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Bowers



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Global Energy Supplies Catch Up As Demand Levels Off

For the first time since the Arab Spring began about 16 months ago, the pressure on global oil supplies appears to be easing. A combination of factors are at work. On the demand side, the debt crisis has damped demand in Europe, some emerging countries are pulling back on gasoline subsidies, and travelers here at home are embracing higher-mileage vehicles and cutting back on air travel. On the supply side, the prolific shale-fracking revolution is going global while being optimized for oil and natural gas liquids. U.S. oil output from the Bakken region in North Dakota has climbed so much that existing pipelines cannot carry all of it, forcing the excess to be trucked to rail stations where it can then be moved to refineries.

This month we take an in-depth look at energy and explain why the sector may be undergoing a disruptive shift that benefits energy users more than energy producers.

FRACKING UPDATE

In the U.S., authorities have been piling on lots of heavy-handed regulations, but at the same time may be coming to the conclusion that the environmental risks are no worse than conventional gas-drilling. The EPA, which thought it had linked fracking with drinking water contamination, recently discovered major flaws in its analysis. While it has handed down new air quality requirements, it hasn't imposed any new rules on fracking itself because it needs more time to understand if the water contamination risks are really an issue. Hydro-fracking involves cracking open shale rock located a mile or more below ground water tables. Many in the industry believe that if the near-surface casing for the vertical part of the well is constructed properly (a critical requirement for any type of gas drilling), and the fracking water is properly handled and recycled, there really isn't any way for ground water supplies to be contaminated.

Meanwhile, the global shale debate is kicking into

ENERGY DEMAND LEVELS OFF - *Continued on page 2*

Check Hotline For Switches

As announced on our 4/28 hotline update, on 4/30 we made changes in several of our model portfolios (see page 3 for details). Please continue to check our hotline messages each weekend; trades will typically be announced near the end of the month.

Review & Recommendations

First-quarter earnings came in significantly ahead of reduced expectations, but stocks were held back by concerns about Spain and its ability to manage its debt. The S&P 500 was off 0.6% for April.

DOMESTIC EQUITY FUNDS

Please see page 7 for current holdings in our Unique Opportunities Model and our Growth Model. If your account is not big enough to meet Fidelity fund minimums for these portfolios, we recommend **Blue Chip Growth** as an alternative to Unique Opportunities and **Strategic Dividend & Income** in place of the Growth Model.

Focused Stock and **Fidelity Fifty** both posted a 1.2% increase, and **Capital Appreciation** was up 0.3%. On the flip side, **Growth Strategies** and **Mid-Cap Growth** were both down 2.5%, and **OTC Portfolio** lost 4.1% on tech-related weakness.

INTERNATIONAL FUNDS

China Region gained 1.5%, and **Canada** edged up 1.3%. On the bottom end, **Latin America** declined 4.4% on worries that Argentina's seizure of Repsol's natural gas assets could prompt other Latin American governments to behave irresponsibly too.

GROWTH & INCOME FUNDS

Please see page 7 for our current Growth and Income Model holdings. If your account is not big enough to meet Fidelity fund minimums while following the model, we recommend holding **Balanced**.

Declining long-term interest rates helped give a lift to **Telecom & Utilities** (up 3.0%) and **Real Estate** (2.7% gain). **Convertible Securities** was weighed down by weakness in the tech and auto groups, sliding 1.9%.

INCOME FUNDS

Please see page 7 for our current Income Model holdings. If your account is not big enough to meet Fidelity fund minimums while following the model, we recommend holding **Focused High Income**.

The decline in long-term interest rates lifted **Spartan Long-Term Treasury Index** by 4.5%, and gave **Spartan Intermediate-Term Treasury Index** a 2.1% boost. On the bottom, **Ultra-Short Bond** finished at breakeven.

Municipals were helped by their longer durations, posting gains ranging from 0.5% to 1.4%.

RECOMMENDATIONS - *Continued on page 8*

high gear as energy firms and environmentalists square off. France and Bulgaria have banned fracking, and the UK and South Africa may not permit it either. But there are many countries with substantial shale reserves that appear likely to allow shale field development in at least some areas. Some of the willing and able participants include Australia, Algeria, Libya, Argentina, Brazil, Mexico, and Canada.

Then there's China. Its shale reserves might be larger than any other country, and it may have the most to gain by developing them. By moving its power generation from coal to gas, the country could simultaneously solve a major air pollution problem, cut its carbon footprint in half, eliminate coal imports, and cut its energy costs dramatically. No wonder Chinese energy companies are buying into U.S. oil service firms that specialize in horizontal drilling and fracking – it's the fastest way to start developing shale fields in their home country.

To the extent that natural gas becomes cheap and abundant on a global scale, it stands to displace not only coal, but oil as well. Some 5% of worldwide electricity generation is oil-based, and many foreign chemical companies use oil as a feedstock because they have no access to low-cost natural gas.

LNG (LIQUEFIED NATURAL GAS)

The shale revolution should accelerate the rise of LNG as a liquid-fuel alternative to oil. Transported in insulated supertankers at -260 degrees F, LNG has long been doing the heavy lifting that oil does – although on a much smaller scale. The investment in LNG infrastructure is already scaling up. An export terminal in the U.S. has already been approved, and Royal Dutch Shell is planning to build the first of a fleet of floating LNG plants that will tap stranded gas deposits (discoveries that are too remote to be connected by pipeline). These projects require a lot of capital, but there is money to be made by the huge pricing differentials around the globe. In the U.S., where natural gas is abundant, it sells for around \$2 per mBtu. In Asia, where it's scarce, it goes for about \$17 (a price

that is tied by prior contracts to the energy value of oil).

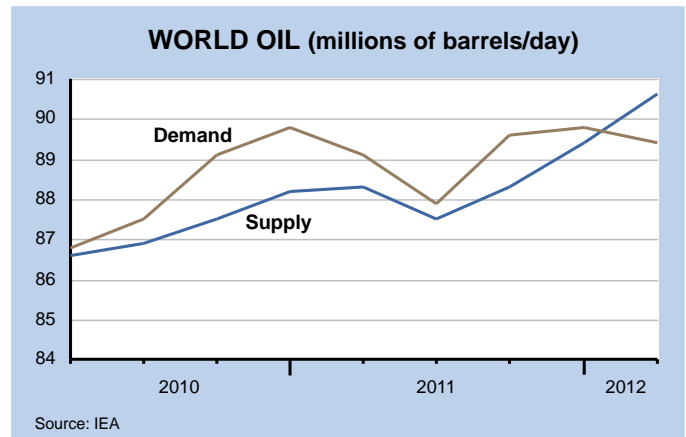
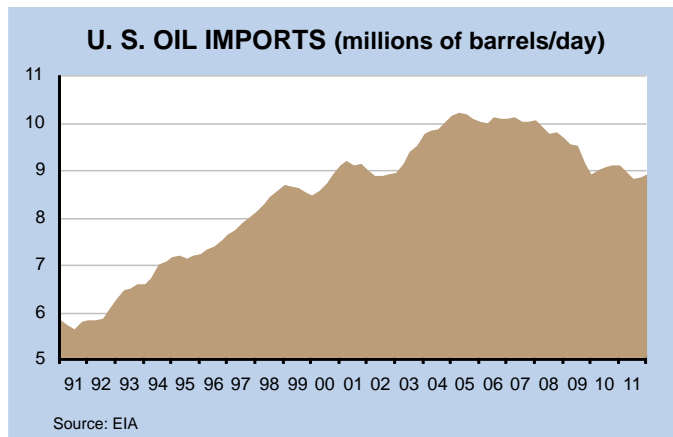
LNG is mainly used as an energy source for heating and power generation, but it also has potential for heavy-duty transportation. Westport offers an engine for big rigs designed to run on LNG, with capability to haul loads of 80,000 pounds or more. UPS has ordered 48 heavy-duty LNG trucks, with plans to base them in Las Vegas – where the 600 mile range will take them to Ontario, CA and back.

TRANSPORTATION DEMAND

With transportation efficiency rising, and economic growth stalling in Europe and Japan, gasoline demand has slipped into decline for mature countries, helping to offset growing demand in emerging markets.

This demand shrink for mature countries is likely to become a permanent situation. By the time Europe begins turning around – a process that may take 3-5 years – the combined impact of vehicle efficiency gains and alternative fuels will kick into high gear. Here's what could play out:

- Electrification of internal-combustion vehicles. Hybrids boost efficiency by allowing the use of a smaller engine with no reduction in performance. The latest automotive efficiency standards are likely to push them into the mainstream. Even non-hybrids are benefiting from some aspects of drivetrain electrification. Cooling fans went electric shortly after the Iranian Revolution in 1979. Now air conditioning and power steering are doing the same to further boost gas mileage.
- Compressed Natural Gas (CNG). It's been powering buses for decades, and some automakers offer CNG versions of their vehicles. A lack of fuel infrastructure has held back passenger vehicle sales, but fleet operators have the ability to convert existing vehicles and put in their own filling stations. Many are likely to do so in the coming years in order to cut fueling costs.
- Pure electric vehicles. This segment is tiny right now, but has the potential to make a big dent in fuel demand starting in about five years. Tesla's newest entry, with an industry-leading 300-mile range and Supercharging system, holds the promise of an EV that can hold its own in the luxury/performance category. Personal note: as an



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engaged Tesla shareholder and Roadster owner, I'll be taking delivery of a Model S this summer, with plans to test the limits of battery-powered transportation.

- Jet fuel alternatives. Shell, which operates the world's largest gas-to-liquids plant in Qatar, has produced a blended natural-gas based jet fuel that has been tested by Qatar Airways. In South Africa, Sasol has demonstrated a 100% synthetic jet fuel based on CTL (Coal to Liquids) technology. Demand for oil-based jet fuel has already leveled off due to rising airfares and increased jet-engine efficiency. As the supply of synthetic jet fuel expands, the oil demanded by this segment could slip into decline.

FUEL SUBSIDIES

Some 20% of global oil demand occurs in countries where the cost of gasoline is heavily subsidized, which in turn causes domestic consumption to climb much faster than it would with market pricing. OPEC member countries now have some of the highest per capita oil consumption rates, but they are not alone in their quest to keep gasoline cheap for their citizens – Egypt, Algeria and Mexico are spending on the order of about \$10 billion a year to encourage consumption.

Eventually, many of these countries are likely to find themselves in an unsustainable situation. India is already there, and has recently warned its citizens that further subsidies will aggregate inflation and add too much stress to its government budget.

Even citizens of OPEC nations may face a day of reckoning at the pump. For the cartel as a group, domestic consumption has risen to 25% of output, leaving less oil available for export. If internal demand continues to outpace production capacity like it has since 1971, OPEC could begin to give up its role as the “central bank of oil” within a decade. And if domestic consumption goes unchecked for two decades, U.S. energy companies might get a chance to sell Bakken crude to OPEC refineries!

SUMMARY

Technology is helping to stem global oil demand in several ways. Fracking, in combination with horizontal drilling, is making natural gas abundant and cheap. Facilities that liquefy or convert natural gas to a synthetic fuel are allowing it to fill many of the roles that only oil could fill in the past. The declining cost of electric drive components and the advancement of jet engine technology have put transportation efficiency on the fast track.

Low-tech forces are having some impact as well. Oil importing nations are beginning to pull back from unsustainable fuel subsidies. Energy exporters, having taken advantage of their customers for decades, are stoking a strong desire for energy independence among countries that come out on the losing end. If presented

with an opportunity to develop a newly discovered shale field, many will jump at the chance.

INVESTMENT IMPLICATIONS

For decades the energy business has been a stable industry with limited competition and high barriers to entry – the result of enormous capital costs and substantial risks of drilling a dry hole.

Now the combination of horizontal drilling and fracking allows oil and gas to be extracted from shale rock that appears to exist over millions of square miles, covering large swaths of many countries. Unlike traditional drilling, the risk of drilling a dry hole in shale is low, and in some fields the value of the extracted liquids is high enough that the natural gas can be given away for free.

Several years ago, it seemed that shale would solve the main problem the energy companies faced: with fewer and fewer traditional oil fields available to develop, the energy majors were having a tough time replacing reserves. Shale offered the chance to roll back the clock to the 1950s, when both reserves and revenue were on an upswing.

But shale has turned out to be more prolific than many expected. With a proven technique and a well-defined return on investment, development of shale fields is not limited to well-capitalized energy companies. Low-cost

ENERGY DEMAND LEVELS OFF - *Continued on page 8*

Changes In Several Portfolios

As announced on 4/28, we made the following changes on 4/30:

- In our Select System, we sold **Energy** (FSENX) at \$51.71 and bought **Consumer Finance** (FSVLX) at \$13.28. **Consumer Finance** is the least-risky choice in the beaten down financial sector, thanks to its focus on transaction processors and smaller banks. We think it makes a better value play than the energy group.

- In our VIP Sector Model, we sold **VIP Energy** and bought **VIP Financial Services**. We would have preferred to buy a fund like **Consumer Finance**, but it doesn't exist in the annuity group, so we've gone to **VIP Financial Services** as the next best match. As a result, the risk level in this portfolio is about 15% higher.

- In our VIP Growth and Income Model, we sold one-fifteenth of **VIP Strategic Income** and split the proceeds evenly between **VIP Equity-Income**, **VIP Growth Opportunities** and **VIP Value**. This small adjustment, which can be ignored, brings us in line with our affiliate publication Fidelity Insight.

- In our VIP Income Model, we sold one-seventh of **VIP Equity-Income** and bought **VIP Growth Opps**. Here again we are making a small trade to bring our weightings more closely in line with our affiliate.

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 30-day roundtrip trades to two in the last 90 days and four in the last 12 months. Fund ratings: **Buy** means the fund is one of our top choices in its category, **OK to Buy** means accumulate at the expense of lower-rated funds, **Hold** means we have a neutral view, **OK to Sell** means reduce to below 5% of holdings, **Sell** means move on to a higher-rated fund within the same asset class. Upgrades and downgrades from the prior month are indicated by ↑ and ↓.

APRIL PERFORMANCE						2012	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
EQUITY FUNDS:												
130/30 Large Cap (2063/FOTTX)	Sell	1.15	none	7.45	17.6	7.0	-0.8	2.9	-8.7	10.7		
Growth Strategies (324/FDEGX)	Hold	1.33	1.5(90)	20.71	1620.9	11.3	-2.5	2.3	-7.0	18.2	-0.1	3.2
Blue Chip Gth (312/FBGRX)	Buy	1.19	none	49.85	11590.3	17.5	-1.1	10.1	4.4	22.5	5.4	4.9
Blue Chip Value (1271/FBCVX)	Sell	1.21	none	10.73	326.4	9.7	-2.3	5.2	-8.2	13.5	-5.2	
Capital Apprec (307/FDCAX)	OK to Buy	1.22	none	28.97	4450.7	17.7	0.3	9.0	6.2	21.8	2.2	6.8
Contrafund (22/FCENTX)	Buy	0.93	none	77.45	60967.9	14.8	-0.1	9.3	6.4	20.4	4.4	8.1
Disc Equity (315/FDEQX)	Sell	1.10	none	24.00	5833.1	11.6	-1.0	7.0	-2.4	14.4	-2.6	3.5
Dividend Gth (330/FDGFY)	Hold	1.36	none	29.66	7305.4	14.7	-1.5	6.2	-3.9	21.3	1.2	3.9
Equity-Income (23/FEQIX)	Buy	1.16	none	45.11	6960.4	9.8	-0.4	6.1	-3.9	16.8	-2.6	3.5
Equity Dividend Inc (319/FEQTX)	Buy	1.16	none	18.97	4356.1	9.6	0.0	6.3	-2.2	16.5	-2.3	3.5
Export Fund (332/FEXPX)	OK to Sell	1.07	0.75(30)	23.32	1891.7	12.8	-0.6	8.2	0.2	17.0	0.5	5.8
Fidelity Fifty (500/FFTYX)	Buy ↑	1.05	none	19.96	714.8	14.4	1.2	9.9	3.9	20.5	-0.5	4.1
Fidelity Fund (3/FFIDX)	Hold	1.06	none	35.36	4594.5	13.5	-0.6	8.5	-0.4	16.8	1.1	4.6
Focused Stock (333/FTQGX)	Buy	1.09	none	15.72	517.1	14.7	1.2	10.2	3.1	21.9	5.3	5.0
Growth & Income (27/FGRIX)	OK to Buy	1.05	none	20.45	5062.9	12.5	-0.8	8.0	5.5	18.4	-5.2	0.2
Growth Company (25/FDGRX)	Buy	1.16	Closed	97.09	27014.3	20.0	-0.9	10.6	7.4	24.6	6.8	8.4
Growth Discovery (339/FDSVX)	Buy	1.17	none	15.90	917.1	16.4	0.0	10.3	5.0	22.5	4.0	5.6
Independence (73/FDFFX)	Hold	1.49	none	25.42	3385.0	17.4	-0.9	7.1	-4.7	20.9	2.5	5.2
Large Cap Growth (763/FSLGX)	OK to Buy	1.12	none	11.22	144.0	16.0	-0.6	8.3	3.3	20.1	1.0	4.0
Large Cap Stock (338/FLCSX)	Buy	1.20	none	19.55	952.2	14.0	-1.4	8.3	3.4	21.8	2.1	4.5
SS Large Cap Val (708/FSLVX)	OK to Sell	1.09	none	11.27	489.2	9.5	-0.9	4.6	-0.3	15.4	-4.2	3.4
Lev Co Stock (122/FLVCX)	Buy	1.58	1.5(90)	29.06	3323.7	15.7	-1.2	4.6	-6.9	23.6	-0.6	14.2
Low-Priced Stock (316/FLPSX)	Buy	1.05	1.5(90)	40.31	25975.5	12.8	-1.0	6.3	1.7	21.5	3.3	8.8
Magellan (21/FMAGX)	OK to Buy	1.21	none	72.41	13799.9	15.0	-1.2	8.5	-5.9	13.4	-1.9	2.1
Mega Cap Stock (361/FGRTX)	Buy	1.08	none	11.48	1293.5	13.7	-0.9	8.6	7.7	20.7	1.8	4.9
Mid Cap Growth (793/FSMGX)	Hold	1.34	0.75(30)	12.68	266.2	11.2	-2.5	2.3	-6.4	20.4	-1.5	3.9
Mid Cap Stock (337/FMCSX)	Hold	1.32	0.75(30)	30.15	5311.9	13.1	-0.3	6.7	0.2	24.4	1.5	5.9
Mid Cap Value (762/FSMVX)	Hold	1.20	0.75(30)	17.01	582.6	12.2	-0.6	6.5	-2.5	22.3	0.1	6.7
New Millennium (300/FMILX)	OK to Buy	1.10	none	32.44	2059.8	12.4	-0.6	7.5	4.0	22.6	4.9	7.0
OTC Portfolio (93/FOCPX)	Buy	1.29	none	61.49	6662.9	12.4	-4.1	4.5	-1.3	22.3	7.1	7.9
Small Cap Discov (384/FSCRX)	Buy	1.36	1.5(90)	22.37	2751.2	11.7	-1.3	5.3	0.7	27.1	8.0	
Small Cap Growth (1388/FCPGX)	OK to Buy	1.33	1.5(90)	16.66	1255.7	11.7	-0.5	5.6	-4.5	22.3	2.9	
Stock Sel Small Cap (336/FDSCX)	Buy	1.40	1.5(90)	19.91	1663.8	10.4	-1.5	4.5	-4.9	22.8	-0.1	4.9
Small Cap Stock (340/FSLCX)	Buy	1.60	2 (90)	18.49	3327.3	11.8	-1.9	3.6	-14.8	19.4	1.6	6.5
Small Cap Value (1389/FCPVX)	OK to Buy	1.28	1.5(90)	15.56	1788.7	11.3	-0.6	5.3	0.0	20.8	4.0	
Stock Sel All Cap (320/FDSSX)	Hold	1.14	none	27.54	2440.9	13.5	-1.0	6.6	-1.6	17.9	0.4	4.7
Tax Managed Stock (343/FTXMX)	Sell	1.22	none	12.62	59.0	9.4	-1.4	3.9	-9.7	13.8	-3.5	3.1
Trend (5/FTRNX)	OK to Buy ↑	1.12	none	77.47	1195.0	15.9	-0.6	8.2	3.0	22.7	4.8	6.7
Value (39/FDVLX)	Hold	1.34	none	71.80	6050.7	13.1	-1.0	5.8	-4.5	21.0	-1.4	6.2
Value Discovery (832/FVDFX)	Hold	1.21	none	15.80	448.7	11.7	-0.9	6.3	-0.4	18.0	-1.2	
Value Strategies (14/FSLSX)	Buy	1.41	none	28.79	319.0	14.8	-0.3	5.2	-5.3	23.6	-0.7	6.1
SPECIALTY / HYBRID FUNDS:												
Balanced (304/FBALX)	Buy ↑	0.68	none	19.73	15395.2	8.9	-0.2	5.0	3.7	16.0	2.6	6.8
Convertible Sec (308/FCVXS)	Buy	1.07	none	24.88	2068.4	9.8	-1.9	1.7	-6.9	21.4	2.5	6.4
Global Balanced (334/FGBLX)	Hold	0.82	1 (30)	23.17	479.8	8.2	0.8	4.5	-2.3	14.3	3.7	7.9
Global Strategies (1960/FDYXS)	Hold	0.82	none	9.29	220.7	7.9	-0.1	2.5	-4.8	13.7		
Puritan (4/FPURX)	Buy ↑	0.71	none	19.40	16020.2	10.1	-0.2	5.7	3.1	16.2	2.9	5.9
Real Estate Income (833/FRIFX)	OK to Buy	0.46	0.75(90)	10.99	2037.9	7.8	1.0	3.9	6.9	20.8	4.4	
Real Estate (303/FRESX)	OK to Buy	1.43	0.75(90)	31.64	3723.2	14.8	2.7	7.6	10.8	35.6	0.1	10.8
Strategic Div & Inc (1329/FSDIX)	Buy	0.91	none	11.90	1763.4	8.6	0.4	5.1	5.4	22.0	0.8	
Strategic Real Rtn (1505/FSRRX)	Hold	0.51	0.75(60)	9.51	607.9	4.3	1.2	1.4	0.1	14.0	3.6	
Telecom & Utilities (311/FUIUX)	OK to Buy	0.76	none	17.86	877.5	3.5	3.0	7.7	5.8	17.8	-0.3	7.5
SELECT FUNDS:												
Air Transportation (34/FSAIX)	OK to Buy ↑	1.50	0.75(30)	38.58	68.6	11.7	-0.8	1.7	0.0	26.5	1.9	6.2
Automotive (502/FAVX)	OK to Buy	2.06	0.75(30)	35.97	166.0	15.5	-6.4	1.9	-16.4	27.4	-0.3	3.7
Banking (507/FSRBX)	Hold	1.60	0.75(30)	18.92	494.5	18.6	-0.5	11.5	3.2	18.9	-8.2	-0.8
Biotechnology (42/FBIOX)	Hold	1.28	0.75(30)	97.30	1825.6	19.6	-0.3	6.2	19.6	23.4	8.9	8.3
Brokerage (68/FSLBX)	Buy	1.71	0.75(30)	45.81	429.1	14.6	-6.0	2.1	-13.1	12.0	-6.7	4.7
Chemicals (69/FSCHX)	Buy	1.64	0.75(30)	112.16	847.3	18.8	0.6	4.6	2.4	27.5	11.5	13.3
Com Equipment (518/FSDCX)	Hold	1.53	0.75(30)	23.71	319.0	7.5	-6.6	1.1	-21.4	15.9	1.9	6.0
Computers (7/FDCPX)	OK to Buy	1.39	0.75(30)	66.16	850.1	22.8	-2.0	10.1	6.5	29.4	10.3	7.5
Const & Housing (511/FSHOX)	Hold	1.53	0.75(30)	43.03	205.3	20.1	1.4	11.5	14.7	20.4	2.7	7.3
Cons Discretionary (517/FSCPX)	OK to Buy	1.20	0.75(30)	27.43	308.3	19.0	1.0	11.3	10.2	24.0	3.9	4.8
Consumer Finance (98/FSVLX)	Buy ↑	1.21	0.75(30)	13.28	197.1	20.3	-0.9	13.0	9.6	15.9	-19.5	-7.4
Consumer Staples (9/FDFAX)	Hold	0.79	0.75(30)	77.08	1257.9	8.4	0.1	9.4	10.0	20.5	7.4	8.3
Defense & Aero (67/FSDAX)	Hold	1.13	0.75(30)	85.78	650.7	10.5	0.0	4.8	5.3	23.2	3.5	9.2
Electronics (8/FSLEX)	Buy	1.73	0.75(30)	51.33	1243.3	16.1	-6.1	0.9	-5.1	22.8	2.1	1.7
Energy (60/FSENX)	Hold ↓	1.79	0.75(30)	51.71	2343.6	5.0	-1.7	-0.5	-15.7	17.0	0.7	10.6
Energy Service (43/FSESX)	Hold	2.14	0.75(30)	68.50	1244.0	5.3	0.4	-1.3	-21.6	16.5	-1.2	8.0
Environ & Alt Energy (516/FSLEX)	Hold	1.17	0.75(30)	16.07	74.7	6.7	-2.1	0.7	-19.6	8.8	-1.5	3.5
Financial Services (66/FIDSX)	Hold	1.67	0.75(30)	58.03	488.4	18.6	-3.6	5.9	-7.0	10.9	-11.8	-1.5
Gold (41/FSAGX) Limit to 5% weight	Sell ↓	2.14	0.75(30)	38.20	3437.7	-9.5	-6.3	-18.3	-26.6	15.7	13.2	16.2
Health Care (63/FSPHX)	Hold	0.90	0.75(30)	133.94	2219.9	12.5	0.7	5.9	5.0	22.9	5.7	6.8
IT Services (353/FBSOX)	Buy	1.21	0.75(30)	24.88	306.4	18.4	-0.1	11.1	8.1	27.1	9.7	8.4
Indust Equip (510/FSCGX)	OK to Buy	1.53	0.75(30)	36.23	355.4	17.2	-1.2	5.1	-2.7	25.3	4.1	7.4
Industrials (515/FCYIX)	Buy	1.39	0.75(30)	24.68	566.6	14.1	-0.9	4.7	-3.4	24.4	5.4	9.5
Insurance (45/FSPCX)	OK to Sell	1.18	0.75(30)	49.35	283.5	11.3	1.1	6.7	-1.9	18.5	-5.2	2.3
Leisure (62/FDLSX)	Hold	1.19	0.75(30)	111.72	480.6	16.1	0.2	9.7	18.0	26.5	8.6	9.9
Materials (509/FSDPX)	Hold	1.70	0.75(30)	68.11	1062.7	11.6	-1.0	-0.1	-6.7	23.9	7.1	12.9
Medical Delivery (505/FSHCX)	Hold	1.12	0.75(30)	61.71	892.7	12.7	-3.2	5.7	3.8	27.5	4.9	9.4
Medical Equip & Sys (354/FSMEX)	Hold	1.00	0.75(30)	28.17	1383.1	14.0	-0.6	4.9	-4.0	16.8	6.8	9.5
Multimedia (503/FBMPX)	Hold	1.30	0.75(30)	49.50	202.0	15.0	-0.9	8.2	1.3	28.4	4.3	7.6
Natural Gas (513/FSNGX)	Hold	1.69	0.75(30)	31.32	697.4	3.3	-0.2	0.2	-14.7	10.6	-3.8	8.5
Nat Resources (514/FNARX)	Hold	1.83	0.75(30)	32.56	1322.0	4.1	-2.3	-3.5	-18.4	17.3	1.8	11.4
Pharmaceuticals (580/FPHAX)	Buy	0.84	0.75(30)	14.57	739.1	7.9	1.2	6.6	7.4	24.6	7.2	7.3
Retailing (46/FSRPX)	OK to Buy	1.20	0.75(30)	63.79	461.0	24.6	3.7	17.4	19.6	27.3	9.4	9.6
Software (28/FSCSX)	OK to Buy	1.18	0.75(30)	87.32	1809.9	18.6	-1.5	9.9	10.6	27.1	9.6	10.9
Technology (64/FSPTX)	Buy	1.36	0.75(30)	103.50	2464.8	19.7	-2.0	10.5	-1.3	27.4	7.6	7.6
Telecom (96/FSTCX)	Hold	1.01	0.75(30)	46.26	349.8	5.8	-0.5	6.3	-6.3	14.0	-1.1	7.0
Transportation (512/FSRFY)	Hold	1.45	0									

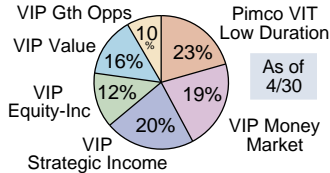
APRIL PERFORMANCE						30-day	2012	One	Three	One	3-Yr	5-Yr
Fund Name (Code/Symbol)	Rating	Risk	Fee	NAV	Size	Yield	YTD	Mth	Mth	Year	Rate	Rate
INTERNATIONAL FUNDS:												
Canada (309/FICDX)	OK to Sell	1.41	1.5(90)	53.64	3478.5		7.0	1.3	2.4	-14.0	15.4	2.2
China Region (352/FHKCX)	Hold	1.58	1.5(90)	28.31	1438.3		11.9	1.5	2.3	-14.1	15.3	6.8
Diversified Int'l (325/FDIVX)	OK to Sell	1.32	1 (30)	28.41	14895.3		11.3	-1.1	4.8	-11.9	12.4	-4.0
Emerging Asia (351/FSEAX)	Hold	1.40	1.5(90)	28.42	1493.9		12.9	0.4	2.7	-11.5	16.0	2.0
Emerging EMEA (2053/FEMEX)	OK to Buy	1.53	1.5(90)	8.87	122.0		13.3	-0.8	4.7	-12.1	18.7	
Emerging Markets (322/FEMKX)	Hold	1.59	1.5(90)	22.95	2676.8		11.8	-0.6	2.8	-16.4	18.2	-0.8
Emg Mkts Discov (2374/FEDDX)	OK to Buy	1.5 E	2 (90)	11.06	16.3		17.3	-1.2	7.3			
Europe (301/FIEUX)	OK to Sell	1.54	1 (30)	28.52	614.8		12.0	-1.5	5.6	-16.6	11.3	-4.5
Europe Cap Appr (341/FECAX)	OK to Sell	1.54	1 (30)	17.37	325.4		12.4	-1.2	5.9	-16.4	11.3	-5.6
Glob Commod Stk (2120/FGCX)	Hold	1.6 E	1 (30)	14.78	483.7		6.0	-1.8	-3.2	-19.6	12.7	
Int'l Capital Apprec. (335/FIVFX)	Buy	1.55	1 (30)	13.03	711.4		17.2	-0.1	8.2	-6.1	19.9	-2.5
Int'l Discovery (305/FIGRX)	OK to Sell	1.35	1 (30)	30.83	6316.2		11.7	-0.4	6.1	-12.7	12.7	-3.4
Int'l Growth (1979/FIGFX)	OK to Buy	1.27	1 (30)	8.83	97.8		13.1	0.0	6.9	-5.2	19.6	
Int'l Real Estate (1368/FIREX)	Sell	1.54	1.5(90)	8.19	253.8		17.8	0.4	7.6	-10.5	14.8	-9.1
Int'l Small Cap (818/FISMIX)	Buy	1.32	2 (90)	20.19	809.9		15.2	0.0	8.1	-10.4	20.8	-0.6
Int'l Small Cap Opp (1504/FSCOX)	Buy	1.27	2 (90)	10.59	332.0		14.5	1.1	6.9	-4.6	24.1	-6.2
Int'l Value (1597/FIVLX)	OK to Sell	1.42	1 (30)	6.98	147.5		6.7	-1.7	2.9	-19.7	9.1	-7.2
Japan (350/FJPNX)	Hold	1.04	1.5(90)	9.93	450.2		7.9	-2.8	3.7	-5.1	7.3	-6.1
Japan Smaller Co (360/FJSCX)	Hold	1.16	1.5(90)	8.96	282.6		4.8	0.0	3.7	-1.4	13.5	-4.5
Latin America (349/FLATX)	OK to Buy	1.67	1.5(90)	52.98	2992.8		8.3	-4.4	-1.1	-10.6	19.8	4.1
Nordic (342/FNORX)	Hold	1.69	1.5(90)	31.27	340.0		16.9	-0.2	10.5	-17.5	18.7	-3.8
Overseas (94/FOSFX)	OK to Sell	1.47	1 (30)	30.31	1707.2		14.5	-0.9	6.2	-12.1	10.3	-5.5
Pacific Basin (302/FPBFX)	OK to Buy	1.37	1.5(90)	24.24	652.1		13.1	-0.7	5.1	-9.7	23.6	0.3
Total Emerg Mkts (2369/FTEMX)	Hold	1.2 E	1.5(90)	10.74	66.2		12.0	0.3	3.7			
Total Int'l Equity (1978/FTIEX)	OK to Buy	1.35	1 (30)	6.99	288.4		10.4	-1.0	4.5	-12.9	15.1	
Worldwide (318/FWWFX)	Hold	1.18	1 (30)	19.58	1092.6		12.9	0.3	7.9	-4.4	17.6	0.8
INDEX AND ASSET ALLOCATION:												
Four-In-One Index (355/FNNOX)	Hold	0.92	none	28.47	2390.3		9.7	-0.8	4.9	-0.2	15.9	0.9
Int'l Enhanced Idx (2010/FIENX)	OK to Sell	1.30	1 (30)	6.80	26.4		9.1	-1.8	3.4	-12.6	12.3	
Lg Cap Core Eh Idx (1827/FLCEX)	Hold	0.99	none	9.91	262.1		11.0	-1.0	6.7	5.5	18.9	
Lg Cap Gth Eh Idx (1829/FLGEX)	OK to Buy	1.02	none	11.23	154.1		13.3	-0.4	7.4	7.3	20.9	
Lg Cap Val Eh Idx (1828/FLVEX)	OK to Sell	1.02	none	7.81	75.9		9.7	-1.4	5.6	1.9	17.3	
Mid Cap Enh Idx (2012/FMEIX)	Hold	1.17	0.75(30)	9.79	80.2		11.9	-0.4	5.3	-1.5	21.8	
NASDAQ Comp (1282/FNCMX)	OK to Buy	1.16	0.75(90)	40.57	401.7		17.3	-1.4	8.6	7.1	22.0	4.6
Small Cap Enh Idx (2011/FCPEX)	Hold	1.34	1.5(90)	9.79	127.9		11.6	-1.9	3.9	-1.1	21.1	
Spart 500 Index (650/FUSEX)	Hold	1.00	none	49.59	11880.8		11.9	-0.6	7.1	4.7	19.4	1.0
Spart Em Mkts Idx (2341/FPPEX)	Hold	1.5 E	1.5(90)	9.86	52.8		10.8	-1.9	-0.3			
Spart Extend Mkt Idx (398/FSEMEX)	Hold	1.26	0.75(90)	39.81	2339.0		13.5	-0.8	5.6	-1.7	22.7	3.2
Spart Glob Ex-US Idx (2345/FSGUX)	Hold	1.3 E	1(90)	10.42	11.0		9.5	-1.8	2.4			
Spart Int'l Index (399/FIIX)	Hold	1.32	1(90)	32.40	3236.3		8.9	-2.1	3.1	-13.0	12.1	-4.5
Spart Mid Cap Idx (2349/FSCLX)	Hold	1.3 E	0.75(30)	11.68	6.3		12.4	-0.3	6.0			
Spart Real Estate Idx (2353/FRXIX)	Hold	1.6 E	0.75(90)	11.69	9.9		14.0	2.9	7.1			
Spart Small Cap Idx (2356/FSSPX)	Hold	1.4 E	1.5(90)	11.78	10.3		10.5	-1.6	3.2			
Spart Total Mkt Idx (397/FSTMX)	Hold	1.04	0.5(90)	40.40	3276.9		12.2	-0.6	6.8	3.5	20.0	1.4
Asset Mgr 20% (328/FASIX)	Hold	0.29	none	13.17	4201.6		3.9	0.4	1.8	3.1	10.0	3.9
Asset Mgr 30% (1957/FTANX)	Hold	0.40	none	9.97	310.7		5.2	0.4	2.4	2.7	11.8	
Asset Mgr 40% (1958/FFANX)	Hold	0.52	none	9.89	270.6		6.4	0.2	3.0	1.9	13.2	
Asset Mgr 50% (314/FASMIX)	Hold	0.64	none	16.06	6777.2		7.2	0.0	3.4	0.7	14.5	3.1
Asset Mgr 60% (1959/FSANX)	Hold	0.76	none	9.93	496.6		8.4	-0.2	3.9	-0.4	15.3	
Asset Mgr 70% (321/FASGX)	Hold	0.87	none	16.91	2749.4		9.5	-0.4	4.4	-1.7	16.3	1.9
Asset Mgr 85% (347/FAMRX)	Hold	1.05	none	13.76	700.7		11.1	-0.7	5.1	-3.7	17.2	1.0
TAXABLE BOND FUNDS:												
Capital & Income (38/FAGIX)	Buy	0.77	1(90)	9.23	9462.0	5.99	8.5	0.7	4.1	-0.8	22.2	7.6
Conservative Inc (2267/FCONX)	Buy	0.1 E	none	10.01	513.3	0.64	0.7	0.1	0.4			
Corporate Bond (2208/FCBFX)	OK to Buy	0.4 E	none	11.06	253.7	2.76	3.6	1.6	1.4	10.9		
Floating Rate (814/FFRHX)	Buy	0.29	1(60)	9.84	5551.7	3.39	3.1	0.6	1.4	2.9	8.4	4.1
Focused High Inc (1366/FHIFX)	Buy	0.40	1(90)	9.23	928.4	4.95	5.0	1.0	2.2	6.7	13.8	6.0
GNMA Portfolio (15/FGMNX)	OK to Buy	0.15	none	11.88	10055.8	2.72	1.2	0.8	0.8	7.1	6.6	7.0
Global High Inc (2297/FGHNX)	Buy	0.7 E	1(90)	9.74	194.6	5.57	7.1	1.1	4.0			
Gov't Income (54/FGOVX)	Hold	0.19	none	10.78	4162.9	1.37	0.6	1.2	0.1	7.3	5.0	6.3
High Income (455/SPHIX)	Buy	0.57	1(90)	9.05	5572.7	5.74	6.8	1.0	3.2	4.9	17.9	7.5
Inflation-Protected (794/FINPX)	Hold	0.31	none	13.11	2921.9	0.00	2.7	2.0	0.5	11.2	9.6	6.9
Intermed Bond (32/FTHRX)	OK to Buy	0.21	none	10.98	4147.9	1.83	1.8	0.9	0.7	5.9	9.3	5.5
Intermed Gov't Inc (452/FSTGX)	Hold	0.17	none	10.99	1140.7	0.70	0.6	0.8	0.0	5.2	4.0	5.5
Invest Grade Bond (26/FBNDX)	OK to Buy	0.19	none	7.81	4651.4	2.53	2.2	1.1	0.9	7.6	10.3	5.3
Mortgage Securities (40/FMSFX)	OK to Buy	0.14	none	11.27	759.2	2.86	1.9	0.8	1.2	6.5	7.7	4.9
New Markets Inc (331/FNMIX)	OK to Buy	0.48	1(90)	16.73	5099.1	4.79	7.7	1.7	5.2	13.3	17.3	9.3
Short-Term Bond (450/FSHIX)	Buy	0.09	none	8.54	7782.4	0.86	1.0	0.2	0.3	1.8	4.2	2.0
Spart Inter Tr Idx (1561/FIBIX)	OK to Sell	0.37	none	11.42	538.8	1.37	0.9	2.1	-0.1	12.3	6.7	8.0
Spart L-Term Tr Idx (1562/FLBIX)	Sell	0.79	none	12.62	109.5	2.85	-1.7	4.5	-1.7	26.0	10.4	10.0
Spart S-Term Tr Idx (1560/FSBIX)	Hold	0.11	none	10.62	179.1	0.33	0.2	0.4	-0.1	2.6	2.5	4.3
Strategic Income (368/FSICX)	Buy	0.38	none	11.15	9478.4	3.94	4.6	1.1	2.4	4.8	13.7	7.6
Total Bond (820/FTBFX)	OK to Buy	0.20	none	11.07	12924.5	2.68	2.4	1.2	1.1	7.2	10.8	6.7
Ultra-Short Bond (812/FUSFX)	Hold	0.04	0.25(60)	8.20	290.5	0.59	0.8	0.0	0.5	0.3	1.1	-2.3
Spart US Bond Index (651/FBIDX)	Hold	0.18	none	11.84	5787.8	2.01	1.4	1.1	0.5	7.3	6.8	5.8
MUNICIPAL BOND FUNDS:												
AZ Municipal Inc (434/FAZAX)	Hold	0.28	0.5(30)	12.03	171.5	2.49	3.2	1.1	0.8	11.1	7.2	5.1
CA Municipal Inc (91/FCITX)	Hold	0.33	0.5(30)	12.70	1700.5	2.76	3.7	1.4	1.0	12.9	7.8	5.0
CA Short-Int TF (1534/FCSTX)	Hold	0.14	0.5(30)	10.82	779.9	0.85	1.2	0.5	0.3	4.5	3.8	4.3
CT Municipal Inc (407/FICNX)	Hold	0.26	0.5(30)	12.00	570.8	1.77	2.2	1.3	0.1	9.7	6.3	5.3
Intermediate Muni (36/FLTMX)	Hold	0.19	0.5(30)	10.58	4177.8	1.71	2.2	1.1	0.7	8.4	5.8	5.1
MA Municipal Inc (70/FDMMX)	Hold	0.28	0.5(30)	12.56	2401.1	2.26	3.2	1.2	0.3	11.4	7.4	5.3
MD Municipal Inc (429/SMDMX)	Hold	0.24	0.5(30)	11.54	214.0	1.82	2.5	1.3	0.6	9.8	6.5	5.0
MI Municipal Inc (81/FMHTX)	Hold	0.23	0.5(30)	12.42	638.9	2.37	2.7	1.0	0.6	10.1	6.5	5.2
MN Municipal Inc (82/FIMIX)	Hold	0.22	0.5(30)	11.96	531.2	1.75	2.4	1.0	0.6	9.1	6.0	5.1
Municipal Income (37/FHIGX)	Hold	0.28	0.5(30)	13.32	6253.7	2.46	3.5	1.1	1.0	12.1	7.7	5.3
NJ Municipal Inc (416/FNJHX)	Hold	0.28	0.5(30)	12.17	657.2	2.10	3.2	1.0	0.5	11.8	6.7	5.2
NY Municipal Inc (71/FTFMX)	Hold	0.27	0.5(30)	13.50	1833.0	2.14	2.6	1.1	0.4	10.3	6.8	5.2
OH Municipal Inc (88/FOHFX)	Hold	0.25	0.5(30)	12.20	580.0	2.33	2.8	1.3	0.5	10.3	6.5	5.2
PA Municipal Inc (402/FPXTX)	Hold	0.23	0.5(30)	11.32	434.5	2.43	3.2	1.3	0.7	10.7	6.5	5.3
Short-Int Municipal (404/FSTFX)	Hold	0.11	0.5(30)	10.86	3622.2	0.79	1.0	0.5	0.4	4.2	3.5	4.0
Tax-Free Bond (90/FTABX)	Hold	0.29	0.5(30)	11.48	2238.2	2.53	3.5	1.4	1.1	12.4	7.7	5.6

APRIL PERFORMANCE Indexes and Model Portfolios	Risk	Value	2012 YTD	One Month	Three Month	One Year	3-Yr Rate	5-Yr Rate	10-Yr Rate
Dow Jones Industrial	0.90	13213.63	9.1	0.2	5.3	6.0	20.7	3.0	5.5
S&P 500	1.00	1397.91	11.9	-0.6	7.1	4.8	19.5	1.0	4.7
NASDAQ	1.16	3046.36	17.3	-1.4	8.5	7.2	22.3	4.8	6.9
Russell 2000	1.36	816.88	10.7	-1.5	3.4	-4.2	20.3	1.5	6.2
Fidelity Monitor Income Model	0.45	307323.71	5.3	0.2	2.8	8.4	12.0	4.0	4.9
Fidelity Monitor G&I Model	0.71	397014.05	10.3	-0.2	5.8	3.0	15.3	1.2	6.5
Fidelity Monitor Growth Model	1.00	1412126.21	12.6	-0.5	6.8	0.7	19.8	-0.1	6.3
Fidelity Monitor Select System	1.18	1746626.62	13.6	-0.4	6.4	1.8	20.0	2.4	7.6
Fidelity Monitor Unique Opportunities	1.12	272882.67	12.5	-1.4	5.4	-4.2	19.3	0.1	8.6

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 Personal Retirement Annuity fee structure. Our model portfolios switched to the Personal Retirement Annuity group on 12/31/11.

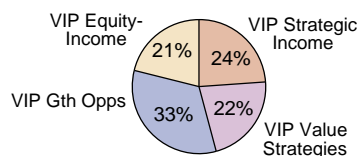
VIP INCOME MODEL



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%	*2012: + 5.9%

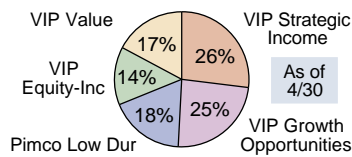
VIP GROWTH MODEL



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%	*2012: + 12.1%

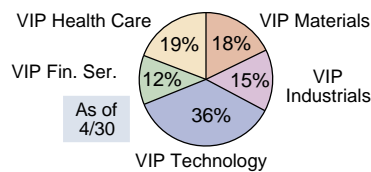
VIP G & I MODEL



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%	*2012: + 9.2%

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%	*2012: +13.7%

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

APRIL VIP PERFORMANCE Portfolio	Rating	Risk	PRA Value	2012 YTD	One Month	Three Month	One Year	3-Yr Rate	5-Yr Rate
VIP Asset Manager	Hold	0.75	13.78	8.5	-0.1	3.5	-0.8	14.4	3.8
VIP Asset Manager: Growth	Hold	1.02	13.20	11.3	-0.5	4.7	-3.3	16.1	2.8
VIP Balanced	OK to Buy	0.94	14.38	11.0	-0.6	4.7	-0.4	17.7	3.1
VIP Consumer Discretionary	OK to Buy	1.21	14.28	18.9	1.1	11.2	9.8	23.7	3.7
VIP Consumer Staples	Hold	0.79	14.02	8.0	0.1	9.0	8.9	19.8	
VIP Contrafund	Hold	1.11	13.80	12.8	-1.0	7.1	0.1	19.2	2.1
VIP Disciplined Small Cap	Hold	1.35	10.87	11.3	-2.0	3.6	-1.6	20.1	0.5
VIP Dynamic Capital Appreciation	OK to Buy	1.22	14.16	17.5	0.3	8.9	5.7	21.4	1.6
VIP Emerging Markets	Hold	1.57	8.05	11.7	-0.6	2.6	-16.5	17.2	
VIP Energy	Hold ↓	1.80	14.69	4.9	-1.7	-0.6	-16.1	16.9	0.4
VIP Equity-Income	Buy	1.11	11.66	9.7	-0.4	5.9	0.6	18.8	-2.1
VIP Financial Services	OK to Buy ↑	1.68	6.78	18.5	-3.7	5.8	-7.5	11.0	-11.8
VIP FundsManager 20	Hold	0.25	12.57	3.2	0.3	1.2	2.2	7.2	3.1
VIP FundsManager 50	Hold	0.58	12.26	6.7	-0.1	3.1	0.3	11.9	2.1
VIP FundsManager 60	Hold	0.70	10.97	7.8	-0.2	3.7	-0.9	13.2	
VIP FundsManager 70	Hold	0.81	11.62	8.9	-0.4	4.1	-1.9	14.3	0.6
VIP FundsManager 85	Hold	0.99	11.04	10.0	-0.7	4.7	-3.8	16.0	-0.6
VIP Growth	Buy	1.18	13.38	16.4	0.0	10.3	4.3	22.0	3.0
VIP Growth & Income	OK to Buy	1.04	12.70	12.8	-0.5	8.2	5.6	18.1	0.4
VIP Growth Opportunities	Buy	1.21	13.36	19.1	-1.8	9.0	7.5	25.7	2.0
VIP Growth Stock	OK to Buy ↑	1.10	14.01	15.4	-0.6	7.9	3.6	22.9	4.8
VIP Growth Strategies	Hold	1.33	11.65	11.2	-2.5	2.1	-7.2	17.5	-0.5
VIP Health Care	Buy	0.90	15.22	11.9	0.3	5.6	4.5	22.6	5.5
VIP High Income	Buy	0.51	15.47	6.5	1.0	3.0	5.4	16.0	5.9
VIP Index 500	Hold	1.00	12.80	11.8	-0.6	7.0	4.4	19.1	0.7
VIP Industrials	Buy	1.41	16.89	14.0	-0.9	4.6	-3.4	24.3	5.5
VIP Int'l Capital Appreciation	Buy	1.56	11.59	17.3	-0.1	8.2	-6.1	19.7	-2.7
VIP Investment Grade Bond	OK to Buy	0.20	14.23	2.0	1.1	0.8	6.8	9.4	6.0
VIP Materials	Buy	1.70	13.98	11.4	-1.1	-0.2	-7.1	23.5	
VIP Mid Cap	OK to Buy	1.06	14.94	12.2	-1.1	5.4	-6.7	18.8	3.0
VIP Money Market			11.43	0.0	0.0	-0.1	-0.2	0.0	1.2
VIP Overseas	OK to Sell	1.46	11.42	14.0	-0.8	6.5	-14.5	12.8	-4.4
VIP Real Estate	OK to Buy	1.43	15.32	14.0	2.7	7.4	8.4	34.5	0.9
VIP Strategic Income	Buy	0.36	15.79	4.3	1.1	2.1	4.5	12.8	7.2
VIP Technology	Buy	1.37	17.46	19.3	-2.3	10.2	-2.5	27.5	7.8
VIP Telecommunications	Hold	0.98	9.30	6.0	-0.7	6.1	-3.6	14.3	
VIP Utilities	OK to Buy	0.73	15.24	4.4	4.4	8.6	8.8	18.5	0.1
VIP Value	Buy	1.25	11.63	12.6	-0.5	7.4	0.3	20.4	-1.9
VIP Value Leaders	Sell	1.21	9.68	9.8	-2.3	5.1	-8.4	13.2	-5.4
VIP Value Strategies	Buy	1.41	12.61	14.8	-0.3	5.1	-5.1	23.6	-1.1
Lazard Retirement Emerging Markets	Hold	1.48	14.72	14.1	-2.5	2.3	-9.0	19.5	4.1
Morgan Stanley Emerging Mkt Debt	OK to Buy	0.49	15.88	7.0	1.5	4.5	11.4	14.1	7.2
Morgan Stanley Emerging Mkt Equity	Hold	1.42	12.55	12.8	-0.2	3.9	-10.3	18.1	1.1
Morgan Stanley Global Tactical Alloc	Hold	1.16	9.95	7.4	-0.9	2.9	-3.9	14.4	-3.5
Pimco VIT Low Duration	Buy	0.1 E	11.01	2.3	0.7	0.9	1.2		
Fidelity Monitor VIP Income Model		0.47	258173.32	5.9	0.1	3.3	10.8	12.5	4.7
Fidelity Monitor VIP G&I Model		0.69	288331.26	9.2	-0.2	4.9	1.3	14.5	1.6
Fidelity Monitor VIP Growth Model		0.97	364389.24	12.1	-0.5	5.3	0.8	18.6	-1.9
Fidelity Monitor VIP Sector Model		1.30	227509.49	13.7	-1.3	5.1	-2.3	19.7	2.5

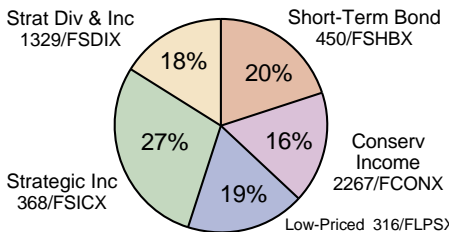
INCOME AND PRESERVATION MODEL

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

FUND	NAV	SHARES**	BALANCE**
Short-Term Bond	\$8.54	7001.440	\$59792.30
Conservative Income	\$10.01	4987.377	\$49923.64
Low-Priced Stock	\$40.31	1480.266	\$59669.52
Strategic Income	\$11.15	7520.877	\$83857.78
Strategic Div. & Inc.	\$11.90	4544.577	\$54080.47

26% Foreign Holdings

Balance as of 4/30/12: \$307323.71
Balance at start of 2012: \$291865.71



PAST PERFORMANCE
Starting Balance: \$100,000

1992: +10.1%	2003: + 8.4%
1993: +11.3%	2004: + 4.2%
1994: - 2.1%	2005: + 3.6%
1995: +14.8%	2006: + 6.9%
1996: + 9.0%	2007: + 4.0%
1997: +10.5%	2008: -18.2%
1998: + 3.5%	2009: +20.0%
1999: + 3.0%	2010: + 9.1%
2000: + 0.3%	2011: + 6.3%
2001: + 5.6%	*2012: + 5.3%
2002: + 5.4%	

We edged up 0.2% in April. Please check our weekend hotline or email for changes in May. Mix: 35% stock, 61% bond and 4% cash.

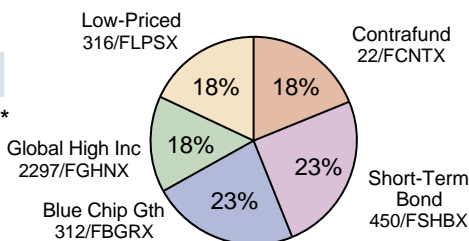
GROWTH AND INCOME MODEL

For investors seeking a conservative path to growth.

FUND	NAV	SHARES**	BALANCE**
Contrafund	\$77.45	924.496	\$71602.22
Short-Term Bond	\$8.54	10531.400	\$89938.16
Blue Chip Growth	\$49.85	1832.140	\$91332.18
Global High Inc.	\$9.74	7504.458	\$73093.42
Low-Priced Stock	\$40.31	1762.542	\$71048.07

21% Foreign Holdings

Balance as of 4/30/12: \$397014.05
Balance at start of 2012: \$360092.10



PAST PERFORMANCE
Starting Balance: \$100,000

1994: - 3.7%	2004: +11.5%
1995: +21.6%	2005: + 8.2%
1996: +15.8%	2006: +13.7%
1997: +18.7%	2007: + 6.1%
1998: +11.1%	2008: -33.5%
1999: +12.2%	2009: +28.1%
2000: + 2.7%	2010: +12.2%
2001: + 1.3%	2011: - 0.3%
2002: - 6.4%	*2012: +10.3%
2003: +33.0%	

We were off 0.2% in April. Please check our weekend hotline or email for any changes in May. Mix: 58% stock, 39% bond, 3% cash.

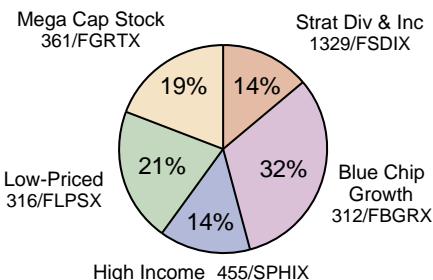
GROWTH MODEL

For moderately aggressive stock-oriented investors.

FUND	NAV	SHARES**	BALANCE**
Strategic Div & Inc	\$11.90	16564.250	\$197114.58
Blue Chip Growth	\$49.85	9147.627	\$456009.21
High Income	\$9.05	22114.118	\$200132.77
Low-Priced Stock	\$40.31	7239.382	\$291819.49
Mega Cap Stock	\$11.48	23262.209	\$267050.16

14% Foreign Holdings

Balance as of 4/30/12: \$1412126.21
Balance at start of 2012: \$1253929.63



PAST PERFORMANCE
Starting Balance: \$100,000

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%	*2012: +12.6%

We were off 0.5% in April, versus a 0.6% decline for the S&P. Please check our updates weekly. Mix: 84% stock, 13% bond and 3% cash.

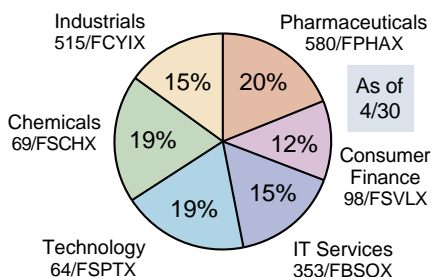
SELECT SYSTEM (SECTOR PORTFOLIO)

For aggressive stock-oriented investors.

FUND	NAV	SHARES**	BALANCE**
Pharmaceuticals	\$14.57	23465.977	\$341899.28
Consumer Finance	\$13.28	15949.040	\$211803.25
IT Services	\$24.88	10835.167	\$269578.95
Technology	\$103.50	3182.955	\$329435.84
Chemicals	\$112.16	3013.524	\$337996.85
Industrials	\$24.68	10369.224	\$255912.45

15% Foreign Holdings

Balance as of 4/30/12: \$1746626.62
Balance at start of 2012: \$1537362.65



PAST PERFORMANCE
Starting Balance: \$100,000

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%	*2012: +13.6%

We slid 0.4% in April, versus a 0.6% decline for the S&P. See p. 3 for our latest trade; check weekly for changes. Mix: 95% stock, 5% cash.

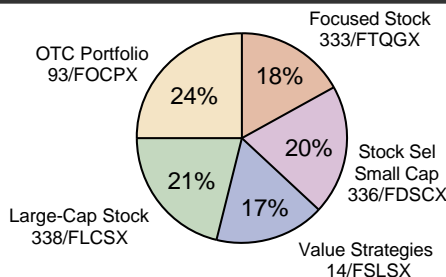
UNIQUE OPPS MODEL (AGGR. GROWTH)

For aggressive stock-oriented investors.

FUND	NAV	SHARES**	BALANCE**
Focused Stock	\$15.72	3111.720	\$48916.24
Stock Sel Small Cap	\$19.91	2762.934	\$55010.02
Value Strategies	\$28.79	1601.496	\$46107.07
Large Cap Stock	\$19.55	2881.906	\$56341.26
OTC Portfolio	\$61.49	1081.608	\$66508.08

9% Foreign Holdings

Balance as of 4/30/12: \$272882.67
Balance at start of 2012: \$242518.36



PAST PERFORMANCE
Starting Balance: \$100,000

(Partial Yr 99)	2006: +16.6%
1999: +33.8%	2007: +11.6%
2000: -20.5%	2008: -47.6%
2001: + 1.6%	2009: +45.8%
2002: - 2.1%	2010: +19.3%
2003: +43.2%	2011: - 5.8%
2004: +20.6%	*2012: +12.5%
2005: +18.8%	

We lost 1.4% in April, versus a 0.6% decline for the S&P 500. Please check our updates weekly. Current mix: 98% stock and 2% cash.

producers operating in liquid-rich fields can continue to expand production until higher-cost gas producers are forced out of business.

Three months ago, when the shale revolution showed clear signs of shifting into the oil arena, we switched from **Natural Gas** to **Energy** in our Select System. That was based on an assumption that oil pricing would hold up better than natural gas.

But with the output from the Bakken region exceeding pipeline capacity, the price of oil in the U.S. has sagged significantly. At times West Texas Intermediate has dipped a full \$30/barrel below the price of Brent crude. Although the spread should narrow after the Seaway pipeline flow is reversed in June (helping to relieve a bottleneck in Cushing), the global price of oil is likely to be pulled down at the same time. That's good news for the economy, as it should bring down the price of gasoline and diesel, but it may not help energy company earnings. Furthermore, permanent relief for the glut of oil in Cushing may still be several years away, when other pipeline projects will begin to come on line.

After losing almost all of Libya's light sweet crude and half of Iran's output, the world oil price is only slightly higher than \$100/barrel. This suggests that the global balance of oil supply and demand has been altered in a significant way. Going forward, energy producers may face more downside risk than upside potential as the shale revolution goes global.

With that thought in mind, we have downgraded **Energy** to a hold, and in our sector models we have moved on to a market weighting in financial stocks. While there is some risk that we might underperform if inflation picks up, our heavy bet on **Chemicals (VIP Materials** on the annuity side) should provide a decent level of protection against rising prices. In addition, chemical companies are energy users as opposed to producers, so they are likely to come out on the winning side of the shale revolution. ■

Happenings

Steve Calhoun, who ran several mid-cap portfolios, has stepped down. Christopher Lee will take his place at **Growth Strategies** and **VIP Growth Strategies**, and a team has been formed to take over stock selection for **Mid-Cap Growth**. We may change our ratings on these funds, but probably not until we see performance improve.

Fidelity plans to launch four new funds sometime over the next month or two. Three of them are expected to focus on global income and dividends. We'll provide more details once they've been introduced. ■

SELECT PORTFOLIOS

Please see page 7 for our current Select System holdings. If your account is not big enough to meet Fidelity fund minimums while following the model, we recommend holding Select **Technology**.

Sectors that are focused on the domestic economy performed well. **Utilities** was up 4.4%, **Retailing** climbed 3.7%, and **Construction & Housing** gained 1.4%. On the bottom end, **Gold** lost 6.3%, **Automotive** was down 6.4%, and **Communications Equipment** slid 6.6%. ■

APRIL DISTRIBUTIONS

Asset Manager 20%	\$0.018/\$13.08 (4/4)
Asset Manager 30%	\$0.015/\$ 9.90 (4/4)
Asset Manager 40%	\$0.035/\$ 9.83 (4/4)
Asset Manager 50%	\$0.046/\$15.97 (4/4)
Balanced	\$0.079/\$19.68 (4/4)
CA Municipal Inc.	\$0.001/\$12.55 (4/4)
CA Short-Int. Muni	\$0.001/\$10.79 (4/4)
Convertible Securities	\$0.179/\$25.30 (4/4)
Equity Dividend Income	\$0.093/\$18.82 (4/4)
Equity-Income	\$0.256/\$44.87 (4/4)
Four-In-One Index	\$0.014/\$27.93 (4/13)
Growth & Income	\$0.078/\$20.42 (4/4)
International Enhanced Index	\$0.021/\$ 6.62 (4/13)
Large Cap Core Enhanced Index	\$0.025/\$ 9.07 (4/15)
Large Cap Growth Enhanced Index	\$0.019/\$11.06 (4/13)
Large Cap Value Enhanced Index	\$0.108/\$ 7.65 (4/13)
Mid Cap Enhanced Index	\$0.146/\$ 9.57 (4/13)
Puritan	\$0.074/\$19.36 (4/4)
Select Automotive	\$0.024/\$36.61 (4/13)
Select Banking	\$0.016/\$18.25 (4/13)
Select Biotechnology	\$5.35 / \$91.80 (4/13)
Select Chemicals	\$0.857/\$109.84(4/13)
Select Communications Equipment	\$0.005/\$23.83 (4/13)
Select Consumer Discretionary	\$0.02 / \$27.02 (4/13)
Select Consumer Finance	\$0.003 \$13.02 (4/13)
Select Consumer Staples	\$0.382/\$75.47 (4/13)
Select Defense & Aero	\$0.328/\$83.47 (4/13)
Select Energy	\$0.077/\$51.84 (4/4)
Select Environment & Alt Energy	\$0.002/\$15.90 (4/13)
Select Health Care	\$3.543/\$128.81(4/13)
Select IT Services	\$0.299/\$24.65 (4/13)
Select Industrial Equipment	\$0.067/\$35.44 (4/13)
Select Industrials	\$0.195/\$24.14 (4/13)
Select Insurance	\$0.037/\$47.70 (4/13)
Select Leisure	\$0.138/\$113.70(4/13)
Select Materials	\$0.409/\$67.34 (4/13)
Select Medical Equip & Systems	\$0.544/\$27.40 (4/13)
Select Pharmaceuticals	\$0.08 / \$13.97 (4/13)
Select Retailing	\$0.044/\$61.21 (4/13)
Select Software	\$4.63 / \$85.94 (4/13)
Select Telecommunications	\$0.099/\$45.58 (4/13)
Select Transportation	\$1.119/\$52.00 (4/13)
Select Utilities	\$0.259/\$53.70 (4/4)
Small Cap Enhanced Index	\$0.116/\$ 9.62 (4/13)
Strategic Dividend & Income	\$0.065/\$11.79 (4/4)
Strategic Real Return	\$0.099 / \$9.38 (4/4)
Spartan 500 Index	\$0.175/\$49.59 (4/4)
Spartan Extended Mkt Index	\$0.443/\$38.86 (4/13)
Spartan Int. Treasury Bond Index	\$0.18 / \$11.37 (4/13)
Spartan International Index	\$0.12 / \$36.77 (4/15)
Spartan ST Treasury Bond Index	\$0.016/\$10.62 (4/13)
Spartan Total Mkt Index	\$0.117/\$39.55 (4/13)
Telecom & Utilities	\$0.084/\$17.45 (4/4)

Funds scheduled for May payouts include **Asset Mgr. 20%**, **Asset Mgr. 30%**, **Magellan**, and **Real Estate Income**.

Money Market Funds	Size	Yield	Money Market Funds	Size	Yield	Money Market Funds	Size	Yield
Cash Reser. (55/FDRXX)	115486.3	0.01	CT MM (418/FCMXX)	1803.8	0.01			
Select MM (85/FSLXX)	5921.5	0.10	MA MM (74/FDMXX)	5404.3	0.01			
Money Market (454/SPRXX)	3453.2	0.01	MI MM (420/FMIXX)	855.1	0.01	MA AMT TF (426/FMSXX)	289.8	0.01
Gov't MM (458/SPAXX)	2124.1	0.01	NJ MM (417/FNJXX)	2202.5	0.01	AMT Tax-Free (460/FIMXX)	1218.9	0.01
US Treas. MM (415/FDLXX)	6148.7	0.01	NY MM (92/FNYXX)	5173.3	0.01	NJ AMT TF (423/FSJXX)	228.8	0.01
Tax-Free MM (275/FMOXX)	7219.4	0.01	OH MM (419/FOMXX)	1089.0	0.01	NY AMT TF (422/FSNXX)	448.8	0.01
US Gov't Reser (50/FGRXX)	2554.2	0.01	AZ MM (433/FSAXX)	391.3	0.01	PA MM (401/FPTXX)	681.3	0.01
CA MM (97/FCFXX)	5443.5	0.01	CA AMT TF (457/FSPXX)	469.1	0.01	Municipal MM (10/FTEXX)	24537.6	0.01