

Jack
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Fidelity

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Monitor™

Going For Large-Cap Growth

The combination of a weak dollar and rising foreign incomes is boosting demand for American capital goods and technology-oriented products. The resulting export boom is boosting corporate revenue, especially in the large-cap growth corner of the stylebox – where a large share of earnings come from overseas sales.

The housing situation and the rising price of oil may continue to weigh on the domestic economy. But for many growth companies, rising foreign demand is more than enough to offset lackluster

LARGE-CAP GROWTH - *Continued on page 2*

Changes For Growth & Income Model, VIP Growth & Income, Select System, VIP Sector Model, Unique Opportunities

The following model switches will take place on 10/22. Our trading date is later in the month so that taxable sales of **Int'l Value** will qualify for long term capital gains.

Our Growth and Income Model will be selling **Equity-Income** (23/FEQIX) and using the proceeds to buy **Convertible Securities** (308/FCV SX), for a resulting mix of 20% **Asset Manager 20%**, 22% **Puritan**, 36% **Balanced**, and 22% **Convertible Securities**.

Our VIP Growth and Income Model will sell **VIP Equity-Income** and **VIP Freedom Income**, and use the proceeds to buy **VIP Asset Manager**.

Our Select System will sell **Medical Delivery** (505/FSHCX) and buy **Medical Equipment & Systems** (354/FSMEX). In addition, we'll sell one-sixth of **Telecom** (96/FSTCX) and buy **Natural Resources** (514/FNARX). The resulting mix will be roughly 15% **Medical Equipment**, 16% **Computers**, 19% **Consumer Staples**, 16% **Natural Resources**, 18% **Wireless**, and 16% **Telecom**.

Our VIP Sector Model will rebalance by selling one-eighth of **VIP Telecom** and buying **VIP Energy**.

Our Unique Opportunities Model will sell **Int'l Value** (1597/FIVLX) and buy **Independence** (73/FDFFX), for a mix of 18% **Indust. Equipment**, 20% **Independence**, 36% **Leveraged Company Stock**, and 26% **Trend**.

Review & Recommendations

A half-point cut in short-term interest rates worked wonders. The Fed's surprise easing move raised the value of the stock market, while putting significant downward pressure on the dollar (a weak greenback should boost the earnings of U.S. multinationals and rev up domestic exports). This may add to inflationary pressures, but the Fed is betting that housing forces are deflationary enough that surging food and energy prices won't turn into a bigger problem. The S&P 500 finished September with a gain of 3.7%.

GROWTH FUNDS

Growth Model holdings are listed on page 7. Our favorite growth funds include **Spartan 500 Index**, **Trend**, **Growth Discovery**, **Value Discovery**, **Large Cap Stock**, and **Leveraged Company Stock**.

The best performers were large-cap funds with emphasis on energy and technology. **Independence** jumped 9.1%, **Growth Discovery** gained 7.1%, and **Growth Company** moved up 7.0%. Funds focusing on value and small-caps trailed behind. **Small Cap Stock** returned 1.9%, **Dividend Growth** rose 1.8%, and **Small Cap Value** edged up 1.1%.

INTERNATIONAL FUNDS

Canada is a good choice for commodity exposure, or as a lower-risk alternative to emerging markets. Despite robust gains in emerging market funds, we continue to recommend selling them down to 5% (or less) of overall holdings.

China Region climbed 17.2%, **Latin America** jumped 13.0%, **Southeast Asia** was up 12.5%, **Emerging Markets** gained 11.5%, and **Nordic** returned 9.4%. The weak dollar held back **Japan** and **Japan Smaller Companies** – the funds logged increases of 2.6% and 1.9%, respectively.

GROWTH & INCOME FUNDS

Growth and Income Model holdings are listed on page 7. Our favorites include **Balanced**, **Conv. Securities**, **Equity-Income**, and **Puritan**. For greater emphasis on income, consider **Asset Manager 20%**.

Fidelity Fund gained 6.3%. **Convertible Securities** and **Growth & Income II** were both up 5.0%. **Puritan** and **Equity-Income** were weighed

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LARGE-CAP GROWTH - Continued from page 1

U.S. sales. The trend is driven by a significant shift in international trade dynamics: for the first time in two decades, the rest of the world needs more of our stuff as opposed to the other way around.

Oil, of course, remains an exception. But exports now have enough momentum that the trade deficit can shrink even if oil prices climb higher. That's because the U.S. economy has a strong competitive advantage in many things that are technology-driven, and we're entering an era where other countries can afford to spend as much as we do for the things that define a high standard of living.

So, whether it's chips, software, servers, media, advanced drugs, medical equipment, low-pollution electricity, jet aircraft, or high-productivity agriculture, the U.S. is the place to go. Increasingly, the rest of the world will be placing their orders.

With that in mind, it may not be a bad time to sell some international stock holdings and rotate into domestic large-cap growth. Foreign stocks have been increasing in value as the dollar weakens, but that process can only go so far. As U.S. corporate earnings grow at the expense of foreign competitors, eventually there will be a drag on foreign economies and on foreign stock valuations.

This month we're reviewing our favorite Fidelity funds in the large-cap growth corner of the stylebox. Fidelity is often at its best when it comes to picking growth stocks, so funds like these often turn out to be excellent long-term performers. Furthermore, because most of them have significant holdings of foreign stocks, there should be no major concern with selling international and buying domestic. Such a move doesn't take foreign stocks out of your portfolio, it just reduces the overall weighting.

YEAR-TO-DATE STYLEBOX RETURNS			
	Value	Blend	Growth
Large	+5.6%	+9.3%	+12.7%
Mid	+4.8%	+9.5%	+13.4%
Small	-2.7%	+3.2%	+9.4%

Source:
Russell.com
U.S. Indexes
9/28/07

BLUE CHIP GROWTH

Jennifer Uhrig took over this fund in November of 2006. **Blue Chip's** performance has been weak over the last five years, mostly because many big name stocks were laggards, but also because the fund maintained a heavy health care position when the sector was struggling. Neither factor should be a problem going forward. Currently the fund has 33% in technology stocks, and 14% in health care. It's underweighted in energy (6%), but does carry a sizable position in consumer staples (12%), a sector that stands up well to rising energy prices. The fund's overall volatility is similar to the S&P 500. Foreign holdings account for 14% of assets.

CAPITAL APPRECIATION

This fund represents a heavy bet on industrial stocks, which account for 30% of its portfolio. Tech and health care are underweighted at 8-9% each. In effect, this is a growth fund that focuses mainly on value-oriented industry groups. As a result, it's behavior is quite different compared with other funds in this group. Manager Fergus Shiel has done well considering investor fears of a U.S. recession. The fund's energy position is underweighted at 5%, but its industrial position includes chemicals and transportation, two groups that tend to track energy stocks over time. **Capital Appreciation** is currently 15-20% more volatile than the S&P 500, and has a foreign stock weighting of 25%. Its insurance annuity twin is **VIP Dynamic Capital Appreciation**.

EXPORT & MULTINATIONAL

We sold this fund out of our Growth Model in early 2006 because too much of its focus was on foreign export companies and financial stocks. That may still be the case, but lately the financial stock position is giving way to greater emphasis on tech stocks. Other positives include an overweighted energy position, and a risk score that's come down close to S&P 500 levels. Manager Victor Thay holds 25% technology stocks, 19% financial stocks, 17% energy, and 10% health care. Foreign stocks, at 29%, represent a heavy bet on international markets.

GROWTH COMPANY

Long-time manager Steven Wymer has done well with this fund, despite its rather large size. Over the last five years it has outperformed 90% of its industry peers. **Growth Company** is currently closed to new accounts, but existing shareholders can add to their accounts, and the fund is still available in some 401(k) plans. With 38% in technology and

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26% in health care, nearly two-thirds of assets are invested in the classic growth stock sectors. That makes for elevated risk, but not as much as might be expected – overall the fund is just 10% more volatile than the S&P 500. Foreign holdings account for 17% of assets.

GROWTH DISCOVERY

Back in its early years, this fund was known as Contrafund II. After this year's transformation by new manager Jason Weiner, it could easily be called Growth Company II. **Growth Discovery** competes with the Russell 3000 Growth Index, just like **Growth Company**, and it emphasizes the tech sector in similar fashion, holding a heavy 42% of assets in the group. But there are some important differences between the two. **Growth Discovery** has only 14% in health care stocks, about half **Growth Company's** exposure. And its foreign weighting is a quarter of its portfolio, significantly higher than **Growth Company**. Most importantly, the fund is far smaller, allowing it to take advantage of new opportunities that come along. **Growth Discovery's** overall volatility is comparable to the S&P 500 index. Its insurance annuity clone is **VIP Growth**.

INDEPENDENCE

Robert Bertelson took the reins to this fund last November, and repositioned it with a heavy emphasis on energy (21%), technology (16%), industrials (14%), and materials (11%). In effect, the fund has a natural resources bias but invests mostly in growth stocks. In that respect it's positioned similarly to **Leveraged Company Stock**, except its focus is more on large-cap stocks. **Independence** was designed with retirement accounts in mind, and makes no effort to minimize payouts or to maximize long-term capital gains. That hasn't been a problem in recent years, because carryforward losses have eliminated capital gain distributions. But at some point, sizable payouts could return, although probably not before the end of 2008. In the meantime, the fund offers a way to hedge against inflation while remaining fully invested.

LARGE CAP STOCK

In this fund, manager Matthew Fruhan tends to stick fairly close to the industry mix of the S&P 500. Top sector holdings include 21% in financial services, 18% in technology, 18% in industrials, and 13% in health care. Although the fund is currently in the large-cap growth corner of the stylebox, it isn't heavily biased toward growth – its positions in

technology and health care are just slightly greater than the S&P 500. **Large-Cap Stock** hasn't delivered the best long-term returns, but it has managed to outperform the S&P 500 since Fruhan took over mid-2005. With risk similar to the S&P 500, it makes for a lower-minimum alternative to **Spartan 500 Index** – if you don't mind the higher expense ratio (0.8%) of an actively managed fund. **Large Cap Stock** currently has foreign exposure of 17%.

TREND

Jeffery Feingold took over this fund in February, and has reshaped it in a way that adheres closely to the sector mix of the Russell 1000 Growth Index. With a mix of 32% technology, 16% health care, 13% industrial, and 10% consumer discretionary, **Trend** has a well-balanced blend of growth industries. And because foreign stocks account for just 15% of assets, it's one of the few funds in this group that isn't affected much by foreign markets. Feingold's stock picks performed well during the recent credit crunch. Overall, the fund has only 5-10% more risk than the S&P 500 – low for a fund that holds only 95 stocks. Even though **Trend** has been around for almost 50 years, it's still relatively small by Fidelity standards, meaning that Feingold can take advantage of any new opportunities that emerge. **Trend's** close cousin on the insurance side is **VIP Growth Stock**. ■

Question & Answer Forum

Your energy update was interesting, but you didn't mention what I think is the only viable long-term solution - nuclear power.

Perhaps in 75 years, the U.S. transportation system will run on nuclear and renewable electricity. But over the next 25 years, the growth of nuclear power will likely be constrained by limitations in the uranium supply chain. Yellowcake, the unrefined commodity used to make uranium-enriched fuel rods, is in such short supply that its price has risen by a factor of 10 over the last four years.

The amount of yellowcake required to sustain the world's 437 reactors exceeds the output of the world's uranium mines by roughly a third. For the last dozen years or so, the supply gap has been filled by uranium from recycled Russian warheads, but that source is expected to run dry within five years. The impending fuel squeeze dwarfs anything happening in the fossil fuel arena. It might even be so acute that most of the nuclear waste awaiting

QUESTION & ANSWER FORUM - *Continued on page 8*

GUIDE TO FIGURES LISTED ON PAGES 4 AND 5

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

SEPTEMBER PERFORMANCE						2007	One	Three	One	3-Yr	5-Yr	10-Yr
Fund Name (Code/Symbol)	Rating	Risk	Fee	NAV	Size	YTD	Mth	Mth	Year	Rate	Rate	Rate
Aggressive Gth (324/FDEGX)	H***	1.23	1.5(90)	23.67	3778.7	22.1	6.1	7.3	34.2	16.2	20.6	2.8
Blue Chip Gth (312/FBGRX)	B****	0.97	none	45.64	18505.4	12.6	4.6	5.1	17.2	10.2	11.8	4.4
Blue Chip Value (1271/FBCVX)	H***	1.05	none	15.55	727.7	9.5	4.1	0.2	17.8	15.3		
Capital Apprec (307/FDCAX)	B****	1.18	none	30.73	9223.2	13.4	5.0	3.1	21.5	14.8	20.5	8.5
Contrafund (22/FCNTX)	H***	0.96	Closed	75.42	73718.5	16.8	6.1	7.2	24.4	18.2	17.7	10.3
Growth Discovery (339/FDSVX)	B****	0.99	none	15.83	752.8	23.4	7.1	10.4	29.5	16.3	15.9	
Disc Equity (315/FDEQX)	H***	1.06	none	32.07	10173.3	10.5	4.3	1.0	18.2	15.5	15.6	7.4
Dividend Gth (330/FDGFY)	H***	0.89	none	32.02	16479.7	7.3	1.8	0.1	13.6	11.5	12.9	7.9
Export Fund (332/FEXPX)	B****↑	1.07	0.75(30)	26.40	4281.7	14.9	6.2	4.6	21.5	16.4	19.7	11.4
Fidelity Fifty (500/FFTYX)	H***	1.09	none	24.10	1564.1	18.1	4.6	4.8	27.6	17.4	16.1	9.8
Focused Stock (333/FTQGX)	H***	1.19	none	14.58	72.2	16.6	6.7	5.3	21.5	17.1	16.5	4.0
Growth Company (25/FDGRX)	B****↑	1.08	Closed	82.88	33467.9	18.9	7.0	9.0	29.0	18.9	21.2	9.2
Independence (73/FDFFX)	B****	1.23	none	27.23	4965.7	24.0	9.1	9.3	32.3	19.6	18.6	9.6
Lg Cap Core En Idx (1827/FLCEX)	H***	1.0 Est	none	10.43	39.3		3.9	1.5				
Lg Cap Gth En Idx (1829/FLGEX)	H***	1.0 Est	none	10.54	30.4		3.6	2.2				
Large Cap Growth (763/FSLGX)	H***	1.19	none	11.88	171.7	3.2	3.2	0.3	11.3	11.9	13.8	
Large-Cap Stock (338/FLCSX)	B****	1.00	none	20.06	1078.0	14.8	5.2	3.6	22.7	15.1	14.4	6.0
Lg Cap Val En Idx (1828/FLVEX)	H***	1.0 Est	none	10.13	25.5		3.6	-0.7				
Large Cap Value (708/FSLVX)	H***	1.10	none	15.84	1631.8	8.0	4.0	0.3	15.6	15.4	17.5	
Lev Co Stock (122/FLVCX)	B****	1.20	1.5(90)	33.47	7576.3	20.6	5.2	0.3	30.6	24.5	39.0	
Low-Priced Stock (316/FLPSX)	H***	0.98	Closed	44.04	38090.2	6.3	2.7	-2.6	16.7	15.7	19.9	13.3
Magellan (21/FMAGX)	H***	1.13	Closed	98.94	42899.7	16.9	6.2	5.5	22.8	13.0	14.0	6.1
Mid Cap Growth (793/FSMGX)	H***	1.30	0.75(30)	14.55	409.5	4.2	2.6	-1.0	13.2	13.5	17.2	
Mid Cap Stock (337/FMCSX)	H***	1.13	Closed	31.84	15401.7	14.6	3.5	-0.2	20.2	19.3	19.1	11.6
Mid Cap Value (762/FSMVX)	H***	1.20	0.75(30)	17.52	938.0	7.2	3.2	-3.6	14.4	16.3	18.8	
New Millennium (300/FMILX)	B****	1.12	none	33.36	2199.9	15.4	5.2	4.5	24.7	16.8	17.3	12.0
OTC Portfolio (93/FOCPX)	H***	1.19	none	51.12	8800.3	23.6	6.4	11.0	33.4	19.2	18.7	7.1
Small Cap Gth (1388/FCPGX)	H***	1.15	1.5(90)	15.69	1153.4	16.1	2.6	-0.3	26.0			
Small Cap Indep (336/FDSCX)	H***	1.16	1.5(90)	23.52	2513.7	11.7	2.9	-2.7	24.9	17.2	16.2	7.5
Small Cap Stock (340/FSLCX)	H***	1.02	Closed	19.75	4862.4	11.4	1.9	-0.7	19.0	14.9	19.1	
Small Cap Value (1389/FCPVX)	H***	1.22	1.5(90)	14.22	1217.3	4.5	1.1	-5.4	13.9			
Stock Selector (320/FDSSX)	H***	0.97	none	31.50	871.3	13.2	4.9	4.7	19.6	15.2	16.2	5.9
Tax Mgd Stock (343/FTXMX)	B****	1.08	1(730)	16.05	89.3	13.6	3.0	0.1	22.1	17.4	17.3	
Trend (5/FTRNX)	B****	1.08	none	73.95	1020.5	15.2	6.1	7.2	22.1	15.2	16.7	4.8
Value (39/FDVLX)	B****	1.03	none	88.37	22026.6	9.6	2.3	-1.6	17.5	17.1	20.8	10.4
Value Discovery (832/FVDFX)	B****	1.06	none	18.96	1235.7	13.3	4.2	1.9	20.5	19.9		
Value Strategies (14/FSLSX)	H***	1.12	none	35.48	662.2	12.1	2.9	-3.0	22.3	15.9	21.2	
GROWTH & INCOME FUNDS:												
Balanced (304/FBALX)	B****	0.71	none	21.30	26175.8	10.6	3.1	2.0	16.4	14.0	15.8	9.8
Convertible Sec (308/FCVXS)	B****	0.86	none	29.60	2649.5	17.8	5.0	1.9	27.4	15.9	16.8	11.6
Equity-Income (23/FEQIX)	B****	1.00	none	61.73	32036.0	8.0	2.6	-0.4	16.0	14.3	16.7	7.6
Equity-Income II (319/FEQTX)	B****	1.01	none	25.24	10835.2	9.0	3.4	1.2	16.0	12.3	15.8	7.8
Fidelity Fund (3/FFIDX)	H***	1.00	none	40.44	7209.6	13.9	6.3	4.5	20.6	14.4	15.5	7.1
Growth & Income (27/FGRIX)	H***	1.02	none	30.19	22346.4	6.4	3.2	-0.5	13.6	9.3	10.8	5.4
Growth & Inc II (361/FGRTX)	H***	0.97	none	12.00	203.6	13.1	5.0	4.7	19.6	13.7	14.0	
Puritan (4/FPURX)	B****	0.66	none	21.16	25723.1	7.4	3.0	1.4	13.4	11.2	13.0	7.6
Strategic Div & Inc (1329/FSDIX)	B****	0.84	none	13.95	1235.1	8.4	3.3	0.9	14.8	13.9		
Utilities (311/FUIX)	H***	1.13	none	21.07	1516.9	12.5	3.5	-0.4	23.0	22.0	22.3	7.9
SELECT FUNDS:												
Air Transportation (34/FSAIX)	H***	1.36	0.75(30)	53.13	71.0	12.2	3.8	5.5	26.0	22.8	22.1	13.4
Automotive (502/FAVX)	H***	1.35	0.75(30)	44.17	50.9	14.3	5.9	-4.0	26.2	12.8	14.7	6.0
Banking (507/FSRBX)	S**	1.25	0.75(30)	30.97	288.8	-6.1	-0.2	-3.9	-2.4	4.7	9.8	6.4
Biotechnology (42/FBIOX)	H***	1.16	0.75(30)	70.32	1236.6	-8.3	6.3	8.9	15.7	8.6	14.7	9.1
Brokerage (68/FSLBX)	S**	1.53	0.75(30)	71.47	858.9	-0.4	7.3	-3.8	6.3	22.4	22.1	12.9
IT Ser / Bus Ser (353/FBSOX)	H***	1.15	0.75(30)	17.90	55.3	10.2	3.6	-5.3	22.3	14.6	17.2	
Chemicals (69/FSCHX)	B****	1.16	0.75(30)	84.58	188.5	27.5	7.2	8.5	39.4	19.8	23.0	10.6
Computers (7/FDCPX)	B****	1.20	0.75(30)	47.69	556.6	20.8	3.6	9.0	31.1	17.1	20.1	5.4
Const & Housing (511/FSHOX)	S**	1.45	0.75(30)	41.12	102.5	-6.8	-4.1	-9.7	4.4	7.7	16.8	9.9
Consumer Disc (517/FSCPX)	S**	1.19	0.75(30)	25.22	32.0	0.9	0.0	-4.5	6.2	10.1	10.0	5.5
Industrial / Cyc Ind (515/FCYIX)	H***	1.12	0.75(30)	23.57	113.5	19.4	4.9	5.1	27.3	19.6	22.8	10.6
Defense & Aero (67/FSDAX)	H***	1.12	0.75(30)	95.92	1361.1	23.2	7.0	10.8	35.4	23.6	23.1	13.0
Com Equip / DevC (518/FSDCX)	H***	1.35	0.75(30)	24.50	317.8	19.7	5.9	5.8	21.0	15.2	23.5	6.5
Electronics (8/FSELX)	H***	1.41	0.75(30)	50.78	1824.0	15.9	2.4	2.7	20.2	15.6	18.9	5.7
Energy (60/FSENX)	B****↑	1.72	0.75(30)	64.07	2643.9	33.4	8.5	8.6	46.0	35.1	31.8	15.0
Energy Services (43/FSESX)	B****	1.96	0.75(30)	100.67	2020.8	52.9	9.1	17.2	65.9	38.8	33.2	13.3
Environmental (516/FSLEX)	S**	1.10	0.75(30)	19.02	40.6	10.1	6.6	4.9	15.7	13.9	14.5	1.1
Financial Services (66/FIDSX)	S**	1.24	0.75(30)	114.69	443.4	-2.2	3.2	-3.0	3.7	10.0	13.7	8.6
Con Stap / Food Ag (9/FDFAX)	B****	0.76	0.75(30)	66.34	454.1	17.3	5.5	8.5	23.1	19.4	15.1	8.9
Gold (41/FSAGX)	H***	1.87	0.75(30)	42.43	1252.2	21.9	24.6	24.9	37.0	29.4	23.3	11.2
Health Care (63/FSPHX)	H***	0.88	0.75(30)	134.42	2055.0	11.3	4.6	3.6	13.4	13.2	12.4	8.8
Home Finance (98/FSVLX)	S**	1.57	0.75(30)	40.17	192.5	-17.1	-0.1	-13.6	-12.7	-2.9	7.3	4.2
Indust Equip (510/FSCHX)	B****	1.09	0.75(30)	37.48	187.4	23.0	6.4	7.0	32.1	20.0	21.6	8.2
Materials / Ind Mat (509/FSDPX)	H***	1.33	0.75(30)	59.92	334.4	28.1	8.6	7.1	42.9	23.6	27.8	11.0
Insurance (45/FSPCX)	H***	1.07	0.75(30)	72.88	239.8	2.8	5.0	-1.1	9.5	11.9	14.6	11.9
Leisure (62/FDLSX)	H***	1.08	0.75(30)	83.49	241.3	8.2	4.8	2.8	21.2	14.1	18.1	10.2
Medical Delivery (505/FSHCX)	H***	0.97	0.75(30)	51.84	639.7	9.0	1.8	-0.7	12.0	21.5	15.8	9.6
Medical Equip/Sys (354/FSMEX)	B****	0.86	0.75(30)	26.48	928.5	18.1	5.8	9.5	23.2	12.4	16.8	
Multimedia (503/FBMPX)	H***	1.01	0.75(30)	43.98	78.9	-1.0	0.7	-5.9	11.5	11.0	16.4	9.4
Natural Gas (513/FSNGX)	H***	1.77	0.75(30)	46.11	1187.6	27.3	9.2	2.1	37.7	27.8	29.8	15.5
Nat Resources (514/FNARX)	B****	1.65	0.75(30)	37.48	1603.9	37.3	9.9	9.4	53.3	35.7	32.5	14.7
Networking (912/FNINX)	H***	1.32	0.75(30)	2.74	69.9	10.9	4.2	3.8	17.6	12.4	18.0	
Paper & Forest (506/FSPEX)	H***	1.17	0.75(30)	33.99	36.0	5.0	1.8	-6.4	16.6	3.9	9.0	4.5
Pharmaceuticals (580/FPHAX)	H***	0.96	0.75(30)	11.76	209.8	11.2	3.2	0.5	12.5	14.2	13.3	
Retailing (46/FSRPX)	S**	1.35	0.75(30)	50.64	63.3	0.2	-2.2	-6.5	5.1	11.0	13.7	7.9
Software (28/FSCHX)	H***	1.12	0.75(30)	74.16	799.8	13.1	6.2	5.1	23.0	19.1	22.0	12.0
Technology (64/FSPTX)	H***	1.25	0.75(30)	83.43	1869.9	22.9	6.8	8.1	31.9	17.7	21.8	7.5
Telecom (96/FSTCX)	B****	1.20	0.75(30)	59.49	656.8	22.8	5.4	3.8	31.5	22.4	27.0	6.0
Transportation (512/FSRFX)	H***	1.40	0.75(30)	53.46	91.0	7.2	-0.1	-2.9	13.7	15.6	20.1	11.0
Utilities Growth (65/FSUTX)	H***	1.27	0.75(30)	61.36	731.0	11.0	4.1	0.4	21.0	20.8	22.6	8.6
Wireless (963/FWRLX)	B****	1.29	0.75(30)	9.70	578.1	38.6	9.2	13.7	48.1	26.2	34.8	

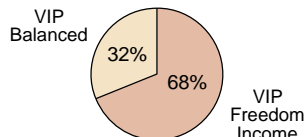
SEPTEMBER PERFORMANCE						30-day	2007	One	Three	One	3-Yr	5-Yr
Fund Name (Code/Symbol)	Rating	Risk	Fee	NAV	Size	Yield	YTD	Mth	Mth	Year	Rate	Rate
Aggressive Int'l (335/FIVFX)	H***	0.95	1 (30)	18.65	700.0		11.5	5.2	0.1	23.1	18.6	19.4
Canada (309/FICDX)	B****	1.18	1.5(90)	63.99	4009.8		32.6	9.0	9.5	38.9	30.0	31.1
China Region (352/FHCCX)	S**	1.42	1.5(90)	36.71	1147.9		49.7	17.2	31.1	67.5	34.6	29.8
Diversified Int'l (325/FDIVX)	H***	1.04	Closed	43.05	52332.9		16.5	6.8	4.8	27.9	24.0	24.8
Emerging Mkts (322/FEMKX)	S**	1.50	1.5(90)	33.20	4731.3		36.1	11.5	13.6	60.3	45.9	39.0
Europe (301/FIEUX)	H***	1.16	1 (30)	44.55	4775.8		13.2	6.8	3.1	25.0	25.9	29.3
Europe Cap Appr (341/FECAV)	H***	1.11	1 (30)	31.24	1277.9		14.5	7.4	4.3	28.2	27.5	24.8
Global Balanced (334/FGBLX)	B****	0.62	1 (30)	24.33	315.9		12.5	5.3	5.6	19.5	16.0	16.2
Int'l Discovery (305/FIGRX)	H***	1.08	1 (30)	44.84	11947.9		18.2	7.4	5.7	31.5	26.7	25.6
Int'l Small Cap (818/FISMX)	H***	1.06	Closed	29.35	1516.8		17.7	6.0	-0.6	28.6	26.9	35.0
Int'l Small Cap Opp (1504/FSCOX)	H***	1.30	2 (90)	17.97	1385.6		13.8	6.3	0.3	31.3		
Int'l Value (1597/FIVLX)	H***	1.09	1 (30)	12.63	427.2		13.3	6.0	2.5	24.7		
Japan (350/FJPNX)	H***	1.23	1.5(90)	17.87	1724.1		4.7	2.6	-0.6	8.4	16.6	15.8
Japan Smaller Co (360/FJSCX)	H***	1.23	Closed	12.34	807.1		-3.8	1.9	-1.6	-4.8	5.8	13.6
Latin America (349/FLATX)	S**	2.06	1.5(90)	61.20	4808.7		36.8	13.0	10.5	64.0	55.3	53.8
Nordic (342/FNORX)	H***	1.46	1.5(90)	50.68	812.3		26.7	9.4	7.9	50.3	33.8	32.6
Overseas (94/FOSFX)	H***	1.17	1 (30)	54.38	8674.3		21.4	8.4	7.2	34.3	25.8	24.3
Pacific Basin (302/FPBFX)	H***	1.22	1.5(90)	34.10	1162.1		24.8	7.9	6.1	39.6	29.9	24.5
Southeast Asia (351/FSEAX)	S**	1.53	1.5(90)	43.61	4129.3		58.6	12.5	23.2	86.9	48.4	38.5
Worldwide (318/FWWFX)	H***	1.06	1 (30)	23.66	1430.0		17.7	6.5	5.4	28.6	20.7	20.8
INDEX AND ASSET ALLOCATION:												
Four-In-One Index (355/FFNOX)	H***	0.83	none	32.00	1944.3		8.8	3.4	1.7	16.1	13.6	15.5
NASDAQ Comp (1282/FNCMX)	H***	1.11	0.75(90)	36.40	182.2		12.4	4.0	3.9	20.3	13.0	
Spart Ext Mkt Idx (398/FSMXX)	H***	1.07	0.75(90)	41.15	2297.2		8.9	3.0	-0.6	18.7	16.2	19.7
Spart Int'l Index (399/FSIIX)	H***	1.03	1(90)	49.86	4358.0		13.2	5.5	2.3	25.0	23.1	23.4
Spart 500 Index (317/FSMKX)	B****	1.00	none	106.31	8224.6		9.1	3.7	2.0	16.4	13.1	15.3
Spart Total Mkt Idx (397/FSTMX)	H***	1.01	0.5(90)	43.07	4548.6		9.1	3.6	1.5	17.0	14.0	16.3
Asset Mgr 50% (314/FASMX)	B****	0.50	none	17.10	8787.1		7.6	2.9	2.1	12.0	8.9	10.1
Asset Mgr 85% (347/FAMRX)	B****	0.83	none	14.81	543.7		10.9	4.2	2.1	17.8	13.9	17.9
Asset Mgr 70% (321/FASGX)	B****	0.68	none	17.78	3162.1		9.4	3.6	2.1	15.1	10.4	12.1
Asset Mgr 20% (328/FASIX)	B****	0.21	none	12.90	2455.6		4.7	1.5	1.6	7.2	7.6	8.5
Freedom 2000 (370/FFFBX)	B****	0.30	none	12.89	1732.0		5.4	1.9	1.4	8.5	6.4	6.5
Freedom 2005 (1312/FFVFX)	B****	0.51	none	12.26	981.8		7.9	2.9	2.1	12.7	9.5	
Freedom 2010 (371/FFFCX)	B****	0.53	none	15.41	13946.1		8.1	3.1	2.1	13.0	9.8	10.4
Freedom 2015 (1313/FFVFX)	B****	0.59	none	12.96	6073.4		8.7	3.2	2.1	14.1	11.1	
Freedom 2020 (372/FFFDX)	B****	0.71	none	16.54	19948.8		9.8	3.7	2.3	16.2	12.6	13.9
Freedom 2025 (1314/FFTWX)	B****	0.73	none	13.72	5431.3		10.1	3.7	2.2	16.6	13.2	
Freedom 2030 (373/FFEX)	B****	0.85	none	17.25	13324.8		11.2	4.1	2.4	18.5	14.3	15.7
Freedom 2035 (1315/FFTHX)	B****	0.85	none	14.30	3212.1		11.3	4.2	2.4	18.6	14.6	
Freedom 2040 (718/FFFFX)	B****	0.88	none	10.22	6794.8		11.4	4.2	2.3	19.0	15.0	16.7
Freedom 2045 (1617/FFFGX)	B****	0.90	none	11.87	350.6		11.8	4.4	2.6	19.7		
Freedom 2050 (1618/FFHHX)	B****	0.92	none	11.92	327.7		12.1	4.5	2.7	20.2		
Freedom Income (369/FFFAV)	B****	0.25	none	11.70	2468.0		4.7	1.6	1.3	7.3	5.8	5.6
Real Estate Income (833/FRIFX)	S**	0.41	0.75(90)	10.83	476.0		-3.9	1.8	-4.4	-0.1	5.4	
Real Estate (303/FRESX)	S**	1.66	0.75(90)	31.09	5890.5		-7.2	3.6	0.6	1.4	18.2	20.9
Int'l Real Estate (1368/FIGRX)	S**	1.29	1.5(90)	15.86	961.5		2.2	6.7	4.1	21.5	25.9	
TAXABLE BOND FUNDS:												
Capital & Income (38/FAGIX)	S**	0.32	1(90)	8.94	9175.7	6.51	5.0	2.8	-0.5	10.6	10.1	17.1
Floating Rate (814/FFRHX)	S**	0.12	1(60)	9.73	2617.8	7.29	2.7	2.0	-0.3	4.7	4.9	
Focused High Inc (1366/FFHFX)	S**	0.19	1(90)	10.00	55.0	6.95	2.6	2.2	0.9	6.3		
GNMA Portfolio (15/FGMNX)	H***	0.23	none	10.74	3175.2	4.95	3.5	0.7	2.7	5.1	3.8	3.6
Gov't Income (54/FGOVX)	H***	0.23	none	10.13	6206.3	4.51	4.3	0.7	3.3	5.2	3.7	3.3
High Income (455/SPHIX)	S**	0.21	1(90)	8.87	4905.6	7.69	3.2	2.5	0.6	7.5	7.5	12.1
Inflation-Protected (794/FINPX)	H***	0.36	none	10.95	1222.0	2.49	4.9	1.3	3.6	3.6	3.3	4.7
Intermed Bond (32/FTHRXX)	H***	0.19	none	10.16	8263.6	5.02	2.6	0.8	1.4	3.7	3.0	3.7
Intermed Gov't Inc (452/FSTGX)	H***	0.20	none	10.09	721.2	4.44	4.5	0.7	3.1	5.4	3.3	3.0
Invest Grade Bond (26/FBNDX)	H***	0.23	none	7.22	11685.2	5.33	1.6	1.0	1.0	3.0	3.4	4.2
Mortgage Securities (40/FMSFX)	H***	0.23	none	10.64	1440.9	5.40	0.1	0.9	0.5	1.5	2.8	3.4
New Markets Inc (331/FNMIX)	S**	0.28	1(90)	14.66	2093.3	6.37	3.5	2.9	2.2	7.6	11.0	16.6
Short-Term Bond (450/FSHXX)	S**	0.11	none	8.70	7311.0	5.13	1.6	0.9	0.2	2.8	2.9	3.1
Spart Intermed Tr Idx (1561/FIBIX)	H***	0.34	none	10.05	709.2	4.31	5.1	0.4	4.5	5.7		
Spart L-Term Tr Idx (1562/FLBIX)	H***	0.52	none	9.81	20.8	4.68	3.8	0.3	4.9	4.2		
Spart S-Term Tr Idx (1563/FSBIX)	H***	0.15	none	10.14	67.1	3.93	4.9	0.7	3.1	5.8		
Strategic Income (368/FSICX)	S**	0.16	none	10.61	4873.3	5.90	4.1	2.1	2.3	6.9	6.9	9.8
Strategic Real Rtn (1505/FSRRX)	H***	0.35	0.75(60)	10.26	4027.6	4.71	3.5	3.5	1.5	5.9		
Total Bond (820/FTBFX)	H***	0.21	none	10.32	6393.5	5.24	2.5	0.9	1.7	3.9	3.9	
Ultra-Short Bond (812/FUSFX)	S**	0.15	0.25(60)	9.53	776.0	5.92	-1.0	0.9	-2.8	0.2	2.4	2.1
US Bond Index (651/FBIDX)	H***	0.23	none	10.80	7625.3	5.10	3.1	0.8	2.1	4.2	3.6	4.2
MUNICIPAL BOND FUNDS:												
AZ Municipal Inc (434/FAZAX)	H***	0.18	0.5(30)	11.25	128.9	3.73	1.5	1.4	1.7	2.5	3.2	3.5
CA Municipal Inc (91/FCTFX)	H***	0.17	0.5(30)	12.18	1541.2	3.80	1.8	1.4	1.8	2.8	3.8	3.8
CA Short-Int TF (1534/FCSTX)	B****	0.09	0.5(30)	10.08	113.9	3.34	2.7	0.8	1.8	3.3		
CT Municipal Inc (407/FICNX)	H***	0.16	0.5(30)	11.25	431.7	3.57	2.2	1.2	2.3	3.1	3.1	3.3
FL Municipal Inc (427/FFLIX)	H***	0.14	0.5(30)	11.31	385.9	3.82	1.9	1.2	1.8	2.9	3.4	3.6
Intermediate Muni (36/FLTMX)	H***	0.13	0.5(30)	9.91	1940.1	3.66	2.4	1.0	2.1	3.3	3.3	3.6
MA Municipal Inc (70/FDMMX)	H***	0.18	0.5(30)	11.76	1820.1	3.86	1.8	1.4	1.9	3.0	3.8	3.9
MD Municipal Inc (429/SMDMX)	H***	0.17	0.5(30)	10.75	131.4	3.66	1.8	1.3	2.0	2.6	3.2	3.5
MI Municipal Inc (81/FMHTX)	H***	0.15	0.5(30)	11.71	571.5	3.67	2.1	1.2	2.0	3.1	3.4	3.7
MN Municipal Inc (82/FMIX)	H***	0.14	0.5(30)	11.23	340.1	3.72	1.8	1.2	1.7	2.8	3.2	3.6
Municipal Income (37/FFHGX)	H***	0.17	0.5(30)	12.59	4666.4	3.84	1.7	1.4	1.8	2.9	3.8	4.1
NJ Municipal Inc (416/FNJHX)	H***	0.17	0.5(30)	11.42	583.1	3.66	2.0	1.4	2.2	3.1	3.8	3.8
NY Municipal Inc (71/FTFMX)	H***	0.17	0.5(30)	12.64	1406.4	3.73	1.7	1.3	1.9	2.8	3.5	3.8
OH Municipal Inc (88/FOHFX)	H***	0.17	0.5(30)	11.45	413.8	3.64	1.8	1.4	2.1	3.0	3.5	3.8
PA Municipal Inc (402/FPXTX)	H***	0.14	0.5(30)	10.69	304.4	3.60	2.3	1.2	2.0	3.2	3.5	3.7
Short-Int Municipal (404/FSTFX)	B****	0.08	0.5(30)	10.23	1581.2	3.29	2.8	0.6	1.8	3.4	2.4	2.5
Tax-Free Bond (90/FTABX)	H***	0.17	0.5(30)	10.67	740.2	3.85	1.9	1.6	1.9	3.1	4.0	4.2

SEPTEMBER PERFORMANCE Indexes and Model Portfolios	Risk	Value	2007 YTD	One Month	Three Month	One Year	3-Yr Rate	5-Yr Rate	10-Yr Rate
Dow Jones Industrial	0.91	13895.63	13.3	4.2	4.2	21.7	13.9	15.4	7.9
S&P 500	1.00	1526.75	9.1	3.7	2.0	16.4	13.1	15.4	6.6
NASDAQ	1.10	2701.50	12.5	4.1	4.0	20.5	13.4	18.9	5.3
Russell 2000	1.32	805.45	3.1	1.7	-3.1	12.3	13.3	18.7	7.2
Fidelity Monitor Income Model	0.27	89964.41	4.3	2.0	1.0	7.0	5.5	5.7	4.7
Fidelity Monitor G&I Model	0.66	192275.04	8.0	2.7	1.3	13.8	13.0	16.0	9.3
Fidelity Monitor Growth Model	1.02	217571.53	9.4	3.9	0.6	17.9	15.9	20.3	8.6
Fidelity Monitor Select System	0.97	415584.87	15.7	5.8	5.1	24.9	17.9	19.5	10.4
Fidelity Monitor Unique Opportunities	1.08	141013.15	11.3	5.8	1.9	21.3	19.8	23.8	

VIP CORNER

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

VIP INCOME MODEL

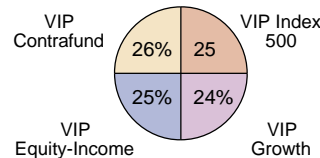


PAST PERFORMANCE

Starting Balance: \$10,000

1993: +12.3%	2001: - 3.4%
1994: - 3.8%	2002: + 7.3%
1995: +16.9%	2003: + 9.9%
1996: + 6.9%	2004: + 5.1%
1997: +10.9%	2005: + 1.8%
1998: + 0.4%	2006: + 6.1%
1999: + 0.8%	*2007: + 6.6%
2000: - 2.4%	

VIP GROWTH MODEL

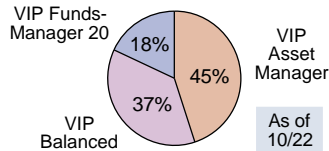


PAST PERFORMANCE

Starting Balance: \$10,000

1993: +20.6%	2001: -14.0%
1994: + 4.6%	2002: -21.7%
1995: +36.1%	2003: +30.0%
1996: +16.1%	2004: + 7.0%
1997: +23.5%	2005: +10.1%
1998: +22.6%	2006: +14.5%
1999: +22.1%	*2007: + 10.6%
2000: -10.3%	

VIP G & I MODEL

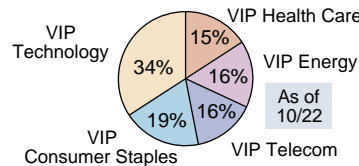


PAST PERFORMANCE

Starting Balance: \$10,000

1994: - 2.3%	2001: + 3.1%
1995: +26.4%	2002: - 9.4%
1996: +12.8%	2003: +20.8%
1997: +21.4%	2004: + 6.3%
1998: +15.1%	2005: + 4.5%
1999: + 6.1%	2006: +11.6%
2000: - 4.9%	*2007: + 8.5%

VIP SECTOR MODEL



PAST PERFORMANCE

Starting Balance: \$10,000

2003: +57.5%	2006: +17.7%
2004: + 6.3%	*2007: +12.0%
2005: +14.0%	

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

SEPTEMBER VIP PERFORMANCE Portfolio	Rating	PRA Value	RR Value	2007 YTD	One Month	Three Month	One Year	3-Yr Rate	5-Yr Rate
VIP Aggressive Growth	H ***	13.50	14.15	20.9	6.3	7.0	32.3		
VIP Asset Manager	B ****↑	12.31	38.68	12.3	4.8	4.9	16.7	9.2	10.1
VIP Asset Manager: Growth	B ****↑	12.64	25.99	15.5	6.1	5.6	21.3	10.6	12.1
VIP Balanced	B ****	12.83	19.07	10.3	3.4	2.3	15.9	10.3	10.6
VIP Consumer Discretionary	S **	11.41	12.55	0.6	0.0	-4.6	5.7	9.2	9.5
VIP Consumer Staples	B ****	10.71	10.69		5.0	7.8			
VIP Contrafund	B ****	13.84	51.43	16.1	6.1	7.0	23.5	17.6	17.1
VIP Disciplined Small Cap	H ***	10.54	10.48	3.8	2.5	-3.8	11.1		
VIP Dynamic Capital Appreciation	B ****	14.05	17.04	13.0	5.0	2.9	21.2	19.6	
VIP Energy	B ****	17.08	29.51	33.8	8.9	9.1	46.5	33.0	30.9
VIP Equity-Income	B ****	13.28	74.22	7.8	2.8	-0.4	15.8	13.8	16.1
VIP Financial Services	S **	12.17	14.83	-2.2	3.5	-2.7	3.6	9.6	13.1
VIP Freedom 2005	B ****	12.16	12.33	8.2	2.8	2.5	12.5		
VIP Freedom 2010	B ****	12.18	12.40	8.3	2.9	2.5	12.7		
VIP Freedom 2015	B ****	12.51	12.80	9.2	3.2	2.7	14.3		
VIP Freedom 2020	B ****	12.84	13.18	10.6	3.8	2.9	16.3		
VIP Freedom 2025	B ****	12.97	13.37	10.9	3.8	2.9	17.0		
VIP Freedom 2030	B ****	13.26	13.72	12.2	4.3	3.1	19.0		
VIP Freedom Income	B ****	11.37	11.39	4.9	1.4	1.8	7.2		
VIP FundsManager 20	B ****	10.96	10.88	4.4	1.4	1.3	7.0		
VIP FundsManager 50	B ****	11.37	11.28	7.0	2.5	1.4	11.8		
VIP FundsManager 70	B ****	11.67	11.58	8.9	3.4	1.5	15.7		
VIP FundsManager 85	B ****	11.86	11.76	10.4	3.9	1.8	18.3		
VIP Growth	B ****	13.63	75.42	24.3	7.5	10.9	28.5	14.4	14.8
VIP Growth & Income	B ****	13.40	22.04	12.9	5.1	4.7	19.3	13.1	13.4
VIP Growth Opportunities	H ***	13.42	16.22	19.8	7.7	6.7	31.2	13.8	14.9
VIP Growth Stock	B ****	12.44	12.67	19.3	6.6	7.9	23.5		
VIP Health Care	B ****	11.98	13.86	8.7	4.8	3.6	12.6	12.2	11.5
VIP High Income	S **	11.56	32.29	2.5	2.1	0.0	6.7	6.4	11.1
VIP Index 500	B ****	12.83	41.50	8.8	4.0	2.2	15.8	12.3	14.4
VIP Industrials	B ****	14.46	20.87	19.3	5.1	5.2	27.0	19.3	22.6
VIP Int'l Capital Appreciation	H ***	13.58	14.26	10.3	4.4	-0.8	21.8		
VIP Investment Grade Bond	H ***	10.70	29.87	1.9	0.8	1.7	3.0	2.6	3.5
VIP Materials	B ****	11.36	11.35		9.0	7.4			
VIP Mid Cap	B ****	14.13	25.30	17.5	5.7	5.0	25.6	20.4	21.8
VIP Money Market		10.97	21.18	3.2	0.3	1.1	4.3	3.2	2.0
VIP Overseas	H ***	15.11	47.30	15.5	5.7	2.6	26.8	22.1	21.5
VIP Real Estate	S **	13.44	21.33	-5.9	4.3	1.1	3.0	19.3	
VIP Strategic Income	S **	11.25	12.31	3.3	1.8	2.0	5.7	5.8	
VIP Technology	B ****	13.84	12.88	18.7	6.2	6.6	26.4	18.0	21.7
VIP Telecommunications	B ****	11.38	11.36		6.2	3.7			
VIP Utilities	H ***	14.95	15.04	13.3	5.3	2.0	23.3	21.4	22.5
VIP Value	B ****	12.88	13.25	9.2	2.6	-1.4	16.1		
VIP Value Leaders	H ***	13.10	13.52	9.2	4.5	0.2	17.4		
VIP Value Strategies	H ***	13.36	16.94	11.8	3.2	-2.8	21.7	15.2	
Fidelity Monitor VIP Income Model			21120.70	6.6	2.0	1.9	9.8	5.5	6.3
Fidelity Monitor VIP G&I Model			27360.13	8.5	2.6	1.1	14.4	10.2	11.6
Fidelity Monitor VIP Growth Model			41951.29	10.6	4.6	2.0	18.3	15.0	15.2
Fidelity Monitor VIP Sector Model			20946.25	12.0	5.8	3.8	19.1	17.9	21.0

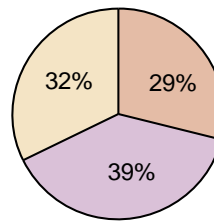
INCOME MODEL

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

FUND	NAV	SHARES	BALANCE
Puritan	\$21.16	1223.199	\$25882.89
Asset Mgr 20%	\$12.90	2738.488	\$35326.50
Freedom Income	\$11.70	2457.694	\$28755.02

7% Foreign Holdings
Balance as of 9/28/07: \$89964.41
Balance at start of 2007: \$86264.24

Freedom Income
369/FFFA



Puritan
4/FPURX

Asset
Mgr 20%
328/FASIX

PAST PERFORMANCE
 Starting Balance: \$35,000
 1992: +10.1% 2000: + 0.3%
 1993: +11.3% 2001: + 5.6%
 1994: - 2.1% 2002: + 5.4%
 1995: +14.8% 2003: + 8.4%
 1996: + 9.0% 2004: + 4.2%
 1997: +10.5% 2005: + 3.6%
 1998: + 3.5% 2006: + 6.9%
 1999: + 3.0%
2007 YTD: + 4.3%

Our Income Model gained 2.0% for the month of September.

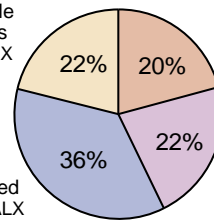
GROWTH AND INCOME MODEL

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

FUND	NAV	SHARES	BALANCE
Asset Mgr 20%	\$12.90	2985.694	\$38515.45
Puritan	\$21.16	2046.700	\$43308.17
Balanced	\$21.30	3246.298	\$69146.15
Equity-Income	\$61.73	669.128	\$41305.27

9% Foreign Holdings
Balance as of 9/28/07: \$192275.04
Balance at start of 2007: \$178097.11

Convertible Securities
308/FCVXS



Asset Mgr.
20% (Inc)
328/FASIX

As of
10/22

Balanced
304/FBALX

Puritan
4/FPURX

PAST PERFORMANCE
 Starting Balance: \$50,000
 1994: - 3.7% 2001: + 1.3%
 1995: +21.6% 2002: - 6.4%
 1996: +15.8% 2003: +33.0%
 1997: +18.7% 2004: +11.5%
 1998: +11.1% 2005: + 8.2%
 1999: +12.2% 2006: +13.7%
 2000: + 2.7%
2007 YTD: + 8.0%

For September our Growth and Income Model gained 2.7%. On 10/22 we will sell **Equity-Income** and buy **Convertible Securities**.

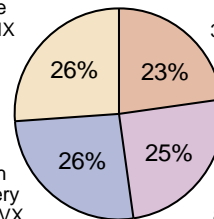
GROWTH MODEL

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

FUND	NAV	SHARES	BALANCE
Spartan 500 Index	\$106.31	475.171	\$50515.43
Value Discovery	\$18.96	2927.614	\$55507.56
Growth Discovery	\$15.83	3513.386	\$55616.90
Equity-Income	\$61.73	906.069	\$55931.64

13% Foreign Holdings
Balance as of 9/28/07: \$217571.53
Balance at start of 2007: \$198855.65

Equity-Income
23/FEQIX



Spartan
500 Index
317/FSMKX

Growth
Discovery
339/FDSVX

Value
Discovery
832/FVDFX

PAST PERFORMANCE
 Starting Balance: \$15,000
 1987: + 2.8% 1997: +25.5%
 1988: +26.0% 1998: + 9.9%
 1989: +30.4% 1999: +29.0%
 1990: - 4.4% 2000: -10.8%
 1991: +40.6% 2001: - 6.4%
 1992: +15.7% 2002: -17.1%
 1993: +31.9% 2003: +46.1%
 1994: - 2.1% 2004: +12.4%
 1995: +27.2% 2005: +11.2%
 1996: +19.2% 2006: +15.7%
2007 YTD: +9.4%

Our Growth Model increased 3.9% in September, compared to a 3.7% gain for the S&P 500. On 9/10 we sold **Value Strategies** (\$33.72) and bought **Growth Discovery** (\$14.71).

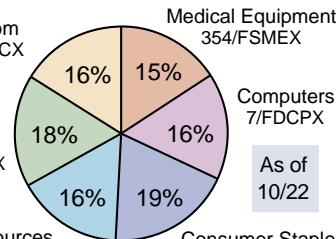
SELECT SYSTEM

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

FUND	NAV	SHARES	BALANCE
Medical Delivery	\$51.84	1235.325	\$64039.25
Computers	\$47.69	1361.136	\$64912.58
Consumer Staples	\$66.34	1161.102	\$77027.51
Natural Resources	\$37.48	1468.738	\$55048.30
Wireless	\$9.70	7657.450	\$74277.27
Telecom	\$59.49	1349.470	\$80279.97

19% Foreign Holdings
Balance as of 9/28/07: \$415584.88
Balance at start of 2007: \$359086.92

Telecom
96/FSTCX



Natural Resources
514/FNARX

Medical Equipment
354/FSMEX

Computers
7/FDCPX

Wireless
963/FWRLX

As of
10/22

Consumer Staples
9/FDFAX

PAST PERFORMANCE
 Starting Balance: ~\$25,000
 1989: +23.4% 1998: +21.7%
 1990: +31.3% 1999: +44.9%
 1991: +35.3% 2000: -14.9%
 1992: +20.4% 2001: - 7.3%
 1993: +25.9% 2002: -14.7%
 1994: - 0.9% 2003: +38.4%
 1995: +39.0% 2004: + 7.4%
 1996: + 5.2% 2005: +15.0%
 1997: +29.3% 2006: +13.6%
2007 YTD: +15.7%

Our Select System gained 5.8% in September, versus 3.7% for the S&P 500. On 9/10 we sold **Insurance** (\$68.15) and bought **Computers** (\$45.19). Please see page 1 for upcoming trades.

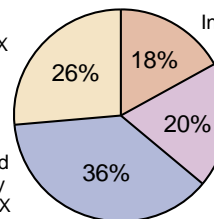
UNIQUE OPPORTUNITIES MODEL

Aims for a long-term return of 14% by emphasizing resource scarcity and global opportunities.

FUND	NAV	SHARES	BALANCE
Industrial Equip.	\$37.48	666.244	\$24970.83
Int'l Value	\$12.63	2177.189	\$27497.90
Lev. Co. Stock	\$33.47	1533.817	\$51336.85
Trend	\$73.95	503.145	\$37207.57

17% Foreign Holdings
Balance as of 9/28/07: \$141013.15
Balance at start of 2007: \$126671.24

Trend
5/FTRNX



Leveraged Company
122/FLVXC

As of
10/22

Independence
73/FDFFX

PAST PERFORMANCE
 Starting Balance: \$50,000
 (Partial Yr 99) 2003: +43.2%
 1999: +33.8% 2004: +20.6%
 2000: -20.5% 2005: +18.8%
 2001: + 1.6% 2006: +16.6%
 2002: - 2.1%
2007 YTD: +11.3%

Our Unique Opportunities Model gained 5.8% for the month of September. On 10/22 we'll sell **Int'l Value** and buy **Independence**.

long-term storage may wind up being reprocessed. If yellowcake goes to \$500 a pound, depleted fuel rods would become far too valuable to bury in the ground, and rescinding the U.S. ban on nuclear recycling would become a no-brainer.

Newer reactor designs don't require as much uranium fuel to generate electricity, and future designs might use alternate fuels or "breed" their own fuel. But over the next twenty-five years, the nuclear industry might be stuck in a Catch 22. Because of high capital costs, most power producers will find it almost impossible to replace their older reactors until they reach the end of their useful life. But unless the efficiency of the installed base is upgraded, the nuclear industry's growth is likely to be crimped by yellowcake supply limitations.

My subscription is current, but I haven't been getting the weekly messages or the monthly PDFs.

We're finding it increasingly difficult to get our messages past a handful of email gatekeepers. Some services, such as Comcast, Earthlink, and Cox, have spam filters that frequently block or discard our weekly messages, or delete portions of the links we send for accessing our monthly issues.

One solution is to use a different email address (we rarely have trouble with free email services such as Yahoo, Hotmail, and gmail). Another is to log into our Web site (fidelitymonitor.com) to access the weekly messages or download the latest issue. There's no need to register – just use your 5-digit mailing zip code as your initial password. ■

Happenings

Fidelity has introduced eleven new Income Replacement funds. These vehicles operate much like the Freedom lineup, but are coupled with an automatic monthly redemption program that can provide a managed payout of principal on top of the income that is generated. The funds are available in two-year increments from 2016 to 2036, and are best suited for income "bridging" needs, because unlike a fixed-income annuity the payments stop once the principal is depleted (at the end of the target year, in theory). For younger retirees, these funds offer the potential of a higher "income" stream than fixed-income annuities can provide. Another benefit is the program can be stopped at any time if the money is no longer needed for living expenses. ■

down by value-stock holdings, posting respective gains of 3.0% and 2.6%.

BOND/INCOME FUNDS

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

Inflation concerns gave a boost to **Strategic Real Return**, which gained 3.5%, but upward pressure on long-term interest rates weighed on long-maturity investment-grade funds. **Spartan Long-Term Treasury Index** finished behind the others, edging up 0.3%.

Municipal bond funds logged gains ranging from 0.6% to 1.6%.

SELECT PORTFOLIOS

Select System holdings are listed on page 7. Our buy-rated funds include **Energy Services, Energy, Natural Resources, Wireless, Chemicals, Medical Equip., Computers, Telecommunications, Consumer Staples, and Industrial Equipment.**

A weak dollar and inflationary worries led to a surge in commodities. **Gold** leaped 24.6%, **Natural Resources** jumped 9.9%, **Wireless** and **Natural Gas** logged 9.2% gains, and **Energy Services** rose 9.1%. On the bottom end, **Retailing** pulled back 2.2%, while **Construction & Housing** lost 4.1%. ■

SEPTEMBER DISTRIBUTIONS

Asset Manager 20%	\$ 0.046/\$13.00 (9/7)
Blue Chip Growth	\$ 3.98 / \$42.93 (9/7)
Blue Chip Value	\$ 0.62 / \$14.73 (9/7)
Dividend Growth	\$ 1.92 / \$30.93 (9/7)
Freedom Income	\$ 0.04 / \$11.54 (9/7)
Growth & Income	\$ 2.66 / \$28.79 (9/7)
Int'l Real Estate	\$ 0.982/\$14.53 (9/7)
Leveraged Co. Stock	\$ 1.38 / \$31.76 (9/7)
Low-Priced Stock	\$ 2.15 / \$42.30 (9/7)
Pacific Basin	\$ 0.03 / \$31.34 (9/7)
Real Estate Income	\$ 0.46 / \$10.63 (9/7)
Real Estate	\$ 2.37 / \$29.15 (9/7)
Small Cap Growth	\$ 1.044/\$15.14 (9/7)
Small Cap Value	\$ 0.398/\$13.77 (9/7)
Value Discovery	\$ 0.81 / \$18.02 (9/7)

Funds scheduled for October include **Asset Mgr. 50%, Asset Manager 20%, AZ Muni, Balanced, Convertible Securities, Equity-Income, Equity-Inc. II, Export & Multinational, Fidelity Fund, Freedom Income, Growth & Income, Growth & Income II, Puritan, Strategic Dividend & Income, MD Muni, Short-Intermediate Municipal, and Utilities.**

Money Market Funds	Size	Yield	Money Market Funds	Size	Yield	Money Market Funds	Size	Yield
Cash Reser. (55/FDRXX)	104340.9	5.18	CT MM (418/FCMXX)	1882.0	3.36			
Select MM (85/FSLXX)	4318.6	5.29	MA MM (74/FDMXX)	4904.5	3.40	FL MM (428/FSFXX)	1193.3	3.45
Money Market (454/SPRXX)	7591.0	5.25	MI MM (420/FMIXX)	935.2	3.34	MA AMT TF (426/FMSXX)	799.9	3.60
Gov't MM (458/SPAXX)	655.8	4.73	NJ MM (417/FNJXX)	2070.5	3.34	AMT Tax-Free (460/FIMXX)	3456.1	3.58
US Treas. MM (415/FDLXX)	3232.9	4.07	NY MM (92/FNYXX)	4671.0	3.39	NJ AMT TF (423/FSJXX)	687.0	3.55
Tax-Free MM (275/FMOXX)	4055.7	3.45	OH MM (419/FOMXX)	1057.4	3.34	NY AMT TF (422/FSNXX)	1253.5	3.58
US Gov't Reser (50/FGRXX)	3515.4	4.82	AZ MM (433/FSAXX)	342.5	3.44	PA MM (401/FPTXX)	654.3	3.40
CA MM (97/FCFXX)	5101.6	3.36	CA AMT TF (457/FSPXX)	1813.7	3.54	Municipal MM (10/FTFXX)	18576.1	3.48