14.72 | 3515.551 | \$51748.91 |
| Export & Mult.    | \$23.22 | 2087.325 | \$48467.69 |

18% Foreign Holdings  
**Balance as of 1/31/08: \$196332.70**  
**Balance at start of 2008: \$213419.53**

Export & Multinational  
332/FEXPX



Spartan  
500 Index  
317/FSMKX

Growth  
Discovery  
339/FDSVX

Value  
Discovery  
832/FVDFX

### PAST PERFORMANCE

Starting Balance: \$15,000  
 1987: + 2.8% 1998: + 9.9%  
 1988: +26.0% 1999: +29.0%  
 1989: +30.4% 2000: -10.8%  
 1990: - 4.4% 2001: - 6.4%  
 1991: +40.6% 2002: -17.1%  
 1992: +15.7% 2003: +46.1%  
 1993: +31.9% 2004: +12.4%  
 1994: - 2.1% 2005: +11.2%  
 1995: +27.2% 2006: +15.7%  
 1996: +19.2% 2007: + 7.3%  
 1997: +25.5%

**2008 YTD: - 8.0%**

Our Growth Model lost 8.0% in January, versus a 6.0% decline for the S&P 500. The current asset mix is 97% stocks, 3% cash.

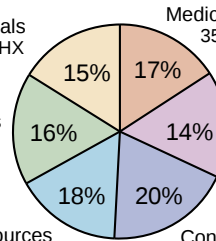
## SELECT SYSTEM

Our Select System uses a volatility model to identify attractive sectors, and aims for growth of 14% per year.

| FUND              | NAV     | SHARES   | BALANCE    |
|-------------------|---------|----------|------------|
| Medical Equipment | \$24.42 | 2643.537 | \$64555.17 |
| Computers         | \$39.32 | 1361.136 | \$53519.87 |
| Consumer Staples  | \$62.57 | 1198.944 | \$75017.93 |
| Natural Resources | \$35.86 | 1866.676 | \$66939.00 |
| Wireless          | \$7.46  | 7907.524 | \$58990.13 |
| Chemicals         | \$78.91 | 735.171  | \$58012.34 |

16% Foreign Holdings  
**Balance as of 1/31/08: \$377034.44**  
**Balance at start of 2008: \$415259.49**

Chemicals  
69/FSCHX



Medical Equipment  
354/FSMEX

Natural Gas  
513/FSNGX

Computers  
7/FDCPX

Natural Resources  
514/FNARX

Consumer Staples  
9/FDFAX

### PAST PERFORMANCE

Starting Balance: ~\$25,000  
 1989: +23.4% 1999: +44.9%  
 1990: +31.3% 2000: -14.9%  
 1991: +35.3% 2001: - 7.3%  
 1992: +20.4% 2002: -14.7%  
 1993: +25.9% 2003: +38.4%  
 1994: - 0.9% 2004: + 7.4%  
 1995: +39.0% 2005: +15.0%  
 1996: + 5.2% 2006: +13.6%  
 1997: +29.3% 2007: +15.6%  
 1998: +21.7%

**2008 YTD: - 9.2%**

Our Select System lost 9.2% in January, versus a 6.0% decline for the S&P 500. The current asset mix is 97% stocks, 3% cash. On 2/11 we will sell **Wireless** and buy **Natural Gas**.

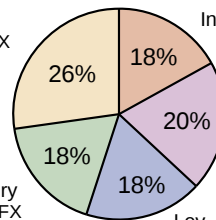
## UNIQUE OPPORTUNITIES MODEL

Our portfolio aims for a growth rate of 14% per year.

| FUND              | NAV     | SHARES   | BALANCE    |
|-------------------|---------|----------|------------|
| Industrial Equip. | \$32.70 | 695.529  | \$22743.80 |
| Independence      | \$25.28 | 1003.818 | \$25376.52 |
| Lev. Co. Stock    | \$29.48 | 1553.014 | \$45782.85 |
| Trend             | \$62.58 | 542.778  | \$33967.05 |

19% Foreign Holdings  
**Balance as of 1/31/08: \$127870.22**  
**Balance at start of 2008: \$141360.40**

Trend  
5/FTRNK



Industrial Equip  
510/FSCGX

Value  
Discovery  
832/FVDFX

Independence  
73/FDFFX

Lev. Co. 122/FLVCX

### PAST PERFORMANCE

Starting Balance: \$50,000  
 (Partial Yr 99) 2003: +43.2%  
 1999: +33.8% 2004: +20.6%  
 2000: -20.5% 2005: +18.8%  
 2001: + 1.6% 2006: +16.6%  
 2002: - 2.1% 2007: +11.6%

**2008 YTD: - 9.5%**

Our Unique Opportunities Model lost 9.5% in January. On 2/11 we will sell one half of **Leveraged Company Stock** and buy **Value Discovery**, for a resulting asset mix of 99% stocks, and 1% cash.

## What's going to happen to stocks when the baby boomers start retiring?

Probably not much. Most of the boomers who plan to retire at a relatively young age are able to do so because they have a pension that provides almost as much income as their job did. There's not much need for this group to sell stocks to cover living expenses. Granted, their pension funds are selling stocks on their behalf, but this is coming at a time when new regulations are prompting many entities to increase funding for future obligations. As a result, there should be little or no drag on equities.

The second wave, which could start in about 10 years, could mean significant liquidation of 401k, IRA, and pension assets. But that will be partly offset by those who shed real estate and step up their stock exposure as they learn about financial markets and make it a part-time hobby. Some of these retirees will likely return to the work force after a few years, so this phase could play out over a relatively long period - perhaps 15-20 years. In a worst case scenario, stock multiples might end up about a third lower. But if this plays out over 15 years or more, all it means is that annual equity returns might be 2 percentage points lower than usual.

The final wave involves those who work well into their 70s - either because they *want* to, or because they *have* to. Those who *want* to work that long tend to be natural wealth accumulators, with large portfolios and small living expense needs. Those who *have* to work that long aren't likely to have much stock to sell, because most of their net worth will be in cash and home equity. Either way, this group isn't likely to put much pressure on the stock market.

Given that some 85% of the stock market's capitalization is controlled by wealthy investors who don't need to liquidate assets for living expenses, the impact of a 30-year liquidation of the remaining 15% just isn't that great. Assuming that portion is easily absorbed by foreign investors and stock buyback programs, there may not be any negative impact at all. So, feel free to worry about the energy crunch, inflation, and higher taxes. But don't lose sleep over the coming retirement wave.

## Your total return figures for the Dow and S&P 500 are higher than what's listed in the newspaper.

Your newspaper ignores reinvested dividends. ■

Treasuries got a boost from economic worries. **Inflation-Protected Bond** rose 3.9%, and **Spartan Intermediate Treasury Index** gained 3.2%. But credit concerns weighed on **Floating Rate High Inc.** and **Capital & Income**. Both were down 3.1%. Muni bond funds posted gains ranging from 0.9% to 2.1%.

### SELECT PORTFOLIOS

Select System holdings are listed on page 7. Funds rated buy include **Energy Service, Natural Gas, Natural Resources, Energy, Medical Delivery, Medical Equipment, Health Care, Cons. Staples, Chemicals, Computers, and Industrial Equipment**.

**Gold** jumped 8.5% as inflation-wary investors hedged their portfolios. **Construction & Housing** was up 5.3% on hopes that lower interest rates would spur new sales. On the losing end, technology stocks were sold heavily despite a potential boost from a new round of dollar weakness. **Electronics** lost 15.8%, **Energy Ser.** fell 17.4%, **Technology** was down 17.6%, and **Computers** tumbled 18.7%. ■

## Happenings

With great fanfare, Fidelity has reopened **Magellan**. Current manager Harry Lange has done well with a unique blend of stocks over the last year, emphasizing technology but avoiding stocks that are held by other large funds such as **Contrafund**. The fund is well-positioned to benefit from a weakening dollar, and new inflows could give Lange fresh capital to invest in his favorite ideas. We've upgraded **Magellan** to a buy.

Among manager changes, Sammy Simnagar is the new stockpicker at **Aggressive International** and **VIP Int'l Capital Appreciation**, Patrick Venanzi has taken the helm at **Mid Cap Growth**, Matthew Schuldt is now running **Chemicals**, Tobias Welo is heading **Materials**, and Richard Manuel has been appointed manager of **Financial Services**. ■

### JANUARY DISTRIBUTIONS

|                                        |                          |
|----------------------------------------|--------------------------|
| <b>Convertible Securities</b>          | \$ 0.02 / \$26.92 (1/11) |
| <b>Equity-Income II</b>                | \$ 0.17 / \$21.64 (1/11) |
| <b>Growth Company</b>                  | \$ 0.005/\$79.36 (1/11)  |
| <b>Independence</b>                    | \$ 0.51 / \$26.43 (1/11) |
| <b>New Millennium</b>                  | \$ 0.08 / \$27.88 (1/11) |
| <b>Strategic Dividend &amp; Income</b> | \$ 0.05 / \$11.99 (1/11) |

Funds scheduled for February: **Asset Manager 20%, Contrafund, Freedom Income, New Markets Income, Real Estate Income, Intermediate Muni, MI Muni, MN Muni, OH Muni, PA Muni, Strategic Inc., and Trend**.

| Money Market Funds        | Size     | Yield | Money Market Funds    | Size   | Yield | Money Market Funds       | Size    | Yield |
|---------------------------|----------|-------|-----------------------|--------|-------|--------------------------|---------|-------|
| Cash Reser. (55/FDRXX)    | 111520.6 | 4.34  | CT MM (418/FCMXX)     | 1994.7 | 2.58  |                          |         |       |
| Select MM (85/FSLXX)      | 5738.6   | 4.40  | MA MM (74/FDMXX)      | 5443.2 | 2.60  |                          |         |       |
| Money Market (454/SPRXX)  | 7962.6   | 4.26  | MI MM (420/FMIXX)     | 1069.7 | 2.55  | MA AMT TF (426/FMSXX)    | 850.0   | 2.74  |
| Gov't MM (458/SPAXX)      | 734.9    | 3.96  | NJ MM (417/FNJXX)     | 2346.4 | 2.67  | AMT Tax-Free (460/FIMXX) | 3588.7  | 2.78  |
| US Treas. MM (415/FDLXX)  | 3373.1   | 3.05  | NY MM (92/FNYXX)      | 5209.6 | 2.37  | NJ AMT TF (423/FSJXX)    | 730.7   | 2.83  |
| Tax-Free MM (275/FMOXX)   | 5059.5   | 2.69  | OH MM (419/FOMXX)     | 1217.6 | 2.39  | NY AMT TF (422/FSNXX)    | 1339.6  | 2.67  |
| US Gov't Reser (50/FGRXX) | 3396.9   | 3.99  | AZ MM (433/FSAXX)     | 378.3  | 2.44  | PA MM (401/FPTXX)        | 715.8   | 2.56  |
| CA MM (97/FCFXX)          | 5846.7   | 2.53  | CA AMT TF (457/FSPXX) | 2072.2 | 2.83  | Municipal MM (10/FTEXX)  | 22135.5 | 2.65  |