

Jack
Bowers



Fidelity

Best Performing
Fidelity Newsletter

25
Years

JANUARY
2012

Monitor™

Year-End Review

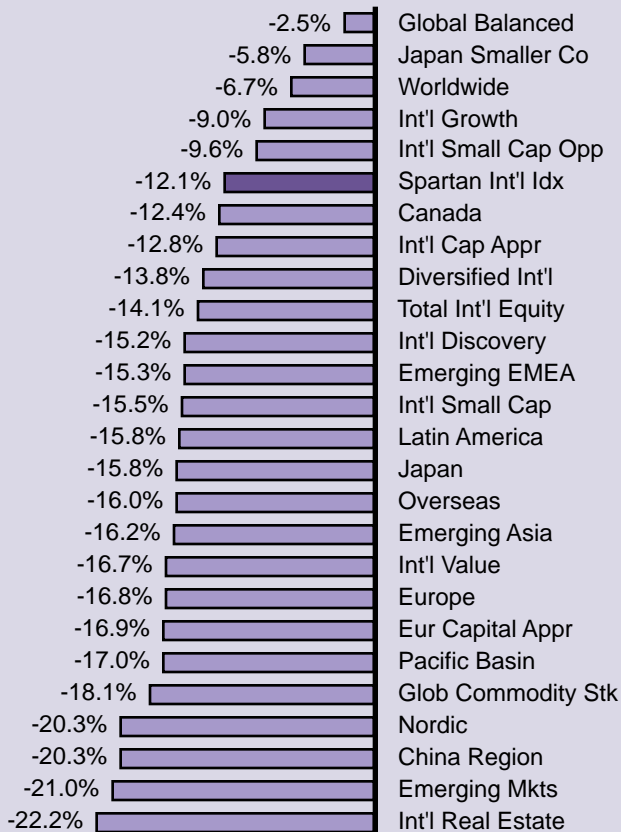
No question, 2011 will go down as the year of the disaster. The so-called Arab Spring started in Tunisia, and quickly spread to Egypt and Libya. Ultimately it idled one-sixth of the world's supply of light, sweet crude, putting upward pressure on oil prices. A major tsunami in Japan caused a nuclear meltdown in several reactors and disrupted global supplies of automotive components –

YEAR-END REVIEW - *Continued on page 2*

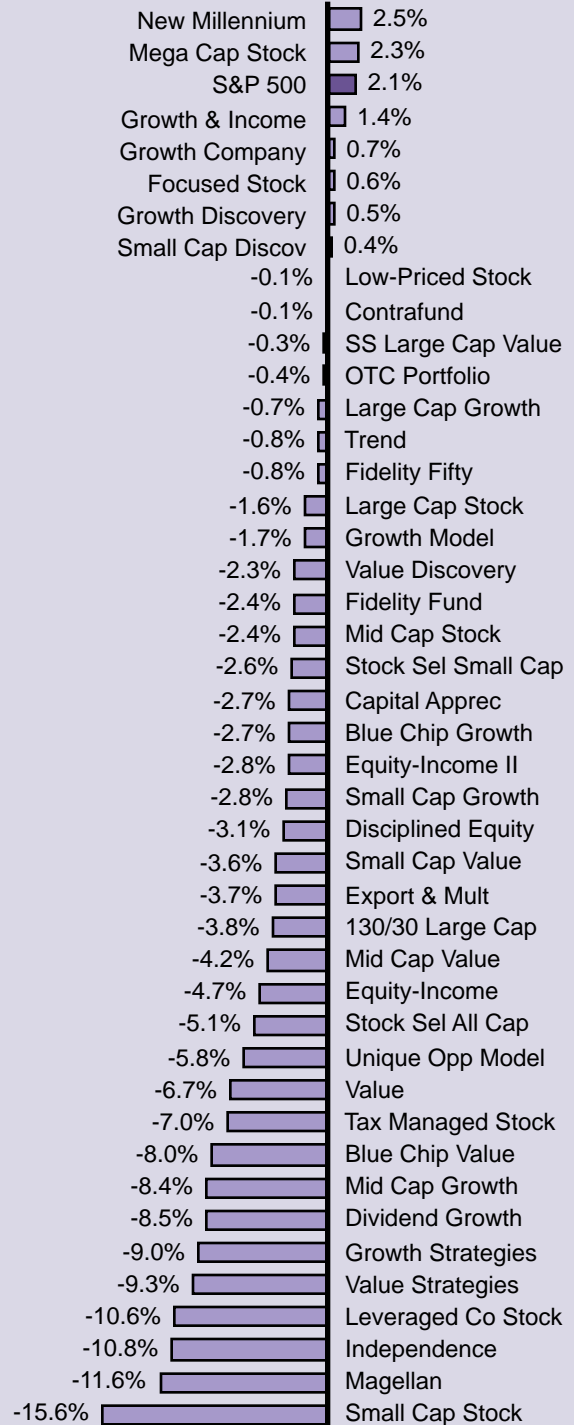
Check Hotline For Switches

We have no portfolio changes to announce as we go to press, but please check our hotline each weekend by reading the email, logging into fidelitymonitor.com, or calling 800-686-7301. If we make any changes, most likely they would occur in the later part of January.

2011 INTERNATIONAL PERFORMANCE



2011 STOCK FUND PERFORMANCE



YEAR-END REVIEW - Continued from page 1

stalling production of luxury vehicles just as demand was picking up in the U.S. By June, sovereign debt problems in Greece became big enough to threaten the European banking system, and a Congressional standoff over the U.S. debt ceiling limit prompted widespread fear of a treasury default in August. That scenario was avoided, but a downgrade of long-term treasuries by Standard & Poor's triggered a massive flight out of risk assets anyway. In the fourth quarter, debt problems in Europe reached crisis levels and a massive flood in Thailand caused widespread disruption as electronics manufacturers were gearing up for the holidays.

With perhaps ten years of traumatic financial events crammed into a single 12-month period, it's no surprise that alarm bells went off in the heads of individual investors, prompting many to run for cover. The sky wasn't actually falling, but for many it certainly felt like it.

Meanwhile, cool heads prevailed inside America's best-managed corporations. Two years of consolidation and cost-cutting activities were bearing fruit, and the cash

was beginning to pile up. In an environment of cheap stock values and stagnant sales growth, the most logical way to boost shareholder value was to increase dividends and buy back more stock. So, as individual investors checked out, corporate America checked in. Buyback activity surged to \$400 billion per year, on par with pre-crisis levels in 2007.

Going forward, it's hard to say what might come next. But judging from the market's low expectations for the global economy and its strong response to any positive news that comes along, there may be more upside potential than downside risk at this stage. The Euro-debt situation remains complex and volatile. But with U.S. corporate earnings holding up well, and dividend yields poised for robust increases in 2012, the long-term future for stocks still looks bright. Corporate America is sitting on a lot of cash. Odds are it gets used either for buying back stock or snapping up weakened European competitors.

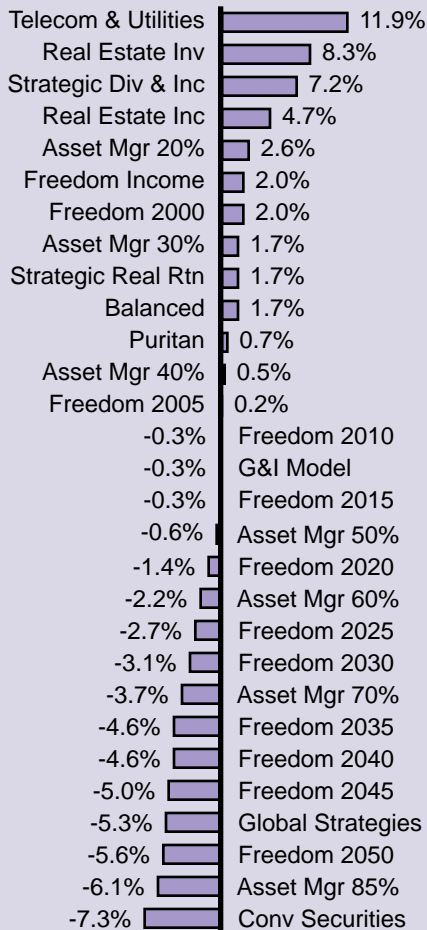
DOMESTIC STOCK FUNDS

The S&P 500 almost grabbed the top spot in this category. This unusual situation, in which almost all funds in this group lagged the index, was a result of weakness in foreign issues and small-caps.

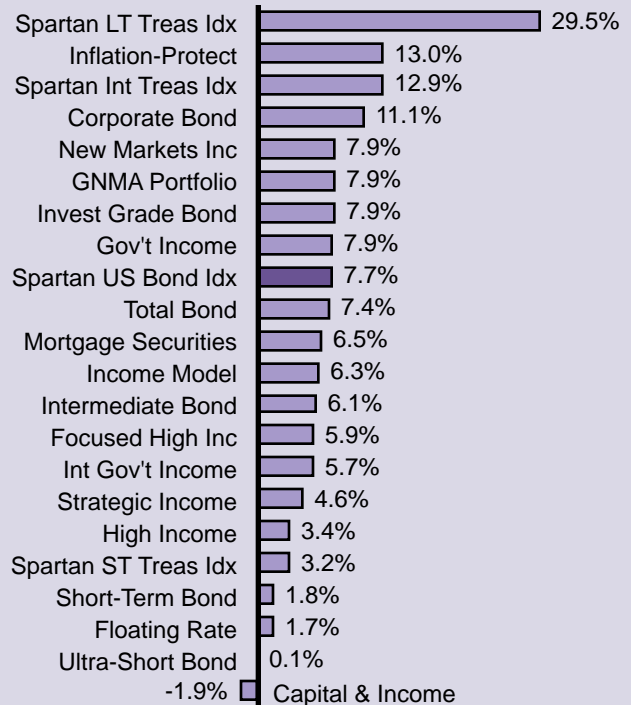
New Millennium and **Mega Cap Stock** were both able to finish a little ahead of the S&P 500 by emphasizing blue chip stocks, a group that enjoyed the most benefit from rising dividends and increased buybacks.

Growth Discovery, **Growth Company** and **OTC Portfolio** also held up better than others, thanks to their

2011 G & I, REAL ESTATE, & ASSET ALLOCATION PERFORMANCE



2011 BOND FUND PERFORMANCE



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steadfast commitment to the large-cap growth corner of the stylebox, where P/E ratios for profitable companies remain well below the rate at which earnings are growing.

Growth & Income emphasized dividend stocks, and unlike **Equity-Income I & II** it was not hurt by inferior stockpicking or by a benchmark that forced the fund to be overexposed to the financial sector.

Contrafund overcame a 15-20% stake in foreign stocks, plus the drag of a small gold position, to finish in the top quartile. It did so with remarkably low volatility – a risk factor of just 0.85.

Low-Priced Stock was heavily exposed to foreign stocks, which accounted for about a third of its assets, but still managed to finish ahead of the Russell 2000 (even as manager Joel Tillinghast took time off from work to finish a new book). With turnover dropping to just 15%, the fund continues to benefit from stock research that occurred in years past. Joel's desire to develop a deep understanding of the business models that drive his major positions was no doubt a big part of the success factor.

Our Growth Model and our Unique Opportunities Model were both weighed down by their 10-20% exposure to foreign stocks, and to a lesser degree by an emphasis on smaller stocks. Exposure to high-yield bonds helped keep the Growth Model in the upper half of the stock fund ranking. But the higher risk level in the Unique Opportunities Model caused it to lag by a larger amount, almost landing it in the lower quartile.

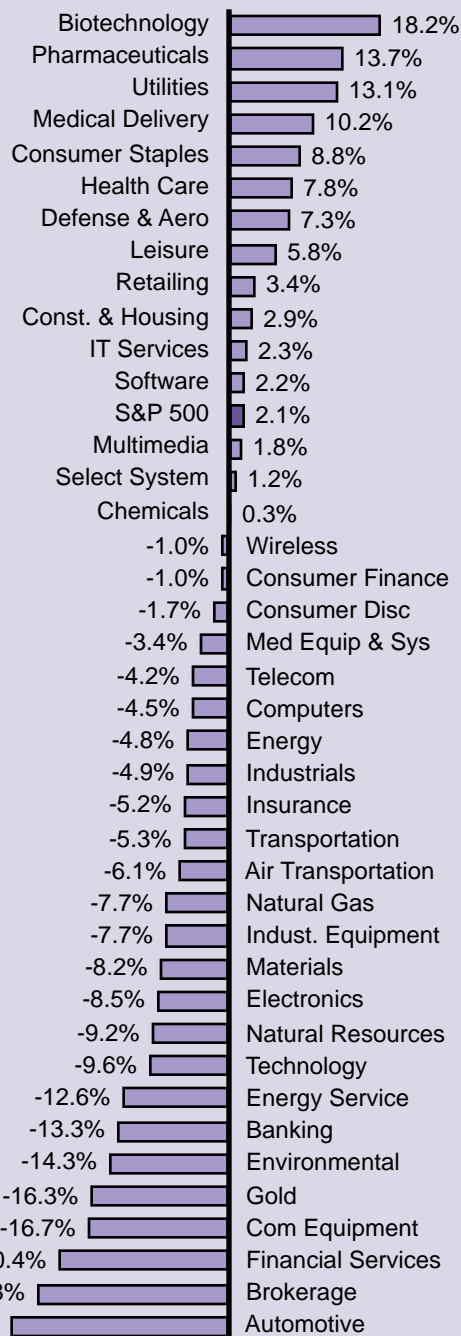
INTERNATIONAL FUNDS

Despite all the close calls and disasters, the U.S. economy limped along. Foreign economies, on the other hand, were hit relatively hard. Japanese exporters were

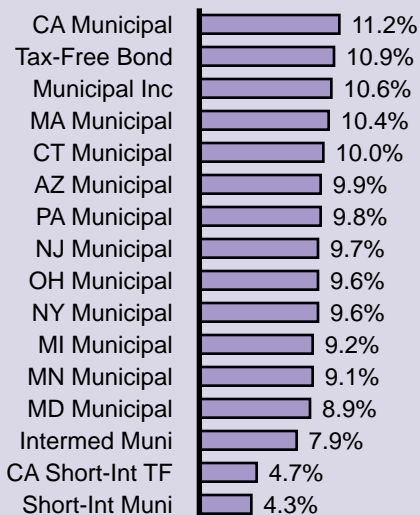
hurt by the strong yen and hobbled by the tsunami-related supply disruptions and the flooding in Thailand. European companies suffered from a sharp economic downturn and a heavy-handed credit crunch. And emerging country firms were hit with wage-driven inflation followed by a big slump in export activity.

YEAR-END REVIEW - Continued on page 8

2010 SELECT FUND PERFORMANCE



2010 MUNI BOND PERFORMANCE



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 ↓.

DECEMBER PERFORMANCE							One	Three	One	3-Yr	5-Yr	10-Yr
Fund Name (Code/Symbol)	Rating	Risk	Payout	NAV	Size	2011	Mth	Mth	Year	Rate	Rate	Rate
EQUITY FUNDS:												
130/30 Large Cap (2063/FOTTX)	S**	1.05	0.007/6.79	6.96	18.9	-3.8	-0.2	10.8	-3.8	3.0		
Growth Strategies (324/FDEGX)	B****	1.17		18.61	1599.6	-9.0	-2.3	9.5	-9.0	16.9	-0.8	-0.2
Blue Chip Gth (312/FBGRX)	B****	1.11	0.044/41.38	42.43	10597.0	-2.7	-1.5	7.3	-2.7	19.0	3.0	2.3
Blue Chip Value (1271/FBCVX)	S**	1.20	0.073/9.77	9.78	376.4	-8.0	1.9	10.0	-8.0	9.0	-5.7	
Capital Apprec (307/FBCAX)	B****	1.14	0.043/24.79	24.62	4135.5	-2.7	-0.2	8.7	-2.7	16.2	0.0	4.8
Contrafund (22/FCNTX)	B****	0.85	0.102/65.88	67.46	56073.6	-0.1	-1.1	8.3	-0.1	14.7	2.6	7.0
Disc Equity (315/FDEQX)	S**	1.03	0.314/21.38	21.51	6927.6	-3.1	0.6	11.9	-3.1	8.5	-3.2	2.2
Dividend Gth (330/FDGFEX)	H***	1.31	0.060/26.14	25.87	7813.4	-8.5	-0.2	11.1	-8.5	18.7	-0.7	1.8
Equity-Income (23/FEQIX)	B****	1.19	0.266/40.89	41.31	6993.4	-4.7	2.1	12.5	-4.7	12.4	-3.4	2.5
Equity-Income II (319/FEQTX)	B****	1.19	0.109/17.08	17.40	4200.8	-2.8	2.8	14.9	-2.8	11.4	-3.0	2.4
Export Fund (332/FEPPX)	S**	1.00	0.066/20.59	20.68	1909.6	-3.7	0.3	9.0	-3.7	13.9	-0.7	4.0
Fidelity Fifty (500/FFTYX)	B****	0.98	0.027/17.56	17.44	667.7	-0.8	-0.2	8.5	-0.8	17.0	-1.7	3.9
Fidelity Fund (3/FFIDX)	H***	1.03	0.160/30.29	31.15	4365.0	-2.4	0.0	7.6	-2.4	12.3	-0.2	2.6
Focused Stock (333/FTQGX)	B****	1.02	0.018/13.69	13.71	577.0	0.6	-0.2	8.8	0.6	16.0	4.1	2.8
Growth & Income (27/FGRIX)	B****↑	1.06	0.093/18.08	18.24	4627.1	1.4	2.1	12.8	1.4	12.6	-6.7	-1.5
Growth Company (25/FDGRX)	B****	1.02	2.762/79.22	80.89	24679.6	0.7	-1.9	7.7	0.7	19.6	4.0	4.8
Growth Discovery (339/FDSVX)	B****	1.06	0.008/13.40	13.66	855.9	0.5	-1.1	9.4	0.5	17.3	1.7	3.5
Independence (73/FDFFX)	H***↓	1.32	0.058/21.29	21.65	3274.9	-10.8	-2.9	8.9	-10.8	15.0	0.5	4.0
Lg Cap Core En Idx (1827/FLCEX)	S**	0.97		8.93	148.1	4.7	1.2	12.0	4.7	13.2		
Large Cap Growth (763/FSLGX)	B****	1.00		9.67	128.5	-0.7	-1.6	7.1	-0.7	13.8	-1.4	1.3
Large Cap Stock (338/FLCSX)	B****	1.22	0.131/16.94	17.15	803.1	-1.6	1.6	12.4	-1.6	20.5	0.8	2.6
SS Large Cap Value (708/FSLVX)	S**	1.11	0.198/10.16	10.29	512.1	-0.3	1.8	14.0	-0.3	8.0	-4.6	2.4
Lev Co Stock (122/FLVCX)	B****	1.52	0.291/25.11	25.11	3081.4	-10.6	0.4	15.0	-10.6	21.1	-1.0	12.2
Low-Priced Stock (316/FLPSX)	B****	1.04	0.142/35.98	35.73	23926.1	-0.1	-0.3	9.4	-0.1	18.8	2.0	8.6
Magellan (21/FMAGX)	H***	1.18	0.323/63.34	62.98	13313.4	-11.6	-0.3	8.1	-11.6	12.0	-3.3	-0.1
Mega Cap Stock (361/FGRTX)	B****	1.07	0.066/10.06	10.10	892.1	2.3	1.8	12.8	2.3	14.6	0.3	2.9
Mid Cap Growth (793/FSMGX)	B****	1.19		11.40	244.7	-8.4	-2.4	9.6	-8.4	18.9	-2.7	2.0
Mid Cap Stock (337/FMCSX)	H***	1.20	0.115/25.90	26.66	5326.7	-2.4	-0.7	9.1	-2.4	22.0	1.2	4.0
Mid Cap Value (762/FSMVX)	H***	1.23	0.144/15.00	15.16	531.0	-4.2	0.8	13.1	-4.2	17.6	-0.1	6.2
New Millennium (300/FMILX)	B****	1.08	0.904/28.04	28.93	1781.9	2.5	0.7	9.4	2.5	19.5	3.5	5.5
OTC Portfolio (93/FOCPX)	B****	1.17		54.70	5966.7	-0.4	-2.3	6.3	-0.4	24.7	5.8	5.9
Small Cap Discovery (384/FSCRX)	B****	1.39	0.245/19.79	20.03	1959.5	0.4	1.1	19.2	0.4	26.0	7.1	
Small Cap Growth (1388/FCPGX)	B****	1.25	0.082/14.84	14.91	1173.1	-2.8	0.9	13.2	-2.8	20.7	2.5	
Stock Sel Small Cap (336/FDSCX)	B****	1.37		18.03	1671.4	-2.6	0.2	15.4	-2.6	19.9	-0.4	4.3
Small Cap Stock (340/FSLCX)	B****	1.53		16.54	3128.3	-15.6	-0.1	12.8	-15.6	19.1	0.7	5.8
Small Cap Value (1389/FCPVX)	H***	1.35	0.133/13.71	13.98	1660.1	-3.6	1.5	17.6	-3.6	18.1	3.0	
Stock Sel All Cap (320/FDSSX)	H***	1.07	0.151/24.51	24.27	1326.7	-5.1	-0.5	9.9	-5.1	13.4	-1.0	2.6
Tax Managed Stock (343/FTMXM)	S**	1.12	0.047/11.63	11.54	59.5	-7.0	-0.5	11.1	-7.0	8.8	-3.4	1.4
Trend (5/FTRNX)	B****	1.03		66.87	1047.5	-0.8	-1.7	7.1	-0.8	19.8	2.6	4.4
Value (39/FDVLX)	H***	1.41	0.605/63.09	63.47	5825.3	-6.7	0.4	12.1	-6.7	18.0	-2.1	5.7
Value Discovery (832/FVDFX)	H***	1.19	0.089/14.04	14.15	467.5	-2.3	1.7	12.9	-2.3	12.9	-1.8	
Value Strategies (14/FSLSX)	B****	1.47	0.186/24.28	25.07	284.1	-9.3	-0.4	12.6	-9.3	22.2	-1.2	4.4
SPECIALTY / HYBRID FUNDS:												
Balanced (304/FBALX)	B****	0.67	0.097/17.83	18.19	15004.4	1.7	0.5	6.3	1.7	14.0	2.1	6.0
Convertible Sec (308/FCVXS)	B****	0.99	0.235/22.84	22.83	1906.1	-7.3	0.6	5.8	-7.3	22.5	2.2	5.2
Global Strategies (1960/FDYSX)	B****	0.76	0.163/8.60	8.61	216.0	-5.3	-2.2	5.1	-5.3	11.9		
Puritan (4/FPURX)	B****	0.67	0.102/17.38	17.69	15013.0	0.7	0.6	6.3	0.7	13.3	1.8	4.9
Real Estate Income (833/FRIFX)	B****	0.51	0.243/10.11	10.25	1607.0	4.7	2.2	6.0	4.7	22.2	3.3	
Real Estate (303/FRESX)	H***	1.79	0.150/26.61	27.62	3160.7	8.3	4.4	16.2	8.3	23.2	-1.9	10.2
Strategic Div & Inc (1329/FSDIX)	B****	0.98	0.085/10.73	11.02	1134.4	7.2	2.7	9.5	7.2	18.8	0.4	
Strategic Real Rtn (1505/FSRRX)	H***	0.47	0.328/9.09	9.21	599.7	1.7	0.1	4.0	1.7	14.2	3.4	
Telecom & Utilities (311/FUIUX)	B****	0.70	0.122/16.67	17.34	882.9	11.9	3.0	8.5	11.9	13.4	1.1	5.0
SELECT FUNDS:												
Air Transportation (34/FSAIX)	H***	1.61	2.160/34.56	34.53	60.0	-6.1	0.1	9.3	-6.1	15.3	0.3	5.6
Automotive (502/FSAVX)	B****	2.51	1.703/31.71	31.16	102.3	-26.2	0.3	8.2	-26.2	33.9	-1.4	4.1
Banking (507/FSRBX)	H***	1.74	0.074/15.63	15.97	351.1	-13.3	3.5	17.5	-13.3	3.4	-11.4	-1.7
Biotechnology (42/FBIOX)	H***	1.05	0.121/83.33	86.10	1232.2	18.2	3.3	14.3	18.2	13.4	5.8	2.8
Brokerage (68/FSLBX)	H***	1.51	0.526/41.18	39.96	344.4	-22.8	-1.1	8.4	-22.8	8.9	-8.2	2.8
Chemicals (69/FSCHX)	B****	1.46	0.599/93.82	95.15	687.7	0.3	0.0	17.7	0.3	29.4	9.5	11.7
Com Equipment (518/FSDCX)	H***	1.49	0.028/22.74	22.06	322.7	-16.7	-3.6	7.3	-16.7	24.3	1.7	1.6
Computers (7/FDCPX)	B****	1.23		53.89	571.3	-4.5	-2.2	9.0	-4.5	29.4	6.4	3.5
Const & Housing (511/FSHOX)	H***	1.58	0.247/34.98	35.82	86.4	2.9	3.9	24.6	2.9	15.4	-0.6	6.8
Cons Discretionary (517/FSCPX)	H***	1.18	0.123/23.35	23.06	220.0	-1.7	0.1	10.5	-1.7	21.2	1.3	3.4
Consumer Finance (98/FSVLX)	H***	1.18	0.203/11.07	11.04	140.8	-1.0	1.1	8.3	-1.0	2.2	-22.8	-7.9
Consumer Staples (9/FDFAX)	H***	0.74	2.231/70.31	71.46	1073.6	8.8	2.0	8.7	8.8	14.9	7.4	8.4
Defense & Aero (67/FSDAX)	H***	1.22	0.503/77.48	77.96	645.7	7.3	0.4	12.7	7.3	17.8	2.9	9.7
Electronics (8/FSLEX)	B****	1.49	0.045/45.31	44.21	1026.8	-8.5	-1.9	6.0	-8.5	25.5	0.7	-0.8
Energy (60/FSENX)	B****	1.55	0.347/50.27	49.34	2362.3	-4.8	-3.4	16.1	-4.8	18.5	2.2	10.7
Energy Service (43/FSESX)	H***	1.86		65.03	1373.1	-12.6	-5.9	17.0	-12.6	21.9	0.7	9.6
Enviro & Alt Energy (516/FSLEX)	H***	1.15	0.183/15.28	15.07	75.7	-14.3	-2.5	6.3	-14.3	4.9	-2.0	2.4
Financial Services (66/FIDSX)	H***	1.62	0.140/47.14	48.91	339.4	-20.4	0.0	9.3	-20.4	2.2	-14.3	-2.9
Gold (41/FSAGX) Limit to 5% position	S**	1.74	0.580/47.11	42.23	4171.7	-16.3	-14.2	-6.1	-16.3	16.0	13.2	20.4
Health Care (63/FSPHX)	H***	0.83	11.718/119.53	122.36	1987.6	7.8	2.0	9.6	7.8	18.5	4.8	4.8
IT Services (353/FBSOX)	B****	1.04		21.27	226.0	2.3	-1.7	10.4	2.3	24.4	7.6	6.4
Indust Equip (510/FSCGX)	B****	1.55	0.199/31.68	30.98	293.5	-7.7	-2.3	16.0	-7.7	19.7	2.4	5.7
Industrials (515/FCYIX)	B****	1.43	0.317/21.86	21.81	473.0	-4.9	-0.1	14.6	-4.9	20.1	4.1	7.9
Insurance (45/FSPCX)	S**	1.29	0.358/44.08	44.36	261.8	-5.2	0.4	13.7	-5.2	11.5	-6.8	1.9
Leisure (62/FDLSX)	H***	1.10		96.38	391.8	5.8	1.4	15.7	5.8	21.9	6.0	7.9
Materials (509/FSDPX)	H***	1.53	0.931/62.09	61.41	965.6	-8.2	-2.7	16.5	-8.2	28.1	7.3	12.8
Medical Delivery (505/FSHCX)	H***	1.11		54.76	723.3	10.2	-0.9	11.8	10.2	23.8	4.2	10.0
Medical Equip & Sys (354/FSMEX)	H***	0.88	1.275/24.88	25.20	1277.2	-3.4	0.3	0.2	-3.4	13.0	5.5	7.9
Multimedia (503/FBMPX)	H***	1.30	0.309/42.34	43.05	154.0	1.8	2.2	13.7	1.8	25.5	1.7	5.6
Natural Gas (513/FSNGX)	B****	1.49	0.235/31.06	30.42	792.0	-7.7	-3.3	14.7	-7.7	15.4	-1.3	8.9
Nat Resources (514/FNARX)	H***	1.54	0.254/32.36	31.29	1432.3	-9.2	-5.3	13.5	-9.2	19.2	3.9	11.5
Pharmaceuticals (580/FPHAX)	B****	0.86	0.164/13.19	13.58	608.0	13.7	3.7	11.1	13.7	18.4	7.8	5.5
Retailing (46/FSRPX)	B****	1.20	1.198/51.07	51.22	364.4	3.4	-2.7	4.8	3.4	27.8	6.2	7.5
Software (28/FSCSX)	B****	1.01	6.068/77.61	77.59	1342.5	2.2	-1.2	10.2	2.2	25.2	7.1	6.9

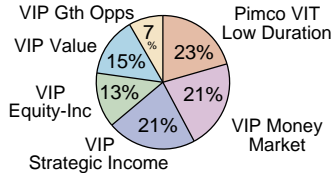
DECEMBER PERFORMANCE												
Fund Name (Code/Symbol)	Rating	Risk	Payout	NAV	Size	30-day Yield	2011	One Mth	Three Mth	One Year	3-Yr Rate	5-Yr Rate
INTERNATIONAL FUNDS:												
Canada (309/FICDX)	H***	1.27	0.780/50.52	50.14	3677.6		-12.4	-2.0	5.5	-12.4	14.2	2.9
China Region (352/FHKCX)	H***	1.37	0.626/26.14	25.29	1437.5		-20.3	-2.2	5.2	-20.4	15.9	4.7
Diversified Int'l (325/FDIVX)	S***	1.21	0.488/26.17	25.52	16184.9		-13.8	-2.7	4.9	-13.8	7.6	-4.6
Emerging EMEA (2053/FEMEX)	B****	1.36	0.173/7.96	7.83	112.9		-15.3	-4.8	5.8	-15.3	19.7	
Emerging Mkts (322/FEMKX)	B****	1.43	0.302/21.65	20.52	2769.0		-21.0	-4.4	4.2	-21.0	18.0	-1.4
Europe (301/FIEUX)	S***	1.38	0.612/25.99	25.47	588.8		-16.8	-1.9	5.4	-16.8	6.0	-5.0
Europe Cap Appr (341/FECAX)	S***	1.38	0.368/15.78	15.46	315.3		-16.9	-1.9	5.4	-16.9	6.0	-6.0
Global Balanced (334/FGLBLX)	H***	0.77	0.326/21.52	21.42	495.6		-2.5	0.0	3.7	-2.5	10.4	3.2
Glob Commodity Stk (2120/FFGCX)	H***	1.6 Est	0.098/14.43	13.94	508.0		-18.1	-5.2	7.8	-18.1		
Int'l Capital Apprec. (335/FIVFX)	B****	1.47	0.128/11.50	11.12	548.8		-12.8	-3.2	8.1	-12.8	16.2	-4.0
Int'l Discovery (305/FIGRX)	S***	1.23	0.406/28.19	27.61	6405.3		-15.2	-2.2	3.5	-15.2	7.0	-4.1
Int'l Growth (1979/FIGFX)	B****	1.14	0.085/7.91	7.81	52.3		-9.0	-1.4	7.4	-9.0	13.3	
Int'l Real Estate (1368/FIREX)	S***	1.44	0.053/6.86	6.95	249.5		-22.2	-4.3	1.5	-22.2	6.5	-11.3
Int'l Small Cap (818/FISMIX)	B****	1.17	0.450/18.02	17.52	802.9		-15.5	-3.1	-0.8	-15.5	15.5	-1.4
Int'l Small Cap Opp (1504/FSCOX)	B****	1.14	0.148/9.35	9.25	315.0		-9.6	-1.3	4.6	-9.6	17.7	-6.9
Int'l Value (1597/FIVLX)	S***	1.41	0.245/6.57	6.54	144.2		-16.7	-0.8	4.0	-16.7	6.1	-7.0
Japan (350/FJPNX)	B****	1.05	0.211/9.32	9.20	444.4		-15.8	-1.5	-2.0	-15.8	3.6	-7.3
Japan Smaller Co (360/FJSCX)	B****	1.29	0.109/8.65	8.55	312.3		-5.8	-1.7	0.6	-5.8	7.7	-6.4
Latin America (349/FLATX)	H***	1.44	0.822/49.58	48.90	2704.3		-15.8	-0.4	9.7	-15.8	23.4	4.2
Nordic (342/FNORX)	H***↓	1.55	0.609/27.28	26.76	336.7		-20.3	-2.6	3.5	-20.3	14.1	-4.2
Overseas (94/FOSEFX)	S***	1.33	0.847/27.51	26.48	1963.2		-16.0	-4.0	5.9	-16.0	3.9	-6.4
Pacific Basin (302/FPBFX)	B****	1.36	0.206/22.31	21.44	678.7		-17.0	-4.0	1.6	-17.0	20.7	-0.5
Emerging Asia (351/FSEAX)	B****	1.21	0.513/26.46	25.18	1475.4		-16.2	-3.9	5.1	-16.2	12.7	1.4
Total Int'l Equity (1978/FTIEX)	B****	1.26	0.095/6.46	6.33	124.2		-14.1	-1.9	5.5	-14.1	10.9	
Worldwide (318/FWWFX)	H***	1.10	0.065/17.48	17.34	1099.8		-6.7	-1.1	5.7	-6.7	12.0	-0.1
INDEX AND ASSET ALLOCATION:												
Four-In-One Index (355/FNOX)	H***	0.91	0.641/25.99	25.97	2213.1		-1.4	0.2	8.4	-1.4	11.9	0.0
NASDAQ Comp (1282/FNCMX)	B****	1.08	0.268/33.92	34.59	311.6		-1.0	-0.5	8.2	-1.0	19.1	2.3
Spart Ext Mkt Idx (398/FSEMXX)	H***	1.21	0.773/34.52	35.46	4183.2		-3.8	0.0	13.3	-3.8	19.1	1.9
Spart Int'l Index (399/FSIIX)	H***	1.26	1.015/28.83	29.75	5242.0		-12.1	-2.1	3.8	-12.1	6.7	-4.6
Spart 500 Index (650/FUSEX)	H***	1.00	0.250/43.12	44.49	16454.9		2.0	1.0	11.8	2.0	14.1	-0.3
Spart Total Mkt Idx (397/FSTMX)	H***	1.03	0.548/35.03	36.12	4250.9		1.0	0.8	12.1	1.0	15.0	0.2
Asset Mgr 20% (328/FASIX)	H***	0.28	0.200/12.64	12.73	3717.1		2.6	0.6	2.6	2.6	10.1	3.7
Asset Mgr 30% (1957/FTANX)	H***	0.39	0.143/9.42	9.52	236.1		1.7	0.5	3.4	1.7	11.7	
Asset Mgr 40% (1958/FFANX)	H***	0.49	0.130/9.21	9.33	180.4		0.5	0.2	4.1	0.5	12.4	
Asset Mgr 50% (314/FASMX)	H***	0.61	0.088/14.78	15.02	6158.3		-0.6	0.2	5.0	-0.6	13.9	2.5
Asset Mgr 60% (1959/FSANX)	H***	0.72	0.132/8.99	9.16	347.9		-2.2	-0.1	5.6	-2.2	14.1	
Asset Mgr 70% (321/FASGX)	H***	0.83	0.272/15.11	15.44	2253.9		-3.7	-0.3	6.2	-3.7	14.8	1.1
Asset Mgr 85% (347/FAMRX)	H***	0.99	0.188/12.08	12.39	611.2		-6.1	-0.7	7.4	-6.1	14.9	0.1
Freedom 2000 (370/FFBXX)	H***	0.30	0.259/11.88	11.88	1292.7		2.0	0.2	2.5	2.0	8.6	3.0
Freedom 2005 (1312/FFVFX)	H***	0.54	0.270/10.52	10.52	823.3		0.2	0.1	3.9	0.2	11.0	2.1
Freedom 2010 (371/FFFCX)	H***	0.60	0.401/13.10	13.10	7447.3		-0.3	0.2	4.8	-0.3	11.6	2.2
Freedom 2015 (1313/FFVFX)	H***	0.62	0.329/10.93	10.93	7517.9		-0.3	0.1	4.8	-0.3	11.8	1.9
Freedom 2020 (372/FFFDX)	H***	0.74	0.431/13.12	13.12	15910.0		-1.4	0.1	5.5	-1.4	12.8	1.1
Freedom 2025 (1314/FFTWX)	H***	0.81	0.362/10.82	10.81	8594.6		-2.7	-0.1	6.3	-2.7	12.9	0.8
Freedom 2030 (373/FFFEH)	H***	0.88	0.442/12.84	12.84	11718.5		-3.1	0.0	6.6	-3.1	13.0	-0.1
Freedom 2035 (1315/FFTHX)	H***	0.94	0.352/10.56	10.55	5742.6		-4.6	-0.2	7.3	-4.6	12.8	-0.5
Freedom 2040 (718/FFFEH)	H***	0.96	0.250/7.36	7.36	7162.8		-4.6	-0.1	7.5	-4.6	12.9	-0.8
Freedom 2045 (1617/FFFGX)	H***	0.98	0.290/8.69	8.69	2293.4		-5.0	-0.1	7.7	-5.0	12.9	-0.8
Freedom 2050 (1618/FFFHX)	H***	1.02	0.286/8.54	8.54	1902.8		-5.6	-0.2	8.0	-5.6	12.9	-1.3
Freedom Income (369/FFFAH)	H***	0.29	0.139/11.24	11.24	2503.6		2.0	0.3	2.5	2.0	8.4	3.3
TAXABLE BOND FUNDS:												
Capital & Income (38/FAGIX)	B****	0.73		8.67	8938.9	6.29	-1.9	1.8	4.9	-1.9	25.5	6.9
Conservative Income (2267/FCONX)	B****	0.1 Est		9.97	363.0	1.01		0.1	0.1			
Corporate Bond (2208/FCBFX)	B****	0.4 Est	0.006/10.77	10.78	176.7	2.97	11.1	2.4	2.3	11.1		
Floating Rate (814/FRHXX)	B****	0.32		9.64	5313.9	4.14	1.7	0.8	3.1	1.7	12.2	3.9
Focused High Inc (1366/FHIFX)	B****	0.41	0.106/8.90	8.95	781.3	5.74	5.9	2.0	5.3	5.9	17.0	5.6
GNMA Portfolio (15/FGMNX)	B****	0.13	0.071/11.83	11.84	8975.9	2.86	7.9	0.7	1.1	7.9	7.3	7.1
Global High Income (2297/FGHXX)	B****	0.7 Est		9.25	98.4	4.70		1.2	4.4			
Gov't Income (54/FGOVX)	H***	0.17	0.127/10.78	10.77	4285.3	1.34	7.9	0.8	0.8	7.9	4.7	6.6
High Income (455/SPHIX)	B****	0.56		8.64	4579.9	7.18	3.4	2.8	6.4	3.4	21.2	6.8
Inflation-Protected (794/FINPX)	H***	0.30	0.215/12.81	12.78	2724.7		13.0	0.0	2.5	13.0	9.5	6.9
Intermed Bond (32/FTHRX)	B****	0.18		10.88	4277.0	2.04	6.1	1.0	0.9	6.1	10.2	5.5
Intermed Gov't Inc (452/FSTGX)	H***	0.15	0.087/10.94	10.97	1184.4	0.58	5.7	0.6	0.6	5.7	3.8	5.8
Invest Grade Bond (26/FBNDX)	B****	0.16		7.72	4628.9	2.97	7.9	1.3	1.2	7.9	10.7	5.3
Mortgage Securities (40/FMSFX)	B****	0.11		11.17	752.4	3.16	6.5	0.7	0.9	6.5	7.8	4.8
New Markets Inc (331/FNMIX)	B****	0.48	0.119/15.76	15.83	4134.0	5.55	7.9	1.4	5.4	7.9	20.1	8.4
Short-Term Bond (450/FSHXX)	B****	0.08		8.49	7844.0	1.04	1.8	0.3	0.3	1.8	4.3	2.1
Spart Intermed Tr Idx (1561/FIBIX)	H***	0.34	0.140/11.60	11.58	988.4	1.26	12.9	1.4	1.1	12.9	5.2	8.3
Spart L-Term Tr Idx (1562/FLBIX)	S***	0.73	0.079/13.06	12.97	251.8	2.58	29.5	3.0	1.4	29.5	7.0	10.7
Spart S-Term Tr Idx (1560/FSBIX)	H***	0.10	0.030/10.66	10.65	271.6	0.23	3.2	0.2	0.4	3.2	2.2	4.6
Strategic Income (368/FSICX)	B****	0.35	0.190/10.77	10.81	8547.1	4.26	4.6	1.4	2.9	4.6	14.9	7.2
Total Bond (820/FTBFX)	B****	0.18	0.039/10.90	10.92	11670.6	3.15	7.4	1.3	1.8	7.4	11.8	6.6
Ultra-Short Bond (812/FUSEX)	H***	0.03		8.15	226.5	0.79	0.1	0.0	0.0	0.1	0.7	-2.2
Spart US Bond Index (651/FBIDX)	H***	0.15	0.011/11.79	11.78	6976.3	2.21	7.7	1.1	1.0	7.7	6.8	5.9
MUNICIPAL BOND FUNDS:												
AZ Municipal Inc (434/FAZXX)	H***	0.25	0.002/11.63	11.79	162.1	2.89	9.9	1.9	2.2	9.9	8.5	4.7
CA Municipal Inc (91/FCITX)	H***	0.29		12.40	1610.8	3.27	11.2	2.0	2.4	11.2	8.6	4.5
CA Short-Int TF (1534/FCSTX)	H***	0.13	0.012/10.70	10.77	721.1	1.21	4.7	1.0	1.1	4.7	4.4	4.3
CT Municipal Inc (407/FICNX)	H***	0.23	0.080/11.82	11.86	545.6	2.07	10.0	1.8	2.2	10.0	7.6	5.1
Intermediate Muni (36/FLTMX)	H***	0.17		10.45	3872.1	2.11	7.9	1.5	1.8	7.9	6.4	4.8
MA Municipal Inc (70/FDMMX)	H***	0.24	0.041/12.24	12.32	2220.2	2.66	10.4	2.0	2.0	10.4	8.4	4.9
MD Municipal Inc (429/SMDMX)	H***	0.22		11.36	193.5	2.11	8.9	1.6	2.0	8.9	8.2	4.6
MI Municipal Inc (81/FMHTX)	H***	0.20		12.24	610.0	2.68	9.2	1.7	2.0	9.2	6.9	4.8
MN Municipal Inc (82/FIMIX)	H***	0.20	0.045/11.76	11.80	508.0	2.14	9.1	1.7	2.0	9.1	7.1	4.8
Municipal Income (37/FHIGX)	H***	0.24	0.002/12.99	13.03	5760.5	3.00	10.6	1.7	2.0	10.6	8.7	4.8
NJ Municipal Inc (416/FNJHX)	H***	0.25		11.93	606.9	2.59	9.7	2.1	2.1	9.7	7.8	4.7
NY Municipal Inc (71/FTFMX)	H***	0.24	0.002/13.14	13.30	1746.6	2.50	9.6	1.6	1.5	9.6	7.9	4.8
OH Municipal Inc (88/FOHFX)	H***	0.22		12.01	536.6	2.75	9.6	1.8	1.9	9.6	7.5	4.8
PA Municipal Inc (402/FPXTX)	H***	0.19		1								

DECEMBER PERFORMANCE Indexes and Model Portfolios	Risk	Value	2011	One Month	Three Month	One Year	3-Yr Rate	5-Yr Rate	10-Yr Rate
Dow Jones Industrial	0.93	12217.56	8.4	1.6	12.8	8.4	14.9	2.4	4.6
S&P 500	1.00	1257.60	2.1	1.0	11.8	2.1	14.1	-0.3	2.9
NASDAQ	1.08	2605.15	-0.8	-0.5	8.2	-0.8	19.4	2.5	3.7
Russell 2000	1.34	740.92	-4.3	0.5	15.4	-4.3	15.6	0.1	5.6
Fidelity Monitor Income Model	0.43	102153.00	6.3	0.8	2.7	6.3	11.6	3.4	4.6
Fidelity Monitor G&I Model	0.66	180046.05	-0.3	-0.3	5.7	-0.3	12.7	0.2	5.6
Fidelity Monitor Growth Model	0.96	186390.37	-1.7	0.5	8.6	-1.7	15.1	-1.3	5.1
Fidelity Monitor Select System	1.12	385206.35	1.2	-0.6	11.9	1.2	15.2	1.4	5.9
Fidelity Monitor Unique Opportunities	1.20	121259.18	-5.8	-0.7	10.2	-5.8	17.9	-0.9	8.4

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.

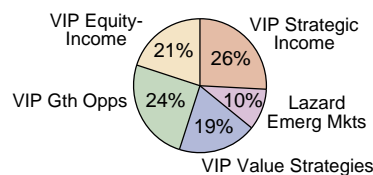
VIP INCOME MODEL



PAST PERFORMANCE

1993: +12.3%	2003: +9.9%
1994: -3.8%	2004: +5.1%
1995: +16.9%	2005: +1.8%
1996: +6.9%	2006: +6.1%
1997: +10.9%	2007: +6.2%
1998: +0.4%	2008: -18.3%
1999: +0.8%	2009: +22.9%
2000: -2.4%	2010: +7.3%
2001: -3.4%	2011: +7.4%
2002: +7.3%	

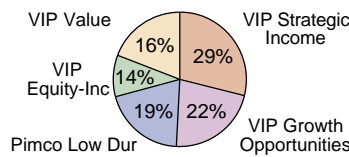
VIP GROWTH MODEL



PAST PERFORMANCE

1993: +20.6%	2003: +30.0%
1994: +4.6%	2004: +7.0%
1995: +36.1%	2005: +10.1%
1996: +16.1%	2006: +14.5%
1997: +23.5%	2007: +9.3%
1998: +22.6%	2008: -45.5%
1999: +22.1%	2009: +25.1%
2000: -10.3%	2010: +17.7%
2001: -14.0%	2011: -2.2%
2002: -21.7%	

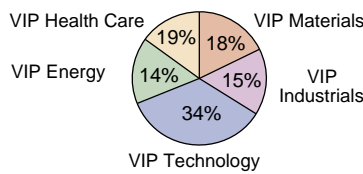
VIP G & I MODEL



PAST PERFORMANCE

1995: +26.4%	2004: +6.3%
1996: +12.8%	2005: +4.5%
1997: +21.4%	2006: +11.6%
1998: +15.1%	2007: +7.7%
1999: +6.1%	2008: -31.0%
2000: -4.9%	2009: +27.1%
2001: +3.1%	2010: +12.0%
2002: -9.4%	2011: -1.0%
2003: +20.8%	

VIP SECTOR MODEL



PAST PERFORMANCE

2003: +57.5%	2008: -41.4%
2004: +6.3%	2009: +50.2%
2005: +14.0%	2010: +15.0%
2006: +17.7%	2011: -5.0%
2007: +11.2%	

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

DECEMBER VIP PERFORMANCE Portfolio	Rating	PRA Value	RR Value	2011	One Month	Three Month	One Year	3-Yr Rate	5-Yr Rate
VIP Asset Manager	H ***	12.70	39.17	-3.3	-0.7	4.3	-3.3	12.0	2.6
VIP Asset Manager: Growth	H ***	11.86	23.96	-6.9	-1.4	5.7	-6.9	12.3	1.3
VIP Balanced	H ***	12.96	18.87	-4.4	0.3	8.0	-4.4	15.5	1.8
VIP Consumer Discretionary	H ***	12.01	12.94	-2.5	-0.1	10.4	-2.5	20.3	0.7
VIP Consumer Staples	H ***	12.99	12.71	7.3	1.8	8.2	7.3	13.7	
VIP Contrafund	H ***	12.24	44.59	-3.3	0.0	9.2	-3.3	14.8	0.1
VIP Disciplined Small Cap	H ***	9.77	9.51	-2.2	0.1	15.7	-2.2	13.9	-1.2
VIP Dynamic Capital Appreciation	B ****	12.05	14.31	-3.4	-0.3	8.5	-3.4	15.3	-1.0
VIP Emerging Markets	B ****	7.21	7.08	-21.7	-4.5	4.2	-21.7	16.8	
VIP Energy	B ****	14.01	23.74	-5.8	-3.4	15.9	-5.8	17.9	1.5
VIP Equity-Income	B ****	10.63	58.29	0.2	2.1	11.4	0.2	13.9	-3.3
VIP Financial Services	H ***	5.73	6.83	-21.1	-0.3	8.8	-21.1	1.9	-14.7
VIP FundsManager 20	H ***	12.18	11.81	1.5	0.3	2.0	1.5	5.8	2.6
VIP FundsManager 50	H ***	11.49	11.14	-1.2	-0.1	4.3	-1.2	9.0	1.1
VIP FundsManager 60	H ***	10.18	9.97	-2.8	-0.4	4.8	-2.8	10.0	
VIP FundsManager 70	H ***	10.67	10.34	-3.7	-0.6	5.7	-3.7	10.5	-0.6
VIP FundsManager 85	H ***	10.04	9.73	-6.0	-0.7	7.3	-6.0	11.4	-1.8
VIP Growth	B ****	11.50	62.39	-0.6	-1.2	9.5	-0.6	15.9	0.6
VIP Growth & Income	H ***	11.28	18.19	0.8	2.1	12.6	0.8	13.2	-1.4
VIP Growth Opportunities	B ****	11.21	13.31	1.5	-1.6	7.8	1.5	21.7	-0.3
VIP Growth Stock	B ****	12.14	12.13	0.0	-1.7	7.3	0.0	19.6	2.7
VIP Growth Strategies	B ****	10.47	10.75	-9.7	-2.5	9.2	-9.7	15.8	-1.7
VIP Health Care	B ****	13.60	15.43	7.4	1.9	9.8	7.4	18.1	3.9
VIP High Income	B ****	14.53	39.76	3.2	2.4	5.6	3.2	18.5	4.8
VIP Index 500	H ***	11.45	36.17	1.2	1.0	11.6	1.2	13.2	-1.1
VIP Industrials	B ****	14.82	20.96	-5.4	-0.3	14.4	-5.4	19.6	3.7
VIP Int'l Capital Appreciation	B ****	9.89	10.17	-13.2	-3.3	7.9	-13.2	15.5	-4.7
VIP Investment Grade Bond	B ****	13.95	38.05	6.5	1.2	1.1	6.5	9.3	5.4
VIP Materials	B ****	12.55	12.28	-9.0	-2.9	16.1	-9.0	27.1	
VIP Mid Cap	B ****	13.31	23.36	-11.3	-3.0	5.3	-11.3	16.3	1.6
VIP Money Market		11.44	21.58	-0.7	-0.1	-0.2	-0.7	-0.5	1.0
VIP Overseas	S **	10.02	30.76	-17.8	-3.5	2.8	-17.8	5.0	-5.6
VIP Real Estate	H ***	13.44	20.91	7.2	4.9	17.1	7.2	23.8	-1.6
VIP Strategic Income	B ****	15.13	16.19	3.8	1.3	2.5	3.8	13.3	6.3
VIP Technology	B ****	14.64	13.37	-10.5	-3.0	5.4	-10.5	30.2	4.3
VIP Telecommunications	B ****	8.78	8.58	-2.8	1.9	6.6	-2.8	18.5	
VIP Utilities	B ****	14.59	14.39	12.3	2.7	6.8	12.3	12.3	1.6
VIP Value	B ****	10.33	10.43	-3.2	1.6	12.4	-3.2	17.0	-3.0
VIP Value Leaders	S **	8.82	8.92	-8.7	1.8	9.8	-8.7	8.1	-6.3
VIP Value Strategies	B ****	10.98	13.67	-9.5	-0.5	12.5	-9.5	21.1	-2.0
Lazard Retirement Emerging Markets	B ****	12.90	12.51	-18.4	-4.1	3.7	-18.4	19.2	2.6
Morgan Stanley Emerging Mkt Debt	B ****	14.84	28.18	6.2	1.2	4.9	6.2	14.3	5.9
Morgan Stanley Emerging Mkt Equity	B ****	11.13	23.52	-18.9	-3.5	2.9	-18.9	17.4	-0.7
Morgan Stanley Global Tactical Alloc	H ***	9.27	12.57	-4.4	-0.5	5.6	-4.4	9.7	-3.9
Pimco VIT Low Duration	B ****	10.76	10.62	0.3	0.4	0.8	0.2		
Fidelity Monitor VIP Income Model			24367.71	7.4	0.8	3.3	7.4	12.3	4.2
Fidelity Monitor VIP G&I Model			26392.92	-1.0	0.6	6.4	-1.0	12.1	0.9
Fidelity Monitor VIP Growth Model			32509.44	-2.2	-0.2	7.8	-2.2	12.9	-3.0
Fidelity Monitor VIP Sector Model			20017.61	-5.0	-1.7	11.1	-5.0	18.0	1.4

INCOME AND PRESERVATION MODEL

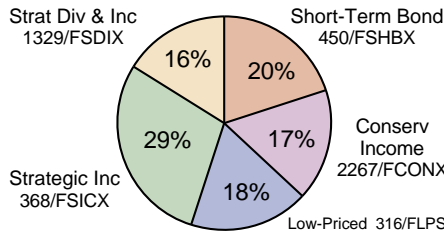
For low-risk investors wanting to stay ahead of inflation.

FUND	NAV	SHARES	BALANCE
Short-Term Bond	\$8.49	2440.940	\$20723.58
Conservative Income	\$9.97	1741.248	\$17360.24
Low-Priced Stock	\$35.73	499.069	\$17831.74
Strategic Income	\$10.81	2731.003	\$29552.14
Strategic Div. & Inc.	\$11.02	1516.815	\$16715.30

24% Foreign Holdings

Balance as of 12/30/11: \$102153.00

Balance at start of 2011: \$96121.82



PAST PERFORMANCE

Starting Balance: \$35,000

1992: +10.1%	2002: + 5.4%
1993: +11.3%	2003: + 8.4%
1994: - 2.1%	2004: + 4.2%
1995: +14.8%	2005: + 3.6%
1996: + 9.0%	2006: + 6.9%
1997: +10.5%	2007: + 4.0%
1998: + 3.5%	2008: -18.2%
1999: + 3.0%	2009: +20.0%
2000: + 0.3%	2010: + 9.1%
2001: + 5.6%	2011: + 6.3%

Our Income Model gained 0.8% in December. Please check our weekly hotline for any potential trades in January.

GROWTH AND INCOME MODEL

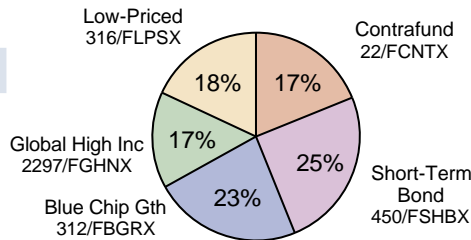
For investors seeking a conservative path to growth.

FUND	NAV	SHARES	BALANCE
Contrafund	\$67.46	442.936	\$29880.46
Short-Term Bond	\$8.49	5245.156	\$44531.37
Blue Chip Growth	\$42.43	964.284	\$40914.57
Global High Inc.	\$9.25	3450.792	\$31919.83
Low-Priced Stock	\$35.73	917.991	\$32799.82

17% Foreign Holdings

Balance as of 12/30/11: \$180046.05

Balance at start of 2011: \$180595.78



PAST PERFORMANCE

Starting Balance: \$50,000

1994: - 3.7%	2003: +33.0%
1995: +21.6%	2004: +11.5%
1996: +15.8%	2005: + 8.2%
1997: +18.7%	2006: +13.7%
1998: +11.1%	2007: + 6.1%
1999: +12.2%	2008: -33.5%
2000: + 2.7%	2009: +28.1%
2001: + 1.3%	2010: +12.2%
2002: - 6.4%	2011: - 0.3%

We were off 0.3% in December. On 12/5 we sold **Contra** (\$68.90) and bought **Global High Income** (\$9.25). Please check our weekly hotline for any potential trades in January.

GROWTH MODEL

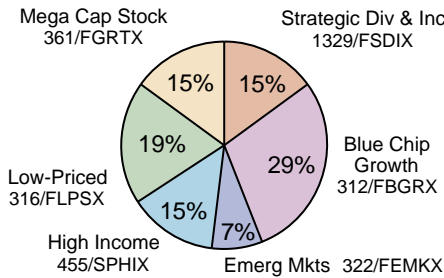
For moderately aggressive stock-oriented investors.

FUND	NAV	SHARES	BALANCE
Strategic Div & Inc	\$11.02	2448.693	\$26984.60
Blue Chip Growth	\$42.43	1292.785	\$54852.87
Emerging Markets	\$20.52	650.260	\$13343.34
High Income	\$8.64	3223.595	\$27851.86
Low-Priced Stock	\$35.73	978.110	\$34947.87
Mega Cap Stock	\$10.10	2812.854	\$28409.83

19% Foreign Holdings

Balance as of 12/30/11: \$186390.37

Balance at start of 2011: \$189620.99



PAST PERFORMANCE

Starting Balance: \$15,000

1987: + 2.8%	2000: -10.8%
1988: +26.0%	2001: - 6.4%
1989: +30.4%	2002: -17.1%
1990: - 4.4%	2003: +46.1%
1991: +40.6%	2004: +12.4%
1992: +15.7%	2005: +11.2%
1993: +31.9%	2006: +15.7%
1994: - 2.1%	2007: + 7.3%
1995: +27.2%	2008: -42.7%
1996: +19.2%	2009: +31.8%
1997: +25.5%	2010: +17.7%
1998: + 9.9%	2011: - 1.7%
1999: +29.0%	

We gained 0.5% in December, versus a 1.0% rise for the S&P. On 12/5 we exchanged **OTC** (\$57.59) for **Blue Chip Gth** (\$43.90). Please check our weekly hotline for any potential trades in January.

SELECT SYSTEM (SECTOR PORTFOLIO)

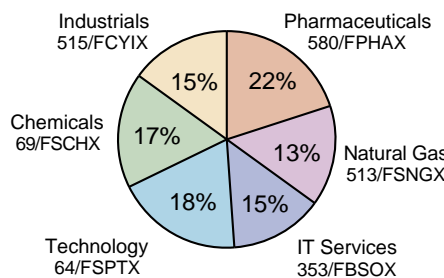
For aggressive stock-oriented investors.

FUND	NAV	SHARES	BALANCE
Pharmaceuticals	\$13.58	6153.925	\$83570.30
Natural Gas	\$30.42	1703.174	\$51810.55
IT Services	\$21.27	2682.357	\$57053.73
Technology	\$86.47	797.531	\$68962.51
Chemicals	\$95.15	710.434	\$67597.80
Industrials	\$21.81	2577.325	\$56211.46

18% Foreign Holdings

Balance as of 12/30/11: \$385206.35

Balance at start of 2011: \$380799.72



PAST PERFORMANCE

Starting Balance: ~\$25,000

1989: +23.4%	2001: - 7.3%
1990: +31.3%	2002: -14.7%
1991: +35.3%	2003: +38.4%
1992: +20.4%	2004: + 7.4%
1993: +25.9%	2005: +15.0%
1994: - 0.9%	2006: +13.6%
1995: +39.0%	2007: +15.6%
1996: + 5.2%	2008: -39.3%
1997: +29.3%	2009: +35.4%
1998: +21.7%	2010: +11.6%
1999: +44.9%	2011: + 1.2%
2000: -14.9%	

We were off 0.6% in December, versus a 1.0% gain for the S&P 500. Please check our weekly hotline for any potential trades in January.

UNIQUE OPPS MODEL (AGGR. GROWTH)

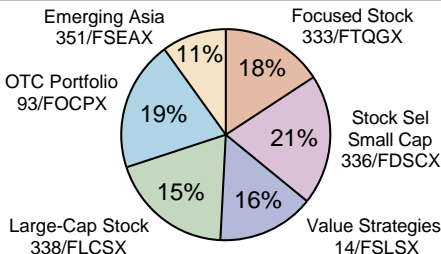
For aggressive stock-oriented investors.

FUND	NAV	SHARES	BALANCE
Focused Stock	\$13.71	1637.747	\$22453.51
Stock Sel Small Cap	\$18.03	1381.467	\$24907.85
Value Strategies	\$25.07	757.747	\$18996.72
Large Cap Stock	\$17.15	1070.353	\$18356.55
OTC Portfolio	\$54.70	427.423	\$23380.04
Emerging Asia	\$25.18	522.816	\$13164.51

18% Foreign Holdings

Balance as of 12/30/11: \$121259.18

Balance at start of 2011: \$128788.38



PAST PERFORMANCE

Starting Balance: \$50,000

(Partial Yr 99)	2005: +18.8%
1999: +33.8%	2006: +16.6%
2000: -20.5%	2007: +11.6%
2001: + 1.6%	2008: -47.6%
2002: - 2.1%	2009: +45.8%
2003: +43.2%	2010: +19.3%
2004: +20.6%	2011: - 5.8%

We lost 0.7% in December. On 12/5 we sold a fifth of **Large-Cap** (\$17.16), buying **Focused** (\$13.87) and **Emerging Asia** (\$26.55). Please check our weekly hotline for any potential trades in January.

With the help of its large bond position (which grew during the year), **Global Balanced** kept its decline to the low single digits. Stock losses were held in check by a sizable weighting in U.S. companies.

Japan Smaller Companies also did well. The country's post-tsunami electricity shortage was quickly resolved through conservation measures, and investors anticipated a GDP boost from reconstruction activity.

G&I AND ASSET ALLOCATION FUNDS

Telecom & Utilities moved up in value as investors sought out dividends in sectors that were little affected by problems outside the U.S.

Real Estate outperformed as well. Declining interest rates, along with a lull in construction activity, made existing commercial properties more valuable. While apartment construction is picking up, most projects will not weigh on the rental market for several years to come.

Strategic Dividend & Income ended up being the best way to benefit from dividend stocks. The fund largely avoided the financial sector, betting instead on real estate securities. It also overweighted the utilities group.

Our Growth & Income Model finished slightly behind **Puritan** and **Balanced** but ahead of similarly positioned Asset Manager and Freedom funds. Our stake in **Equity-Income**, which we held during the first half of the year, set us back by a small amount.

BOND FUNDS

Falling long-term interest rates, along with a widespread aversion to risk, gave a lift to investment grade bonds while weighing on the high-yield sector. At times it was hard to tell what was high-quality as sovereign debt, state budgets and the Federal debt ceiling came into play. The rating agencies and so-called bond experts only added to the confusion by weighing in with wrong assumptions. In the end, only the bond had the answers.

Spartan Long-Term Treasury Index, the interest-rate sensitivity champ, derived by far the most benefit from declining interest rates. But that only worked because borrowing demand disappeared on a massive global scale, something that's unlikely to repeat going forward.

Inflation-Protected Bond also did well as bond investors accepted near-zero TIPS yields in order to lock in price protection. Some of the buying activity was a result of investors who exited gold and wanted a lower-risk inflation hedge. Others saw QE2 and Operation Twist as more than just damage control for an economy with deflationary tendencies. Either way, the demand for inflation-indexed bonds is now so strong that the Treasury has been able to reduce Federal borrowing costs simply

by rolling traditional debt into TIPS debt.

Our Income Model finished with a positive return but fell a little short of the U.S. bond index. Near the end of the year we re-introduced equity exposure in order to boost the model's longer-term prospects. Our timing on that move worked out reasonably well.

SELECT PORTFOLIOS

Like the domestic stock group, a majority of Fidelity's sector funds trailed the S&P 500. But thanks to limited foreign exposure, a significant number still outperformed.

Biotechnology and **Pharmaceuticals** led the group. The two health care industries have business models that are looking more alike, and both are benefiting from international growth, especially in emerging market regions. The pharmaceuticals business tends to be relatively stable, even in times of economic upheaval.

Utilities gained on improving fundamentals and dividends that are competitive with bond yields. Heavy-handed regulations for power plants are considered bullish by some analysts because they're expected to idle some 5% of coal-fired capacity, driving up the price of electricity in the process. Eventually that capacity will be replaced with lower-cost natural gas generation, perhaps leading to a permanent improvement in margins.

Medical Delivery benefited as health care providers were able to pass along costs with relative ease. Although the sector stopped outperforming after the Supreme Court set aside four hours in 2012 to hear arguments on the constitutionality of health care reform, it still managed to be a top performer for the year.

Our Select System trailed the S&P 500 slightly, but finished in the upper third of the population. We avoided the financial sector and did well with our picks in the health care group, but our energy and technology positions lagged as the global economy weakened. ■

DECEMBER DISTRIBUTIONS

December distributions are listed on pages 4 & 5 under the **Payout** column heading. There were 11 funds that made unscheduled distributions near the end of the month; for these funds and **Freedom Income** we've combined the impact of the two payouts and listed the reinvestment price that occurred on the scheduled Ex-date. There were also 11 taxable bond funds that posted "mil-rate spike" payouts that reduced their share prices on 12/15. These payouts are not listed as the distributions were posted to shareholder accounts along with the end-of-month income.

Funds scheduled for January include **Growth Strategies**, **Convertible Securities**, **Equity-Inc. II**, **Growth Company**, **Independence**, **NASDAQ Comp. Index**, **New Millennium**, **CT Municipal Income**, **Municipal Income**, **NJ Municipal Income**, and **Strategic Dividend & Income**.

Money Market Funds	Size	Yield	Money Market Funds	Size	Yield	Money Market Funds	Size	Yield
Cash Reser. (55/FDRXX)	119506.9	0.03	CT MM (418/FCMXX)	1785.7	0.01			
Select MM (85/FSLXX)	5988.7	0.11	MA MM (74/FDMXX)	5147.2	0.01			
Money Market (454/SPRXX)	3788.0	0.01	MI MM (420/FMIXX)	842.7	0.01	MA AMT TF (426/FMSXX)	295.0	0.01
Gov't MM (458/SPAXX)	688.1	0.01	NJ MM (417/FNJXX)	2136.6	0.01	AMT Tax-Free (460/FIMXX)	1286.2	0.01
US Treas. MM (415/FDLXX)	6672.4	0.01	NY MM (92/FNYXX)	4908.9	0.01	NJ AMT TF (423/FSJXX)	243.7	0.01
Tax-Free MM (275/FMOXX)	7038.3	0.01	OH MM (419/FOMXX)	1048.3	0.01	NY AMT TF (422/FSNXX)	448.6	0.01
US Gov't Reser (50/FGRXX)	2647.6	0.01	AZ MM (433/FSAXX)	356.3	0.01	PA MM (401/FPTXX)	650.1	0.01
CA MM (97/FCFXX)	5267.6	0.01	CA AMT TF (457/FSPXX)	498.6	0.01	Municipal MM (10/FTEXX)	23490.9	0.01