

Unique Opportunities For The Decade Ahead

Predicting how the economy and the stock market will react after the war is anything but a simple task. Consumer confidence may bounce right back. Or it may remain in a slump as job losses mount in the travel industry. Energy prices may come down as the world oil markets return to normal. Or they may stay high as utilities and refiners struggle to replenish inventories and deal with tight global supplies. Interest rates could stay low, keeping the housing boom alive. Or they could rise on expectations of higher inflation.

When predicting the future, it can sometimes be easier to take a long-term view and focus on the big things that don't usually get much day-to-day press coverage. For example, it's difficult to know whether Asian stock markets will be higher or lower 12 months from now. But with over a billion people climbing the economic ladder, it's a reasonable bet that stocks in this region will perform reasonably well over the next 10 years. Likewise, it's almost impossible to know which industry group will see the greatest revenue increase over the next 12 months. But we do know that the U.S. population is aging, and that medical spending will certainly rise as a percentage of GDP over the next decade.

Thinking along those lines, we've put together a list of the best unique opportunities for the coming decade. In identifying these candidates, we've tried to focus on funds that have a reasonably good shot

UNIQUE OPPORTUNITIES - *Continued on page 2*

Unique Opportunities Trade

On Monday, 4/14, our Unique Opportunities Model will sell its remaining position in **Gold** (41/FSAGX) and exchange into **Capital & Income** (38/FAGIX). This will result in an approximate mix of 23% **Capital & Income**, 25% **Export & Multinational**, 19% **Leveraged Company Stock**, and 33% **Low-Priced Stock**. Although we still think **Gold** will make a good inflation hedge in the long run, **Capital & Income** offers similar protection with far less volatility. Furthermore, **Capital & Income** should be able to benefit from the many attractive values in the high-yield arena.

Review & Recommendations

The price of oil fell as investors realized that an invasion of Iraq was imminent. Stocks rallied and bonds pulled back as the market anticipated a quick and decisive victory, but the trends reversed after it was clear that success in the war effort would probably take months, not weeks. The S&P 500 finished March with an increase of 1.0%.

Most of the economic risk of invading Iraq was removed once the country's main port and Southern oil fields were secured without major damage. As long as the Allied forces can keep these areas under control, the upcoming earnings season may soon have more impact on stocks than the war effort. Of course, it remains possible that a short-term rally might kick in once Baghdad is occupied, as the event would signal that victory is close at hand.

GROWTH FUNDS

Growth Model holdings are listed on page 7. Our favorites include **Export & Multinational**, **Capital Appreciation**, **Contrafund II**, **Mid-Cap Stock**, **Dividend Growth**, **Low-Priced Stock**, and **Leveraged Company Stock**.

Gains in the consumer and health care groups helped a number of funds. Those leading the pack were **Leveraged Company Stock**, up 4.3%, and **Small Cap Independence** with a 2.7% increase. Laggards included **Independence** and **Fidelity Fifty**, with respective declines of 2.2% and 2.8%. Both were held back by energy and tobacco holdings.

INTERNATIONAL FUNDS

Diversified International is our recommended choice for broad-based foreign stock exposure.

Latin America rose 5.8% as the market priced in a pickup in U.S. export demand. **International Small Cap**, which is overweighted in consumer stocks, was up 0.9%. On the bottom were **Overseas**, losing 3.9%, and **Southeast Asia**, down 4.3%.

GROWTH & INCOME FUNDS

Growth and Income Model holdings are listed on page 7. Our favorites include **Balanced**, **Equity-Income II**, and **Convertible Securities**.

Growth & Income II gained 2.6%, thanks to its heavy position in consumer stocks. **Real Estate**

RECOMMENDATIONS - *Continued on page 8*

at outperforming the S&P 500 over the next 10 years.

These are not funds that should be considered for a mainstream investment strategy. Most of them operate in a narrow segment of the S&P 500, meaning they're more on the fringes of the investment universe. As such, these choices should be considered only as a source of diversification, or a hedge against tough times for the broad market. Only **Low-Priced Stock** has potential as both a core holding and a unique long-term opportunity.

The following choices are listed in decreasing order of risk. Not all of them are rated *buy*. For example, **Pacific Basin** may be a reasonable bet for the next 10 years, but not necessarily for the next 12 months. Or, in the case of **Energy Services**, near-term performance is just too difficult to predict.

SELECT ENERGY SERVICES

Oil prices have pulled back, and will likely remain more stable now that most of Iraq's oil-producing infrastructure has been secured without major damage. But there's still a long-term problem. Even as Iraq and Saudi Arabia ramp up to full production levels, oil output from mature wells in many parts of the world will continue to slide, offsetting most of the benefit. Oil production in the U.S. is now significantly below its 1970 peak, and there is growing evidence that worldwide production levels may peak sometime this decade.

Meanwhile, the global demand for oil continues to rise. Not so much from American driving habits, but from emerging nations in Asia. Nearly 20% of the world's population is set to join the ranks of a prosperous new middle class, and they are buying motorized vehicles, heating and cooking appliances, and home electronics - all of which means greater fossil fuel demand. China alone is half-way through a 20-year path of rising imports that could put it ahead of the U.S. as the world's largest oil importer. It was only a decade ago that the country produced more than it consumed.

What does all this mean? Most likely, the era of cheap oil is gone for good, and there is little that any government or industry group can do about it. This may not be good news for the stock market in general, but it certainly works to the advantage of **Energy Services**. It's hard to say what might happen to this sector in the near term - it could easily rise or fall 50% over the next 12 months. Being tied to the price of oil makes it inherently volatile, and the fund

rarely moves with the broad market. Nevertheless, it has a reasonably good shot at beating the S&P 500 over the next ten years.

SELECT BIOTECHNOLOGY

This fund was hit hard in the bear market, but in the long run it stands to benefit from the aging population - here at home and in other economically mature countries as well. The additional demand could come just as medical advances bring about a new generation of superior medicines. Many of the key players in the biotech industry are now large enough to fund their own research, and opportunities to create new blockbuster drugs should grow over time as researchers gain a greater understanding of the fundamental mechanisms of disease and aging.

Engineered agricultural products may eventually play a role in the fund as well, although it could take more than a decade before this segment gains any traction. With organic food going mainstream, there should be less organized resistance to genetically modified products. That could free up more capital to fund a new crop of startup companies that would focus on solutions to world hunger and malnutrition.

We think **Biotechnology** is well-positioned for both the short-term and the long-term. However, keep in mind that this industry group has been through several multi-year periods of poor performance. As such, the longer you can hold it, the less likely you'll be disappointed. Also take note that this fund tends to lag whenever the market rallies on favorable economic news.

LEVERAGED COMPANY STOCK

Companies that take on huge amounts of debt have their own special risks. When times get tough, they're more likely to be forced into bankruptcy or to be liquidated. The economic slowdown has collapsed the valuations of these stocks across the board, but many highly-leveraged industry groups are actually in very different stages of the economic cleansing cycle. For example, the airlines are just now heading into serious trouble, whereas most of the weak telecom and media companies were rooted out over a year ago.

But choosing industry groups is not the only way that **Leveraged Company** can add value. Because solidly-managed companies often get hammered in tandem with their poorly-managed competitors, betting on the strongest survivors can be especially rewarding when the turnaround phase kicks in. Not only do these firms see a big jump in profitability when normal times return, but they often end up

MANAGED ACCOUNTS: Money management services are available through Weber Asset Management, Inc., where the strategies used by Fidelity Monitor are personalized to meet your individual needs and risk tolerance. Your account stays at Fidelity and is invested in Fidelity funds. For information please call 800-438-3863, or visit www.fidelitymonitor.com and click on the money management link. You may also write Weber Asset Management, Inc, 1983 Marcus Avenue #221, Lake Success, NY 11042. Minimum account size is \$200,000.

Fidelity Monitor is published by Independent Fidelity Investors, Inc, P.O. Box 1270, Rocklin, CA 95677. Web site: www.fidelitymonitor.com For information/service, call (800) 397-3094, email fidmonservice@aol.com or visit the web site. Subscription rate: \$139 per year, including weekly hotline service. Fidelity Monitor is not associated with Fidelity Investments. All facts and figures are obtained from reliable sources but are subject to revision. Before buying a fund, please read its prospectus. Editor: Jack Bowers. Copyright (c) 2003.

with a much larger share of the market than before.

The main success factor in a fund like this is the ability to separate the survivors from the liquidation cases. And Fidelity should be up to the challenge. **Leveraged Company** derives most of its stock research from Fidelity's high-yield bond group, which analyzes leveraged companies to understand which ones will be able to make good on their debt. We also like that **Leveraged Company** is a new fund. Its small size and freedom from redemption activity should maximize its flexibility.

Like others on this list, **Leveraged Company** may have a good shot at outperforming the S&P 500 in the long run, but it may not be the smoothest sailing short term. By necessity, this fund is more heavily concentrated than most diversified stock funds, and it lacks exposure to health care and technology. That may not be a problem, but there are risks in avoiding the traditional engines of long-term growth.

LOW-PRICED STOCK

Low-Priced Stock is certainly unique – not only because Morningstar has once again picked Joel Tillinghast as manager of the year, but also because it's the only Fidelity fund that focuses on the value side of the small-cap universe.

With almost 900 stocks in its fold, **Low-Priced** is one of the most broadly diversified stock funds in Fidelity's lineup. The fund represents a pure play on Fidelity's research skills, an advantage that plays particularly well in the small-cap arena. Small-caps are not as well covered by industry analysts, so their pricing is less efficient and the opportunities are more significant. For **Low-Priced**, the proof is in the numbers. Over the last 10 years, the fund has exceeded the Russell 2000 by an impressive seven percentage points per year. And those numbers were achieved despite the fund's heavy cash position for most of the period.

Of course, there's no guarantee that **Low-Priced** will retain its current strategy if Joel Tillinghast decides to retire. And the fund's huge size continues to sharply limit the percentage of assets that can be invested in any one particular stock.

Nevertheless, we think **Low-Priced** is a solid bet for beating the S&P 500 over the next 10 years. And it's the only one on our list that's also suitable as a core long-term holding.

PACIFIC BASIN

Pacific Basin has suffered along with other funds over the last few years, but it may be able to break

free of the doldrums over the next 10 years.

Throughout Asia, consumerism in the ranks of the young population is starting to replace the frugal habits and high savings rate of the older generation. In Japan, where the loss of factory jobs and the slow pace of fiscal reform has nearly ruined the economy, consumer spending is gaining steam even as other segments of the economy continue to contract. For other countries, such as South Korea and Taiwan, enough wealth is being created that most households can now afford to go well beyond the basics. Even in China, where personal income is very low, millions of young people are moving to the cities to take up factory work. And those with disposable income are spending it on clothes and other consumer goods.

Clearly, the negative effects of the Asian currency crisis are becoming a distant memory, and that could be good news for **Pacific Basin**. This fund usually has at least half of its assets in Japanese stocks, but it also has exposure to Australia and a handful of emerging economies (Hong Kong and China currently account for about 8% of assets).

From a worldwide stock market perspective, the Asian markets are currently among the least expensive, yet the region's economic growth might exceed the U.S. and Europe over the next 10 years. That doesn't mean **Pacific Basin** is assured of beating the S&P 500 over the next decade, but it does give the fund favorable odds relative to other broad-based international choices.

CAPITAL & INCOME / HIGH INCOME

High-yield bonds, often known as junk-bonds, are an established asset class. These securities typically deliver long-term returns that exceed investment grade bonds but fall short of the S&P 500. Over the last 25 years, **Capital & Income** has returned 9.8% per year. **High Income**, which is about half as old as its close cousin, has provided annual returns of 9.5%.

It's likely that both funds will grow at least that fast over the next 10 years – in part because high-yield bonds are currently selling on the cheap, but also because Fidelity is good at managing risk in the near-investment-grade segment of the bond market.

The key question is whether 10% per year will put these funds ahead of the S&P 500 in the decade ahead. This could certainly be the case if corporate costs climb faster than revenue in the decade ahead. Productivity gains are likely to make up for rising wages, but throw in the added cost of employee medical benefits, security expenses, rising insurance

UNIQUE OPPORTUNITIES - 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, with no adjustment for loads. Size figures are for the beginning of the prior month, in millions. Dividend Yield is based on actual dollars posted to accounts, not the SEC yield that Fidelity must quote. Risk is based on standard deviation of daily gains and losses over a one-year period, relative to the S&P 500. Loads: **3-0.75(90)** means 3% load, 0.75% redemption fee if held less than 90 days. 3% loads are waived for IRA/Keogh accounts – except on Magellan, New Millennium, and Selects. If a fund is closed to new investors, we will list it as such in the Load column. Ratings: **B ****** is favorite buy, **B ****** means buy, **H ***** means hold for the long run, **S **** means cut to 5% of holdings, **S *** means sell and move to a buy-rated fund in the same group. Upgrades and downgrades are indicated by ↑ and ↓.

MARCH PERFORMANCE						2003	One	Three	One	3-Yr	5-Yr	10-Yr
Fund Name (Code/Symbol)	Rating	Risk	Load	NAV	Size	YTD	Mth	Mth	Year	Rate	Rate	Rate
Aggressive Gth (324/FDEGX)	H***	1.37	0-0.75(90)	11.18	3975.9	-0.1	1.9	-0.1	-33.3	-41.8	-10.6	3.8
Blue Chip Gth (312/FBGRX)	H***	1.00	0-0	31.36	16297.3	-1.8	1.4	-1.8	-25.8	-19.7	-4.3	8.5
Capital Apprec (307/FDCAX)	B*****	1.09	0-0	16.48	1789.7	1.9	1.6	1.9	-20.9	-17.1	-1.3	8.2
Contrafund (22/FCNTX)	H***	0.63	0-0	37.77	26285.7	-2.2	2.2	-2.2	-14.0	-12.0	1.1	10.3
Contrafund II (339/FCONX)	B****	0.94	3-0	8.36	650.3	-3.6	-0.9	-3.6	-18.7	-14.5	1.3	
Disc Equity (315/FDEQX)	H***	0.91	0-0	17.69	2733.6	-1.6	1.7	-1.6	-20.8	-14.1	-2.7	8.2
Dividend Gth (330/FDGFY)	B****	1.02	0-0	21.24	12975.5	-4.8	-0.3	-4.8	-24.9	-7.0	0.8	
Export Fund (332/FEXPX)	B*****	1.06	0-0.75(30)	13.37	645.9	-2.8	1.2	-2.8	-20.7	-7.6	4.5	
Fidelity Fifty (500/FFTYX)	H***	0.91	0-0.75(30)	15.20	735.1	-5.2	-2.8	-5.2	-14.7	-8.3	3.1	
Growth Company (25/FDGRX)	B****↑	1.16	0-0	35.31	14361.9	-0.3	2.2	-0.3	-28.8	-26.9	-1.2	8.5
Large-Cap Stock (338/FLCSX)	H***↓	0.91	0-0	10.86	550.4	-2.6	0.6	-2.6	-25.4	-20.3	-3.8	
Lev Co Stock (122/FLVCX)	B****	1.06	0-1.5(90)	10.44	113.0	4.4	4.3	4.4	4.6			
Low-Priced Stock (316/FLPSX)	B****	0.69	3-1.5(90)	23.65	14348.2	-6.0	-0.4	-6.0	-17.6	8.3	5.1	13.0
Magellan (21/FMAGX)	B****	1.01	Closed	76.69	53720.6	-2.9	1.1	-2.9	-24.7	-17.2	-2.9	7.9
Mid Cap Stock (337/FMCSX)	B****	0.99	0-0.75(30)	15.82	5081.8	-2.7	0.5	-2.7	-28.9	-13.0	2.9	
New Millennium (300/FMILX)	B****	1.02	Closed	21.35	2476.7	-3.6	1.2	-3.6	-22.8	-20.3	6.9	15.9
OTC Portfolio (93/FOCPX)	B****	1.07	0-0	22.93	5541.2	-4.1	1.3	-4.1	-25.7	-29.4	-3.5	7.0
Independence (73/FDFFX)	H***	0.91	0-0	12.35	3996.0	-5.5	-2.2	-5.5	-24.3	-20.6	-0.2	8.4
Small Cap Indep (336/FDSCX)	H***	0.68	0-1.5(90)	12.94	744.0	-2.7	2.7	-2.7	-24.6	-8.2	-3.9	
Small Cap Stock (340/FSLCX)	H***	0.74	0-2(90)	11.27	1328.8	-4.8	1.8	-4.8	-23.7	-5.3	2.8	
Stock Selector (320/FDSSX)	H***	1.00	0-0	16.16	672.9	-2.5	1.3	-2.5	-22.6	-16.2	-4.9	7.0
Strc Lg Cap Gth (763/FSLGX)	H***↓	1.04	0-0.75(30)	6.98	17.3	-2.0	2.0	-2.0	-28.1			
Strc Lg Cap Val (708/FSLVX)	H***	0.95	0-0.75(30)	7.95	15.0	-5.6	0.4	-5.6	-23.9			
Strc Mid Cap Gth (793/FSMGX)	H***	1.05	0-0.75(30)	7.28	16.0	-0.8	1.7	-0.8	-29.0			
Strc Mid Cap Val (762/FSMVX)	H***	0.86	0-0.75(30)	8.77	35.0	-3.4	0.5	-3.4	-20.9			
Focused Stock (333/FTQGX)	S**	1.14	0-0.75(30)	6.91	30.2	-3.2	0.6	-3.2	-40.0	-23.7	-7.5	
Trend (5/FTRNX)	B****	0.98	0-0	37.52	692.3	-2.9	0.8	-2.9	-22.6	-16.1	-5.0	3.9
Value (39/FDVLX)	H***	0.89	0-0	44.37	4753.0	-4.4	0.3	-4.3	-20.2	3.9	0.5	9.7
Value Discovery (832/FVDFX)	H***	1.0 Est	0-0	9.39	19.5	-5.0	-0.5	-5.0				
GROWTH & INCOME FUNDS:												
Balanced (304/FBALX)	B*****	0.59	0-0	12.98	6480.9	-1.9	0.1	-1.9	-12.3	-1.8	3.0	7.4
Convertible Sec (308/FCVXS)	B****	0.48	0-0	16.62	1396.7	2.8	1.0	2.8	-10.8	-5.6	6.7	10.6
Equity-Income (23/FEQIX)	H***↓	0.97	0-0	37.01	16740.7	-6.3	-0.6	-6.3	-25.2	-6.4	-2.8	8.4
Equity-Income II (319/FEQTX)	B****↓	1.02	0-0	16.47	8767.7	-4.9	-0.7	-4.9	-21.7	-6.9	-1.8	8.3
Fidelity Fund (3/FFIDX)	H***	0.93	0-0	21.74	8268.5	-2.1	1.8	-2.1	-22.8	-16.5	-2.8	8.9
Growth & Income (27/FGRIX)	H***	0.82	0-0	29.52	24929.6	-2.3	1.7	-2.3	-20.6	-10.9	-2.2	9.2
Growth & Inc II (361/FGRTX)	B****	0.83	0-0	7.48	120.7	-1.2	2.6	-1.2	-17.9	-10.4		
Puritan (4/FPURX)	B*****	0.57	0-0	15.18	17323.1	-3.2	-0.2	-3.2	-12.7	-1.6	1.1	8.3
Real Estate (303/FRESX)	H***	0.55	0-0.75(90)	18.51	1764.8	1.5	2.3	1.5	-0.2	14.5	4.7	8.6
Utilities (311/FUIUX)	H***	1.03	0-0	9.28	752.9	-3.8	2.2	-3.8	-22.9	-24.7	-7.2	4.1
SELECT FUNDS:												
Air Transportation (34/FSAIX)	S**	1.03	3-0.75(30)	20.07	23.4	-9.0	2.5	-9.0	-40.1	-8.6	-0.5	8.1
Automotive (502/FSAVX)	S**	1.02	3-0.75(30)	20.96	15.2	-7.5	-1.5	-7.5	-24.8	-2.1	-4.9	3.8
Banking (507/FSRBX)	B****	1.05	3-0.75(30)	28.81	383.3	-4.9	-3.5	-4.9	-18.7	2.6	-1.1	11.7
Biotechnology (42/FBIOX)	B****	1.34	3-0.75(30)	40.44	1484.7	4.4	5.3	4.4	-25.1	-18.1	5.2	10.2
Brokerage (68/FSLBX)	H***	1.35	3-0.75(30)	33.56	282.0	-8.2	1.0	-8.2	-26.2	-8.3	1.4	13.9
Business Ser (353/FBSOX)	S**	1.21	3-0.75(30)	10.28	27.9	-9.5	0.8	-9.5	-36.7	-7.2	1.6	
Chemicals (69/FSCHX)	H***	1.08	3-0.75(30)	38.42	28.3	-0.6	4.4	-0.6	-14.8	2.3	-0.9	8.7
Computers (7/FDCPX)	B****	1.54	3-0.75(30)	22.08	572.7	0.2	-1.3	0.2	-38.1	-38.2	-2.2	12.4
Const & Housing (511/FSHOX)	H***	1.12	3-0.75(30)	22.23	47.1	-7.8	-1.4	-7.8	-21.3	4.9	0.0	8.8
Consumer Indust (517/FSPCX)	H***	0.84	3-0.75(30)	18.70	20.7	-3.0	1.7	-3.0	-22.7	-8.6	-2.6	8.5
Cyclical Indust (515/FCYIX)	H***	0.95	3-0.75(30)	11.05	15.2	-7.2	0.1	-7.2	-27.0	-5.4	-2.4	
Defense & Aero (67/FSYDX)	S**	0.90	3-0.75(30)	36.53	264.6	-7.9	0.6	-7.9	-24.1	-0.4	0.4	12.8
Develop Commn (518/FSDCX)	H***	1.40	3-0.75(30)	10.23	319.7	3.6	2.0	3.6	-33.2	-42.1	-4.5	6.4
Electronics (8/FSLEX)	H***	1.96	3-0.75(30)	24.64	2203.6	1.1	-1.0	1.1	-51.0	-37.2	-0.1	16.0
Energy (60/FSENX)	H***	1.02	3-0.75(30)	20.48	194.8	-0.2	-0.7	-0.2	-17.9	-3.8	2.2	7.9
Energy Services (43/FSSEX)	H***	1.47	3-0.75(30)	28.48	455.3	-3.1	-4.2	-3.1	-16.9	-5.6	0.0	12.0
Environmental (516/FSLEX)	H***	0.82	3-0.75(30)	10.01	10.0	-3.0	3.1	-3.0	-15.7	-0.2	-10.3	-0.4
Financial Services (66/FIDSX)	H***	1.04	3-0.75(30)	84.06	389.7	-5.3	-0.1	-5.3	-19.6	-0.5	0.0	12.0
Food & Agriculture (9/FDFAX)	S**	0.61	3-0.75(30)	35.43	87.4	-8.7	-0.8	-8.7	-20.2	5.0	-0.9	8.7
Gold (41/FSAGX)	H***	1.29	3-0.75(30)	20.46	687.6	-14.5	-10.0	-14.5	3.5	19.5	5.6	3.8
Health Care (63/FSPHX)	H***	0.92	3-0.75(30)	101.90	1749.3	-0.1	2.4	-0.1	-14.7	-2.7	2.4	15.2
Home Finance (98/FSVLX)	H***	0.95	3-0.75(30)	47.48	327.4	-2.5	-0.3	-2.5	-11.5	14.2	-0.8	14.1
Indust Equip (510/FSCGX)	H***	1.07	3-0.75(30)	15.51	17.5	-10.8	-3.1	-10.8	-34.6	-14.8	-5.8	8.1
Indust Materials (509/FSDPX)	H***	0.86	3-0.75(30)	22.53	41.2	-6.4	-5.5	-6.4	-16.4	2.8	-2.3	5.3
Insurance (45/FSPCX)	H***	0.97	3-0.75(30)	41.94	88.1	-5.9	2.1	-5.9	-15.4	9.2	5.4	12.9
Leisure (62/FDLX)	H***	1.07	3-0.75(30)	49.98	112.2	-0.1	2.8	-0.1	-22.3	-14.5	-0.6	10.8
Medical Delivery (505/FSHCX)	H***	1.17	3-0.75(30)	23.66	117.7	-0.1	3.6	-0.1	-18.0	15.4	-3.4	10.0
Medical Equip/Sys (354/FSMEX)	H***	0.82	3-0.75(30)	15.97	155.8	3.6	2.2	3.6	-2.0	8.9		
Multimedia (503/FBMPX)	H***	1.48	3-0.75(30)	31.99	100.3	-5.7	-0.3	-5.7	-17.4	-14.5	1.4	11.3
Natural Gas (513/FSNGX)	H***	0.91	3-0.75(30)	17.09	162.4	1.9	-1.9	1.9	-12.8	-0.1	5.2	
Nat Resources (514/FNARX)	H***	0.96	3-0.75(30)	10.90	27.2	-1.4	-1.3	-1.4	-19.4	-3.6	2.1	
Networking/Infra (912/FNINX)	H***	1.78	3-0.75(30)	1.49	78.4	0.0	-2.0	0.0	-44.8			
Paper & Forest (506/FSPFX)	H***	0.94	3-0.75(30)	23.52	21.2	-9.4	-2.3	-9.4	-20.2	-0.3	1.1	7.7
Pharmaceuticals (580/FPHAX)	H***	0.91	3-0.75(30)	7.21	50.5	-1.0	3.0	-1.0	-21.7			
Retailing (46/FSRPX)	B****	0.99	3-0.75(30)	31.68	63.6	-7.2	3.1	-7.2	-26.2	-13.5	-3.4	7.0
Software (28/FSCSX)	B****	1.34	3-0.75(30)	35.57	618.2	-2.4	0.3	-2.4	-20.9	-19.1	4.7	14.9
Technology (64/FSPTX)	B****	1.57	3-0.75(30)	38.06	1484.1	1.0	-1.0	1.0	-32.2	-38.6	-0.1	11.5
Telecom (96/FSTCX)	H***	1.51	3-0.75(30)	23.77	312.9	-7.0	0.6	-7.0	-21.8	-36.7	-11.6	4.0
Transportation (512/FSRFY)	S**	0.98	3-0.75(30)	23.51	21.8	-4.0	3.1	-4.0	-25.8	1.0	2.1	9.3
Utilities Growth (65/FSUTX)	H***	1.00	3-0.75(30)	25.16	161.4	-4.7	2.9	-4.7	-26.2	-26.5	-7.1	4.1
Wireless (963/FWRXL)	H***	1.38	3-0.75(30)	2.44	51.7	0.4	0.8	0.4	-39.0			

MARCH PERFORMANCE						Div.	2003	One	Three	One	3-Yr	5-Yr
Fund Name (Code/Symbol)	Rating	Risk	Load	NAV	Size	Yield	YTD	Mth	Mth	Year	Rate	Rate
Aggressive Int'l (335/FIVFX)	H***	0.68	0-1 (30)	9.92	286.5		-7.5	-1.2	-7.5	-24.8	-18.9	-4.2
Canada (309/FICDX)	H***	0.64	0-1.5(90)	18.61	83.5		2.7	-1.9	2.7	-6.3	-4.0	2.1
Diversified Int'l (325/FDIVX)	B****	0.57	0-1 (30)	16.17	7132.4		-5.8	-1.3	-5.8	-16.7	-12.3	0.6
Emerging Mkts (322/FEMKX)	H***	0.62	0-1.5(90)	6.67	248.7		-7.5	-3.2	-7.5	-23.2	-17.9	-7.9
Europe (301/FIEUX)	H***	0.96	0-1 (30)	16.28	828.1		-11.1	-2.0	-11.1	-35.7	-22.1	-9.4
Europe Cap Appr (341/FECAX)	H***	0.73	0-1 (30)	12.41	335.7		-10.3	-1.5	-10.3	-27.3	-15.2	-5.2
China Region (352/FHKCX)	H***	0.56	0-1.5(90)	10.24	108.5		-5.7	-3.8	-5.7	-22.0	-17.7	-1.0
Global Balanced (334/FGBLX)	H***	0.40	0-1 (30)	14.29	86.4		-3.3	-0.3	-3.3	-10.7	-8.5	0.7
Int'l Growth & Inc (305/FIGRX)	H***	0.63	0-1 (30)	15.50	847.5		-7.8	-1.6	-7.8	-20.7	-16.5	-2.3
Int'l Small Cap (818/FISMX)	H***	0.7 Est	0-2 (90)	10.53	38.4		-0.2	0.9	-0.2			
Japan (350/FJPNX)	H***	0.81	0-1.5(90)	7.84	276.0		-7.0	-3.7	-7.0	-15.6	-27.8	0.6
Japan Smaller Co (360/FJSCX)	H***	0.63	0-1.5(90)	6.18	354.4		-4.0	-2.7	-4.0	-6.1	-25.8	11.0
Latin America (349/FLATX)	H***	0.99	0-1.5(90)	9.19	135.0		-1.5	5.8	-1.5	-28.5	-16.7	-10.5
Nordic (342/FNORX)	H***	0.83	0-1.5(90)	13.55	63.4		-11.0	-0.1	-11.0	-29.2	-25.0	-3.8
Overseas (94/FOSFX)	H***	0.85	0-1 (30)	19.80	2655.2		-10.0	-3.9	-10.0	-29.1	-22.3	-7.7
Pacific Basin (302/FPBFX)	H***	0.61	0-1.5(90)	11.81	282.8		-7.4	-3.0	-7.4	-20.6	-22.5	1.0
Southeast Asia (351/FSEAX)	H***	0.85	0-1.5(90)	8.87	231.7		-8.2	-4.3	-8.2	-29.0	-20.2	-1.8
Worldwide (318/FWWFX)	H***	0.79	0-1 (30)	11.14	597.4		-6.2	-0.9	-6.2	-25.6	-13.7	-4.4

INDEX AND ASSET ALLOCATION:

Four-In-One Index (355/FFNOX)	H***	0.73	0-0.5(90)	17.47	265.3		-3.2	0.6	-3.2	-19.1	-13.2	
Spart Ext Mkt Idx (398/FSEMXX)	H***	0.83	0-0.75(90)	18.56	421.3		-3.5	1.5	-3.5	-22.3	-17.9	-4.6
Spart Int'l Index (399/FIIX)	H***	0.80	0-1(90)	18.58	327.2		-7.7	-1.7	-7.7	-23.3	-19.7	-6.7
Spart 500 Index (317/FSMXX)	H***	1.00	0-0.5(90)	58.54	6515.5		-3.2	0.9	-3.2	-24.8	-16.2	-3.9
Spart Total Mkt Idx (397/FSTMXX)	B****	0.95	0-0.5(90)	22.31	1003.9		-3.2	1.1	-3.2	-24.2	-16.4	-3.9
Asset Manager (314/FASMX)	H***	0.53	0-0	13.57	9777.6		-0.9	0.2	-0.9	-9.6	-5.0	1.9
Asset Mgr Agg (347/FAMRX)	S**	1.03	0-0	7.11	148.3		2.6	1.6	2.6	-33.6	-19.8	
Asset Mgr Gth (321/FASGX)	H***	0.75	0-0	11.71	3078.6		-2.2	0.2	-2.2	-16.6	-9.7	-1.6
Asset Mgr Inc (328/FASIX)	B****	0.21	0-0	10.99	759.6		1.6	0.7	1.6	0.5	1.4	3.6
Freedom 2000 (370/FFBXX)	B****	0.19	0-0	11.01	1236.1		0.0	0.3	0.0	-1.7	-0.6	4.3
Freedom 2010 (371/FFFCX)	B****	0.37	0-0	11.40	4544.0		-0.3	0.6	-0.3	-7.2	-5.1	3.0
Freedom 2020 (372/FFFDX)	B****	0.59	0-0	10.50	3929.7		-1.3	0.8	-1.3	-14.9	-10.7	0.6
Freedom 2030 (373/FFFEY)	B****	0.71	0-0	10.04	2219.8		-2.0	0.9	-2.0	-19.1	-13.7	-1.0
Freedom 2040 (718/FFFFX)	B****	0.79	0-0	5.72	435.5		-2.4	0.9	-2.4	-21.8		
Freedom Income (369/FFFAA)	B****	0.15	0-0	10.59	1147.5		0.1	0.2	0.1	-0.2	1.8	4.5

TAXABLE BOND FUNDS:

Capital & Income (38/FAGIX)	B****	0.35	0-1(90)	6.85	3031.2	7.32	11.1	4.3	11.1	10.8	-2.0	1.1
Floating Rate (814/FRHGX)	B****	0.1 Est	0-1(60)	9.65	124.2	3.47	1.6	0.6	1.6			
GNMA Portfolio (15/FGMNX)	B****	0.07	0-0	11.23	7014.9	3.28	0.8	0.0	0.8	8.1	8.4	6.7
Gov't Income (54/FGOVX)	H***	0.18	0-0	10.47	3601.7	3.69	0.8	-0.5	0.8	12.2	9.4	7.0
Intermed Bond (32/FTHRX)	H***	0.13	0-0	10.81	6683.8	3.94	1.7	0.1	1.7	11.1	9.3	7.2
Intermed Gov't Inc (452/FSTGX)	H***	0.14	0-0	10.40	1415.5	3.04	1.0	0.0	1.0	11.4	9.3	7.1
Invest Grade Bond (26/FBNDX)	H***	0.13	0-0	7.64	5059.2	3.22	1.7	0.1	1.7	11.5	9.4	7.1
Mortgage Securities (40/FMSFX)	B****	0.07	0-0	11.29	1508.2	2.94	1.0	0.2	1.0	9.0	9.0	7.0
New Markets Inc (331/FNMIX)	H***	0.35	0-1(90)	12.01	549.7	8.19	8.0	2.1	8.0	13.3	10.8	8.3
Short-Term Bond (450/FSHBX)	B****	0.07	0-0	9.02	5600.3	3.69	1.3	0.2	1.3	7.7	7.4	6.3
Spart Gov't Inc (453/SPGVX)	H***	0.19	0-0	11.25	1210.5	3.80	0.8	-0.5	0.8	12.7	9.7	7.4
High Income (455/SPHIX)	B****	0.20	0-1(90)	7.96	1973.5	7.40	6.6	2.7	6.6	7.8	-3.4	-1.3
Spart Invest Grade (448/FSIBX)	H***	0.13	0-0	10.82	2779.1	3.73	1.8	0.1	1.8	11.8	9.7	7.4
Strategic Income (368/FSICX)	B****	0.12	0-0	9.69	1017.3	5.85	4.5	1.3	4.5	13.6	7.9	
Inflation-Protected (794/FINPX)	H***	0.2 Est	0-0	10.85	535.5	1.75	2.5	-1.7	2.5			
Total Bond (820/FTBFX)	H***	0.2 Est	0-0	10.43	49.0	3.13	2.1	0.5	2.1			
Ultra-Short Bond (812/FUSFX)	B****	0.1 Est	0-0.25(60)	10.02	137.4	2.08	0.5	0.2	0.5			

MUNICIPAL BOND FUNDS:

Spart AZ Muni Inc (434/FSAZX)	H***	0.12	0-0.5(30)	11.54	74.9	3.84	1.2	0.0	1.2	10.4	8.0	5.8
Spart CA Muni Inc (91/FCTFX)	H***	0.10	0-0.5(30)	12.72	1679.4	4.38	1.1	0.1	1.1	9.4	7.6	5.8
Spart CT Muni Inc (407/FICNX)	H***	0.11	0-0.5(30)	11.89	471.4	4.19	1.1	0.0	1.1	10.1	8.0	5.9
Spart FL Muni Inc (427/FFLIX)	H***	0.10	0-0.5(30)	11.86	611.8	4.22	1.4	0.3	1.4	9.9	8.1	5.7
Spart Intermediate (36/FLTMX)	B****	0.09	0-0.5(30)	10.24	1784.2	4.08	1.2	-0.1	1.2	9.7	7.6	5.7
Spart MA Muni Inc (70/FDMMX)	H***	0.11	0-0.5(30)	12.30	2009.0	4.36	1.3	0.2	1.3	10.2	8.2	5.8
Spart MD Muni Inc (429/SMDMX)	H***	0.10	0-0.5(30)	10.98	101.2	4.01	1.2	0.1	1.2	9.1	7.6	5.6
Spart MI Muni Inc (81/FMHTX)	H***	0.11	0-0.5(30)	12.13	583.0	4.37	1.8	0.4	1.8	10.6	8.2	5.8
Spart MN Muni Inc (82/FIMIX)	H***	0.09	0-0.5(30)	11.66	346.1	4.01	1.3	0.2	1.3	8.9	7.5	5.4
Spart Municipal Inc (37/FHIGX)	H***	0.11	0-0.5(30)	13.23	4828.5	4.57	1.3	0.1	1.3	10.9	8.6	6.2
Spart NJ Muni Inc (416/FNJHX)	H***	0.11	0-0.5(30)	11.84	590.2	4.22	1.1	-0.1	1.1	9.7	7.8	5.9
Spart NY Muni Inc (71/FTFMX)	H***	0.11	0-0.5(30)	13.34	1512.8	4.25	1.1	-0.2	1.1	10.9	8.5	6.1
Spart OH Muni Inc (88/FOHFX)	H***	0.11	0-0.5(30)	12.06	437.5	4.37	1.4	0.1	1.4	10.1	8.1	5.8
Spart PA Muni Inc (402/FPXTX)	H***	0.10	0-0.5(30)	11.07	302.1	4.22	1.1	-0.1	1.1	9.2	7.8	5.7
Spart Short-Int Muni (404/FSSTX)	B****	0.06	0-0.5(30)	10.53	1800.7	2.86	0.9	-0.1	0.9	6.8	6.1	4.9
Spart Tax-Free Bond (90/FTABX)	H***	0.12	0-0.5(30)	10.69	259.5	4.25	1.3	0.1	1.3	11.1		

MARCH PERFORMANCE

Indexes & Model Portfolios	Risk	Value	2003 YTD	One Month	Three Month	One Year	3-Yr Rate	5-Yr Rate	10-Yr Rate
Dow Jones Industrial	0.98	7992.13	-3.7	1.4	-3.7	-21.5	-8.2	-0.2	11.0
S&P 500	1.00	848.18	-3.2	1.0	-3.2	-24.8	-16.1	-3.8	8.5
NASDAQ	1.26	1341.17	0.5	0.3	0.5	-27.0	-33.4	-5.8	7.5
Russell 2000	0.93	364.54	-4.5	1.2	-4.5	-27.0	-11.0	-4.1	6.2
Fidelity Monitor Income Model	0.08	70311.41	1.9	0.7	1.9	7.0	4.3	3.4	5.7
Fidelity Monitor G&I Model	0.50	99863.72	2.3	1.3	2.3	-6.6	-1.9	3.2	
Fidelity Monitor Growth Model	0.95	92513.42	-1.7	0.9	-1.7	-21.2	-14.6	-2.7	8.2
Fidelity Monitor Select System	1.01	180966.51	-2.2	0.6	-2.2	-16.4	-16.1	0.3	10.2
Fidelity Monitor Unique Opportunities	0.63	51103.50	-3.4	0.3	-3.4	-11.2	-7.6		

UNIQUE OPPORTUNITIES MODEL

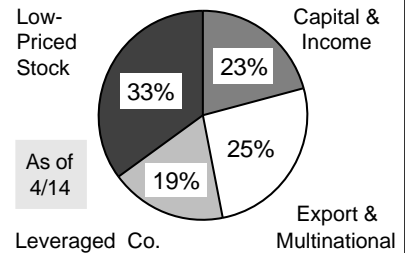
This model invests in special situations and where Fidelity's research skills give it an edge over its peers.

FUND	NAV	SHARES	BALANCE
Capital & Income	\$6.85	920.063	\$6302.43
Gold	\$20.46	257.865	\$5275.92
Export	\$13.37	971.836	\$12993.45
Leveraged Co.	\$10.44	909.967	\$9500.06
Low-Priced Stock	\$23.65	720.154	\$17031.64

16% Foreign Holdings
Balance as of 3/31/03: \$51103.50
Balance at start of 2003: \$52924.96

PERFORMANCE

Partial Yr 99: + 33.8%
 2000: - 20.5%
 2001: + 1.6%
 2002: - 2.1%
 *2003: - 3.4%



Our Unique Opportunities portfolio edged up 0.3% during March. On 4/14 we will sell our remaining position in **Gold** and buy **Capital & Income**.

401(k) CORNER

Portfolio A is for plans similar to the one offered by General Motors. Portfolio B is for plans that include Magellan, Growth & Income, and Contrafund. Portfolio C is for plans including Magellan, Equity-Income, and Growth & Income. Portfolio D is for plans with Magellan and Equity-Income.

Portfolio A (- 2.4% YTD)	Portfolio B (- 3.8% YTD)	Portfolio C (- 5.2% YTD)	Portfolio D (- 5.2% YTD)
61% Dividend Growth, 39% Capital Appreciation	64% Magellan, 36% Contrafund	33% Magellan 67% Equity-Income	32% Magellan 68% Equity-Income

In March Portfolio A gained 0.4%, Portfolio B was up 1.5%, and Portfolios C and D both pulled back 0.1%.

VIP CORNER

Fidelity's Variable Insurance Products allow tax-deferred growth, but the benefit is offset by a 0.8% annual annuity charge and potentially higher tax rates at withdrawal. Unless you are in a low tax bracket during the withdrawal period, annuities may not provide a higher after-tax return.

VIP SECTOR MODEL:	VIP GROWTH MODEL:	VIP G&I MODEL:	VIP INCOME MODEL:
100% VIP Technology	35% VIP Growth & Income, 65% VIP Growth	42% VIP Asset Mgr, 58% VIP Balanced.	74% VIP Inv. Grade, 26% VIP High Income.

MARCH VIP PERFORMANCE		Unit Value	2003 YTD	One Month	Three Month	One Year	3-Yr Rate	5-Yr Rate
Portfolio	Rating							
VIP Asset Manager	B ****	25.31	-1.2	0.2	-1.2	-10.0	-7.3	-1.1
VIP Asset Manager: Growth	H ***	15.67	-2.0	0.4	-2.0	-16.9	-13.2	-4.5
VIP Balanced	B *****	12.17	0.0	1.7	0.0	-9.1	-5.8	-1.3
VIP Contrafund	H ***	23.06	-2.3	2.1	-2.3	-14.4	-12.4	0.1
VIP Equity-Income	B ****	35.96	-6.5	-0.7	-6.5	-25.6	-7.0	-3.8
VIP Growth	B *****	39.12	-3.0	0.8	-3.0	-31.9	-23.5	-4.1
VIP Growth & Income	B *****	12.46	-1.4	2.4	-1.4	-18.1	-10.8	-2.7
VIP Growth Opportunities	B ****	8.56	-2.1	1.3	-2.1	-23.3	-19.0	-9.2
VIP High Income	B ****	21.67	6.2	2.2	6.2	8.8	-8.7	-6.6
VIP Index 500	H ***	22.08	-3.4	0.9	-3.4	-25.5	-16.9	-4.8
VIP Investment Grade Bond	B ****	26.22	1.6	0.0	1.6	11.3	9.0	6.6
VIP Overseas	H ***	16.53	-10.5	-4.2	-10.5	-30.3	-23.7	-9.2
VIP Mid Cap	H ***	9.08	-5.7	-2.4	-5.7	-18.7		
VIP Consumer Industries	B ****	7.86	-3.2	1.6	-3.2	-22.6		
VIP Cyclical Industries	H ***	7.49	-7.1	0.3	-7.1	-27.4		
VIP Financial Services	H ****↓	8.09	-5.6	-0.2	-5.6	-20.4		
VIP Health Care	B ****	8.34	-0.2	2.3	-0.2	-15.0		
VIP Natural Resources	H ***	8.12	-1.2	-1.2	-1.2	-19.3		
VIP Technology	B ****	5.89	0.9	-1.0	0.9	-32.8		
VIP Telecom & Utilities	H ***	5.72	-5.2	2.9	-5.2	-27.4		
Morgan Stanley Emg Mkts Debt	S **	13.26	6.2	1.8	6.2	8.7	8.9	
Morgan Stanley Emg Mkts Equity	H ***	6.84	-7.8	-4.2	-7.8	-25.4	-24.2	
Morgan Stanley Global Equity	H ***	8.86	-11.6	-2.9	-11.6	-29.9	-9.4	
Morgan Stanley Int'l Magnum	H ***	6.83	-10.0	-2.6	-10.0	-25.8	-19.1	
PBHG Growth II	S **	7.06	-2.2	1.0	-2.2	-27.6	-34.5	
PBHG Select Value	H ****	12.11	-9.0	0.2	-9.0	-29.0	-19.0	
PBHG Select 20	S **	11.07	1.7	3.9	1.7	-25.5	-25.9	
PBHG Small Cap Value	S **	12.12	-5.5	1.6	-5.5	-35.2	-9.7	
PBHG Tech & Communications	S **	5.17	-2.8	-2.1	-2.8	-50.9	-54.1	
Strong Mid Cap Growth Fund II	S **	9.09	2.6	1.3	2.6	-34.7	-32.0	
Strong Opportunity Fund II	H ***	10.71	-4.0	-0.9	-4.0	-31.6	-13.6	
CS Int'l Focus	H ***	6.48	-8.5	-2.4	-8.5	-29.5	-26.1	
CS Global Post-VC	S **	6.00	-8.1	-1.8	-8.1	-38.4	-32.9	
CS Small Cap Growth	S **	7.18	-2.0	1.4	-2.0	-32.7	-27.7	
Fidelity Monitor VIP Sector Model		8393.27	0.9	-1.0	0.9			
Fidelity Monitor VIP Growth Model		20805.48	-3.8	1.3	-3.8	-25.2	-18.1	-4.6
Fidelity Monitor VIP G&I Model		16745.18	-0.5	1.1	-0.5	-9.5	-6.4	-1.3
Fidelity Monitor VIP Income Model		16319.91	2.7	0.6	2.7	10.3	3.6	1.9

INCOME MODEL

Our Income Model aims for positive annual returns with a 4% yield. Long-term goal is 6% per year.

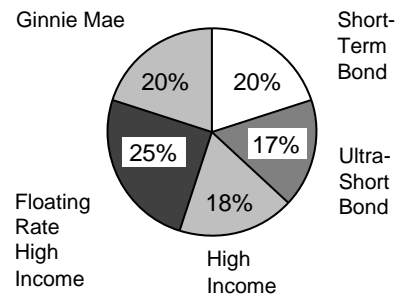
FUND	NAV	SHARES	BALANCE
Short-Term Bond	\$9.02	1544.024	\$13927.10
Ultra-Short Bond	\$10.02	1201.164	\$12035.66
High Income	\$7.96	1602.584	\$12756.57
Floating Rate	\$9.65	1824.908	\$17610.36
Ginnie Mae	\$11.23	1245.033	\$13981.72

4% Foreign Holdings

Balance as of 3/31/03: \$70311.41
Balance at start of 2003: \$68975.37

PERFORMANCE

1992: + 10.1%
1993: + 11.3%
1994: - 2.1%
1995: + 14.8%
1996: + 9.0%
1997: + 10.5%
1998: + 3.5%
1999: + 3.0%
2000: + 0.3%
2001: + 5.6%
2002: + 5.4%
*2003: + 1.9%



Our Income Model edged up 0.7% in March. The rate of income for the month was 4.0%.

GROWTH AND INCOME MODEL

Our Growth and Income Model is for conservative growth, with a long-term goal of 11% per year. The model holds funds that focus on stocks and bonds.

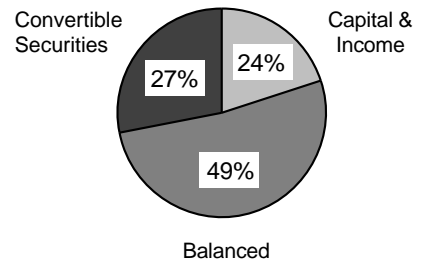
FUND	NAV	SHARES	BALANCE
Capital & Inc.	\$6.85	3554.298	\$24346.94
Balanced	\$12.98	3749.849	\$48673.04
Conv. Securities	\$16.62	1615.147	\$26843.74

7% Foreign Holdings

Balance as of 3/31/03: \$99863.72
Balance at start of 2003: \$97626.98

PERFORMANCE

1994: - 3.7%
1995: + 21.6%
1996: + 15.8%
1997: + 18.7%
1998: + 11.1%
1999: + 12.2%
2000: + 2.7%
2001: + 1.3%
2002: - 6.4%
*2003: + 2.3%



Our Growth and Income Model gained 1.3% in March.

GROWTH MODEL

Our Growth Model aims for long-term growth of 15% per year. The model will typically invest in a mix of domestic stock funds and will focus only on those that do not charge a load.

FUND	NAV	SHARES	BALANCE
Export	\$13.37	2533.346	\$33870.84
Capital Apprec.	\$16.48	2213.934	\$36485.63
Dividend Growth	\$21.24	1043.171	\$22156.95

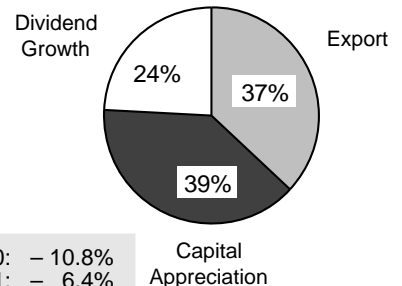
5% Foreign Holdings

Balance as of 3/31/03: \$92513.42
Balance at start of 2003: \$94089.60

PERFORMANCE

1987: + 2.8%
1988: + 26.0%
1989: + 30.4%
1990: - 4.4%
1991: + 40.6%
1992: + 15.7%
1993: + 31.9%
1994: - 2.1%
1995: + 27.2%
1996: + 19.2%
1997: + 25.5%
1998: + 9.9%
1999: + 29.0%

2000: - 10.8%
2001: - 6.4%
2002: - 17.1%
*2003: - 1.7%



In March our Growth Model gained 0.9%, versus 1.0% for the S&P 500. On 3/10 we exchanged one-third of **Dividend Growth** (\$20.30) for **Export & Multinational** (\$12.67).

SELECT SYSTEM

Our Select System aims for growth in sector funds, and has a long-term goal of 18% per year. We use a valuation model to identify attractive growth sectors.

FUND	NAV	SHARES	BALANCE
Retailing	\$31.68	864.073	\$27373.83
Banking	\$28.81	1157.238	\$33340.03
Biotechnology	\$40.44	938.154	\$37938.95
Software	\$35.57	938.003	\$33364.77
Technology	\$38.06	676.687	\$25754.71
Computers	\$22.08	1050.463	\$23194.22

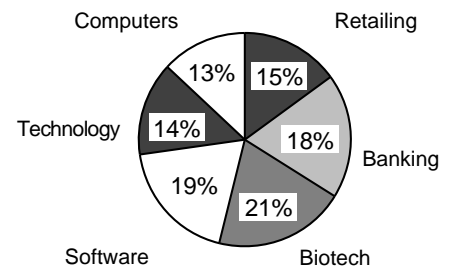
1% Foreign Holdings

Balance as of 3/31/03: \$180966.51
Balance at start of 2003: \$185070.14

PERFORMANCE

1989: + 23.4%
1990: + 31.3%
1991: + 35.3%
1992: + 20.4%
1993: + 25.9%
1994: - 0.9%
1995: + 39.0%
1996: + 5.2%
1997: + 29.3%
1998: + 21.7%
1999: + 44.9%
2000: - 14.9%
2001: - 7.3%

2002: - 14.7%
*2003: - 2.2%



During March our Select System gained 0.6%, versus 1.0% for the S&P 500.

premiums, and higher energy bills, and a case can be made for an earnings slowdown. If this scenario comes to pass, the 10-year return for the S&P 500 could easily fall short of 10% per year.

Even if **Capital & Income** and **High Income** only match the S&P 500's return, investors would still come out ahead from a risk standpoint. These funds carry less than one-half of the stock market's volatility, which means that any junk in their portfolios could definitely be worth keeping. ■

Happenings

The Wall Street Journal ran a story on Fidelity's request for SEC clearance on stable value balanced fund techniques, and how it has prompted the SEC to examine these funds on an industry-wide basis. Fidelity has yet to introduce its own stable value balanced fund, but has filed for one in order to match those offered by its competitors. Because some of the tactics used to maintain a stable share price include shifting stock market risk to banks and insurers, Fidelity wants to be sure those techniques are legal before it jumps into the fray. It may take awhile. The SEC wants a better understanding of the issues before it buys off on the concept. Which is probably a good thing, because the last thing the fund industry needs is a repeat of the 1994 derivatives crisis. The SEC's inquiry does not appear to affect stable value bond funds like **Ultra-Short Bond** and **Floating Rate High Income**. Those funds are able to keep their share prices stable without shifting market risk to third parties.

Jed Weiss is now managing **Environmental Portfolio**. He succeeds Robert Bao, who will still run **Automotive** and **Construction & Housing**. ■

was up 2.3%. Weakness in financial and energy stocks weighed on **Equity-Income I & II**, which posted respective declines of 0.6% and 0.7%.

BOND FUNDS

Income Model holdings are listed on page 7. Our favorites, in increasing order of risk, include **Ultra-Short, Short-Term, Floating Rate, Ginnie Mae, High Income**, and **Capital & Income**.

High yield bonds were helped by the prospect of a pickup in the U.S. economy. **Capital & Income** gained 4.3%, and **High Income** rose 2.7%. **New Markets Income**, which invests in emerging market debt, climbed 2.1%. On the flip side, higher long-term interest rates had a negative impact on longer-term government bond funds. **Gov't Income** and **Spartan Gov't Income** were off 0.5%. **Inflation-Protected Bond**, down 1.7%, was in a unique situation. Long-term interest rates edged up, but expectations for the future rate of inflation actually moved down as the price of oil tumbled. In effect, *real* long-term interest rates took a big jump.

Municipal bond funds finished near breakeven as they reacted to the uptick in interest rates.

SELECT PORTFOLIOS

Select System holdings are listed on page 7. Current buys include **Biotechnology, Software, Computers, Technology, Retailing**, and **Banking**.

The leaders for March were a curious blend of medical, cyclical, and discretionary consumer groups. Topping the list were **Biotechnology**, up 5.3%, **Chemicals**, gaining 4.4%, and **Medical Delivery**, which rose 3.6%. In contrast, commodity oriented Selects fell as the invasion of Iraq swept away some of the global uncertainty, at least from an economic standpoint. **Industrial Materials** declined 5.5%, and **Gold** tumbled 10.0%. ■

MARCH DISTRIBUTIONS

Asset Manager	\$ 0.10 / \$13.45 (3/7)
Asset Manager: Income	\$ 0.02 / \$10.90 (3/7)
Balanced	\$ 0.06 / \$12.83 (3/7)
Convertible Securities	\$ 0.18 / \$16.40 (3/7)
Equity-Income	\$ 0.16 / \$36.66 (3/7)
Equity-Income II	\$ 0.06 / \$16.29 (3/7)
Fidelity Fund	\$ 0.05 / \$21.12 (3/7)
Freedom Income	\$ 0.01 / \$10.56 (3/7)
Growth & Income	\$ 0.10 / \$28.75 (3/7)
Growth & Income II	\$ 0.02 / \$ 7.29 (3/7)
Puritan	\$ 0.11 / \$15.09 (3/7)

Real Estate	\$ 0.15 / \$17.99 (3/7)
Spartan MA Muni	\$ 0.031 / \$12.38 (3/7)
Spartan MA Money Market	\$ 0.0001 / \$1.00 (3/7)
Spartan Tax-Free Bond	\$ 0.02 / \$10.78 (3/7)
Structured Large Cap Value	\$ 0.01 / \$ 7.80 (3/7)
Utilities Fund	\$ 0.05 / \$ 9.10 (3/7)

Funds that are scheduled in April include **Asset Manager: Income** (4/4), **Four-In-One Index** (4/4), **Freedom Income** (4/4), all of the **Select Portfolios** (4/4, 4/11), **Spartan CA** (4/4), **Spartan Extended Market Index** (4/4), **Spartan Int'l Index** (4/4), and **Spartan Total Market Index** (4/4).

Money Market Funds	Size	Yield	Money Market Funds	Size	Yield	Money Market Funds	Size	Yield
Cash Reser (55/FDRXX)	58057.7	0.97	CT MM (418/FCMXX)	1037.2	0.68	FL MM (428/FSFXX)	1092.0	0.73
Select MM (85/FSLXX)	1079.4	1.03	MA MM (74/FDMXX)	3246.8	0.69	Spart MA MM (426/FMSXX)	1041.6	0.80
Spart MM (454/SPRXX)	7320.7	0.98	MI MM (420/FMIXX)	577.8	0.70	Spart Municipal (460/FIMXX)	3000.0	0.90
Spart US Gov't (458/SPAXX)	763.2	0.96	NJ MM (417/FNJXX)	1311.9	0.69	Spart NJ MM (423/FSJXX)	598.5	0.89
Spart US Treas (415/FDLXX)	2646.6	0.90	NY MM (92/FNYXX)	2748.7	0.76	Spart NY MM (422/FSNXX)	1171.3	0.86
Tax-Free MM (275/FMOXX)	369.2	0.83	OH MM (419/FOMXX)	639.5	0.73	PA MM (401/FPTXX)	283.6	0.74
US Gov't Reser (50/FGRXX)	2492.0	1.00	AZ MM (433/FSAXX)	134.2	0.77	Municipal MM (10/FTEXX)	13095.3	0.80
CA MM (97/FCFXX)	2622.4	0.71	Spart CA MM (457/FSPXX)	1324.6	0.88			