

25
Years

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FIDELITY MONITOR & INSIGHT

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SPECIAL Year-End
16-page Report!

JANUARY 2013

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MESSAGE TO MEMBERS

Solving The Sector Puzzle

One of the attractions of Sudoku puzzles is they flip problem-solving on its head. As anyone who does them regularly knows, you don't get anywhere trying to find the correct number for a square or the right square for a number. Instead, you have to focus on what doesn't work, finding situations where you can rule out eight out of the nine possibilities, which makes the answer obvious.



Jack Bowers

I didn't have much time to spend on puzzles in 2012, but I couldn't help noticing that the sector universe was a

bit of a Sudoku puzzle. With so many big and potentially disruptive events, it was difficult to figure out the right places to invest. In contrast, by focusing on what *not* to hold, it was much easier to come out ahead.

Case in point, our switch from **Select Energy** to **Consumer Finance** at the end of April. Because it was clear that housing was on the mend, it no longer made sense to exclude the financial sector. At the same time, the prolific shale-oil boom was beginning to weigh down fuel prices. With both trends having potential to last for five years or more, I decided it was better to avoid energy than to avoid the financial sector. That trade worked out unusually well: despite the drag of small-caps, our Select Portfolio (up 19.2%) managed to finish significantly ahead of the S&P 500 index (up 16.0%).

Fortunately, 2013 looks a bit less puzzling. There are enough strong themes out there that the Fiscal Cliff can more or less be ignored as a short-term issue. Our December 31 *Select Model* trade (see pg. 3) aims to take advantage of the strongest one on the domestic front. Although Consumer Finance is still a solid choice for playing the rebound in the financial sector, **Construction & Housing** is a stronger theme. After five years of dragging down domestic GDP, residential housing has turned the corner. Instead of dragging down GDP, it's contributing to growth. This trend is driven by low interest rates and improved credit availability. And because it's now cheaper to own than rent in many parts of the country, buying a house represents both a cost reduction and a tax break for many consumers.

As for the other themes in our Select Model, they are

Message cont'd on page 16

MARKET OUTLOOK

Deal On Fiscal Cliff Leaves Much To Be Desired ... and "Negotiated"

Well after much angst, we got a deal on the Fiscal Cliff. However, while the agreement addresses the tax-side of the equation, it fails to address the spending/deficit reduction side. In fact, in just two months, Congress will be faced with the \$110 billion of automatic spending cuts that were deferred, as well as an increase in the debt ceiling. We all remember how that negotiation went the last time.



John M. Boyd

In short, we managed to avoid the worst outcome, but the deal does not provide much in the way of a solid footing for the economy going forward. The continued uncertainty may well keep businesses in a conservative "wait-and-see" mode.

With that as a back drop let me try and make sense of the financial landscape for 2013.

Last year in this space, I noted that despite a 16% jump in corporate earnings in 2011, a 10% drop in initial claims for unemployment, and modestly improving GDP, stocks hardly budged. So expecting stocks to do better in 2012 — just from a "catch-up" scenario alone — was a somewhat easy call. (There were a lot of risks to be sure, notably that Europe's debt problems would worsen significantly, but fortunately that didn't happen.)

This past year, initial claims are down about the same again (11%), and GDP growth has (while still anemic) actually improved, rising 2.6% (3rd quarter to 3rd quarter), versus 1.6% a year ago. The big difference, however, is in stocks versus earnings. In 2012, it was stocks that rose strongly, the S&P 500 gaining 16.0%, while earnings barely budged (up 3% through the 3rd quarter). In short, we got our catch-up, with most of the year's gain in stocks coming from an expansion in P/Es. Now what?

The S&P 500's P/E at the end of 2011 (based on actual full year 2011 operating earnings) was 13.0, today (based on estimated full year 2012 earnings), it stands at 14.3, not cheap, but not dear either.

So do P/Es have room to expand? Yes. There were a number of uncertainties in 2012 that weighed on the market that are either over or at least dissipating.

Market Outlook cont'd on page 3

Unique Opportunities

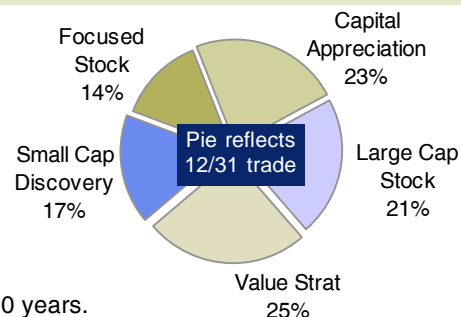
Target Risk: 1.20 (Current: 1.18)

Foreign Holdings: 8.4%

YTD Return: 16.8%

Stocks: 93.2% Bonds: 0.0% Cash: 6.8% Alternatives: 0.0% Yield: 0.6%

Holdings	Ticker	NAV	Shares	Value	Dec Ret
Focused Stock	FTQGX	\$15.15	5,134.89	\$77,794	0.8%
Capital Appreciation	FDCAX	29.38	2,248.54	66,062	1.2
Large Cap Stock	FLCSX	20.49	2,911.75	59,662	2.1
Value Strategies	FSLSX	31.66	1,610.63	50,993	3.1
Small Cap Discovery	FSCRX	24.07	1,190.04	28,644	4.7



Current Value (3/31/99 = \$100,000) \$283,154 2.0%

For aggressive members who have no need for income or principal for more than 10 years.

Select

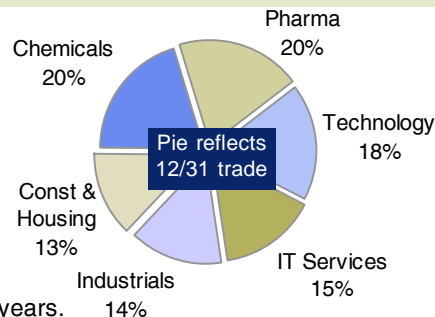
Target Risk: 1.20 (Current: 1.19)

Foreign Holdings: 15.6%

YTD Return: 19.2%

Stocks: 96.6% Bonds: 0.2% Cash: 3.2% Alternatives: 0.0% Yield: 0.2%

Holdings	Ticker	NAV	Shares	Value	Dec Ret
Chemicals	FSCHX	\$119.07	3,106.62	\$369,906	5.1%
Pharmaceuticals	FPHAX	15.04	24,070.45	362,020	0.4
Technology	FSPTX	101.31	3,182.95	322,465	0.6
IT Services	FBSOX	25.18	10,835.17	272,830	1.2
Industrials	FCYIX	25.60	10,480.51	268,301	2.7
Consumer Finance	FVLX	14.59	16,223.7	236,705	1.8



Current Value (12/31/88 = \$100,000) \$1,832,225 2.0%

For aggressive members who have no need for income or principal for more than 10 years.

Growth

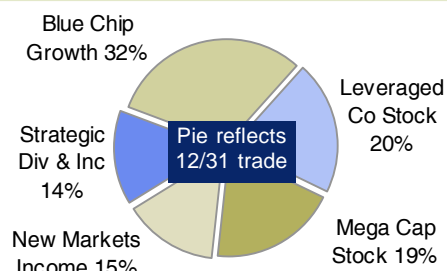
Target Risk: 1.00 (Current: 1.02)

Foreign Holdings: 19.9%

YTD Return: 16.0%

Stocks: 77.5% Bonds: 0.5% Cash: 7.1% Alternatives: 14.9% Yield: 1.2%

Holdings	Ticker	NAV	Shares	Value	Dec Ret
Blue Chip Growth	FBGRX	\$49.05	9,318.81	\$457,087	0.0%
Equity Dividend Income	FEQTX	19.48	15,065.28	293,472	0.4
Mega Cap Stock	FGRTX	11.89	23,596.76	280,565	1.3
High Income	SPHIX	9.34	23,051.82	215,304	1.5
Strategic Div & Inc	FSDIX	12.32	16,908.70	208,315	0.9



Current Value (12/31/86 = \$100,000) \$1,454,744 0.7%

For moderately aggressive members who want equity-dominated portfolios and have no income needs for at least 10 years.

Growth & Income

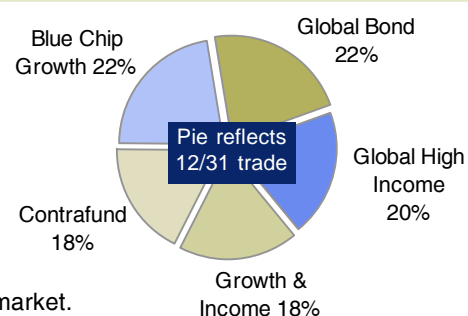
Target Risk: 0.66 (Current: 0.70)

Foreign Holdings: 26.0%

YTD Return: 13.4%

Stocks: 57.5% Bonds: 8.6% Cash: 3.8% Alternatives: 30.2% Yield: 1.7%

Holdings	Ticker	NAV	Shares	Value	Dec Ret
Blue Chip Growth	FBGRX	\$49.05	1,866.42	\$91,548	0.0%
Mortgage Securities	FMSFX	11.36	7,996.81	90,844	0.2
Global High Income	FGHNX	10.23	7,805.18	79,847	1.9
Growth & Income	FGRIX	21.26	3,455.81	73,470	1.8
Contrafund	FCNTX	77.57	934.58	72,495	0.2



Current Value (12/31/93 = \$100,000) \$408,205 0.8%

A good choice for members retiring in 5-10 years looking for less volatility than the market.

Income

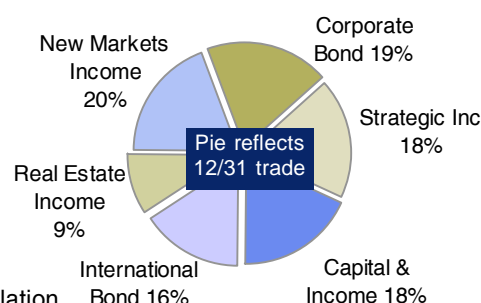
Target Risk: 0.33 (Current: 0.30)

Foreign Holdings: 43.4%

YTD Return: 10.7%

Stocks: 1.9% Bonds: 24.2% Cash: 8.3% Alternatives: 65.7% Yield: 3.2%

Holdings	Ticker	NAV	Shares	Value	Dec Ret
New Markets Income	FNMIX	\$17.80	3,549.11	\$63,174	1.2%
Corporate Bond	FCBFX	11.45	5,358.24	61,352	-0.1
Strategic Income	FSICX	11.37	5,211.31	59,253	0.9
Capital & Income	FAGIX	9.50	6,185.35	58,761	1.8
GNMA	FGMNX	11.74	4,280.61	50,254	0.1
Real Estate Income	FRIFX	11.40	2,651.51	30,227	1.3



Current Value (12/31/91 = \$100,000) \$323,021 0.8%

For members needing income and protection of their purchasing power against inflation.

Market Outlook *cont'd from page 1*

The long and often contentious Republican primary and presidential election is now behind us. The situation in Europe, while far from over, has eased considerably. In fact, in December, Standard and Poor's actually *raised* Greece's debt rating! Admittedly, only from SD (selective default) to junk status at B-.

Another major concern was slowing global growth. For much of 2012, emerging market countries were raising rates or taking other measures to rein in inflation. As growth slowed substantially in these regions, so did inflation and that allowed these countries to shift their focus to stimulating growth. In November, China's index of manufacturing activity rose to a 7-month high and non-manufacturing activity also increased. Europe fell into recession last year, but is expected to show a tiny bit of growth this year.

While P/E's have room to expand, it seems likely that earnings growth will need to play a bigger role in the equation this year if we are to get strong gains from stocks again.

Currently S&P 500 earnings are forecasted to increase 13.6% in 2013. However, last year at this time, 2012's earnings were expected to grow 10% and we ended up with just 3%, so those estimates are to be taken with a few grains of salt.

Economic Outlook

The key to earnings growth is the strength in the economy. Despite predictions of recession dating back to September of 2011, our economy has continued to grow even if well below "normal." The employment picture continues its gradual, but fairly steady improvement. Business investment, which had been weak all year owing, in large part, to uncertainty over the Fiscal Cliff, has picked up over the past two months. The recovery in housing is gaining steam both in terms

Market Outlook *cont'd on page 4*

FUNDS YOU SHOULD BUY NOW

Growth: **Blue Chip Growth**, **Cap App** and **Growth Co.** for large-cap growth; **Small Cap Discovery** for small caps; **Contrafund** is a conservative approach to growth. **Leveraged Co. Stock** and **Value Strategies** play financially distressed but improving companies.

Growth & Income: **Growth & Inc**, **Mega Cap Stock** and **Strategic Div & Inc** seek growth and yield from larger-cap stocks.

Bond: **Global Bond** and **Int'l Bond** invest in higher-yielding foreign markets. **Short-Term Bond** limits interest-rate risk. **Corporate Bond** holds high-quality (investment grade) bonds. **Real Estate Income** is an alternative approach to yield and diversification.

High Yield: More risky than investment-grade bond funds, but less risky than stock funds, **Capital & Income** and **High Income** will boost portfolio yield. **New Markets Income** is attractive for its dollar-denominated, higher-yielding emerging market debt. ■

MODEL PORTFOLIO TRADES

Effective Monday, Dec 31, we made trades in several Model Portfolios.

Unique Opportunities Model:

We sold 1/2 of our position in **Focused Stock** [FTQGX], bringing it down to about 14% of the model. We added half the proceeds to **Value Strategies** [FSLSX], bringing it to about 25% of the model's assets. We then added the other half to **Small Cap Discovery** [FSCRX], bringing it to about 17%.

Select Model:

We sold all of **Select Consumer Finance** [FSVLX] and purchased **Select Construction & Housing** [FSHOX]. **Note:** Select Consumer Finance has a 0.75% redemption fee for 30 days. If you have owned it for less than 30 days, you may wish to delay the trade until that fee no longer applies.

Growth Model:

We sold all of **Equity Dividend Income** [FEQTX] and bought **Leveraged Company Stock** [FLVCX]. **Note:** If you don't meet the minimum investment of \$10,000 for Leveraged Company, buy **Value Strategies** instead [FSLSX]. We also sold all of **High Income** [SPHIX] and bought **New Markets Income** [FNMIX]. **Note:** High Income has a 1.00% redemption fee for 90 days. If you have owned it for less than 90 days, you may wish to delay the trade until that fee no longer applies.

Growth & Income Model:

We sold all of **Mortgage Securities** [FMSFX] and bought **Global Bond** [FGBFX].

Income Model:

We sold all of **GNMA** [FGMNX] and bought **International Bond** [FINUX].

Annuity Sector Model:

We sold all of **VIP Financial Services** [FONNC] and bought **VIP Consumer Discretionary** [FVHAC]. **Note:** VIP Financial Services has a 1.00% redemption fee for 60 days. If you have owned it for less than 60 days, you may wish to delay the trade until that fee no longer applies.

Annuity Growth Model:

We sold all of **VIP Strategic Income** [FGDQC]. We then used half the proceeds to buy **VIP Dynamic Capital Appreciation** [FZAMC]. With the other half, we purchased **Morgan Stanley Emerging Market Debt** [FPRMC], making the two funds about 12% of the model's assets apiece.

Annuity Growth & Income Model:

We sold 1/3 of **Pimco Low Duration** [FPMBC], reducing it to about 12% of the model. With the proceeds, we established a 6% stake in **Morgan Stanley Emerging Market Debt** [FPRMC].

See *Market Outlook* on page 4 for a discussion of the trades. ■

Market Outlook *cont'd from page 3*

of sales and prices. On balance, we expect GDP to expand modestly in 2013. But, if the uncertain future of negotiations on deficit reduction and the debt ceiling causes firms to keep spending plans on hold, the economy could be weaker than expected. Of course it is not just our economy that matters but the global one as well since about 50% of the revenues from S&P 500 firms come from overseas. The news here is modestly positive as I've already noted.

Outlook For Stocks

If we get something close to the 13% expected earnings increase, even without any P/E expansion, that would make a nice year for stocks. A more modest uptick in earnings with some P/E expansion would amount to the same thing. The main risk to stocks is a weaker-than-expected economy that results in lower earnings than forecasted.

Large-cap growth funds remain our favorite choice. Small-cap growth funds should do better relative to large caps than last year (they are a bit cheaper based expected growth), but they do carry more risk. Among the S&P 500 sectors, technology is the cheapest based on expected earnings growth, followed by consumer discretionary — two mainstays of many growth funds. **Blue Chip Growth** has nearly 60% in those two sectors, while **Capital Appreciation** has about 40%, with a bigger focus on consumer discretionary. Owing to its more defensive stance, with financials and health care as its top two sectors, we reduced our holdings in **Focused Stock** in the *Unique Opportunities Model* (see trade box on p. 3). Half of that was added to **Value Strategies**, whose Manager Tom Soviero looks for companies with high levels of debt but improving fundamentals. The other half was added to **Small Cap Discovery**, a small cap blend fund with a more diverse mix of sectors, but where Manager Chuck

Myers has outperformed 90% or more of his industry peers for the past 1, 3 and 5 years.

In our *Growth Model*, we sold **Equity-Dividend Income** with its more defensive focus on financials, consumer staples and health care in favor of **Leveraged Company Stock**, run by Tom Soviero, who also runs Value Strategies. Here Tom takes a somewhat more aggressive bet on highly-leveraged firms that are improving their balance sheets.

Outlook For Bonds

Last year, we favored credit-risk in bonds (i.e., risk of default) over interest-rate risk. This meant favoring high-yield and investment-grade corporate bond funds over government and Treasury bond funds. The reasons were straightforward. The yields on government bonds, especially treasuries, were at historic lows, so you didn't get much income and you faced the risk of rising rates damaging principal. At the same time, the yields on corporate bonds, especially high-yield, were significantly higher and the risk of default was relatively low.

Heading into 2013, we still favor credit-risk and therefore corporates, but the case is not quite as clear. As we expected, corporate and high-yield bond funds substantially outperformed in 2012, which means their yield advantage relative to Treasuries declined. Now the yield spreads between corporates, whether investment-grade or high-yield (junk), and Treasuries are down to their historical averages.

For example, at the beginning of 2012, **High Income** was yielding 7.18% versus 1.26% for **Spartan Intermediate Treasury**, for a spread of 5.92%. Today, High Income yields 4.94% versus 0.97% for Spartan Intermediate Treasury for a spread of "just" 3.97%. While the default risk is still low, you are not getting paid as much for that risk. Still, with rates on Treasuries even lower now than a year ago, the risk of rising rates is greater.

One area we particularly like is foreign bonds, where rates are higher than in the US. And emerging market debt is especially attractive as their economies are in much better fiscal shape than the developed world.

That is why in our *Growth Model*, we sold High Income (still rated *Buy*) in favor of **New Markets Income**.

We made a similar move to foreign bonds in our *Growth & Income* and *Income Models*. In our *G&I Model* we exchanged **Mortgage Securities** for **Global Bond**. Mortgage Securities was not benefiting from the Fed's purchasing of mortgage bonds the way we expected and Global Bond has about 60% in foreign bonds and may hold up to 20% in lower-rated debt including emerging markets.

In the *Income Model*, we sold **GNMA** and bought **International Bond** for the same reasons. International Bond is run by the same team as Global Bond and has the same parameters on lower-quality and emerging market debt, but no US exposure.

Outlook For Foreign Stocks

While we still think that the US offers the best risk/reward among global stocks, the overseas outlook for 2013 appears better. As noted earlier, Europe has made significant strides in reducing the chances of a significant risk event, although the continent is a long way from solvent. And the UK looks ready to come out of recession. The emerging market economies also seem to be ending their "growth recession." We have upgraded our ratings on many international funds (see table on p. 5).

Expect Volatility, Keep Calm

Finally, we expect stocks to beat bonds in 2013, but their returns are unlikely to be as robust as in 2012. Moreover, volatility is likely to remain high especially in the first few months of the year as Congress grapples with more fiscal issues. Try and remain calm throughout the turmoil and stick to your investment plan. ■

— John M. Boyd

2012: A Big Win For Optimists And Stocks

2012 could have been a lot worse. Just for starters, the Mayan prophecy that the world would end on Dec. 21 didn't come to pass. And neither did some other predictions: that the European



John Bonnanzio

Union and the euro would evaporate into the dustbin of history; that inflation-fighting in China would send the world's second-largest economy into recession dragging everyone down with them; that the US economy would also lapse into recession.

Of course, there were other predictions of varying import that also fell short, including a Mitt Romney victory, the Supreme Court overturning Obamacare; Russia's repudiation of Putin, the Arab Spring, communism collapsing in China and, the most preposterous of all, Tom Cruise and Katie Holmes renewing their wedding vows!

As for the soothsayers, er, Fidelity fund managers, their predictions were much improved last year. Granted, there were some mistakes. For example, an early investment in social media giant Facebook turns out to have had much more promise than actual income. The stock was a dud.

Although Fidelity took a bruising in the media for that insignificant investment, few acknowledged their funds' fabulously rewarding stakes in Apple, TJX Companies, Biogen Idec, Wells Fargo, LyondellBasell Industries NV and Amazon.com, to name but a few.

While there are many ways to measure success, the most obvious caught our eye: in 2011, only two of Fidelity's 17 actively managed diversified stock funds that are S&P 500-benchmarked (or just 12%) beat that bogey. In stark contrast, last year, 14 of those 17 funds (or 82%) succeeded in that same endeavor!

Market Indexes & Models

Thanks to a mini-rally on the eve of the Fiscal Cliff, stocks finished higher in December, as they did most other months. The Nasdaq Composite piled on the biggest gains rising 17.5% for the year. Credit technology in general, and Apple in particular, for that impressive return. Shares of Apple account for as much as 12% of the Nasdaq's weight (4% of the S&P 500) while the stock itself soared 29%. And speaking of the S&P, it rose an impressive 16.0% in 2012, although its prime driver was financials. In particular, bank stocks within that gauge roughly doubled the S&P's overall performance. **Select Banking** gained a more modest 22.4% because it holds many smaller-cap names. Which isn't to suggest that small-caps suffered.

As measured by the Russell 2000, they jumped 16.2% last year, which was considerably better than the Dow Industrials return of 10.3%. Because the iconic barometer holds only 30 stocks, a few "dogs" made a big difference. Notably, the mega-cap-sized gauge was held back by Hewlett-Packard (-46%), Intel (-16%) and McDonald's (-11%), whereas Caterpillar and Alcoa retreated 6% and DuPont 2%. On the other hand, Bank of America led other financials in the Dow by doubling in value.

Turning to our models, we were pleased with their performances. In a market that was wrought with challenges — such as controlling portfolio risk amid unquantifiable political squabbling — we were appropriately

Fund Commentary *cont'd on page 12*

JANUARY SCORECARD RATING CHANGES

Fund	Ratings			Comments
	Old	New		
Diversified Int'l	S	H	↑	Despite challenges, foreign stocks more attractive.
Emerging Asia	S	H	↑	Risk/reward relationship growing more attractive.
Emerging Mkts	S	H	↑	Risk/reward relationship growing more attractive.
Emg Eur ME Africa	S	H	↑	Risk/reward relationship growing more attractive.
Equity Dividend Inc	B	B	↓	Better alternatives to playing large-cap value.
Europe	S	H	↑	Despite challenges, foreign stocks more attractive.
Europe Cap App	S	H	↑	Despite challenges, foreign stocks more attractive.
GNMA	B	H	↓	Fed's bond buying plan failed to fully benefit fund.
International Value	S	H	↑	Despite challenges, foreign stocks more attractive.
Int'l Discovery	S	H	↑	Despite challenges, foreign stocks more attractive.
Int'l Enhanced Idx	S	H	↑	Despite challenges, foreign stocks more attractive.
Large Cap Growth	B	H	↓	Closed; will be merged into Stk Selector All Cap.
Laz Ret Emg Mkts	S	H	↑	Risk/reward relationship growing more attractive.
Leveraged Co Stk	B	B	↑	Low energy costs and a housing rebound will help.
Mortgage Securities	B	H	↓	Fed's bond buying plan failed to fully benefit fund.
MS Emg Mkt Equity	S	H	↑	Risk/reward relationship growing more attractive.
Overseas	S	B	↑	Despite challenges, foreign stocks more attractive.
Sel Automotive	H	B	↑	Aging fleet and low interest rates propelling sales.
Sel Con & Housing	B	B	↑	Cost of home ownership vs renting attractive.
Sel Insurance	H	B	↑	Higher premiums and consolidation big pluses.
Sel Leisure	H	S	↓	Spending on hotels/gaming and fast food sluggish.
Sel Nat Resources	H	S	↓	Fund is too energy and gold dependent.
Sel Software & Com	B	B	↑	Companies spending more on IT infrastructure.
Total Emg Markets	H	B	↑	Risk/reward relationship growing more attractive.
VIP Cons Discret	B	B	↑	Lower fuel costs bode well for spending.
VIP Emerg Mkts	S	H	↑	Risk/reward relationship growing more attractive.
VIP Financial Svcs	B	H	↓	Better ways to play recovering consumer sector.
VIP Overseas	S	B	↑	Despite challenges, foreign stocks more attractive.

B = Buy; B = OK to Buy; H = Hold; S = OK to Sell; **S** = Sell, NC = No change
 (↑) Rating upgraded; (↓) Rating downgraded.

FIDELITY SCORECARD

DECEMBER 31, 2012

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹	Assets (\$Mil)		
						Dec	YTD	3 Mo.	1 Year	3 Year	5 Year				
Comparative Indexes		S&P 500		1416.2		0.9	16.0	-0.4	16.0	10.9	1.7	1.00			
		Nasdaq		3010.2		0.4	17.5	-2.7	17.5	11.2	3.7	1.18			
		Dow Jones Industrials		13025.6		0.8	10.3	-1.7	10.3	10.9	2.6	0.89			
		Russell 2000 (Small Caps)		821.9		3.5	16.2	1.8	16.2	12.2	3.5	1.34			
		Barclays Aggregate Bond*				-0.2	4.1	0.0	4.1	6.0	5.6	0.16			
Model Portfolios		Unique Opportunities				2.0	16.8	2.0	16.8	9.5	0.0	1.18			
		Select				2.0	19.2	1.5	19.2	10.4	2.0	1.19			
		Growth				0.7	16.0	0.2	16.0	10.3	0.3	1.02			
		Growth & Income				0.8	13.4	0.4	13.4	8.2	1.5	0.70			
		Income				0.8	10.7	2.2	10.7	8.7	4.7	0.30			
LARGE CAP GROWTH						Category Averages			0.7	17.2	-0.5	17.2	10.8	1.4	1.15
312	FBGRX	Blue Chip Growth		49.05	Buy	0.0	17.8	-1.1	17.8	11.1	4.1	1.20	\$10,670		
307	FDCAX	Capital Appreciation		29.38	Buy	1.2	22.5	1.4	22.5	12.2	2.7	1.10	4,728		
22	FCNTX	Contrafund		77.57	Buy	0.2	16.3	-1.6	16.3	10.7	2.0	0.94	59,113		
332	FEXPX	Export and Multinational	0.75%/30d	21.89	OK to Sell	0.9	16.0	-0.5	16.0	7.8	-0.6	1.04	1,710		
500	FFTYX	Fifty (Closed)		20.20	Buy	0.7	16.2	0.5	16.2	10.8	-1.1	1.02	661		
333	FTQGX	Focused Stock		15.15	Buy	0.8	16.5	0.6	16.5	13.3	4.1	1.12	573		
25	FDGRX	Growth Company (Closed)		93.38	Buy	0.1	18.5	-2.4	18.5	12.9	3.7	1.19	23,706		
339	FDSVX	Growth Discovery		15.58	Buy	-0.4	14.5	-2.8	14.5	12.6	-0.3	1.17	822		
73	FDFFX	Independence		25.92	OK to Sell	2.1	20.0	1.7	20.0	9.3	-1.0	1.44	3,057		
763	FSLGX	Large Cap Growth (Closed)		11.40	Hold↓	-0.1	18.7	-0.8	18.7	12.2	1.6	1.13	140		
21	FMAGX	Magellan		73.27	OK to Buy	0.8	18.0	-0.9	18.0	5.5	-3.5	1.18	12,023		
300	FMILX	New Millennium		30.33	OK to Buy	1.7	15.7	-0.4	15.7	12.1	3.4	1.06	2,002		
93	FOCPX	OTC		60.59	Hold	0.9	11.3	-1.4	11.3	10.0	3.1	1.32	5,327		
320	FDSSX	Stock Selector All Cap		28.31	Hold	1.0	17.9	0.5	17.9	10.1	0.0	1.15	2,319		
5	FTRNX	Trend		73.55	OK to Buy	-0.1	18.6	-0.8	18.6	12.2	2.5	1.14	1,149		
LARGE CAP BLEND						Category Averages			1.4	18.2	0.8	18.2	9.8	-0.4	1.15
315	FDEQX	Disciplined Equity		24.37	Sell	1.2	15.9	0.2	15.9	6.7	-2.4	1.12	3,909		
330	FDGFX	Dividend Growth		29.90	Hold	1.5	18.7	1.2	18.7	9.6	2.5	1.31	5,961		
3	FFIDX	Fidelity Fund		35.81	Hold	0.7	16.6	-0.4	16.6	9.3	-0.3	1.05	4,310		
27	FGRIX	Growth & Income		21.26	Buy	1.8	19.1	1.0	19.1	11.4	-3.5	1.06	4,926		
338	FLCSX	Large Cap Stock		20.49	Buy	2.1	20.7	1.1	20.7	12.0	2.1	1.19	1,238		
361	FGRTX	Mega Cap Stock		11.89	Buy	1.3	19.4	0.2	19.4	11.8	1.7	1.09	1,733		
343	FTXMX	Tax Managed Stock (Closed)		13.56	Sell	1.4	18.4	2.5	18.4	8.1	-2.7	1.25	55		
832	FVDFX	Value Discovery		16.28	Hold	1.1	17.0	0.5	17.0	9.7	-0.6	1.16	401		

Scorecard Key:

Notes: *Fidelity's Spartan U.S. Bond Index used as a proxy for the Barclays Aggregate Bond Index. ¹Relative Volatility versus the S&P 500 over the last 36 months; 1.50 means the fund has been 50% more volatile. ²Duration is a measure of interest rate sensitivity. ³Stated yield is before any inflation adjustment, your effective yield may be different. ⁴Also available in an Advantage share class with a minimum of \$100,000, but a lower expense ratio. ⁵Formerly Equity-Income II. ⁶Formerly Invesco Van Kampen Global Value Equity. (p) Partial year; (↑) Rating upgraded; (↓) Rating downgraded.

Model Portfolios Key:

¹Alternative investments include such areas as high-yield bonds, commodities, real estate. Portfolio trades and total returns do not take taxes into account, however, redemption and exchange fees are included. Some percentage figures may not sum to 100 due to rounding. Dividends are reinvested. Consider the tax implications of trades before you decide to buy or sell any fund. Any trades are detailed on p. 3 and are announced on Friday evening Hotline updates via telephone, e-mail, and web (see p. 12). **Annuity Model Portfolios** are on p. 10.

MODEL PORTFOLIO HISTORICAL RETURNS (FIDELITY MONITOR)

	87	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	
Regular Models																										
Un Opp													33.8	-20.5	1.6	-2.1	43.2	20.6	18.8	16.6	11.6	-47.6	45.8	19.3	-5.8	
Select			23.4	31.3	35.3	20.4	25.9	-0.9	39.0	5.2	29.3	21.7	44.9	-14.9	-7.3	-14.7	38.4	7.4	15.0	13.6	15.6	-39.3	35.4	11.6	1.2	
Growth	2.8	26.0	30.4	-4.4	40.6	15.7	31.9	-2.1	27.2	19.2	25.5	9.9	29.0	-10.8	-6.4	-17.1	46.1	12.4	11.2	15.7	7.3	-42.7	31.8	17.7	-1.7	
G&I									-3.7	21.6	15.8	18.7	11.1	12.2	2.7	1.3	-6.4	33.0	11.5	8.2	13.7	6.1	-33.5	28.1	12.2	-0.3
Income						10.1	11.3	-2.1	14.8	9.0	10.5	3.5	3.0	0.3	5.6	5.4	8.4	4.2	3.6	6.9	4.0	-18.2	20.0	9.1	6.3	
Annuity (VIP) Models																										
Sector																	57.5	6.3	14.0	17.7	11.2	-41.4	50.2	15.0	-5.0	
Growth						20.6	4.6	36.1	16.1	23.5	22.6	22.1	-10.3	-14.0	-21.7	30.0	7.0	10.1	14.5	9.3	-45.5	25.1	17.7	-2.2		
G&I								26.4	12.8	21.4	15.1	6.1	-4.9	3.1	-9.4	20.8	6.3	4.5	11.6	7.7	-31.0	27.1	12.0	-1.0		
Income						12.3	-3.8	16.9	6.9	10.9	0.4	0.8	-2.4	-3.4	7.3	9.9	5.1	1.8	6.1	6.2	-18.3	22.9	7.3	7.4		

FIDELITY SCORECARD

DECEMBER 31, 2012

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹	Assets (\$Mil)		
						Dec	YTD	3 Mo.	1 Year	3 Year	5 Year				
LARGE CAP VALUE						Category Averages			1.7	15.5	0.8	15.5	7.5	-2.0	1.12
1271	FBCVX	Blue Chip Value		10.84	OK to Sell	2.8	13.8	1.2	13.8	4.8	-4.1	1.18	\$240		
319	FEQTX	Equity Dividend Income ⁶		19.48	OK to Buy↘	0.4	14.7	-0.2	14.7	8.2	-1.1	1.12	4,540		
23	FEQIX	Equity-Income		47.06	Buy	1.2	17.2	0.8	17.2	8.8	-0.6	1.13	6,267		
708	FSLVX	Stock Sel Large Cap Value		11.72	OK to Sell	2.3	16.3	1.3	16.3	8.2	-2.4	1.05	443		
MID-CAP GROWTH						Category Averages			1.4	13.2	0.9	13.2	9.7	-0.1	1.28
324	FDEGX	Growth Strategies	1.50%/90d	20.71	OK to Sell	1.2	11.8	2.0	11.8	8.5	-2.0	1.31	1,386		
793	FSMGX	Mid Cap Growth (Closed)	0.75%/30d	12.79	OK to Sell	1.1	12.8	1.3	12.8	9.0	-0.8	1.29	212		
337	FMCSX	Mid-Cap Stock	0.75%/30d	29.38	Hold	1.9	14.9	-0.5	14.9	11.5	2.4	1.24	4,661		
MID-CAP BLEND						Category Averages			3.5	23.7	4.8	23.7	12.7	2.8	1.27
122	FLVCX	Leveraged Company Stock	1.50%/90d	32.22	Buy↑	4.0	28.8	6.4	28.8	12.8	0.8	1.48	3,171		
316	FLPSX	Low-Priced Stock	1.50%/90d	39.50	OK to Buy	3.0	18.5	3.2	18.5	12.7	4.9	1.06	23,315		
2412	FSSMX	Stock Selector Mid Cap			Hold	1.8	11.6p	2.8	--	--	--	--	1		
MID-CAP VALUE						Category Averages			2.9	22.7	4.4	22.7	12.6	2.3	1.24
762	FSMVX	Mid Cap Value	0.75%/30d	17.80	OK to Buy	2.3	19.1	3.1	19.1	12.7	2.9	1.15	552		
39	FDVLX	Value		76.34	Hold	3.2	21.9	4.5	21.9	11.6	1.4	1.26	5,565		
14	FSLSX	Value Strategies		31.66	Buy	3.1	27.0	5.6	27.0	13.4	2.5	1.33	395		
SMALL CAP GROWTH						Category Averages			1.7	12.6	-0.8	12.6	12.5	1.1	1.32
1388	FCPGX	Small Cap Growth	1.50%/90d	15.79	OK to Sell	1.1	13.0	-1.7	13.0	11.6	1.8	1.30	1,130		
336	FDSCX	Stock Selector Small Cap	1.50%/90d	20.10	Hold	2.3	12.1	0.1	12.1	13.5	0.5	1.34	1,266		
SMALL CAP BLEND						Category Averages			3.4	18.5	4.1	18.5	11.8	7.1	1.40
384	FSCRX	Small Cap Discovery	1.50%/90d	24.07	Buy	4.7	24.0	7.6	24.0	18.1	12.5	1.30	3,480		
340	FSLCX	Small Cap Stock	2.00%/90d	18.09	Hold	2.1	13.0	0.6	13.0	5.5	1.7	1.50	2,803		
SMALL CAP VALUE						Category Averages			4.4	20.1	6.6	20.1	13.1	6.6	1.23
1389	FCPVX	Small Cap Value	1.50%/90d	16.18	OK to Buy	4.4	20.1	6.6	20.1	13.1	6.6	1.23	1,847		
SPECIALTY						Category Averages			1.7	12.6	-0.8	12.6	12.5	1.1	1.32
2063	FOTTX	130/30 Large Cap (Closed)		7.87	Sell	0.9	13.9	1.3	13.9	6.3	--	1.17	15		
304	FBALX	Balanced		20.18	Buy	0.4	12.9	0.2	12.9	9.3	2.8	0.65	14,884		
308	FCV SX	Convertible Securities		25.91	Buy	3.9	16.8	5.8	16.8	9.4	2.3	0.95	1,735		
334	FGBLX	Global Balanced	1.00%/30d	23.40	OK to Buy	0.7	12.0	1.5	12.0	7.1	2.9	0.77	472		
2120	FFGCX	Global Commodity Stock	1.00%/30d	14.81	OK to Sell	4.2	7.5	1.6	7.5	1.3	--	1.60	373		
1960	FDYSX	Global Strategies		9.29	OK to Sell	1.4	12.5	2.0	12.5	7.0	2.5	0.75	227		
1368	FIREX	International Real Estate	1.50%/90d	9.52	OK to Buy	5.7	44.2	11.5	44.2	8.7	-2.9	1.45	319		
4	FPURX	Puritan		19.41	Buy	0.6	13.8	0.2	13.8	9.3	3.2	0.70	15,258		
833	FRIFX	Real Estate Income	0.75%/90d	11.40	Buy	1.3	18.8	2.7	18.8	13.9	8.4	0.38	2,538		
303	FRESX	Real Estate Investment	0.75%/90d	32.14	Hold	3.7	18.0	2.2	18.0	18.4	6.4	1.24	3,601		
1329	FSDIX	Strategic Dividend & Income		12.32	Buy	0.9	14.8	1.0	14.8	11.9	2.5	0.81	2,192		
1505	FSRRX	Strategic Real Return	0.75%/60d	9.64	Hold	-0.0	8.2	-0.5	8.2	7.8	4.3	0.49	657		
311	FIUIX	Telecom & Utilities		18.64	OK to Buy	0.6	10.1	-0.9	10.1	13.1	1.0	0.72	952		
ASSET ALLOCATION						Category Averages			4.4	20.1	6.6	20.1	13.1	6.6	1.23
328	FASIX	Asset Manager 20%		13.13	Hold	0.3	6.8	0.5	6.8	6.1	4.1	0.25	4,690		
1957	FTANX	Asset Manager 30%		10.02	Hold	0.5	8.7	0.8	8.7	7.0	4.0	0.36	379		
1958	FFANX	Asset Manager 40%		10.00	Hold	0.7	10.2	0.9	10.2	7.5	3.7	0.48	354		
314	FASMX	Asset Manager 50%		16.45	Hold	0.9	11.4	1.1	11.4	7.9	3.5	0.60	6,794		
1959	FSANX	Asset Manager 60%		10.09	Hold	1.0	12.7	1.1	12.7	8.0	3.2	0.72	584		
321	FASGX	Asset Manager 70%		17.34	Hold	1.3	14.1	1.4	14.1	8.3	2.3	0.84	2,748		
347	FAMRX	Asset Manager 85%		14.16	Hold	1.5	15.9	1.6	15.9	8.3	1.6	1.02	724		
EQUITY INDEX						Category Averages			4.4	20.1	6.6	20.1	13.1	6.6	1.23
355	FFNOX	Four-in-One Index		29.21	Hold	1.7	15.1	2.0	15.1	8.9	1.7	0.92	2,370		
2010	FIENX	International Enhanced Index	1.00%/30d	7.20	Hold↑	3.8	18.9	7.1	18.9	4.4	-4.3	1.29	26		
1827	FLCEX	Large Cap Core Enhcd Index		10.03	Hold	1.1	14.9	-0.2	14.9	10.5	1.4	0.99	242		
1829	FLGEX	Lrge Cap Growth Enhcd Index		11.09	OK to Buy	-0.2	13.4	-1.9	13.4	10.5	2.8	1.03	168		
1828	FLVEX	Large Cap Value Enhcd Index		8.21	Hold	1.9	17.8	2.0	17.8	10.8	0.2	1.01	86		
2012	FMEIX	Mid Cap Enhanced Index	0.75%/30d	10.03	Hold	1.6	16.5	3.1	16.5	11.9	3.4	1.14	77		
1282	FNCMX	Nasdaq Composite Index	0.75%/90d	40.10	Hold	0.4	17.3	-2.7	17.3	11.0	3.5	1.18	481		
2011	FCPEX	Small Cap Enhanced Index	1.50%/90d	9.82	Hold	3.0	19.3	3.8	19.3	14.2	4.1	1.33	129		
650	FUSEX	Spartan 500 Index ⁴		50.49	Hold	0.9	15.9	-0.4	15.9	10.8	1.6	1.00	10,361		
2341	FPEMX	Spartan Emerging Mkts Index ⁴	1.50%/90d	10.24	Hold	6.2	17.2	6.7	17.2	--	--	--	47		
398	FSEM X	Spartan Extended Mkt Index ⁴	0.75%/90d	39.91	Hold	2.6	18.0	2.8	18.0	13.4	4.2	1.24	1,965		
2345	FSGUX	Spartan Global ex U.S. Index ⁴	1.00%/90d	11.03	Hold	4.3	17.6	6.8	17.6	--	--	--	28		
399	FSIIX	Spartan Int'l Index ⁴	1.00%/90d	34.28	Hold	4.0	18.7	7.6	18.7	3.9	-3.3	1.31	3,083		
2349	FSCLX	Spartan Mid Cap Index ⁴	0.75%/30d	11.95	Hold	2.3	17.0	2.9	17.0	--	--	--	15		
2353	FRXIX	Spartan Real Estate Index ⁴	0.75%/90d	11.75	Hold	3.7	16.8	2.2	16.8	--	--	--	27		
2356	FSSPX	Spartan Small Cap Index ⁴	1.50%/90d	12.14	Hold	3.6	16.1	1.8	16.1	--	--	--	25		
397	FSTMX	Spartan Total Mkt. Index ⁴	0.50%/90d	41.22	Hold	1.2	16.3	0.1	16.3	11.3	2.1	1.04	3,108		

FIDELITY SCORECARD

DECEMBER 31, 2012

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹	Assets (\$Mil)		
						Dec	YTD	3 Mo.	1 Year	3 Year	5 Year				
INTERNATIONAL						Category Averages			3.6	19.7	5.6	19.7	5.7	-2.8	1.33
309	FICDX	Canada	1.50%/90d	53.51	OK to Sell	1.0	8.3	0.1	8.3	4.9	-1.6	1.11	\$2,918		
352	FHKCX	China Region	1.50%/90d	30.66	Hold	4.0	23.0	11.4	23.0	5.0	1.1	1.37	1,335		
325	FDIVX	Diversified International	1.00%/30d	29.94	Hold↑	2.3	19.4	5.0	19.4	4.1	-4.0	1.28	13,391		
351	FSEAX	Emerging Asia	1.50%/90d	29.89	Hold↑	3.8	20.9	7.0	20.9	7.6	-3.6	1.38	1,371		
2053	FEMEX	Emerg Europe, MidEast, Africa	1.50%/90d	9.20	Hold↑	7.8	20.8	6.8	20.8	8.7	--	1.47	111		
322	FEMKX	Emerging Markets	1.50%/90d	23.21	Hold↑	4.4	14.6	6.1	14.6	2.3	-5.9	1.43	2,197		
2374	FEDDX	Emerging Mkts Discovery	2.00%/90d	12.49	Buy	5.2	35.4	9.0	35.4	--	--	--	44		
301	FIEUX	Europe	1.00%/30d	31.24	Hold↑	3.2	25.5	7.9	25.5	4.3	-3.5	1.53	624		
341	FECAX	Europe Capital App	1.00%/30d	19.02	Hold↑	3.7	25.8	8.9	25.8	4.2	-4.3	1.54	316		
2406	FGILX	Global Equity-Income	1.00%/30d	10.29	Hold	1.4	4.3p	1.4	--	--	--	--	27		
335	FIVFX	International Cap App	1.00%/30d	13.87	Buy	3.0	25.9	7.1	25.9	8.4	-0.5	1.43	761		
305	FIGRX	International Discovery	1.00%/30d	33.07	Hold↑	3.0	21.9	6.0	21.9	4.7	-3.6	1.32	6,044		
1979	FIGFX	International Growth	1.00%/30d	9.25	OK to Buy	2.5	19.8	4.4	19.8	8.4	0.4	1.22	158		
818	FISMX	International Small Cap	2.00%/90d	20.35	OK to Buy	4.3	18.9	4.2	18.9	8.0	-0.4	1.27	686		
1504	FSCOX	International Small Cap Opps	2.00%/90d	11.32	Buy	3.9	23.6	6.6	23.6	11.3	-3.5	1.20	338		
1597	FIVLX	International Value	1.00%/30d	7.57	Hold↑	3.3	19.9	7.3	19.9	1.7	-5.3	1.37	131		
350	FJPNX	Japan	1.50%/90d	9.83	OK to Sell	5.4	9.4	6.8	9.4	1.8	-5.1	1.04	353		
360	FJSCX	Japan Smaller Companies	1.50%/90d	9.07	Hold	3.4	8.8	-0.5	8.8	4.8	-2.3	1.06	229		
349	FLATX	Latin America	1.50%/90d	46.31	Sell	6.0	4.1	3.5	4.1	0.7	-2.4	1.50	2,181		
342	FNORX	Nordic	1.50%/90d	31.90	Hold	3.7	21.6	4.8	21.6	7.0	-4.5	1.68	298		
94	FOSFX	Overseas	1.00%/30d	32.32	OK to Buy↑	3.1	25.0	6.7	25.0	3.9	-5.9	1.45	1,644		
302	FPBFX	Pacific Basin	1.50%/90d	24.96	OK to Buy	2.5	20.0	3.3	20.0	9.8	-1.4	1.23	583		
2369	FTEMX	Total Emerging Markets	1.50%/90d	11.34	OK to Buy↑	5.1	20.2	6.3	20.2	--	--	--	85		
1978	FTIEX	Total International Equity	1.00%/30d	7.33	OK to Buy	3.5	22.2	6.5	22.2	5.7	-2.5	1.28	285		
318	FWWFX	Worldwide	1.00%/30d	20.35	Hold	1.7	18.8	3.2	18.8	9.0	-0.1	1.17	1,098		
SELECT PORTFOLIOS						Category Averages			1.9	17.2	1.6	17.2	11.1	2.7	1.33
34	FSAIX	Air Transportation	0.75%/30d	40.35	OK to Buy	4.3	19.2	11.0	19.2	14.3	4.2	1.16	74		
502	FSAVX	Automotive	0.75%/30d	39.02	OK to Buy↑	8.7	26.2	17.3	26.2	10.9	3.3	1.83	98		
507	FSRBX	Banking	0.75%/30d	19.31	Hold	2.1	22.4	-1.6	22.4	8.8	-3.3	1.48	488		
42	FBIOX	Biotechnology	0.75%/30d	109.99	OK to Buy	-0.7	36.6	-3.1	36.6	21.6	12.1	1.21	2,675		
68	FSLBX	Brokerage & Investment	0.75%/30d	50.15	Hold	4.6	28.3	6.4	28.3	3.3	-3.4	1.60	410		
69	FSCHX	Chemicals	0.75%/30d	119.07	Buy	5.1	30.0	6.9	30.0	19.5	9.8	1.54	854		
518	FSDCX	Communications Equipment	0.75%/30d	23.18	OK to Sell	3.4	6.0	5.6	6.0	4.1	1.0	1.63	239		
7	FDCPX	Computers	0.75%/30d	61.45	Hold	2.4	14.3	-5.1	14.3	10.5	5.0	1.42	685		
511	FSHOX	Construction & Housing	0.75%/30d	48.76	Buy↑	1.9	38.0	7.8	38.0	20.0	9.2	1.47	399		
517	FSCPX	Consumer Discretionary	0.75%/30d	25.54	OK to Buy	-0.8	21.1	0.9	21.1	16.1	7.1	1.19	353		
98	FSVLX	Consumer Finance	0.75%/30d	14.59	Buy	1.8	34.5	3.5	34.5	12.1	-9.9	1.15	331		
9	FDFAV	Consumer Staples	0.75%/30d	80.02	Hold	-1.8	15.4	0.3	15.4	13.1	6.3	0.80	1,362		
67	FSDAX	Defense & Aerospace	0.75%/30d	87.08	Hold	2.7	13.5	6.5	13.5	14.1	2.1	1.12	622		
8	FSELX	Electronics	0.75%/30d	45.65	Hold	4.1	3.6	1.6	3.6	3.5	0.5	1.65	837		
60	FSENX	Energy	0.75%/30d	50.81	Hold	1.7	4.6	-2.1	4.6	5.8	-4.3	1.69	2,043		
43	FSESX	Energy Service	0.75%/30d	66.70	OK to Sell	2.1	2.6	-2.7	2.6	4.7	-7.3	2.13	1,037		
516	FSLEX	Environment & Alt Energy	0.75%/30d	17.05	OK to Sell	4.4	14.2	8.2	14.2	4.0	-1.7	1.20	71		
66	FIDSX	Financial Services	0.75%/30d	61.76	Hold	3.7	27.8	5.2	27.8	2.7	-7.3	1.56	479		
41	FSAGX	Gold	0.75%/30d	36.98	Sell	-3.4	-12.4	-14.4	-12.4	-0.3	1.7	1.75	3,117		
63	FSPHX	Health Care	0.75%/30d	134.05	OK to Buy	-0.4	21.4	-1.4	21.4	15.3	6.4	0.90	2,525		
510	FSCGX	Industrial Equipment	0.75%/30d	36.92	OK to Buy	2.7	20.6	3.8	20.6	14.3	2.0	1.50	302		
515	FCYIX	Industrials	0.75%/30d	25.60	Buy	2.7	19.6	4.6	19.6	14.3	4.4	1.35	632		
45	FSPCX	Insurance	0.75%/30d	51.59	OK to Buy↑	0.9	19.7	3.2	19.7	10.9	-2.5	1.07	273		
353	FBSOX	IT Services	0.75%/30d	25.18	Buy	1.2	19.8	-0.6	19.8	13.2	9.1	1.24	332		
62	FDLSX	Leisure	0.75%/30d	101.51	OK to Sell↓	3.6	11.4	1.4	11.4	17.6	7.5	1.28	332		
509	FSDPX	Materials	0.75%/30d	71.40	Hold	3.3	20.2	3.2	20.2	12.2	5.8	1.56	1,027		
505	FSHCX	Medical Delivery	0.75%/30d	57.37	Hold	0.9	10.6	-1.2	10.6	12.0	3.0	1.11	669		
354	FSMEX	Medical Equipment	0.75%/30d	27.89	Hold	0.1	15.6	-3.1	15.6	8.0	5.0	1.04	1,288		
503	FBMPX	Multimedia	0.75%/30d	57.35	OK to Buy	2.5	34.2	2.8	34.2	19.8	10.0	1.28	446		
513	FSNGX	Natural Gas	0.75%/30d	30.85	Hold	1.7	2.4	-1.2	2.4	0.2	-7.4	1.46	632		
514	FNARX	Natural Resources	0.75%/30d	32.25	OK to Sell↓	1.5	3.4	-2.6	3.4	4.9	-3.6	1.68	1,092		
580	FPHAX	Pharmaceuticals	0.75%/30d	15.04	Buy	0.4	14.3	-1.3	14.3	14.8	7.9	0.82	831		
46	FSRPX	Retailing	0.75%/30d	62.19	OK to Buy	-3.0	24.8	0.6	24.8	18.2	12.9	1.23	581		
28	FSCSX	Software & Computer Svcs	0.75%/30d	82.29	Buy↑	1.8	18.1	-3.0	18.1	12.8	6.0	1.27	1,887		
64	FSPTX	Technology	0.75%/30d	101.31	Buy	0.6	17.2	-3.2	17.2	10.3	4.6	1.37	2,118		
96	FSTCX	Telecommunications	0.75%/30d	50.87	OK to Buy	1.7	18.6	-1.1	18.6	10.4	1.3	0.97	386		
512	FSRFX	Transportation	0.75%/30d	51.48	Hold	3.3	11.1	8.2	11.1	14.1	6.0	1.34	166		
65	FSUTX	Utilities	0.75%/30d	56.65	OK to Buy	0.8	7.0	-0.2	7.0	10.3	-0.3	0.66	536		
963	FWRLX	Wireless	0.75%/30d	8.29	OK to Buy	1.8	16.3	2.5	16.3	9.9	1.2	0.98	245		

FIDELITY SCORECARD

DECEMBER 31, 2012

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			SEC %Yield	Dur ² (Yrs)	Rel Vol (Risk) ¹	Tax-Equivalent Yield Federal Tax Bracket						
						Dec	YTD	3 Mo.				25%	28%	33%	35%			
TAXABLE BOND						Category Averages			-0.2	3.9	0.1	1.12	4.6	0.20				
2267	FCONX	Conservative Income Bond		10.03	Buy	-0.0	1.4	0.1	0.44	0.4	--							
2208	FCBFX	Corporate Bond		11.45	Buy	-0.1	10.0	1.1	2.12	7.0	0.24							
2423	FGBFX	Global Bond		10.14	Buy	-0.0	3.1p	-0.1	1.47	5.4	--							
15	FGMNX	GNMA (Ginnie Mae)		11.74	Hold↓	0.1	3.0	-0.3	1.91	2.2	0.14							
54	FGOVX	Government Income		10.58	Hold	-0.3	2.7	-0.1	1.06	4.3	0.18							
794	FINPX	Inflation-Protected Bond ³		13.36	Hold	-0.6	6.5	0.6	-0.42	5.6	0.29							
32	FTHRFX	Intermediate Bond		11.14	OK to Buy	-0.2	4.9	0.5	1.34	4.0	0.15							
452	FSTGX	Intermediate Gov't Income		10.85	Hold	-0.3	2.0	-0.1	0.62	3.6	0.15							
2428	FINUX	International Bond		10.20	Buy	0.3	4.3p	0.2	1.47	5.2	--							
26	FBNDX	Investment Grade Bond		8.00	Buy	-0.1	6.2	0.4	1.53	4.9	0.15							
40	FMSFX	Mortgage Securities		11.36	Hold↓	0.2	4.2	0.0	2.02	2.1	0.12							
450	FSHFX	Short-Term Bond		8.60	Buy	0.1	2.4	0.2	0.50	1.7	0.06							
2415	FSIQX	Sotn Inflation-Protect Index ⁴		10.29	Hold	-0.7	3.3p	0.6	-0.18	5.6	--							
1561	FIBIX	Sotn Interm Treas Index ⁴		11.38	OK to Sell	-0.7	3.3	-0.3	0.97	6.6	0.33							
1562	FLBIX	Sotn Lng-Term Treas Index ⁴		13.00	Sell	-2.1	3.2	-1.2	2.41	16.6	0.83							
1560	FSBIX	Sotn Sht-Term Treas Index ⁴		10.59	Hold	-0.1	0.7	0.0	0.18	2.6	0.09							
651	FBIDX	Sotn US Bond Index		11.89	Hold	-0.2	4.1	0.0	1.49	4.8	0.16							
820	FTBFX	Total Bond		10.95	Buy	-0.0	6.5	0.6	2.05	4.8	0.15							
812	FUSFX	Ultra-Short Bond	0.25%/60d	8.24	Hold	0.0	1.6	0.2	0.24	0.3	0.03							
HIGH-YIELD BOND						Category Averages			1.3	14.0	2.8	4.00	5.5	0.42				
38	FAGIX	Capital & Income	1.00%/90d	9.50	Buy	1.8	16.4	3.4	4.83	--	0.63							
814	FFRHX	Floating Rate High Income	1.00%/60d	9.92	Buy	0.7	6.8	1.1	3.05	--	0.25							
1366	FHIFX	Focused High Income	1.00%/90d	9.39	Buy	1.1	11.7	2.1	3.73	--	0.37							
2297	FGHFX	Global High Income	1.00%/90d	10.23	Buy	1.9	17.0	4.3	4.60	--	--							
455	SPHIX	High Income	1.00%/90d	9.34	Buy	1.5	14.9	2.6	4.94	--	0.50							
331	FNMIX	New Markets Income	1.00%/90d	17.80	Buy	1.2	20.0	3.9	3.78	--	0.44							
368	FSICX	Strategic Income		11.37	Buy	0.9	10.9	2.1	3.09	--	0.31							
MUNICIPAL BOND						Category Averages			-1.1	5.8	0.6	1.50	5.5	0.21	25%	28%	33%	35%
434	FSAZX	Arizona Muni Income	0.50%/30d	12.24	Hold	-1.1	7.5	1.1	1.70	6.7	0.24	2.4	2.5	2.7	2.7			
1534	FCSTX	Calif Short-Interm Tax Free	0.50%/30d	10.80	Hold	-0.5	2.4	0.2	0.86	2.9	0.11	1.3	1.3	1.4	1.5			
91	FCTFX	California Muni Income	0.50%/30d	12.96	Hold	-1.1	8.4	1.1	1.98	6.4	0.27	2.9	3.0	3.3	3.4			
407	FICNX	Connecticut Muni Income	0.50%/30d	11.99	Hold	-1.5	4.6	-0.0	1.44	6.1	0.23	2.0	2.1	2.3	2.4			
36	FLTXX	Interm Municipal Income	0.50%/30d	10.65	Hold	-0.9	5.0	0.5	1.32	4.9	0.18	1.8	1.8	2.0	2.0			
429	SMDMX	Maryland Muni Income	0.50%/30d	11.63	Hold	-1.2	5.3	0.2	1.29	6.1	0.21	1.8	1.9	2.0	2.1			
70	FDMMX	Mass Muni Income	0.50%/30d	12.69	Hold	-1.6	7.2	0.8	1.67	7.1	0.21	2.4	2.4	2.6	2.7			
81	FMHTX	Michigan Muni Income	0.50%/30d	12.54	Hold	-0.9	6.2	0.8	1.84	6.0	0.21	2.6	2.7	2.9	3.0			
82	FIMIX	Minnesota Muni Income	0.50%/30d	11.99	Hold	-1.1	4.9	0.5	1.28	5.4	0.20	1.9	1.9	2.1	2.1			
37	FHIGX	Municipal Income	0.50%/30d	13.57	Hold	-1.2	7.9	1.0	1.87	6.8	0.25	2.5	2.6	2.8	2.9			
416	FNJHX	New Jersey Muni Income	0.50%/30d	12.25	Hold	-1.4	6.4	0.3	1.66	6.6	0.25	2.4	2.5	2.6	2.8			
71	FTFMX	New York Muni Income	0.50%/30d	13.69	Hold	-1.5	6.5	0.7	1.61	6.8	0.24	2.3	2.4	2.6	2.7			
88	FOHFX	Ohio Muni Income	0.50%/30d	12.39	Hold	-1.1	7.1	1.1	1.75	7.0	0.23	2.4	2.6	2.8	2.9			
402	FPXTX	Pennsylvania Muni Income	0.50%/30d	11.47	Hold	-1.2	7.1	0.9	1.73	6.5	0.23	2.4	2.5	2.7	2.7			
404	FTSTX	Short-Int Municipal Income	0.50%/30d	10.85	Hold	-0.4	2.3	0.2	0.57	2.9	0.09	0.8	0.8	0.9	0.9			
90	FTABX	Tax-Free Bond	0.50%/30d	11.72	Hold	-1.2	8.2	1.0	1.92	6.8	0.25	2.6	2.7	2.9	3.0			
TAXABLE MONEY MARKET						Category Averages			0.0	0.0	0.0	0.02						
55	FDRXX	Cash Reserves		1.00	--	0.00	0.02	0.00	0.01	na	0.00							
631	FGMXX	Retirement Government MM		1.00	--	0.00	0.01	0.00	0.01	na	0.00							
630	FRTXX	Retirement MM		1.00	--	0.00	0.01	0.00	0.01	na	0.00							
458	SPAXX	Government MM		1.00	--	0.00	0.01	0.00	0.01	na	0.00							
454	SPRXX	Money Market		1.00	--	0.00	0.01	0.00	0.01	na	0.00							
85	FSLXX	Select MM		1.00	--	0.00	0.09	0.01	0.05	na	0.00							
50	FGRXX	U.S. Gov't Reserves		1.00	--	0.00	0.01	0.00	0.01	na	0.00							
415	FDLXX	US Treasury MM		1.00	--	0.00	0.01	0.00	0.01	na	0.00							
MUNICIPAL MONEY MARKET						Category Averages			0.0	0.0	0.0	0.01						
460	FIMXX	AMT Tax-Free Money Fnd		1.00	--	0.00	0.01	0.00	0.01	na	0.00	0.0	0.0	0.0	0.0			
433	FSAXX	Arizona Muni MM		1.00	--	0.00	0.02	0.01	0.01	na	0.00	0.0	0.0	0.0	0.0			
97	FCFX	California Muni MM		1.00	--	0.00	0.01	0.00	0.01	na	0.00	0.0	0.0	0.0	0.0			
457	FSPXX	California AMT Tax-Free		1.00	--	0.00	0.01	0.00	0.01	na	0.00	0.0	0.0	0.0	0.0			
418	FCMXX	Connecticut Muni MM		1.00	--	0.00	0.01	0.00	0.01	na	0.00	0.0	0.0	0.0	0.0			
426	FMSXX	Mass AMT Tax-Free		1.00	--	0.00	0.02	0.01	0.01	na	0.00	0.0	0.0	0.0	0.0			
74	FDMXX	Massachusetts Muni MM		1.00	--	0.00	0.01	0.00	0.01	na	0.00	0.0	0.0	0.0	0.0			
420	FMIXX	Michigan Muni MM		1.00	--	0.00	0.01	0.00	0.01	na	0.00	0.0	0.0	0.0	0.0			
10	FTEXX	Municipal Money Market		1.00	--	0.00	0.01	0.00	0.01	na	0.00	0.0	0.0	0.0	0.0			
417	FNJXX	New Jersey Muni MM		1.00	--	0.00	0.01	0.00	0.01	na	0.00	0.0	0.0	0.0	0.0			
423	FSJXX	New Jersey AMT Tax-Free		1.00	--	0.00	0.03	0.00	0.01	na	0.00	0.0	0.0	0.0	0.0			
92	FNXX	New York Muni MM		1.00	--	0.00	0.01	0.00	0.01	na	0.00	0.0	0.0	0.0	0.0			
422	FSNXX	New York AMT Tax-Free		1.00	--	0.00	0.02	0.01	0.01	na	0.00	0.0	0.0	0.0	0.0			
419	FOMXX	Ohio Muni MM		1.00	--	0.00	0.01	0.00	0.01	na	0.00	0.0	0.0	0.0	0.0			
401	FPTXX	Pennsylvania Muni MM		1.00	--	0.00	0.01	0.00	0.01	na	0.00	0.0	0.0	0.0	0.0			
275	FMOXX	Tax-Free Money Market		1.00	--	0.00	0.01	0.00	0.01	na	0.00	0.0	0.0	0.0	0.0			

Tax-equivalent yields for state funds assume top state (City tax excluded) tax level for that federal bracket.

FIDELITY SCORECARD

DECEMBER 31, 2012

Fund No.	Fund Ticker	Fund Name	Style	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹
							Dec	YTD	3 Mo.	1 Year	3 Year	5 Year	
FIDELITY PERSONAL RETIREMENT ANNUITY PORTFOLIOS													
Model Portfolios	Annuity Sector Model						1.5	18.1	0.5	18.1	8.9	2.6	1.21
	Annuity Growth Model						1.2	17.8	1.1	17.8	10.7	-1.6	1.05
	Annuity Growth & Income Model						0.8	13.9	0.5	13.9	8.1	2.0	0.71
	Annuity Income Model						0.7	10.0	1.8	10.0	8.2	4.9	0.27
9067	FLRQC	Fid VIP Asset Manager	Allocation		14.25	Hold	1.3	12.2	1.5	12.2	7.4	2.5	0.69
9066	FAEEC	Fid VIP Asset Manager: Growth	Allocation		13.66	Hold	1.8	15.2	1.9	15.2	7.7	1.1	0.97
9069	FJBAC	Fid VIP Balanced	Allocation		14.86	OK to Buy	1.0	14.7	0.8	14.7	9.0	3.3	0.91
9081	FVHAC	Fid VIP Consumer Discretionary	Sector	1.00%/60d	14.55	Buy↑	-0.8	21.1	1.0	21.1	15.8	7.1	1.19
9171	FCSAC	Fid VIP Consumer Staples	Sector	1.00%/60d	14.94	Hold	-1.9	15.0	0.5	15.0	12.5	6.1	0.79
9065	FPDFC	Fid VIP Contrafund	Large Growth		14.20	Hold	0.6	16.0	-0.2	16.0	9.6	0.4	1.08
9148	FPRGC	Fid VIP Disciplined Small Cap	Small Growth		11.59	Hold	2.8	18.6	3.7	18.6	13.5	3.3	1.32
9074	FZAMC	Fid VIP Dynamic Capital App	Large Growth		14.72	Buy	1.1	22.2	1.4	22.2	11.9	2.2	1.10
9198	FEMAC	Fid VIP Emerging Markets	Emg Mkts	1.00%/60d	8.21	Hold↑	4.5	13.9	6.1	13.9	1.8	--	1.42
9085	FJLLC	Fid VIP Energy	Sector	1.00%/60d	14.66	Hold	1.8	4.6	-2.1	4.6	5.7	-4.5	1.69
9061	FLOLC	Fid VIP Equity-Income	Large Value		12.44	Buy	1.2	17.0	0.8	17.0	10.6	0.0	1.07
9083	FONNC	Fid VIP Financial Services	Sector	1.00%/60d	7.33	Hold↓	3.7	27.9	5.3	27.9	2.8	-7.3	1.56
9157	FMPAC	Fid VIP FundsManager 20	Allocation		12.83	Hold	0.2	5.3	0.2	5.3	4.8	3.0	0.23
9158	FMPBC	Fid VIP FundsManager 50	Allocation		12.62	Hold	0.8	9.8	0.7	9.8	6.8	2.2	0.56
9197	FMPPC	Fid VIP FundsManager 60	Allocation		11.33	Hold	1.0	11.3	0.9	11.3	7.2	--	0.67
9159	FMPCC	Fid VIP FundsManager 70	Allocation		12.05	Hold	1.3	12.9	1.3	12.9	7.6	1.0	0.79
9160	FMPDC	Fid VIP FundsManager 85	Allocation		11.42	Hold	1.4	13.7	1.2	13.7	7.6	-0.3	0.97
9062	FMNDC	Fid VIP Growth	Large Growth		13.14	Buy	-0.5	14.3	-2.9	14.3	12.2	-1.0	1.18
9070	FLFNC	Fid VIP Growth & Income	Large Blend		13.33	Buy	1.1	18.2	0.2	18.2	11.0	0.2	1.06
9068	FIDPC	Fid VIP Growth Opportunities	Large Growth		13.37	Buy	0.1	19.3	-2.6	19.3	14.5	-0.5	1.23
9078	FPVDC	Fid VIP Growth Stock	Large Growth		14.34	OK to Buy	-0.1	18.1	-0.9	18.1	12.4	2.5	1.11
9077	FQBRC	Fid VIP Growth Strategies	Mid Growth		11.67	OK to Sell	1.1	11.5	1.7	11.5	8.0	-2.2	1.31
9084	FPDRC	Fid VIP Health Care	Sector	1.00%/60d	16.37	Buy	-0.4	20.4	-1.5	20.4	15.0	6.3	0.91
9060	FBBLC	Fid VIP High Income	High-Yield Bond		16.56	Buy	1.3	14.0	2.7	14.0	10.3	7.6	0.45
9064	FXVLT	Fid VIP Index 500	Large Blend		13.24	Hold	0.9	15.6	-0.5	15.6	10.5	1.4	1.00
9082	FBALC	Fid VIP Industrials	Sector	1.00%/60d	17.68	Buy	2.7	19.3	4.6	19.3	14.0	4.4	1.35
9076	FVJIC	Fid VIP Int'l Capital App	Diversified Int'l	1.00%/60d	12.41	Buy	2.9	25.5	7.0	25.5	8.1	-0.7	1.44
9063	FTLKC	Fid VIP Investment Grade Bond	Inv Grd Bond		14.72	Buy	-0.2	5.5	0.3	5.5	6.7	6.2	0.15
9172	FVMAC	Fid VIP Materials	Sector	1.00%/60d	15.03	Buy	3.3	19.8	3.2	19.8	12.0	5.7	1.57
9071	FNBSC	Fid VIP Mid Cap	Mid Growth		15.23	OK to Buy	2.0	14.4	2.1	14.4	9.4	2.0	1.04
9059	FTNJC	Fid VIP Money Market	Money Mkt		11.42	--	0.0	-0.2	-0.1	-0.2	-0.1	0.6	0.01
9088	FEMMC	Fid VIP Overseas	Diversified Int'l	1.00%/60d	12.05	OK to Buy↑	3.3	20.3	5.8	20.3	3.8	-4.6	1.43
9072	FFWKC	Fid VIP Real Estate	Sector		15.87	Hold	3.6	18.1	2.2	18.1	18.3	6.4	1.27
9075	FGDQC	Fid VIP Strategic Income	High-Yield Bond		16.68	Buy	0.8	10.2	1.9	10.2	7.9	7.8	0.31
9086	FYENC	Fid VIP Technology	Sector	1.00%/60d	17.16	Buy	0.5	17.2	-3.0	17.2	10.3	5.1	1.37
9173	FVTAC	Fid VIP Telecommunications	Sector	1.00%/60d	10.50	OK to Buy	1.8	19.6	-0.7	19.6	11.1	1.2	0.94
9087	FXRRC	Fid VIP Utilities	Sector	1.00%/60d	15.62	OK to Buy	0.7	7.1	-0.4	7.1	10.2	-0.3	0.66
9079	FKMSC	Fid VIP Value	Mid Value		12.45	Buy	2.1	20.5	2.5	20.5	11.2	0.8	1.17
9080	FUEBC	Fid VIP Value Leaders	Large Value		10.02	OK to Sell	2.9	13.6	1.2	13.6	4.6	-4.3	1.19
9073	FRBSC	Fid VIP Value Strategies	Mid Value		13.94	Buy	3.1	27.0	5.6	27.0	13.3	2.2	1.33
9285	FIGXC	V.I. Global Core Ecty ⁷	Global Stock		9.12	OK to Sell	3.9	13.6	5.9	13.6	3.7	-5.1	1.19
9147	FPRLC	Lazard Retirement Emerging Mkts	Emg Mkts		15.75	Hold↑	7.3	22.1	5.6	22.1	7.1	1.4	1.44
9143	FPRMC	Morgan Stanley Emerg Mkt Debt	Emg Mkt Bond		17.46	Buy	1.2	17.7	3.3	17.7	11.2	8.7	0.50
9144	FPRNC	Morgan Stanley Emerg Mkt Equity	Emg Mkts		13.32	Hold↑	4.2	19.7	5.2	19.7	5.0	-3.2	1.31
9146	FPRPC	Morgan Stanley Glb Tactical Alloc	Diversified Int'l		10.52	Hold	2.2	13.5	1.9	13.5	4.8	-3.4	1.05
9276	FPMBC	Pimco VIT Low Duration	Shrt-Term Bond		11.36	Buy	0.1	5.6	0.4	5.6	3.8	--	0.16
9277	FPNBC	Pimco VIT Real Return	TIPS		13.42	Hold	-0.5	8.5	0.7	8.5	9.2	--	0.30
9278	FPOBC	Pimco VIT Total Return	Intermed Bond		12.35	Buy	0.2	9.4	0.9	9.4	6.8	--	0.20

Annuity Model Portfolios

Tables reflect trades, but returns are pre-trade.

Rel Vol: 1.21

Rel Vol: 1.05

Rel Vol: 0.71

Rel Vol: 0.27

Annuity Sector	
Fund	Allocation
VIP Technology	34%
VIP Health Care	20
VIP Materials	18
VIP Industrials	15
VIP Cons Discretionary	13
Total Return:	
Dec: 1.5%	YTD: 18.1%

Annuity Growth	
Fund	Allocation
VIP Growth Opps	31%
VIP Value Strategies	25
VIP Equity-Income	20
VIP Dynamic Cap App	12
Morgn Stnly EM Debt	12
Total Return:	
Dec: 1.2%	YTD: 17.8%

Annuity Growth & Income	
Fund	Allocation
VIP Strategic Inc	26%
VIP Growth Opps	24
VIP Value	18
VIP Equity-Income	14
Pimco Low Duration	12
Morgn Stnly EM Debt	6
Total Return:	
Dec: 0.8%	YTD: 13.9%

Annuity Income	
Fund	Allocation
VIP Investment Grade	32%
VIP Strategic Income	31
VIP High Income	22
MS Emerg Mkt Debt	15
Total Return:	
Dec: 0.7%	YTD: 10.0%

2012 YEAR-END DISTRIBUTIONS/DIVIDEND UPDATE

Fund	Ex-Date	Dist\$	NAV\$	Fund	Ex-Date	Dist\$	NAV\$	Fund	Ex-Date	Dist\$	NAV\$
130/30 Large Cap	12/14	0.046	7.85	Global Balanced	12/14	0.591	23.31	New York Muni Inc	12/7	0.021	13.92
130/30 Large Cap	12/27	0.013	7.81	Global Bond	12/21	0.119	10.15	Nordic	12/7	0.630	30.89
Air Transportation	12/21	0.802	40.66	Global Eqty-Inc	12/7	0.041	10.18	Ohio Muni Income	12/21	0.045	12.39
Arizona Muni Income	12/7	0.013	12.43	Global Eqty-Inc	12/27	0.034	10.24	OTC	12/14	0.250	59.73
Asset Manager 20%	12/14	0.301	13.09	Global High Inc	12/7	0.046	10.15	OTC	12/27	0.022	59.92
Asset Manager 30%	12/14	0.194	9.98	Global Strategies	12/28	0.173	9.21	OTC	12/31	0.010	60.59
Asset Manager 40%	12/14	0.160	9.95	GNMA	12/21	0.035	11.74	Overseas	12/7	0.774	31.59
Asset Manager 50%	12/14	0.076	16.34	Government Income	12/14	0.030	10.60	Pacific Basin	12/7	0.759	24.39
Asset Manager 60%	12/14	0.233	10.01	Growth & Income	12/14	0.161	20.93	Penn Muni Income	12/21	0.026	11.46
Asset Manager 70%	12/14	0.277	17.17	Growth Company	12/14	2.471	92.65	Pharmaceuticals	12/21	0.390	15.14
Asset Manager 85%	12/14	0.202	14.00	Growth Discovery	12/14	0.045	15.36	Puritan	12/14	0.217	19.23
Automotive	12/21	0.256	37.82	Growth Strategies	12/14	0.081	20.42	Real Estate Income	12/14	0.267	11.28
Automotive	12/27	0.005	38.49	Growth Strategies	12/27	0.010	20.54	Real Estate Income	12/27	0.008	11.37
Balanced	12/14	0.095	20.03	Health Care	12/21	10.567	134.84	Real Estate Invest	12/14	0.191	31.24
Banking	12/21	0.224	19.40	High Income	12/7	0.046	9.31	Retailing	12/21	1.703	62.18
Biotechnology	12/7	1.131	109.29	Independence	12/14	0.045	25.37	S Cap Enhanced	12/14	0.630	9.52
Blue Chip Growth	12/14	0.881	48.50	Independence	12/27	0.004	25.53	Short-Int Muni Income	12/21	0.012	10.84
Blue Chip Growth	12/27	0.005	48.53	Industrial Equipment	12/21	0.382	36.83	Sm Cap Discvry	12/7	0.042	23.38
Blue Chip Value	12/14	0.160	10.71	Industrials	12/21	0.274	25.53	Sm Cap Discvry	12/27	0.434	23.69
Brokerage & Invest	12/21	1.119	49.90	Inflation-Protected	12/21	0.196	13.42	Small Cap Growth	12/7	0.482	15.47
Calif Muni Income	12/7	0.001	13.15	Insurance	12/21	1.452	51.57	Small Cap Stock	12/7	0.046	17.72
Calif Sht-Int Tax Free	12/7	0.005	10.87	Interm Gov't Inc	12/21	0.024	10.85	Small Cap Stock	12/27	0.034	17.94
Canada	12/7	0.757	52.68	Interm Muni Income	12/21	0.007	10.65	Small Cap Value	12/7	0.056	15.59
Capital & Income	12/7	0.043	9.47	International Growth	12/7	0.102	9.07	Small Cap Value	12/27	0.092	16.00
Capital Appreciation	12/7	0.737	28.97	International Value	12/7	0.265	7.37	Software	12/21	4.647	82.63
Capital Appreciation	12/27	0.020	29.02	Int'l Bond	12/21	0.180	10.21	Spartan 500 Index	12/14	0.338	50.00
Chemicals	12/21	3.637	117.73	Int'l Cap App	12/7	0.120	13.58	Spartan Int'l Index	12/14	1.010	33.64
China Region	12/7	0.430	29.83	Int'l Cap App	12/27	0.006	13.76	Sptn EM Index	12/14	0.186	9.99
Comm Equip	12/7	0.176	22.71	Int'l Discovery	12/7	0.581	32.31	Sptn Ext Mkt Index	12/14	1.432	38.99
Comm Equip	12/27	0.012	23.05	Int'l Enhanced	12/14	0.205	7.09	Sptn Gbl ex-US	12/14	0.162	10.82
Computers	12/21	0.126	61.34	Int'l Real Estate	12/14	0.218	9.22	Sptn Infla-Prot	12/21	0.038	10.34
Conn Muni Income	12/21	0.062	11.98	Int'l Small Cap	12/7	0.463	19.68	Sptn Interm Treas	12/21	0.167	11.37
Cons Discretionary	12/21	2.362	25.45	Int'l Small Cap Opps	12/7	0.106	11.07	Sptn Mid Cap Index	12/14	0.146	11.75
Conservative Inc	12/21	0.004	10.03	Japan	12/7	0.227	9.37	Sptn Real Estate Idx	12/14	0.094	11.42
Const & Housing	12/21	0.669	48.37	Japan Smaller Cos	12/7	0.223	8.87	Sptn Sht-Term Treas	12/21	0.017	10.59
Consumer Finance	12/21	0.240	14.59	L Cap Core Enhcd	12/14	0.224	9.93	Sptn Small Cap Index	12/14	0.148	11.76
Consumer Finance	12/27	0.011	14.43	L Cap Growth Enhcd	12/14	0.152	10.99	Sptn Total Mkt. Index	12/14	0.652	40.73
Consumer Staples	12/21	2.033	80.39	L Cap Value Enhcd	12/14	0.175	8.12	Sptn U.S. Bond Index	12/21	0.011	11.89
Contrafund	12/14	0.837	76.72	Large Cap Growth	12/14	0.080	11.24	Stk Sel All Cap	12/14	0.094	27.96
Convertible Securities	12/14	0.214	25.26	Large Cap Stock	12/7	0.161	20.13	Stk Sel All Cap	12/28	0.008	27.85
Corporate Bond	12/21	0.022	11.45	Large Cap Stock	12/27	0.015	20.33	Stk Sel Mid Cap	12/14	0.270	22.82
Defense & Aero	12/21	1.069	87.46	Latin America	12/7	4.426	44.55	Stk Sel Mid Cap	12/27	0.018	23.08
Disciplined Equity	12/21	0.188	24.32	Leisure	12/21	5.721	101.47	Stk Sel Small Cap	12/7	0.090	19.58
Diversified Int'l	12/7	0.524	29.37	Leveraged Co Stock	12/7	0.103	31.39	Stk Sel Small Cap	12/27	0.017	19.90
Dividend Growth	12/14	0.588	29.40	Leveraged Co Stock	12/27	0.020	31.90	Stk Sel Small Cap	12/27	0.017	19.90
Electronics	12/7	0.145	44.44	Low-Priced Stock	12/14	0.935	38.88	Stl Sel Lge Cap Value	12/14	0.239	11.58
Electronics	12/27	0.003	45.07	Magellan	12/7	0.846	72.58	Strategic Divi & Inc	12/14	0.088	12.26
EMEA	12/7	0.250	8.78	Magellan	12/27	0.034	72.58	Strategic Income	12/14	0.155	11.38
Emerg Mkts Disc	12/7	0.059	12.06	Mass Muni Income	12/7	0.077	12.91	Strategic Real Return	12/14	0.106	9.63
Emerg Mkts Disc	12/27	0.209	12.36	Materials	12/21	1.928	70.62	Tax Managed Stock	12/7	0.079	13.41
Emerging Asia	12/7	0.537	29.10	Medical Delivery	12/21	3.190	57.83	Tax Managed Stock	12/27	0.028	13.44
Emerging Markets	12/7	0.293	22.52	Medical Equipment	12/21	0.682	28.03	Tax-Free Bond	12/7	0.000	11.91
Emerging Markets	12/27	0.011	22.92	Mega Cap Stock	12/14	0.094	11.76	Telecom & Utilities	12/7	0.125	18.61
Energy	12/21	0.747	51.15	Michigan Muni Inc	12/21	0.004	12.54	Telecom & Utilities	12/27	0.005	18.56
Environment & Alt Ergy	12/7	0.145	16.48	Mid Cap Enhanced	12/14	0.157	9.90	Telecommunications	12/21	0.995	50.88
Equity Dividend Inc	12/14	0.146	19.41	Mid Cap Growth	12/14	0.072	12.57	Total Bond	12/14	0.074	10.97
Equity-Income	12/14	0.399	46.81	Mid Cap Value	12/14	0.256	17.45	Total Emerg Mkts	12/7	0.183	10.93
Europe	12/7	0.712	30.48	Mid-Cap Stock	12/14	0.571	28.80	Total Int'l Equity	12/7	0.393	7.15
Europe Capital App	12/7	0.409	18.46	Mid-Cap Stock	12/27	0.057	29.06	Transportation	12/21	2.249	51.77
Export and Multi	12/7	0.999	21.61	Minnesota Muni Inc	12/21	0.015	11.98	Trend	12/21	5.775	73.59
Fidelity Fund	12/14	0.280	35.42	Multimedia	12/21	0.429	57.02	Utilities	12/7	0.369	56.52
Fifty	12/14	0.042	19.98	Municipal Income	12/21	0.001	13.56	Value	12/7	0.862	74.78
Fifty	12/27	0.002	19.97	Nasdaq Comp Index	12/14	0.466	39.46	Value	12/27	0.149	75.68
Financial Services	12/21	0.747	61.37	Nasdaq Comp Index	12/27	0.009	39.65	Value Discovery	12/14	0.135	16.22
Floating Rate High Inc	12/7	0.049	9.91	Natural Gas	12/21	0.211	31.08	Value Strategies	12/14	0.169	31.02
Focused High Income	12/7	0.072	9.41	Natural Resources	12/21	0.086	32.31	Value Strategies	12/27	0.008	31.35
Focused Stock	12/7	0.819	15.00	Natural Resources	12/27	0.003	31.94	Wireless	12/7	0.134	8.19
Four-in-One Index	12/28	0.657	28.85	New Jersey Muni Inc	12/21	0.026	12.26	Wireless	12/27	0.006	8.24
Freedom 2040	12/28	0.153	8.16	New Markets Income	12/21	0.301	17.75	Worldwide	12/7	0.239	20.02
Glb Commod Stk	12/7	0.163	14.21	New Millennium	12/14	3.005	29.83				

Fund Commentary *cont'd from page 5*

rewarded for our modest bets.

In the *Unique Opportunities Model* (up 16.8%), we began and finished the year holding **Large Cap Stock** (up 20.7%) and **Value Strategies** (up 27.0%), while **Focused Stock** (up 16.5%) just barely outpaced the market.

The *Select Model's* performance (up 19.2%) was sluggish at the start of the year (see Jack Bowers's *Mes-sage* on pg. 1), but a few trades got it back on track. **Consumer Finance** (up 34.5%) and **Chemicals** (up 30.0%) were especially helpful.

The *Growth Model* (up 16.0%) finished the year tied with the S&P 500. **Blue Chip Growth** (up 17.8%) and especially **Mega Cap Stock** (up 19.4%) more than pulled their own weight, while the lower-risk **High Income** (up 14.9%) provided superior risk-adjusted returns.

We were especially pleased by the *Growth & Income Model* which gained 13.4%, but with 30% less risk than stocks! We're indebted to Will Danoff whose **Contrafund** (up 16.3%) was not the strongest-performing large-cap growth fund last year, but he did beat the S&P 500 with about 5% less risk. And, the just-launched **Global High Income** bond fund served up plenty of yield (4.60%) and a total return (up 17.0%) to rival most stock funds.

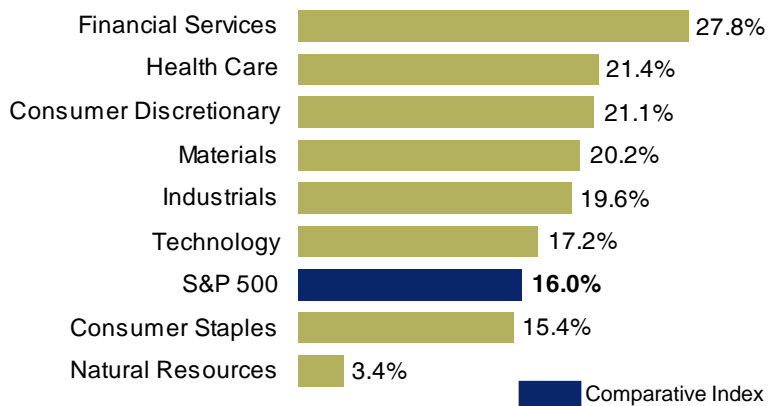
Finally, and after some commotion (modifying its investment objective and selling **Low-Priced Stock** partly because its dividend yield was insufficient), the former *Income & Preservation-turned-Income Model* gained 10.7% and yielded 3.2% at year-end. Better yet, it did so by taking less than a third of the market's risk for much of the year.

Equity Funds

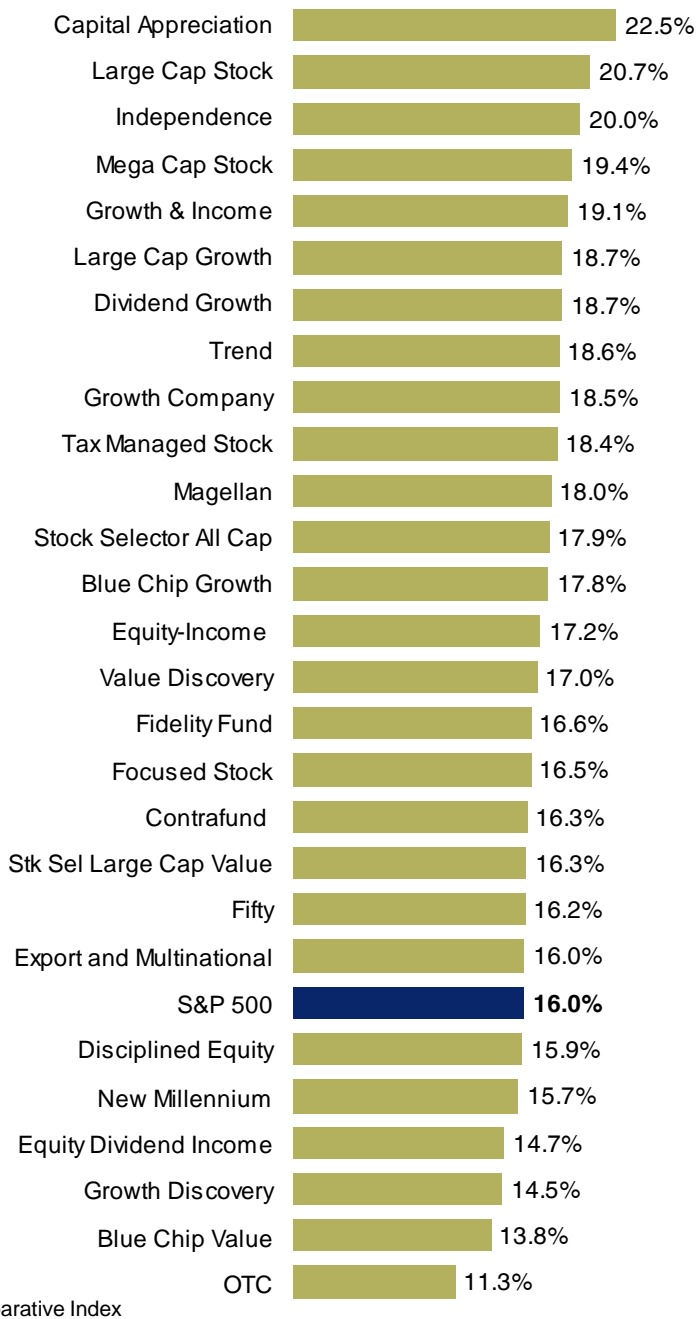
As mentioned earlier, Fidelity's stock funds enjoyed strong results last year. (Note that some of the funds in the facing chart are not, by prospec-

Fund Commentary *cont'd on page 13*

2012 BROAD SELECT FUND RETURNS



2012 LARGE-CAP STOCK FUND RETURNS



Fund Commentary *cont'd from page 12*

tus, benchmarked against the S&P 500, though that is the only index shown). With that in mind, the average return of Fidelity's 41 actively run stock funds last year was +17.6%.

The two top-performing funds in 2012 were, and are still, managed by Tom Soviero: **Leveraged Co. Stock** (up 28.8%) and **Value Strategies** (up 27.0%). Tom's investment strategy is to buy the stocks of companies who balance sheets and operating prospects are improving. (**High Income** and **Capital & Income**, up 14.9% and 16.4%, respectively, do much the same through mostly "junk" bonds.)

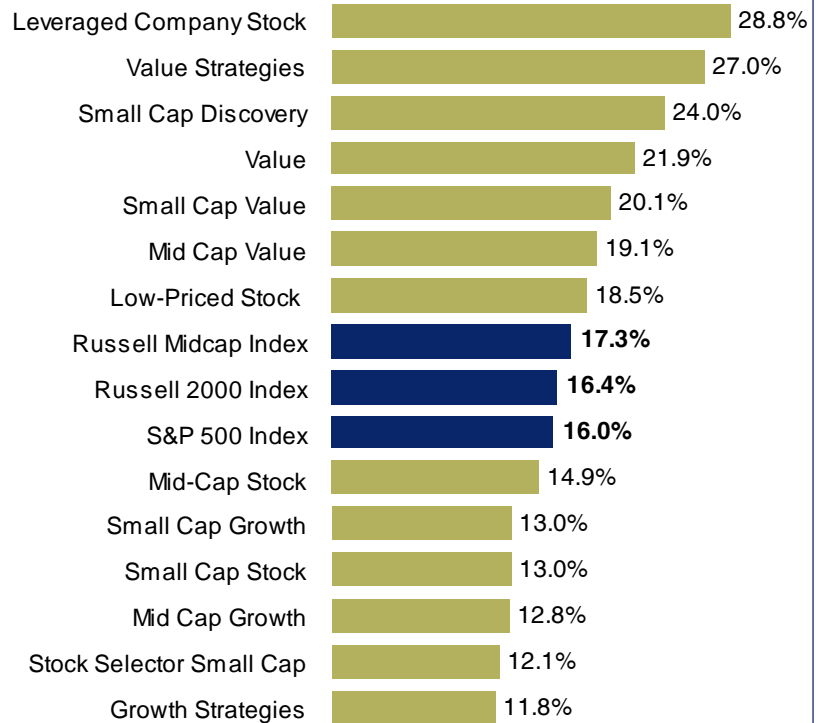
Apart from Tom's two specialized funds, it's notable that small-, mid- and large-cap funds were among the next handful of leading funds for the year. This points to the fact that the market was less driven by market cap than it was by sector. (That Fidelity's small-cap offerings were often laggards speaks to the fact that the managerial changes it has put in place have yet to bear fruit.)

Apart from strong stockpicking, **Small Cap Discovery** (up 24.0%), **Capital Appreciation** (up 22.5%) and **Value** (up 21.9%) have comparatively robust stakes in industrials and consumer discretionary stocks — two areas that were strong last year. In the case of Value, its 27% position in financials was quite helpful.

Among Fidelity's most widely held funds (by assets), as noted, Contra and Blue Chip Growth gained 16.3% and 17.8%, respectively. **Low-Priced Stock** and **Growth Co** both popped 18.5%. And, in his first full year at **Magellan's** helm, Jeff Feingold steered the fund to an 18.0% gain.

At the dead bottom of the performance pile was **OTC**. Up 11.3% in 2012, this was a disaster for a fund that must invest 80% of its assets in the Nasdaq, which happened to be up 17.5%. Several bad stock picks (including Green Mountain Coffee, maker of the ubiquitous Keurig K-cup brewing machines) contributed to its undoing. Still, we wouldn't write this

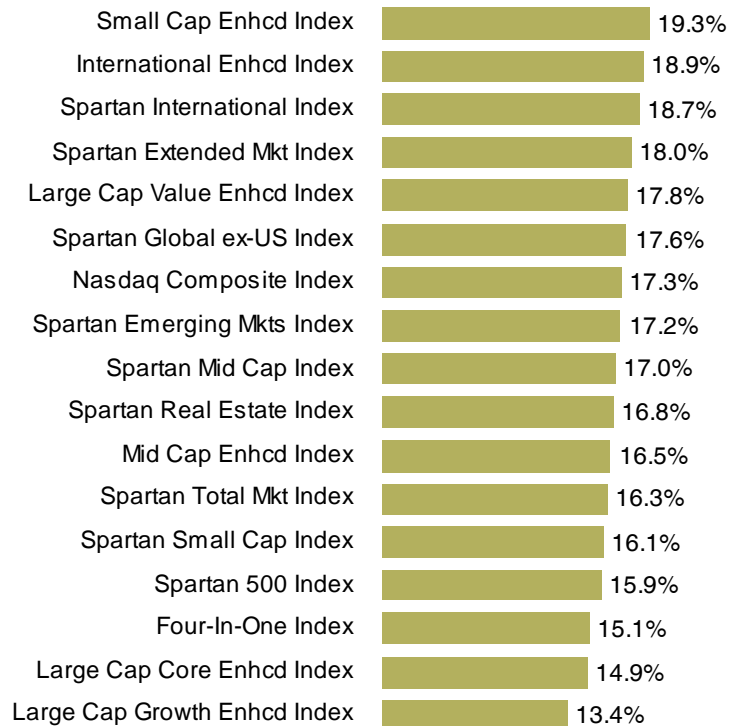
2012 MID- AND SMALL-CAP STOCK FUND RETURNS



Stock Selector Mid Cap not shown due to partial year returns.

■ Comparative Index

2012 EQUITY INDEX FUND RETURNS



fund off as Manager Gavin Baker has otherwise demonstrated a talent for growth-stock investing.

As for **Growth Strategies** (up 11.8%), 2012 was a transition year for the new manager of this long-suffer-

ing mid-cap growth offering. With its sector weights now in line with its benchmark, it's up to Manager Chris Lee to pick superior stocks.

Fund Commentary *cont'd on page 14*

Specialty Funds

US real estate funds continued to gain ground last year — the fourth consecutive year of gains for **Real Estate Income** (a bond offering; up 18.8%) and **Real Estate Investment** (a REIT fund; up 18.0%). But last year's top-performer was **International Real Estate** (up 44.2%), which benefited from recovering realty markets throughout Europe and especially Asia (including Japan, Hong Kong and Australia).

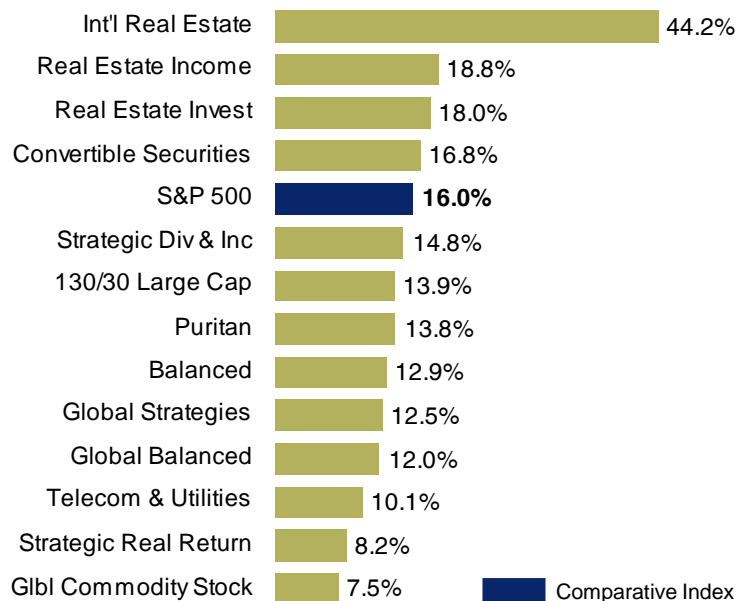
Elsewhere, the diversified **Strategic Real Return** (up 8.2%) drew its modest gains from three of the four asset classes (REITs, TIPS and floating-rate notes), while commodities held it back. And, with roughly a third of their assets in bonds, **Balanced** (up 12.9%) and **Puritan** (up 13.8%) offered up solid gains, though the latter had a bit more juice owing to its larger allocation to high-yield bonds. As for laggards, with risk-assets in vogue last year, the conservative **Telecom & Utilities** fund (up 10.1%) was of little interest, while **Global Commodity Stock** (up 7.5%) fell prey to both falling energy and gold prices. (The related **Select Natural Resources** inched 3.4% higher in 2012 while **Select Gold** retreated 12.4%.

International Funds

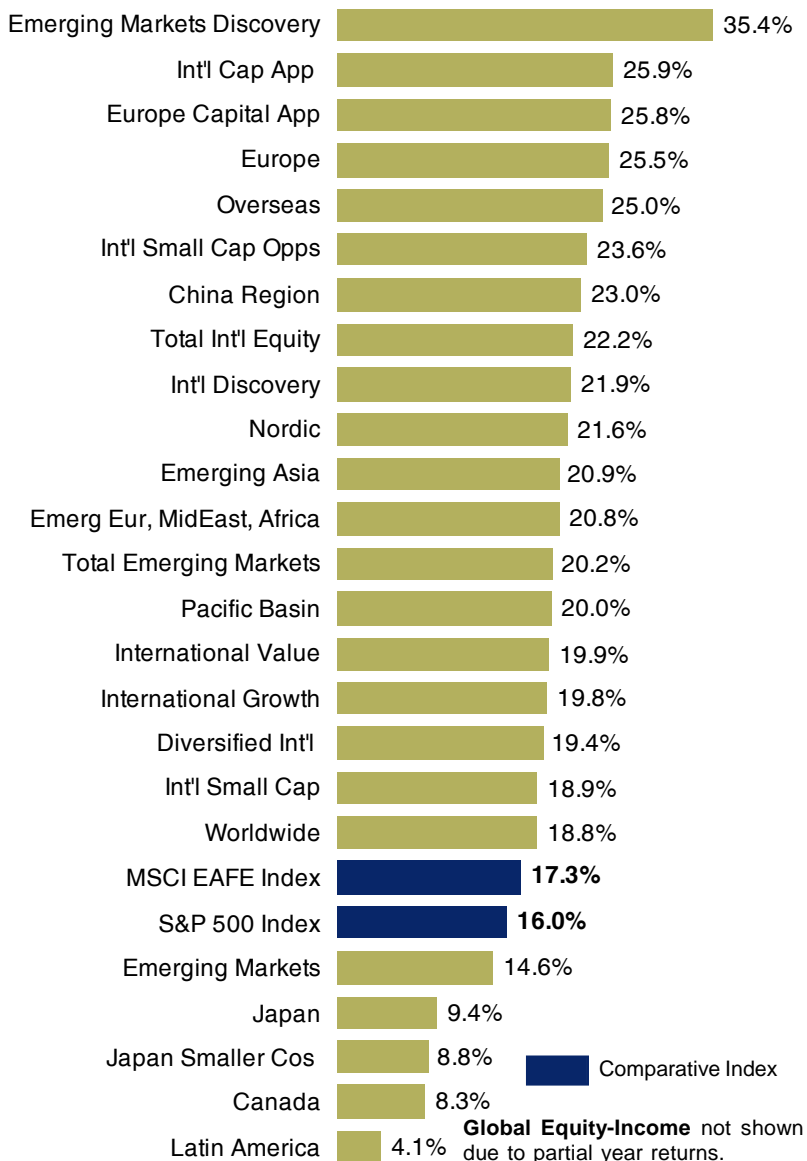
Against the backdrop of MSCI EAFE Index rising 17.3% in 2012, Fidelity's 10 diversified stock funds beat that barometer with their average return of 21.5%. (Regional and country funds were excluded.) Healthy doses of emerging market exposure in the funds — not the benchmark — get some of the credit. In fact, while it's not always the best idea to buy a new untested fund, it still would have been a great idea to buy **Emerging Markets Discovery**.

Launched late in 2011, it skyrocketed 35.4% by purchasing small- and mid-cap stocks in several murky markets (India and Chile), but mostly in

2012 SPECIALTY FUND RETURNS



2012 INTERNATIONAL FUND RETURNS



Fund Commentary *cont'd from page 14*
 more developed Asian ones, namely Taiwan, Hong Kong, South Korea, China and Singapore.

On a regional basis, Europe was the biggest surprise last year as the continent avoided a massive debt and banking crisis, even as many EU countries slipped into recession. **Europe** and **Europe Cap App** posted especially strong returns (up 25.5% and 25.8%, respectively), though you took a large risk to harness those gains. And, for all the talk of recession, **China Region** didn't disappoint (up 23.0%), though a few did. Natural-resource-rich **Canada** (up 8.3%) and **Latin America** (up 4.1%) were hit by sagging prices, while **Japan** (up 9.4%) and **Japan Smaller Cos** (up 8.8%) found it tough to gain traction amid low growth and high debt.

Fixed Income Funds

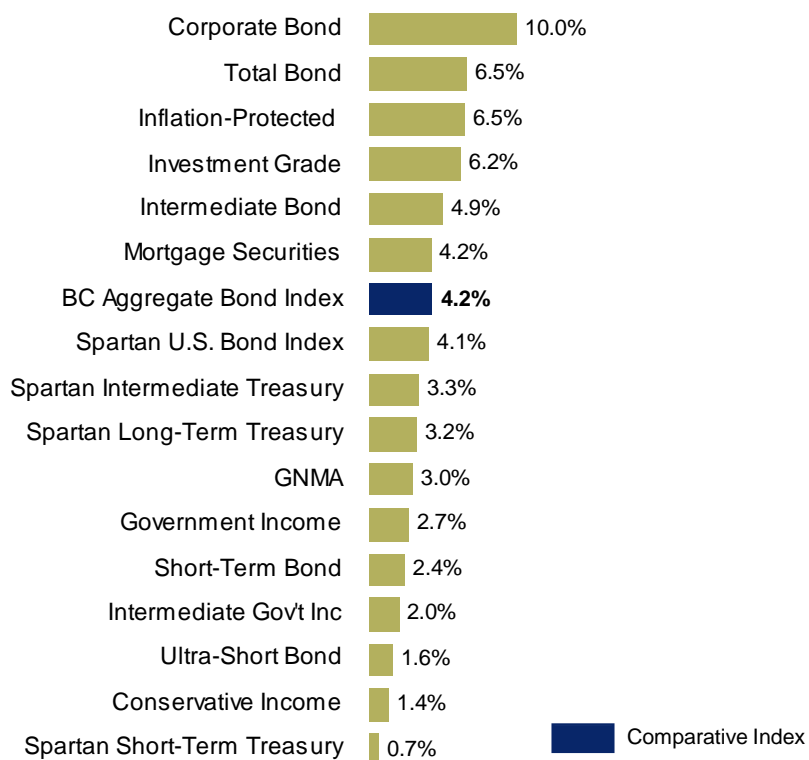
The much-anticipated collapse of US Treasury bonds didn't occur last year, as interest rates declined modestly. Fidelity's **Short-, Intermediate- and Long-Term US Treasury Index** funds gained 0.7%, 3.3% and 3.2%. But these were not the best bond buys. **Corporate Bond** and **Investment Grade** (up 10.0% and 6.2%, respectively) were worth the added credit risk, while **Ultra-Short Bond** and **Conservative Income** (up 1.6% and 1.4%, respectively) outpaced money market funds.

Elsewhere, high-income funds delivered handsome yields and attractive returns as falling interest rates and improving business conditions made them worthwhile investments.

Meanwhile, all 16 muni bond funds (state funds are not shown in facing chart) gained ground despite persistent rumors that Congress might tax their income. A more realistic and otherwise ignored threat: many state, county and municipal budgets are in deep and persistent financial trouble.

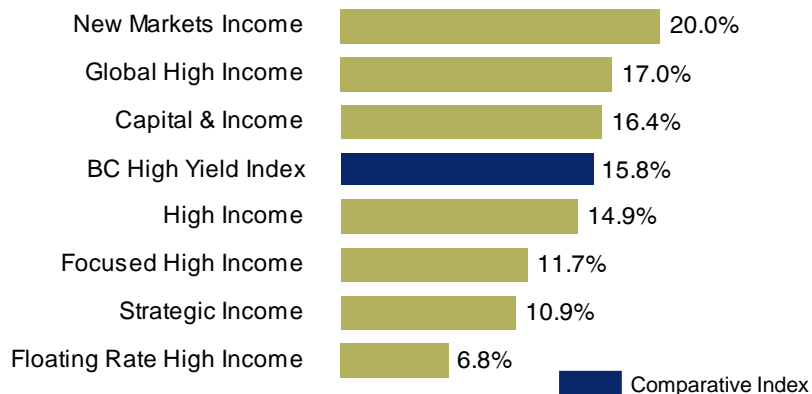
Finally, the SEC, Paul Volker and Fed Chair Ben Bernanke found that when it comes to political muscle, the fund industry has plenty of it. While

2012 TAXABLE BOND FUND RETURNS

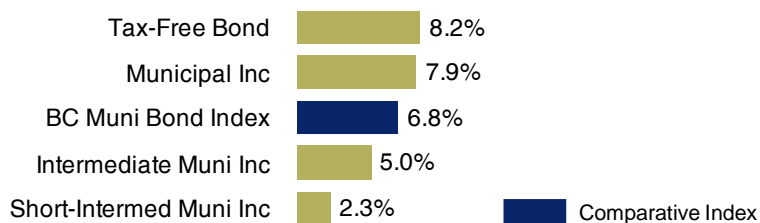


Global Bond, International Bond and Spartan Inflation-Protected Index not shown due to partial year returns.

2012 HIGH-YIELD BOND FUND RETURNS



2012 MUNICIPAL BOND FUND RETURNS



the aforementioned assailed money market funds as a risk to the global credit markets, so far, they've made little headway in their battle to shelve their fixed \$1.00 NAV in favor of a floating price. That said, with the Fed

Funds rate still at 0.25%, no one made money holding cash last year. Case in point, Fidelity's top-performing **Select Money Market** fund returned a whopping 0.09%. ■

— John Bonanzio

Message *cont'd from page 1*

predominantly export-related and I see no need to make changes at this point in time (although we may do some rebalancing as the global growth picture clears up).

Here's a brief recap:

• **Chemicals.** This sector has the most to gain from the shale boom, which provides a huge advantage in feedstock costs. That advantage may last a lot longer than previously thought, because overseas fracking efforts have stalled due to suboptimal geology, a lack of financial incentives for property owners, and restrictive regulations. So whether it's plastic, fertilizer, paint or petroleum products, these firms could be gaining global market share for many years to come.

• **Industrials.** The world is playing catch-up on infrastructure, especially for transportation, power generation, water and agricultural productivity. The GEs of the world also benefit

from low-cost financing, as most high-ticket capital goods are leased rather than purchased outright. With little or no low-wage manufacturing competition, these firms continue to enjoy solid margins on their specialty products — a situation that's not likely to change now that the wage gap with emerging countries is rapidly closing.

• **Pharmaceuticals.** In a twist on what is happening in the US, emerging market consumers (who largely pay their own way on medical care) are demanding brand name drugs. Counterfeiting is so rampant in their home countries that they simply don't trust generic medicines. At the same time, big pharma has survived its "patent cliff" by cutting costs and acquiring biotech firms to rebuild their pipelines. If nothing else, these stocks are cheap and throw off a lot of cash, which makes them a good source of dividend income.

• **IT Services.** US firms are world leaders when it comes to information systems and financial transactions.

Outsourcing gained popularity over a decade ago here at home, and these service providers are now enjoying good success exporting their services to overseas companies. Some of the firms in this fund are technology-driven financial entities, which means we are not completely excluding financial entities in our model portfolio.

• **Technology.** These companies have gone full circle. In 1999 they were the most expensive growth sector, and now they are one of the cheapest. There are some risks because low-cost tablets and smart phones are replacing higher value PCs, but Fidelity has a good handle on the winners and losers. And because these companies earn more than half of their revenues overseas, they won't be hurt much if the US economy slows while the global economy picks up speed.



Jack Bowers

Inside Fidelity

Expense Caps — Fidelity is extending to 12/31/13, the temporary expense caps on several recently introduced funds. **Total Int'l Equity** and **Int'l Growth** remain capped at 1.20% (a savings of 22 and 33 basis points, respectively). Also, **Total Emerging Markets** and **Emerging Markets Discovery** stay capped at 1.40% and 1.45%, respectively. These figures represent savings of 22 and 16 basis points. (A basis point equals 0.01%.)

Fund Merger — On Dec. 12, shareholders approved the merger of **Mid Cap Growth** (and its Advisor share class) into Advisor Stock Selector Mid Cap. Shareholders will receive shares

of the corresponding class of the acquiring fund, based on the relative net asset values at the close of business anticipated on January 11, 2013.

New Funds? — From all appearances, Fidelity is moving nearer to its launch of actively managed ETFs.

Though "mums" still the word, Fidelity responded swiftly last month to the SEC lifting its almost three-year-long moratorium on this hybrid version of ETFs. In lifting its ban, the SEC is allowing the use of derivatives in these products, providing that a fund's board is periodically apprised of their use and their risks.

Actively run ETFs can be traded throughout the day on exchanges (just like passive ETFs), but their manag-

ers may deviate away from a specified index just like standard funds.

A more intriguing aspect of Fidelity's likely new product line is that they will use a so-called master-feeder structure — a pool of money from different "feeders," or investor groups. The idea is to reduce costs via scale and operating efficiencies. ■

DIVIDEND UPDATE

In addition to the funds that pay regular monthly dividends (such as bonds), funds scheduled to pay a dividend and/or capital gain distribution (if any) in January 2013 are: *130/30 Large Cap, Convert Secs, CT Muni Inc, Equity Div Inc, Growth Co, Growth Strategies, Independence, Muni Inc, Nasdaq Comp Index, NJ Muni Inc, New Millennium, Stock Selector Mid Cap, Strategic Dividend & Income.* ■

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