

Jack
Bowers



Fidelity

Best Performing
Fidelity Newsletter

20
Years

MARCH
2010

Monitor™

International Update

It's been almost a year since the global economy began bouncing back from the financial crisis. Now that the dust is settling, it's becoming more clear who the winners and losers are, and it's not turning out as many had expected.

WINNER: U.S. ECONOMY

Granted, it doesn't feel like the domestic economy has emerged a winner. Jobs are scarce, commercial construction is dead in the water, and consumers are strapped. Pundits rant about excessive levels of U.S. government debt and insist we should all be buying gold.

But dig a little deeper, and there are some very favorable trends to be found. U.S. corporations have

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Changes for Growth Model, Select System, VIP Sector, and Unique Opportunities

On Monday, 3/8, we'll make changes in the following portfolios:

Our Growth Model will exchange **Low-Priced Stock** (316/FLPSX) for **Equity-Income** (23/FEQIX). By moving from a mid-cap value fund to a large-cap value fund, we'll gain more exposure to dividend stocks, a group that tends to perform well when the economy is in a cyclical recovery. We still like **Low-Priced**, but with **Contrafund** also positioned somewhat defensively, this is the most effective way to reduce the portfolio's cash and foreign holdings.

Our Select System will sell **Leisure** (62/FDLSX) and buy **Telecommunications** (96/FSTCX). Telecom stocks have an unusually high dividend yield, and the group has climbed to the top of our volatility ranking. While the industry has been going through a tough transition on the voice side, there's a lot of opportunity with wireless data.

Our VIP Sector Model will sell **VIP Consumer Discretionary** and buy **VIP Telecom**.

Our Unique Opportunities Model will sell a third of **Low-Priced Stock** (316/FLPSX) and buy **Dividend Growth** (330/FDGFX). With the domestic economy poised to grow faster than the global economy, we're making this move to reduce our foreign stock weighting a bit. There's not much impact on stylebox positioning.

Review & Recommendations

The bond market pulled back as global carry trade bets were closed out in a scramble to limit exposure to Europe's debt problems (U.S. bonds may benefit from this later, but the Fed's tough talk kept that from happening up front). The story was better on the stock side. Inventory replenishing and exports are helping to create steady growth in the manufacturing sector, and business spending is picking up. The S&P 500 gained 3.1% for February.

GROWTH FUNDS

Our Growth Model holdings are listed on page 7. If you prefer to pick your own funds, our current favorites include **Dividend Growth**, **OTC Portfolio**, **Contrafund**, **Small Cap Value** and **Low-Priced Stock**.

Fidelity's mid-cap funds benefited from a rally in the communications equipment sector. **Mid-Cap Stock** climbed 6.2%, **Growth Strategies** was up 6.0%, and **Mid-Cap Growth** gained 5.8%. On the flip side, funds with exposure to foreign stocks and small caps were held back by a stronger dollar and the growing likelihood of a tightening move. **Contrafund** gained 2.8%, **Small Cap Discovery** was up 2.2%, and **Small Cap Value** rose 1.6%.

INTERNATIONAL FUNDS

Pacific Basin is now our favorite for investors who want international diversification. We still like **Global Balanced**, but its European holdings could put it at a slight disadvantage to **Balanced**.

A stronger domestic economy helped give a boost to U.S. trading partners. **Canada** jumped 7.2%, and **Latin America** gained 4.4%. In contrast, funds with heavy exposure to Europe were hurt as the greenback gained strength. **Overseas** and **Europe Capital Appreciation** were off 0.7%, while **Europe** slid 0.8%.

GROWTH & INCOME FUNDS

Our Growth and Income Model holdings are listed on page 7. If you prefer to hold a single fund in this category, consider **Balanced** or **Puritan**.

Real Estate jumped 7.2% on improvement in the U.S. economy, and as firms with strong finances took advantage of those being forced to liquidate. **Fidelity Fund** and **Growth & Income** posted respective gains of 3.6% and 3.5%; they were helped by stock-only portfolios. The group laggard was **Telecommunications & Utilities**, which returned 0.8%. It was held back by shrinking demand in the electric utility sector.

RECOMMENDATIONS - *Continued on page 8*

quickly adapted to the new reality, our trade balance has improved dramatically, long-term energy problems have been alleviated by innovative natural gas drilling methods, and we appear to be riding an unprecedented productivity boom. Slowly but surely, our economy is becoming more globally competitive, setting the stage for a golden era of exports.

LOSER: EURO-ZONE

It's ironic that a crisis originating in the U.S. would ultimately inflict the most economic pain in Europe, but that's pretty much how things are shaping up. E.U. central bankers were not as aggressive as the Fed in lowering interest rates and injecting capital into their banking system, which is why the region's economy is stalling. Further aggravating the problem is the common currency structure of the euro itself, which holds weak economies hostage to those with a stronger base. Unlike free-floating currencies, which serve as shock-absorbers during times of stress, the euro structure forces weaker members to accept a lower standard of living, just as staying on the gold standard forced the U.S. into a lower standard of living during the Great Depression.

Making matters worse, unions and heavy-handed labor laws have restricted the ability of E.U. firms to cut costs, consolidate, and boost productivity through the use of technology. This problem has been stifling job creation for decades, with reforms moving at a snail's pace. But time has run out – it's now a matter of economic survival.

MIXED: JAPAN, EMERGING MARKETS

Japan has been struggling through a 20-year banking crisis after a big real estate bust in 1990. Over the same period, many emerging countries in Latin America and Asia have had major problems with debt and linked currencies that ultimately forced them to restructure and adopt free-floating currencies.

As survivors of fairly recent debacles, these groups were not as heavily impacted by the events of 2008. But they're not in the clear either. Japan's sovereign debt has been manageable only because a large majority is held by Japanese citizens, who have been remarkably willing to settle for meager interest rates. And emerging countries, many of which try to stay informally linked to

the dollar while running large trade surpluses, are facing a growing problem with inflation. Part of it stems from their energy-intensive economies, but in China's case the problem is further aggravated by the country's recent decision to cut back on recycling its trade surplus into dollar-denominated investments. Although inflation in China is potentially bullish for Chinese stocks, the central bank's attempt to rein in exchange-rate induced inflation by limiting bank lending probably won't work. Ultimately China will have to let its currency float to solve its inflation problem, but who knows how many other heavy-handed "solutions" will be attempted first.

DOLLAR TREND REVERSED

What all this means is that investors can no longer count on a weak dollar to pump up returns on foreign holdings. In the case of euro-zone investments, there is a significant risk that a weaker euro will hurt returns.

Why? Because currencies move on anticipated interest-rate differentials. With the Fed looking more likely to tighten in the next 12 months, and the E.U. entering a long easing period, money will be migrating from the euro-zone to dollar-denominated investments.

Don't worry that the dollar will be vulnerable to high levels of U.S. government debt. The media gives lots of air time to pundits with scary predictions, but perspective is getting lost in the process. Euro-zone countries actually have more external debt than the U.S., and even worse they lack the economic growth needed to service it. The yen is no safe haven either. Relative to GDP, Japan has 4-5 times as much public debt as the U.S.

RECOMMENDATIONS

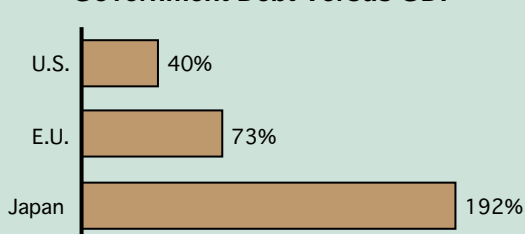
With almost half of S&P 500 earnings coming from foreign sales, it's not necessary to invest overseas. U.S. stocks already have built-in global diversification.

Over the last five years, it's been easy to boost returns with foreign holdings, but investors should not assume this trend will go on forever. Following are some thoughts on Fidelity's international lineup:

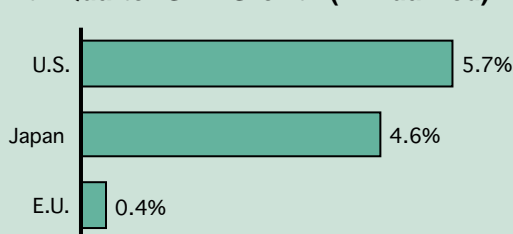
EUROPEAN-FOCUSED FUNDS

This group includes dedicated European funds, along with diversified funds with a heavy weighting in European stocks. If you hold any of these funds, we recommend reducing your collective position to less than

Government Debt Versus GDP



4th Quarter GDP Growth (Annualized)



Sources: U.S. Commerce Department, Eurostat, Japanese Cabinet Office, CIA World Fact Book

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For information/service, call (800) 397-3094, email fidmonserv@aol.com or visit the web site. Subscription rate: \$139 per year, including weekly hotline service. Fidelity Monitor is not associated with Fidelity Investments. All facts and figures are obtained from reliable sources but are subject to revision. Before buying a fund, please read its prospectus. Editor: Jack Bowers. Copyright (c) 2010.

5% of your overall investment portfolio.

Europe and **Europe Capital Appreciation** are nearly identical. With few growth stocks to choose from, these funds tend to operate like a European version of **Equity-Income**. Since U.S. banks are poised to gain market share from European banks, we'd rather just own **Equity-Income**.

Diversified Int'l holds nearly half of its assets in European stocks, and holds an industry mix that's heavy on financial stocks, which could be hurt if banks in Europe begin a long cycle of write-downs. Here again, sell this one and buy **Equity-Income**.

Int'l Discovery's heavy bet on U.K. financial stocks may help avoid Euro-bank write downs, but slow economic growth in the entire region could still cause a lot of problems. Sell and buy **Value**, which has a similar industry mix.

Int'l Enhanced Index is run by Geode Capital Management. It doesn't benefit much from Fidelity's fundamental research, and as with the EAFE index it is too heavily weighted toward Europe. Sell and buy **Equity-Income**.

Int'l Value has benefited from some good stock picks, but with nearly 40% in financial stocks it too is heavily exposed to any banking problems that result from euro-zone debt problems. Sell and buy **Strategic Dividend & Income**.

Nordic used to be heavy in Nokia and Ericsson, but the tech bias is gone. Today it's mostly in financial and industrial stocks, which give it a value orientation. We'd rather own **Value**.

Overseas has heavy European stock exposure and its performance since the financial crisis began has been nothing to write home about. Here again, consider an exchange to **Equity-Income**.

Spartan Int'l Index tracks the EAFE index, a broad group of stocks that is two-thirds in Europe with very little emerging country exposure. There's not much growth stock exposure in this index, because very few growth companies exist. It's tough to get financing for non-traditional ideas in Europe. Heavy-handed regulations, restrictive labor laws, and high tax rates also serve to stifle innovation. Sell and buy **Value**.

Total Int'l Equity is somewhat like **Spartan Int'l Index** with a small amount of emerging market exposure added into the mix. We're still troubled by the fact that financial stocks make up nearly a quarter of assets. Sell and buy **Value**, which has a similar sector mix.

BROADLY DIVERSIFIED FUNDS

These funds have a tolerable amount of European stock exposure. In most cases we wouldn't necessarily

put new money in them, but it's not unreasonable to hold existing positions:

Global Balanced is no longer one of our favorite funds, but we still rate it a buy for those who want a conservative bet on the global economy. Euro-zone exposure is relatively small on both the stock side (64% of assets) and the bond side (32% of assets).

Int'l Capital Appreciation has undergone a make-over under new manager Sammy Simnegar, and now has more exposure to smaller stocks and emerging market positions.

Int'l Growth manager Jed Weiss has about a third of this portfolio in the U.K. and Switzerland, but most of it avoids the financial sector, going instead to food and beverages, and to industrial stocks that could benefit from weaker European currencies.

Int'l Small Cap is heavily weighted in Japan, the U.K. and Australia. It has a strong management team with the potential to benefit from Fidelity's strength in research, and holds a modest 11% weighting in the finance sector. We rate it a buy.

Int'l Small Cap Opportunities is similar to **Int'l Small Cap**. Although it includes more emerging market exposure and runs with a higher volatility level, it hasn't performed significantly better.

Worldwide has a little over half of its portfolio in foreign stocks, and is positioned for a cyclical global recovery. For those who insist on having overseas holdings in their portfolio, this fund at least has the advantage of being able to put a sizable chunk of its assets in U.S. multinationals.

ASIA-FOCUSED FUNDS

These funds have very little European exposure. With manufacturing and technology leading the global recovery, they've got a better shot at keeping up with domestic stock funds.

China Region is currently 40% in China, 35% in Hong Kong, and 22% in Taiwan. China is an emerging country, while Hong Kong and Taiwan are fully developed. The region's real estate market plays a significant role here, which is not necessarily a bad thing, given that inflation is the main problem.

Japan represents a broad bet on Japanese banks and exporters. The country's banks are survivors of a long-running crisis that dates back to the 1990 real estate crash, and its exporters are survivors of a yen that remained strong against other world currencies for an extended period. As such, this fund probably won't be hurt by any new crisis that comes along.

Japan Smaller Companies is a value play of sorts.

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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 monthly gains and losses over a three-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 ↓.

FEBRUARY PERFORMANCE						2010	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
GROWTH FUNDS:												
130/30 Large Cap (2063/FOTTX)	S**	1.16	none	6.54	19.8	-0.9	4.0	1.6	25.1			
Growth Strategies (324/FDEGX)	H***	1.25	1.5(90)	16.35	1775.9	0.5	6.0	7.0	57.7	-6.2	0.9	-11.9
Blue Chip Gth (312/FBGRX)	B****	1.10	none	37.46	10448.4	-1.3	4.3	3.6	64.7	-0.3	2.0	-2.2
Blue Chip Value (1271/FBCVX)	H***	1.18	none	9.99	343.6	0.3	3.4	2.5	63.3	-9.9	-1.7	
Capital Apprec (307/FDCAX)	H***	1.16	none	21.78	4577.1	1.6	5.6	9.1	65.9	-4.5	1.8	0.3
Contrafund (22/FCNTX)	B****	0.94	none	57.10	54252.3	-1.9	2.8	1.1	45.0	-1.5	4.0	2.9
Growth Discovery (339/FDSVX)	S**	1.13	none	10.98	661.3	-1.1	4.8	2.8	48.2	-4.3	1.3	-0.9
Disc Equity (315/FDEQX)	S**	1.02	none	20.75	10038.0	-1.2	3.6	1.0	44.5	-7.4	-0.3	0.0
Dividend Gth (330/FDGFV)	B****	1.28	none	23.64	7349.5	-0.1	3.8	4.9	82.3	-4.4	1.0	2.4
Export Fund (332/FEXPX)	H***	1.13	0.75(30)	19.35	2622.3	-1.4	3.7	0.6	55.3	-4.4	1.6	3.3
Fidelity Fifty (500/FFTYX)	H***	1.25	none	14.89	715.9	-1.0	3.6	1.0	54.5	-8.7	-0.3	0.1
Focused Stock (333/FTQGX)	H***	1.01	none	10.82	118.5	-1.6	4.9	0.3	44.8	-2.0	2.6	-1.9
Growth Company (25/FDGRX)	B****	1.12	Closed	67.91	26376.4	-1.6	4.1	3.5	55.7	-0.3	5.0	-3.7
Independence (73/FDFFX)	H***	1.42	none	19.95	3611.8	0.2	5.5	4.7	66.7	-1.9	3.5	-2.0
Lg Cap Core En Idx (1827/FLCEX)	H***	1.0 Est	none	7.69	995.9	-0.8	3.1	1.1	48.5			
Lg Cap Gth En Idx (1829/FLGEX)	H***	1.2 Est	none	8.44	47.6	-1.1	3.7	2.0	52.5			
Large Cap Growth (763/FSLGX)	H***	1.03	none	8.00	96.5	-1.6	4.0	1.9	41.9	-8.0	-2.1	
Large-Cap Stock (338/FLCSX)	B****	1.29	none	15.07	817.1	0.5	3.5	3.0	80.8	-3.8	2.2	-2.6
Lg Cap Val En Idx (1828/FLVEX)	H***	1.2 Est	none	6.70	67.3	0.0	3.4	1.7	48.8			
Large Cap Value (708/FLVLX)	H***	1.09	none	9.72	915.0	-0.2	3.4	1.3	50.6	-10.4	-1.6	
Lev Co Stock (122/FLVCX)	B****	1.71	1.5(90)	23.06	4027.4	0.6	3.3	6.1	93.3	-6.3	2.1	
Low-Priced Stock (316/FLPSX)	B****	1.15	1.5(90)	32.52	24150.1	1.8	3.5	6.1	66.6	-2.6	3.4	11.1
Magellan (21/FMAGX)	H***	1.32	none	63.36	21210.0	-1.5	3.0	2.8	62.7	-6.2	-0.8	-2.0
Mid Cap Growth (793/FSMGX)	H***	1.31	0.75(30)	9.98	210.9	0.4	5.8	7.1	67.2	-8.9	-1.6	
Mid Cap Stock (337/FMCSX)	B****	1.37	0.75(30)	24.11	6164.9	2.9	6.2	9.0	78.0	-4.9	4.1	1.2
Mid Cap Value (762/FSMVX)	H***	1.30	0.75(30)	13.06	469.4	2.3	5.2	7.9	75.4	-6.7	1.5	
New Millennium (300/FMILX)	B****	1.18	none	24.51	1629.9	-0.4	3.7	4.4	65.8	-1.3	4.3	-1.3
OTC Portfolio (93/FOCPX)	B****	1.32	none	44.58	5125.7	-2.5	4.1	5.1	71.1	2.5	6.1	-3.6
Small Cap Discovery (384/FSCRX)	B****	1.38	1.5(90)	15.73	329.1	1.2	2.2	10.4	88.6	1.9	5.1	
Small Cap Growth (1388/FCPGX)	H***	1.26	1.5(90)	12.40	1143.3	-0.2	3.0	8.3	66.7	-4.1	2.8	
Small Cap Indep (336/FDSCX)	H***	1.37	1.5(90)	14.07	1421.1	1.1	4.7	9.1	65.6	-9.8	-0.7	2.2
Small Cap Stock (340/FSLCX)	B****	1.44	2(90)	16.04	3498.7	0.6	5.1	10.4	99.3	-0.6	4.2	5.8
Small Cap Value (1389/FCPVX)	B****	1.33	1.5(90)	12.85	1579.9	1.3	1.6	10.0	77.9	-1.5	4.9	
Stock Selector (320/FDSSX)	H***	1.03	none	21.61	614.1	-0.5	3.1	3.7	52.6	-5.8	0.6	-0.7
Tax Mgd Stock (343/FTXMX)	S**	1.10	none	10.88	72.1	-0.2	5.2	3.2	45.1	-8.2	-0.5	
Trend (5/FTRNX)	B****	1.15	none	55.40	779.8	-1.5	4.0	1.8	60.8	-1.8	2.8	-0.1
Value (39/FDVLX)	B****	1.47	none	57.81	7346.0	1.5	4.4	7.0	87.0	-8.4	0.6	8.3
Value Discovery (832/FVDFX)	H***	1.16	none	12.91	626.2	0.3	3.9	4.6	61.0	-7.4	1.5	
Value Strategies (14/FLSLX)	H***	1.60	none	22.64	262.0	2.4	4.8	8.4	104.0	-7.3	0.6	5.7
GROWTH & INCOME FUNDS:												
Balanced (304/FBALX)	B****	0.80	none	16.36	17601.7	0.0	1.9	1.9	42.5	-2.1	3.2	5.7
Convertible Sec (308/FCVX)	H***	1.36	none	22.14	2325.2	1.6	3.6	5.3	81.7	-0.7	4.8	3.5
Equity-Income (23/FEQIX)	B****	1.15	none	38.99	15119.0	-0.4	2.8	1.2	64.5	-8.6	-0.7	3.1
Equity-Income II (319/FEQTX)	B****	1.11	none	16.24	5031.9	-0.6	2.7	0.9	60.6	-8.2	-1.6	2.1
Fidelity Fund (3/FFID)	H***	1.05	none	28.00	4826.7	-1.2	3.6	0.8	49.9	-4.5	1.4	-0.9
Growth & Income (27/FGRIX)	H***	1.20	none	16.04	5933.6	-0.1	3.5	2.9	53.6	-15.2	-6.9	-3.4
Mega Cap Stock (361/FGRTX)	B****	1.04	none	8.74	387.4	-0.7	2.6	0.5	58.2	-4.9	1.0	0.6
Puritan (4/FPURX)	B****	0.72	none	16.09	16299.2	0.2	2.2	1.8	40.7	-1.7	2.7	4.7
Real Estate Income (833/FRIFX)	B****	0.80	0.75(90)	9.42	738.2	2.3	1.5	5.1	53.9	-1.7	2.6	
Real Estate (303/FRESX)	H***	2.08	0.75(90)	20.28	2511.8	0.6	7.2	7.5	110.4	-15.3	0.8	10.7
Strategic Div & Inc (1329/FSDIX)	B****	1.15	none	9.59	442.9	0.5	3.5	5.4	68.0	-6.5	0.8	
Select & Utilities (311/FUIX)	H***	0.91	none	13.44	705.7	-4.1	0.8	2.2	22.2	-9.4	2.0	-2.6
SELECT FUNDS:												
Air Transportation (34/FSAIX)	H***	1.66	0.75(30)	35.30	74.9	10.8	9.8	30.0	103.5	-5.0	6.2	7.5
Automotive (502/FSAVX)	H***	2.57	0.75(30)	31.63	145.6	0.5	3.2	7.7	215.4	-6.0	-0.3	5.7
Banking (507/FSRDX)	H***	1.59	0.75(30)	16.63	334.2	9.0	1.5	7.9	87.1	-16.9	-7.8	2.1
Biotechnology (42/FBIOX)	H***	1.02	0.75(30)	67.83	1046.5	3.6	1.5	8.6	24.2	2.0	6.7	-4.2
Brokerage (68/FSLBX)	H***	1.49	0.75(30)	47.30	559.1	-0.3	2.5	0.8	78.4	-8.6	4.0	6.2
IT Ser / Bus Ser (353/FBSOX)	B****	1.20	0.75(30)	17.08	109.8	-4.2	0.1	0.9	60.8	3.9	7.7	6.1
Chemicals (69/FSCHX)	H***	1.37	0.75(30)	75.43	395.7	0.2	4.7	2.6	79.2	4.5	6.3	11.6
Computers (7/FDCPX)	B****	1.45	0.75(30)	43.59	476.5	-4.4	5.7	3.5	85.9	3.5	4.7	-7.2
Const & Housing (511/FSHOX)	H***	1.48	0.75(30)	29.89	92.0	2.8	5.7	9.0	67.4	-8.3	-2.4	9.5
Consumer Disc (517/FSCPX)	H***	1.18	0.75(30)	19.37	69.2	3.1	5.8	8.0	66.5	-5.9	0.2	1.1
Industrial / Cyc Ind (515/FCYIX)	H***	1.40	0.75(30)	18.39	236.5	1.4	5.0	5.6	83.0	-0.6	4.5	8.6
Defense & Aero (67/FSDAX)	H***	1.32	0.75(30)	62.05	585.9	2.7	4.0	7.5	62.0	-4.4	4.5	10.0
Com Equip / DevC (518/FSDCX)	H***	1.64	0.75(30)	20.79	314.2	-1.1	7.9	6.7	94.5	0.5	3.5	-9.0
Electronics (8/FSELX)	H***	1.55	0.75(30)	39.66	1078.3	-4.4	6.8	9.1	89.5	-4.1	0.9	-8.2
Energy (60/FSENX)	H***	1.71	0.75(30)	43.55	2083.3	-1.4	3.2	3.4	59.1	-1.0	7.2	11.0
Energy Service (43/FSESX)	H***	1.99	0.75(30)	58.27	1256.5	0.2	3.2	4.4	72.1	-2.1	6.0	8.6
Environmental (516/FSLEX)	S**	1.07	0.75(30)	14.94	46.8	-3.9	2.0	0.5	37.8	-4.0	2.0	4.7
Financial Services (66/FIDSX)	H***	1.47	0.75(30)	59.31	481.4	2.2	1.3	4.1	80.7	-17.4	-6.6	2.0
Con Stap / Food Ag (9/FDFAX)	B****	0.79	0.75(30)	61.34	902.4	0.9	2.1	1.2	41.0	4.3	7.6	10.5
Gold (41/FSAGX)	S**	2.27	0.75(30)	40.85	2660.8	-4.6	7.1	-11.6	35.5	9.3	17.7	17.6
Health Care (63/FSPHX)	B****	0.94	0.75(30)	109.17	1653.1	2.3	1.8	6.3	48.6	0.4	4.9	3.7
Home Finance (98/FSVLX)	H***	1.39	0.75(30)	11.58	76.1	5.5	4.9	11.9	44.7	-34.3	-21.0	-2.5
Indust Equip (510/FSCGX)	H***	1.49	0.75(30)	26.16	111.6	2.8	4.7	6.0	89.2	-2.7	3.2	3.4
Materials / Ind Mat (509/FSDPX)	H***	1.55	0.75(30)	52.61	580.5	-2.5	4.8	0.6	91.8	3.1	9.4	13.2
Insurance (45/FSPCX)	H***	1.39	0.75(30)	41.55	143.1	5.0	3.8	6.3	75.2	-12.8	-4.0	7.3
Leisure (62/FDLSX)	H***	1.07	0.75(30)	69.99	217.4	5.2	5.4	7.6	52.3	-1.3	4.1	2.6
Medical Delivery (505/FSHCX)	H***	1.34	0.75(30)	44.37	463.8	3.1	2.7	9.0	73.6	-1.7	3.9	13.9
Medical Equip/Sys (354/FSMEX)	B****	0.93	0.75(30)	25.23	1322.6	3.1	2.0	7.2	45.8	6.3	6.4	10.6
Multimedia (503/FBMPX)	H***	1.30	0.75(30)	34.39	68.6	0.8	5.8	7.1	89.0	-4.7	1.7	0.8
Natural Gas (513/FSNGX)	H***	1.81	0.75(30)	31.34	1134.4	-0.6	3.1	5.1	63.6	-3.3	4.7	11.5
Nat Resources (514/FNARX)	H***	1.73	0.75(30)	27.66	1447.8	-2.8	3.9	0.9	61.1	0.7	9.6	11.9
Pharmaceuticals (580/FPHAX)	B****	0.89	0.75(30)	10.93	222.1	0.5	1.2	3.1	46.0	3.1	7.4	
Retailing (46/FSRPX)	H***	1.23	0.75(30)	45.11	126.4	5.1	7.6	9.8	79.3	0.9	6.0	5.0
Software (28/FSCSX)	B****	1.22	0.75(30)	72.29	958.9	-4.8	2.6	0.7	62.9	3.4	8.7	0.5
Technology (64/FSPTX)	B****	1.59	0.75(30)	72.24	1934.2	-4.3	5.1	3.5	94.6	1.2	4.7	-8.1
Telecom (96/FSTCX)	B****	1.31	0.75(30)	37.73	270.0	-5.7	1.9	-0.7	42.4	-8.3	2.9	-7.8
Transportation (512/FSREX)	H***	1.26	0.75(30)	41.97	86.0	6.7	11.4	16.3	77.4	-3.4	3.5	9.4
Utilities (65/FSUTX)	H***	0.98	0.75(30)	42.25	338.9	-5.5	-1.2	0.4	24.5			

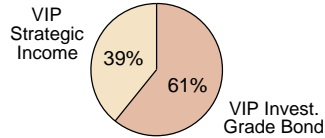
FEBRUARY PERFORMANCE												
Fund Name (Code/Symbol)	Rating	Risk	Fee	NAV	Size	30-day Yield	2010 YTD	One Mth	Three Mth	One Year	3-Yr Rate	5-Yr Rate
INTERNATIONAL FUNDS:												
Canada (309/FICDX)	H***	1.53	1.5(90)	48.06	3193.0		-0.9	7.2	1.1	60.2	1.8	8.9
China Region (352/FHKCX)	H***	1.61	1.5(90)	26.10	2229.5		-6.4	1.6	-4.7	72.1	8.3	12.5
Diversified Int'l (325/FDIVX)	S**↓	1.27	1(30)	26.50	29974.3		-5.4	-0.2	-3.8	52.1	-7.5	2.1
Emerging EMEA (2053/FEMEX)	H***	1.8 Est	1.5(90)	7.46	119.9		-2.1	-0.7	0.8	74.1		
Emerging Mkts (322/FEMKX)	H***	1.79	1.5(90)	21.31	3892.3		-5.7	0.1	-2.0	92.0	-1.5	10.4
Europe (301/FIEUX)	S**	1.25	1(30)	27.24	2242.0		-7.6	-0.8	-6.8	49.5	-7.2	2.2
Europe Cap Appr (341/FECAX)	S**	1.28	1(30)	16.39	489.9		-7.6	-0.7	-6.8	49.9	-9.4	2.3
Global Balanced (334/FGLBX)	B****	0.75	1(30)	19.74	432.6		-1.8	1.6	-2.1	36.8	1.1	5.3
Glob Commodity Stk (2120/FFGCX)	H***	1.6 Est	1(30)	14.02	254.7		-4.7	2.6	-2.5			
Int'l Capital Apprec. (335/FIVFX)	H***	1.53	1(30)	10.81	539.3		-4.7	-0.4	-1.9	82.9	-9.4	-0.2
Int'l Discovery (305/FIGRX)	S**↓	1.22	1(30)	28.57	8070.9		-5.9	-0.3	-3.6	50.2	-6.7	3.0
Int'l Enhanced Index (2010/FIENX)	S**↓	1.4 Est	1(30)	6.58	19.6		-4.6	0.5	-3.7	52.4		
Int'l Growth (1979/FIGFX)	H***	1.5 Est	1(30)	7.16	21.3		-4.3	1.4	-1.4	56.7		
Int'l Real Estate (1368/FIREX)	S**	1.41	1.5(90)	8.33	328.5		-5.3	1.5	-3.7	69.8	-16.9	-0.8
Int'l Small Cap (818/FISMX)	B****	1.36	2(90)	17.12	700.5		-2.5	-0.3	-1.7	64.0	-5.7	3.2
Int'l Small Cap Opp (1504/FSCOX)	H***	1.52	2(90)	8.29	323.5		-3.4	0.4	0.9	67.6	-16.5	
Int'l Value (1597/FIVLX)	S**↓	1.42	1(30)	7.45	169.5		-6.6	-0.7	-5.6	66.1	-9.9	
Japan (350/FJPNX)	H***	1.13	1.5(90)	10.38	1016.5		2.6	1.1	5.2	47.6	-10.9	-0.4
Japan Smaller Co (360/FJSCX)	H***	1.26	1.5(90)	8.36	370.8		0.5	-0.2	2.5	65.8	-11.9	-5.9
Latin America (349/FLATX)	H***	1.82	1.5(90)	49.01	4224.9		-5.5	4.4	-4.6	92.7	6.5	18.8
Nordic (342/FNORX)	H***	1.59	1.5(90)	26.74	334.9		-2.3	1.2	-1.7	78.9	-7.6	4.0
Overseas (94/FOSFX)	S**↓	1.28	1(30)	29.15	6405.2		-5.8	-0.7	-4.9	46.1	-8.9	1.3
Pacific Basin (302/FPBFX)	B****	1.66	1.5(90)	20.49	627.2		0.9	2.1	4.8	102.2	-4.1	5.8
Southeast Asia (351/FSEAX)	H***	1.48	1.5(90)	24.18	1715.8		-4.9	0.8	-0.5	52.5	-0.5	10.8
Total Int'l Equity (1978/FTIEX)	S**↓	1.3 Est	1(30)	6.40	47.0		-5.3	0.3	-3.1	64.9		
Worldwide (318/FWWFX)	H***	1.12	1(30)	15.48	992.0		-3.7	2.2	-1.2	49.3	-4.6	2.9
INDEX AND ASSET ALLOCATION:												
Four-In-One Index (355/FFNOX)	H***	0.91	none	24.00	2009.3		-1.1	2.1	0.8	47.4	-4.2	1.7
NASDAQ Comp (1282/FNCMX)	B****	1.16	0.75(90)	29.68	229.3		-1.3	4.4	4.5	63.5	-1.8	2.4
Spart Ext Mkt Idx (398/FSEMXX)	B****	1.19	0.75(90)	31.08	2548.1		2.2	4.9	9.1	68.2	-4.1	3.2
Spart Int'l Index (399/FSIIX)	S**↓	1.24	1(90)	31.74	5375.6		-5.1	-0.1	-3.8	56.4	-7.9	2.1
Spart 500 Index (650/FUSEX)	H***	1.00	none	39.19	23053.8		-0.6	3.1	1.3	53.6	-5.7	0.3
Spart Total Mkt Idx (397/FSTMXX)	H***	1.03	0.5(90)	31.54	5221.2		-0.1	3.4	2.7	56.1	-5.3	1.0
Asset Mgr 20% (328/FASIX)	H***	0.37	none	12.05	2560.0		0.7	0.6	1.2	23.3	2.3	4.2
Asset Mgr 30% (1957/FTANX)	H***	0.5 Est	none	9.20	77.5		0.6	1.0	1.3	29.5		
Asset Mgr 40% (1958/FFANX)	H***	0.6 Est	none	8.94	49.5		0.3	1.1	1.5	34.3		
Asset Mgr 50% (314/FASMX)	H***	0.70	none	13.82	6036.6		-0.2	1.2	1.5	40.6	-0.4	2.8
Asset Mgr 60% (1959/FSANX)	H***	0.8 Est	none	8.60	75.1		-0.5	1.5	1.6	45.1		
Asset Mgr 70% (321/FASGX)	H***	0.90	none	14.21	2214.3		-0.8	1.7	1.7	50.3	-2.5	1.7
Asset Mgr 85% (347/FAMRX)	H***	1.03	none	11.48	571.8		-1.5	2.0	1.7	56.8	-3.7	2.4
Dynamic Strategies (1960/FDYSSX)	H***	0.8 Est	none	8.37	141.2		-1.1	2.1	0.2	42.0		
Freedom 2000 (370/FFFBX)	H***	0.38	none	11.41	1667.9		0.5	0.8	1.2	22.7	1.6	3.3
Freedom 2005 (1312/FFVFX)	H***	0.63	none	10.01	983.9		-0.2	1.3	1.1	34.9	-0.5	2.9
Freedom 2010 (371/FFFCX)	H***	0.67	none	12.46	10832.3		-0.4	1.4	1.0	37.2	-0.5	3.0
Freedom 2015 (1313/FFVFX)	H***	0.71	none	10.38	8336.1		-0.4	1.5	1.1	38.8	-1.0	3.1
Freedom 2020 (372/FFFDX)	H***	0.84	none	12.45	19391.1		-0.8	1.7	1.1	44.8	-2.3	2.5
Freedom 2025 (1314/FFFTWX)	H***	0.88	none	10.29	8556.3		-1.0	1.9	1.2	47.2	-2.8	2.4
Freedom 2030 (373/FFFEEX)	H***	0.97	none	12.24	13499.4		-1.2	2.1	1.2	50.2	-4.1	1.8
Freedom 2035 (1315/FFTHX)	H***	0.99	none	10.11	5511.9		-1.5	2.1	1.1	51.4	-4.5	1.6
Freedom 2040 (718/FFFFX)	H***	1.02	none	7.06	7897.5		-1.4	2.2	1.1	52.8	-4.9	1.5
Freedom 2045 (1617/FFFGX)	H***	1.03	none	8.34	1811.5		-1.5	2.2	1.3	53.3	-4.9	
Freedom 2050 (1618/FFFFHX)	H***	1.07	none	8.21	1461.0		-1.7	2.2	1.1	55.0	-5.6	
Freedom Income (369/FFFAAX)	H***	0.34	none	10.80	2618.4		0.7	0.8	1.2	21.7	2.1	3.5
TAXABLE BOND FUNDS:												
Capital & Income (38/FAGIX)	B****	0.91	1(90)	8.61	11446.6	6.98	0.9	0.8	5.8	73.0	6.3	7.4
Floating Rate (814/FFRHX)	H***	0.48	1(60)	9.47	2542.4	3.95	1.1	0.2	3.7	21.6	3.3	4.2
Focused High Inc (1366/FHIFX)	B****	0.64	1(90)	9.15	433.2	6.93	0.8	0.4	3.8	29.5	3.1	4.3
GNMA Portfolio (15/FGMNX)	B****	0.16	none	11.51	7352.2	2.73	1.9	0.4	0.3	7.8	7.2	5.8
Gov't Income (54/FGOVX)	H***	0.22	none	10.53	4616.7	2.17	1.7	0.3	-0.2	4.5	6.8	5.6
High Income (455/SPHIX)	B****	0.76	1(90)	8.46	6968.2	7.65	1.1	0.2	4.8	48.1	5.5	6.3
Inflation-Protected (794/FINPX)	H***	0.44	none	11.23	2215.0	0.51	0.3	-1.2	-1.9	11.6	4.7	3.8
Intermed Bond (32/FTHRX)	B****	0.26	none	10.32	4461.5	3.03	2.3	0.5	1.0	19.0	4.9	4.5
Intermed Gov't Inc (452/FSTGX)	H***	0.18	none	10.82	1480.0	1.52	1.6	0.3	-0.3	3.4	6.4	5.2
Invest Grade Bond (26/FBNDX)	B****	0.26	none	7.15	6421.5	3.46	2.1	0.4	1.2	18.3	3.7	4.0
Mortgage Securities (40/FMSFX)	B****	0.15	none	10.60	809.3	3.90	1.9	0.4	0.9	11.1	3.7	3.9
New Markets Inc (331/FNMIX)	H***	0.78	1(90)	15.08	3053.5	6.13	1.3	0.7	1.4	46.2	7.8	9.1
Short-Term Bond (450/FSHFX)	B****	0.12	none	8.38	7107.2	1.58	1.2	0.3	0.7	8.4	1.8	2.6
Spart Intermed Tr Idx (1561/FIBIX)	H***	0.37	none	10.46	1235.1	2.94	2.5	0.4	-1.3	1.5	7.1	
Spart L-Term Tr Idx (1562/FLBIX)	S**	0.65	none	10.23	172.7	4.13	2.4	-0.2	-3.4	-1.5	5.7	
Spart S-Term Tr Idx (1560/FSBIX)	H***	0.14	none	10.45	197.4	1.04	1.3	0.2	0.0	2.2	5.5	
Strategic Income (368/FSICX)	B****	0.47	none	10.83	7340.7	5.03	1.0	0.1	1.5	34.0	7.0	6.6
Strategic Real Rtn (1505/FSRRX)	B****	0.69	0.75(60)	8.50	4901.8	2.13	-0.1	1.4	1.7	34.7	-0.2	
Total Bond (820/FTBFX)	B****	0.29	none	10.61	11482.4	3.92	1.9	0.3	1.6	21.0	5.8	5.3
Ultra-Short Bond (812/FUSFX)	H***	0.18	0.25(60)	8.16	235.1	0.57	0.5	0.0	0.3	1.8	-4.2	-0.9
US Bond Index (651/FBIDX)	H***	0.19	none	11.19	10625.8	2.98	1.7	0.3	0.2	9.0	5.2	4.8
MUNICIPAL BOND FUNDS:												
AZ Municipal Inc (434/FAZAX)	H***	0.32	0.5(30)	11.34	167.5	3.49	1.1	0.9	1.5	9.7	3.8	3.8
CA Municipal Inc (91/FCTFX)	S**	0.32	0.5(30)	11.88	1524.9	3.98	1.8	1.2	2.2	9.0	3.0	3.5
CA Short-Int TF (1534/FCSTX)	H***	0.15	0.5(30)	10.64	599.0	1.52	1.1	0.6	1.3	5.6	4.9	
CT Municipal Inc (407/FICNX)	H***	0.27	0.5(30)	11.47	597.4	2.78	1.3	0.9	1.3	8.0	4.6	4.2
Intermediate Muni (36/FLTMX)	B****	0.19	0.5(30)	10.23	3807.0	2.60	1.2	0.9	1.4	7.4	4.7	4.2
MA Municipal Inc (70/FDMMX)	H***	0.29	0.5(30)	11.90	2367.0	3.28	1.5	0.9	1.7	9.8	4.1	4.2
MD Municipal Inc (429/SMDMX)	H***	0.28	0.5(30)	10.98	173.1	2.87	1.3	0.8	1.3	10.1	4.2	4.0
MI Municipal Inc (81/FMHTX)	H***	0.25	0.5(30)	11.93	645.5	3.09	1.3	0.8	1.7	8.3	4.4	4.2
MN Municipal Inc (82/FIMIX)	H***	0.24	0.5(30)	11.49	480.5	2.49	1.5	1.0	1.5	7.2	4.4	4.1
Municipal Income (37/FHIGX)	H***	0.30	0.5(30)	12.55	5693.4	3.68	1.4	0.9	2.0	10.1	3.8	4.0
NJ Municipal Inc (416/FNJHX)	H***	0.29	0.5(30)	11.59	656.7	3.12	1.5	1.1	1.9	8.6	4.1	4.1
NY Municipal Inc (71/FTFMX)	H***	0.30	0.5(30)	12.93	1736.0	3.33	1.4	1.1	1.9	9.1	4.3	4.2
OH Municipal Inc (88/FOHFX)	H***	0.28	0.5(30)	11.66	526.2	3.22	1.1	0.7	1.5	8.4	4.3	4.2
PA Municipal Inc (402/FPXTX)	H***	0.23	0.5(30)	10.83	431.3	3.15	1.1	0.8	1.3	7.8	4.2	4.0
Short-Int Municipal (404/FSTFX)	B****	0.13	0.5(30)	10.69	3245.0	1.36	0.9	0.5	1.0	5.0	4.6	3.8
Tax-Free Bond (90/FTABX)	H***	0.30	0.5(30)	10.82	1820.6	3.71	1.3	0.9	1.9	10.2	4.3	4.4

FEBRUARY PERFORMANCE Indexes and Model Portfolios	Risk	Value	2010 YTD	One Month	Three Month	One Year	3-Yr Rate	5-Yr Rate	10-Yr Rate
Dow Jones Industrial	0.93	10325.26	-0.6	2.8	0.3	50.4	-2.9	1.8	2.5
S&P 500	1.00	1104.49	-0.6	3.1	1.3	53.6	-5.7	0.4	-0.3
NASDAQ	1.16	2238.26	-1.3	4.3	4.5	63.9	-1.6	2.6	-6.6
Russell 2000	1.27	628.56	0.7	4.5	8.8	64.0	-6.1	1.2	2.2
Fidelity Monitor Income Model	0.33	89579.12	1.7	0.2	1.4	23.1	0.9	2.7	3.7
Fidelity Monitor G&I Model	0.74	161470.34	0.3	1.7	2.3	40.7	-3.5	2.0	4.6
Fidelity Monitor Growth Model	1.14	159962.34	-0.7	3.6	4.3	55.0	-7.1	0.3	0.5
Fidelity Monitor Select System	1.13	332211.57	-2.6	4.4	4.5	54.8	-3.4	3.9	1.0
Fidelity Monitor Unique Opportunities	1.23	107962.20	0.0	3.4	6.2	70.1	-5.3	2.7	4.8

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

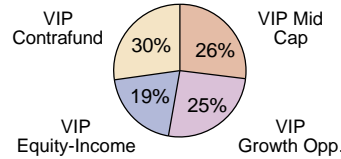


PAST PERFORMANCE

Starting Balance: \$10,000

1993: +12.3%	2002: + 7.3%
1994: - 3.8%	2003: + 9.9%
1995: +16.9%	2004: + 5.1%
1996: + 6.9%	2005: + 1.8%
1997: +10.9%	2006: + 6.1%
1998: + 0.4%	2007: + 6.2%
1999: + 0.8%	2008: -18.3%
2000: - 2.4%	2009: +22.9%
2001: - 3.4%	*2010: + 1.5%

VIP GROWTH MODEL

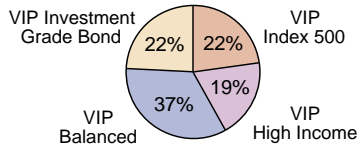


PAST PERFORMANCE

Starting Balance: \$10,000

1993: +20.6%	2002: -21.7%
1994: + 4.6%	2003: +30.0%
1995: +36.1%	2004: + 7.0%
1996: +16.1%	2005: +10.1%
1997: +23.5%	2006: +14.5%
1998: +22.6%	2007: + 9.3%
1999: +22.1%	2008: -45.5%
2000: -10.3%	2009: +25.1%
2001: -14.0%	*2010: - 0.9%

VIP G & I MODEL

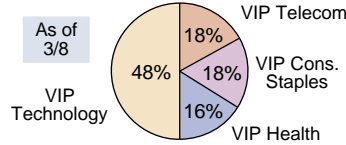


PAST PERFORMANCE

Starting Balance: \$10,000

1995: +26.4%	2003: +20.8%
1996: +12.8%	2004: + 6.3%
1997: +21.4%	2005: + 4.5%
1998: +15.1%	2006: +11.6%
1999: + 6.1%	2007: + 7.7%
2000: - 4.9%	2008: -31.0%
2001: + 3.1%	2009: +27.1%
2002: - 9.4%	*2010: + 0.5%

VIP SECTOR MODEL



PAST PERFORMANCE

Starting Balance: \$10,000

2003: +57.5%	2007: +11.2%
2004: + 6.3%	2008: -41.4%
2005: +14.0%	2009: +50.2%
2006: +17.7%	*2010: - 2.5%

Model portfolio performance is listed at the bottom of the page.

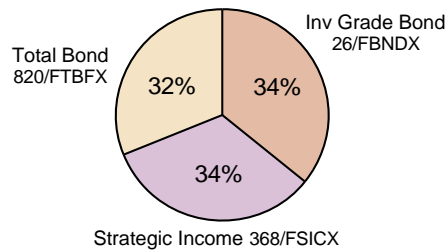
FEBRUARY VIP PERFORMANCE Portfolio	Rating	Risk	RR Value	2010 YTD	One Month	Three Month	One Year	3-Yr Rate	5-Yr Rate
VIP Growth Strategies	H ***	1.24	9.64	0.3	5.9	6.7	56.5	-6.9	
VIP Asset Manager	H ***	0.79	35.73	0.0	2.1	1.6	39.0	0.9	2.8
VIP Asset Manager: Growth	H ***	1.01	22.13	-0.8	2.8	1.8	48.1	-0.8	1.7
VIP Balanced	B ****	0.94	16.91	0.4	2.6	3.5	55.2	-1.4	2.8
VIP Consumer Discretionary	H ***	1.18	10.50	3.0	5.8	7.7	66.1	-6.3	-0.4
VIP Consumer Staples	B ****	0.8 Est	10.45	0.9	2.0	1.0	40.0		
VIP Contrafund	B ****	1.12	39.05	-1.5	2.9	2.2	58.9	-4.1	2.2
VIP Disciplined Small Cap	S **	1.18	7.80	-0.1	4.2	7.4	53.1	-8.5	
VIP Dynamic Capital Appreciation	H ***	1.17	12.81	1.5	5.4	8.8	64.7	-5.7	2.7
VIP Energy	H ***	1.71	20.98	-1.3	3.2	3.4	59.1	-1.7	6.7
VIP Equity-Income	B ****	1.17	50.64	-0.6	2.7	1.0	63.6	-9.7	-1.7
VIP Financial Services	H ***	1.52	8.32	2.2	1.2	3.9	84.2	-17.8	-7.1
VIP Freedom 2005	H ***	0.62	11.32	0.0	1.4	1.2	33.2	-0.6	
VIP Freedom 2010	H ***	0.65	11.31	0.0	1.5	1.2	35.5	-0.7	
VIP Freedom 2015	H ***	0.70	11.41	-0.2	1.4	1.2	37.3	-1.3	
VIP Freedom 2020	H ***	0.84	11.10	-0.4	1.9	1.4	44.2	-2.7	
VIP Freedom 2025	H ***	0.89	11.07	-0.6	2.0	1.6	46.6	-3.2	
VIP Freedom 2030	H ***	0.99	10.75	-0.8	2.3	1.6	51.2	-4.6	
VIP Freedom Income	H ***	0.31	11.65	0.5	0.7	1.0	18.6	2.0	
VIP FundsManager 20	H ***	0.28	10.95	0.4	0.5	0.4	14.3	1.3	
VIP FundsManager 50	H ***	0.59	10.13	-0.2	1.3	0.8	29.2	-1.8	
VIP FundsManager 70	H ***	0.81	9.39	-0.8	1.8	1.0	39.6	-4.5	
VIP FundsManager 85	H ***	0.97	8.87	-1.2	2.1	1.2	48.2	-6.3	
VIP Growth	H ***	1.12	50.38	-1.1	4.7	2.7	45.8	-6.1	-1.2
VIP Growth & Income	H ***	1.04	15.76	-0.5	3.5	2.2	49.8	-6.9	-0.4
VIP Growth Opportunities	B ****	1.38	10.50	-1.7	4.1	3.6	57.5	-8.7	-2.4
VIP Growth Stock	B ****	1.17	10.05	-1.4	4.0	2.0	60.3	-2.0	
VIP Health Care	B ****	0.93	12.63	2.4	2.0	6.3	47.9	-0.6	4.1
VIP High Income	B ****	0.72	34.33	0.6	-0.2	3.7	35.8	2.2	4.0
VIP Index 500	H ***	1.00	31.08	-0.7	3.0	1.1	52.6	-6.4	-0.4
VIP Industrials	H ***	1.41	17.26	1.2	4.9	5.4	83.6	-0.8	4.3
VIP Int'l Capital Appreciation	H ***	1.53	9.71	-4.9	-0.5	-2.1	82.2	-10.0	
VIP Investment Grade Bond	B ****	0.25	34.07	2.0	0.3	0.8	16.7	4.7	4.1
VIP Materials	H ***	1.5 Est	10.31	-2.5	4.9	0.5	89.7		
VIP Mid Cap	B ****	1.12	20.68	0.3	3.5	1.9	57.7	-1.9	3.9
VIP Money Market			21.84	-0.1	0.0	-0.1	-0.3	1.9	2.5
VIP Overseas	S **↓	1.22	31.32	-6.1	-0.2	-4.6	47.5	-8.6	0.8
VIP Real Estate	H ***	2.15	15.10	0.2	6.4	7.7	115.5	-14.4	1.6
VIP Strategic Income	B ****	0.45	14.46	0.8	0.0	1.1	31.1	6.2	5.7
VIP Technology	B ****	1.59	11.25	-4.5	4.8	3.2	97.2	0.8	4.8
VIP Telecommunications	B ****	1.3 Est	7.12	-6.0	1.3	-0.9	38.2		
VIP Utilities	H ***	0.99	10.97	-5.6	-1.2	0.4	24.4	-7.9	3.4
VIP Value	B ****	1.45	9.34	1.2	4.3	6.5	82.8	-9.5	
VIP Value Leaders	H ***	1.18	8.96	0.1	3.3	2.3	62.1	-10.5	
VIP Value Strategies	H ***	1.59	12.29	2.2	4.7	8.0	100.6	-8.3	-0.3
Fidelity Monitor VIP Income Model		0.32	21462.27	1.5	0.1	0.9	25.9	2.2	3.2
Fidelity Monitor VIP G&I Model		0.71	23919.93	0.5	1.6	2.4	40.7	-2.1	2.1
Fidelity Monitor VIP Growth Model		1.15	27982.04	-0.9	3.3	2.9	50.0	-9.7	-1.6
Fidelity Monitor VIP Sector Model		1.21	17857.57	-2.5	4.3	4.1	68.7	-2.2	4.8

INCOME MODEL

Focuses on income funds that hold bonds or cash.
Target Growth Rate: 7% Target Risk Level: 0.25

FUND	NAV	SHARES	BALANCE
Invest. Grade Bond	\$7.15	4328.414	\$30948.16
Strategic Income	\$10.83	2788.096	\$30195.08
Total Bond	\$10.61	2680.102	\$28435.88

16% Foreign Holdings
Balance as of 2/26/10: \$89579.12
Balance at start of 2010: \$88095.63



PAST PERFORMANCE
Starting Balance: \$35,000

1992: +10.1%	2001: + 5.6%
1993: +11.3%	2002: + 5.4%
1994: - 2.1%	2003: + 8.4%
1995: +14.8%	2004: + 4.2%
1996: + 9.0%	2005: + 3.6%
1997: +10.5%	2006: + 6.9%
1998: + 3.5%	2007: + 4.0%
1999: + 3.0%	2008: -18.2%
2000: + 0.3%	2009: +20.0%

2010 YTD: + 1.7%

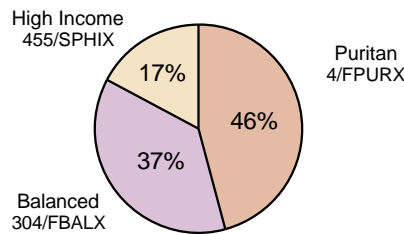
For February our Income Model finished with a 0.2% increase.

GROWTH AND INCOME MODEL

Focuses on asset allocation funds to help limit risk.
Target Growth Rate: 10% Target Risk Level: 0.67

FUND	NAV	SHARES	BALANCE
Puritan	\$16.09	4571.343	\$73552.91
Balanced	\$16.36	3662.341	\$59915.90
High Income	\$8.46	3309.873	\$28001.53

9% Foreign Holdings
Balance as of 2/26/10: \$161470.34
Balance at start of 2010: \$161025.23



PAST PERFORMANCE
Starting Balance: \$50,000

1994: - 3.7%	2002: - 6.4%
1995: +21.6%	2003: +33.0%
1996: +15.8%	2004: +11.5%
1997: +18.7%	2005: + 8.2%
1998: +11.1%	2006: +13.7%
1999: +12.2%	2007: + 6.1%
2000: + 2.7%	2008: -33.5%
2001: + 1.3%	2008: +28.1%

2010 YTD: + 0.3%

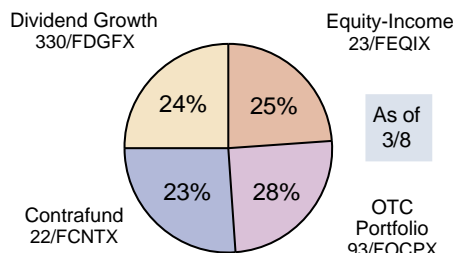
Our Growth and Income Model gained 1.7% in February.

GROWTH MODEL

Focuses on domestic funds and aims to hold profitable positions long enough to qualify for long-term gains.
Target Growth Rate: 13% Target Risk Level: 1.0

FUND	NAV	SHARES	BALANCE
Low-Priced Stock	\$32.52	1231.092	\$40035.11
OTC Portfolio	\$44.58	984.424	\$43885.62
Contrafund	\$57.10	649.764	\$37101.52
Dividend Growth	\$23.64	1647.212	\$38940.09

13% Foreign Holdings
Balance as of 2/26/10: \$159962.34
Balance at start of 2010: \$161124.81



PAST PERFORMANCE
Starting Balance: \$15,000

1987: + 2.8%	1999: +29.0%
1988: +26.0%	2000: -10.8%
1989: +30.4%	2001: - 6.4%
1990: - 4.4%	2002: -17.1%
1991: +40.6%	2003: +46.1%
1992: +15.7%	2004: +12.4%
1993: +31.9%	2005: +11.2%
1994: - 2.1%	2006: +15.7%
1995: +27.2%	2007: + 7.3%
1996: +19.2%	2008: -42.7%
1997: +25.5%	2009: +31.8%
1998: + 9.9%	

2010 YTD: - 0.7%

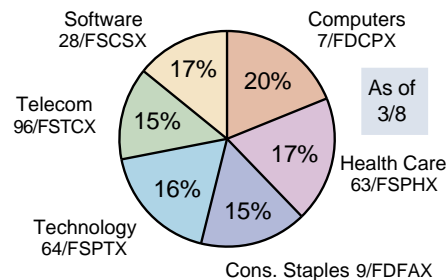
Our Growth Model was up 3.6% in February, versus 3.1% for the S&P 500. On 3/8 we'll exchange **Low-Priced** for **Equity-Income**.

SELECT SYSTEM

Uses a volatility model to identify attractive sectors.
Target Growth Rate: 14% Target Risk Level: 1.2

FUND	NAV	SHARES	BALANCE
Computers	\$43.59	1560.153	\$68007.07
Health Care	\$109.17	516.194	\$56352.90
Consumer Staples	\$61.34	815.702	\$50035.16
Technology	\$72.24	734.691	\$53074.08
Leisure	\$69.99	686.878	\$48074.59
Software	\$72.29	783.895	\$56667.77

12% Foreign Holdings
Balance as of 2/26/10: \$332211.57
Balance at start of 2010: \$341250.55



PAST PERFORMANCE
Starting Balance: ~\$25,000

1989: +23.4%	2000: -14.9%
1990: +31.3%	2001: - 7.3%
1991: +35.3%	2002: -14.7%
1992: +20.4%	2003: +38.4%
1993: +25.9%	2004: + 7.4%
1994: - 0.9%	2005: +15.0%
1995: +39.0%	2006: +13.6%
1996: + 5.2%	2007: +15.6%
1997: +29.3%	2008: -39.3%
1998: +21.7%	2009: +35.4%
1999: +44.9%	

2010 YTD: - 2.6%

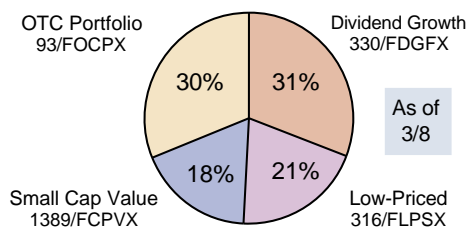
Our Select System was up 4.4% in February, versus 3.1% for the S&P 500. On 2/8 we sold **Electronics** (\$37.64) and bought **Health Care** (\$105.26). On 3/8 we'll exchange **Leisure** for **Telecom**.

UNIQUE OPPORTUNITIES MODEL

An aggressive portfolio looking for contrarian values.
Target Growth Rate: 14% Target Risk Level: 1.2

FUND	NAV	SHARES	BALANCE
Dividend Growth	\$23.64	921.287	\$21779.22
Low-Priced Stock	\$32.52	1041.543	\$33870.98
Small Cap Value	\$12.85	1528.959	\$19647.12
OTC Portfolio	\$44.58	732.725	\$32664.88

15% Foreign Holdings
Balance as of 2/26/10: \$107962.20
Balance at start of 2010: \$107961.13



PAST PERFORMANCE
Starting Balance: \$50,000

(Partial Yr 99)	2004: +20.6%
1999: +33.8%	2005: +18.8%
2000: -20.5%	2006: +16.6%
2001: + 1.6%	2007: +11.6%
2002: - 2.1%	2008: -47.6%
2003: +43.2%	2009: +45.8%

2010 YTD: 0.0%

Our Unique Opportunities Model gained 3.4% in February. On 3/8 we'll sell one-third of **Low-Priced Stock** and buy **Dividend Growth**. We may reduce our position in **Small Cap Value** in the near future.

Thanks to a long bout with deflation, these stocks have fairly robust business models and low valuations. But they may be vulnerable to higher taxes or higher interest rates as Japan struggles with servicing a heavy debt load.

Pacific Basin is the only foreign fund with a sizeable amount of technology exposure (25%). Manager Dale Nicholls did well through the financial crisis, thanks to good stock picks and underweighted exposure to Japan. This is one of the few foreign funds we rate a buy, but keep in mind that its volatility is relatively high.

Southeast Asia invests mainly in China, Korea, Hong Kong, and Taiwan. It excludes Japan, which helps boost emerging country exposure to about one-third of total assets. Its top industry groups are finance (33%) and technology (22%). New manager Colin Chickles appears to have reversed its lagging performance.

EMERGING MARKETS / OTHER

Generally speaking, emerging market funds tend to be commodity plays in disguise. Their economies are often driven by oil, mining, and production of basic materials, and their currencies and stock values can reflect the performance of natural resource trends.

Canada is not technically an emerging country, but its economy is driven by many of the same economic forces, so we've included it here. Nearly half of the fund is invested in energy and materials, the country's main export. If you want a lower-risk "emerging markets" play, this fund is a good match.

Emerging EMEA invests mainly in South Africa (41%), Russia (28%), and Israel (17%). The latter is actually a developed country with a significant high-tech base. It helps diversify a fund that would otherwise be just another natural resources play.

Emerging Markets offers a broad bet on developing countries. This is not a fund you want to be holding during tough times, but it tends to perform strongly when global GDP is growing. Of course, the same can be said about **Natural Resources**.

Global Commodity Stock has about half its holdings in the U.S. and Canada, and invests in energy, materials, and agricultural commodities. The latter makes it more tame than most commodity plays. Like **Canada**, it mimics the behavior of an emerging market fund, but has less overall risk.

Latin America has more than recovered from the economic crisis, thanks to a heavy bet on Brazil (66% of assets). Brazil's exports are booming, thanks to growing trade with other emerging markets. But this fund is the most volatile in Fidelity's foreign lineup, and could be hit hard if the global economy loses steam. ■

INCOME FUNDS

Our Income Model holdings are listed on page 7. Our favorite funds include **Total Bond, Strategic Income, High Income,** and **Capital & Income**.

As bond market corrections go, this one has been relatively mild. Valuations may bounce back now that carry trade selling is easing and bond money is starting to trickle in from Europe. **Strategic Real Return** was helped by a strong real estate sector and rising commodity prices, returning 1.4%. **Capital & Income** managed a 0.8% increase. But **Inflation-Protected Bond** was hurt by a large treasury auction and by a stronger dollar, which reduced inflationary expectations. It slipped 1.2%.

Municipal bond funds were helped by improving credit conditions, posting gains of 0.5% to 1.2%.

SELECT PORTFOLIOS

Our Select System holdings are listed on page 7. The following funds have above-average scores in our volatility model: **Telecom, Consumer Staples, Software, Wireless, IT Services, Pharmaceuticals, Technology, Health Care, Computers** and **Medical Equipment**.

Cyclicals responded to signs economic strength. **Transportation** jumped 11.4%, and **Air Transportation** was up 9.8%. **Communications Equipment** climbed 7.9%. On the flip side, **Financial Services** gained 1.3%, **IT Services** edged up 0.1%, and **Utilities** slid 1.2%. ■

Happenings

Heather Carrillo has been named manager of **Export & Multinational**, and Guillermo de las Cases will take over **Int'l Real Estate** on 4/1. Among Selects, Anna Davydova is the new stockpicker at **Environmental**, Mahmoud Sharaf now runs **Chemicals**, and Matthew Schuldt will take responsibility for **Computers** on 4/1. ■

FEBRUARY DISTRIBUTIONS

Asset Manager 20%	\$ 0.016/\$11.94 (2/5)
Asset Manager 30%	\$ 0.007 / \$9.08 (2/5)
Contrafund	\$ 0.09 / \$54.99 (2/5)
Dynamic Strategies	\$ 0.02 / \$8.22 (2/12)
Freedom Income	\$ 0.02 / \$10.69 (2/5)
Strategic Income	\$ 0.01 / \$10.72 (2/12)
Trend	\$ 0.01 / \$53.05 (2/5)

Following are the funds scheduled for payouts in March: **Asset Manager 20% & 30%, Equity-Income, Freedom Income, Large Cap Growth, Large Cap Value, Mid Cap Growth, Mid Cap Value, Real Estate Investment, Real Estate Income, MA Muni, NY Muni, Tax-Free Bond,** and **Telecom & Utilities**.

Money Market Funds	Size	Yield	Money Market Funds	Size	Yield	Money Market Funds	Size	Yield
Cash Reser. (55/FDRXX)	128185.0	0.02	CT MM (418/FCMXX)	1754.7	0.01			
Select MM (85/FSLXX)	7749.4	0.09	MA MM (74/FDMXX)	4870.1	0.01			
Money Market (454/SPRXX)	7222.1	0.01	MI MM (420/FMIXX)	882.0	0.01	MA AMT TF (426/FMSXX)	441.5	0.01
Gov't MM (458/SPAXX)	791.1	0.01	NJ MM (417/FNJXX)	2196.5	0.01	AMT Tax-Free (460/FIMXX)	2215.0	0.01
US Treas. MM (415/FDLXX)	5577.8	0.01	NY MM (92/FNYXX)	5091.3	0.01	NJ AMT TF (423/FSJXX)	404.5	0.01
Tax-Free MM (275/FMOXX)	6132.3	0.01	OH MM (419/FOMXX)	1006.1	0.01	NY AMT TF (422/FSNXX)	727.5	0.01
US Gov't Reser (50/FGRXX)	3631.1	0.01	AZ MM (433/FSAXX)	364.7	0.01	PA MM (401/FPTXX)	660.9	0.01
CA MM (97/FCFX)	4900.0	0.01	CA AMT TF (457/FSPXX)	825.1	0.01	Municipal MM (10/FTEXX)	23328.5	0.01