

## Outlook For 2006

The coming year has the potential to be a good one for stock-oriented investors, although positioning may be key. Among the bright spots, technology earnings are growing at a healthy clip, but stock values are not much higher than the overall market. Commodities, especially energy, may see some upward pressure on pricing as increasing demand continues to weigh against limited global production capacity. And foreign stocks, already on a roll, may continue to benefit from restructuring and economic growth in Asia.

In contrast, any upside potential for bonds seems more than offset by downside risk. The Fed will likely reach a point where it can ease up on rate hikes during the first half of 2006, but if it stops too soon bond yields might keep rising on the long end of the curve. Furthermore, it only takes a few high-profile defaults to make investors more wary of corporate debt in general.

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## Exchanges for Growth Model, Unique Opportunities Model

On Monday, 12/19, our Growth Model will sell **Small Cap Value** (1389/FCPVX) and buy **Export & Multinational** (332/FEXPX). The resulting mix will be roughly 24% **Export**, 26% **Value**, 25% **Contrafund**, and 25% **Equity-Income**. There is no change for the VIP Growth Model. We are making this trade because a flat yield curve implies slower growth for the smaller companies that sell domestically, whereas a faster rate of economic growth overseas is most likely to help larger firms that sell into foreign markets. Note: **Export** is scheduled for a payout on 12/16.

Also on 12/19, our Unique Opportunities Model will sell **Leveraged Company** (122/FLVCX) and buy **Convertible Securities** (308/FCVXS), for an approximate mix of 17% **Natural Resources**, 13% **Pacific Basin**, 13% **Europe**, 24% **Convertible Securities**, and 33% **Value**. Although we still like **Leveraged Company** as a bet on rising inflation, **Convertible Securities** carries less risk and should hold up well if energy costs continue to climb.

## Review & Recommendations

Investors were relieved that consumer spending is holding up better than expected, even as clear signs of a housing slowdown are surfacing in some areas. Another plus was the release of monthly inflation figures and the latest Fed minutes, both of which suggested the current string of tightening moves may wind down in the next several months. The S&P 500 finished November with a gain of 3.8%.

### GROWTH FUNDS

Growth Model holdings are listed on page 7. Our favorites include **Contrafund**, **Value**, and **Export**.

A number of funds were helped by their focus on consumer-oriented technology companies. **Mid-Cap Stock** was up 6.7%, **Value Strategies** gained 6.5%, **OTC Portfolio** climbed 6.1%, and **Value** rose 5.9%. However, some funds with concentrated portfolios trailed the group because their stock picks were less than ideal. **Focused Stock** climbed 3.8%, **Dividend Growth** moved up 3.4%, **Magellan** increased 3.3%, and **Discovery** posted a 3.0% return.

### INTERNATIONAL FUNDS

**Int'l Discovery** offers broad exposure to foreign stocks, with an emphasis on European markets. **Pacific Basin** should benefit from recovery in Japan and continued growth in Asian emerging market regions. We downgraded **Europe** because new manager Frederic Gautier is making big changes.

Signs of strength for U.S. and Japanese consumers were good news for emerging market exporters. **Emerging Markets** jumped 10.3%, while **Latin America** and **Southeast Asia** were both up 9.1%. On the flip side, European stocks were weak in comparison. **Europe Capital Appreciation** and **Europe** both rose 2.5%, and **Nordic** edged up 0.2%.

### GROWTH & INCOME FUNDS

Growth and Income Model holdings are listed on page 7. Our favorites include **Balanced**, **Strategic Dividend & Income**, **Equity-Income**, **Convertible Securities**, and **Puritan**. For a lower-risk choice, consider **Asset Manager Income**.

Dividend stocks got a lift as investors looked for 2006 to bring fewer tightening moves and bigger

RECOMMENDATIONS - *Continued on page 8*

Cash is once again a viable option for those who wish to avoid risk. Money market returns of 4-5% should be common by mid-year, allowing investors to keep pace with inflation – at least on a pre-tax basis.

Last year at this time, we felt that value stocks were the only game in town, and we were bullish across all levels of market capitalization. Now there are several factors that suggest the pendulum is swinging in favor of large-caps, while at the same time suggesting that growth stocks can no longer be ignored. Domestic interest rates are higher, overseas economic growth is boosting demand for exports, and business spending is beginning to displace consumer spending as the main source of GDP growth.

Not that it's time to give up on value stocks. Corporations are flush with cash, so big increases are expected for dividends and stock buybacks. And for the same reason, merger and acquisition activity is not about to dry up. Both factors suggest that value strategies will continue to work well in 2006.

Foreign markets are not as dicey as they were a year ago. China managed to cut loose from the dollar without any major economic or political repercussions. Japan's recovery is finally on a solid footing, thanks in part to unexpected strength in the dollar – a direct result of the big interest-rate gap between Japan and the U.S. European companies aren't seeing much hope on the economic front, but they are getting more serious about cost-cutting.

So what are the risks? Like any year, 2006 has no shortage of potential problems. The energy crunch is still our primary long-term concern, but it's hard to say if 2006 will bring renewed pressures in the spring or during the fall hurricane season. We plan to hedge by keeping an overweighted energy position in most of our portfolios. Less of a concern, but still on the radar screen, is the trade deficit. The numbers are likely to get worse in 2006, but the odds of a crisis are low. Foreigners are buying our bonds because they are getting a good rate of return, not because they are trying to do us a favor. Over time, U.S. exports will grow as emerging nations step up their purchases of high-ticket capital goods. Inflation remains a concern for the year ahead, but the market has already factored in a higher rate. The release of monthly CPI and PPI figures may trigger adverse responses on occasion in 2006, but we don't expect any major meltdowns. That brings us to the risk of a housing bust. Any impact in 2006 is likely to be limited, because only certain parts of the country

would be affected. And even if a widespread selloff were to occur, the impact on consumer spending would probably be modest during the first year or two of sliding prices. With those thoughts in mind, here are our fund favorites for 2006.

#### INCOME FUNDS

Sitting in cash is actually a reasonable option for money you might need short-term, and you don't even need to tie it up in a CD. Just buy **Cash Reserves**, and sit tight. You may not grow your purchasing power, but you certainly won't lose any sleep.

It might be possible to do a little better with **Ultra-Short Bond**. At this point the fund's yield is only 30-50 basis points better than a money market fund, but it might improve if the yield curve becomes steeper after the Fed finishes with its tightening cycle.

The best bet going on the high-yield side is **Floating Rate High Income**, which currently yields about 5%. This fund invests in leveraged loans which are asset-backed. Because the issuer pays a floating rate of interest, much like a homeowner would for an adjustable rate mortgage, there's very little interest-rate risk with a fund like this. The main risk is that an economic slowdown could trigger a mild loss in share price. Fortunately, the fund carries only about one-fourth as much credit risk as a typical junk bond fund.

Beyond those two choices, there's not a lot to like in the taxable bond group. Medium and long-maturity investment-grade funds provide very little additional yield, and may decline in price if long-term interest rates continue to move up. Funds that include high yield securities might be hurt if rising interest rates or high energy prices slow the economy more than expected. And funds that are designed to protect against inflation may not live up to expectations if interest rates move up faster than inflation, as could be the case in 2006.

Municipal bond funds offer the advantage of a relatively high pre-tax yield. But here again, longer-maturity funds may suffer capital losses if long-term interest rates keep climbing. Other than municipal money markets, the only funds we're comfortable with for the coming year are **Short-Intermediate Muni** and the new **California Short-Intermediate Tax-Free Bond**.

#### GROWTH & INCOME FUNDS

Growth and income funds tend to invest mainly in companies that are rewarding their shareholders directly, so there's a good chance that this group of

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funds will benefit from the big dividend increases and stock repurchases that are expected for 2006.

**Asset Manager Income** is one of the most conservative funds in this category. With only 25% of its assets in stocks, it shouldn't be hurt much if the market suddenly gets spooked by higher energy prices or an economic slowdown. And if the stock market stays on track, it stands to finish 2006 well ahead of most investment grade bond funds.

Consider **Puritan** for a 60/40 blend of value stocks and bonds, a time-tested asset mix that has returned 9% per year over the last decade. In recent months the bond portion of **Puritan** has included a significant amount of cash.

**Balanced** offers a similar approach that blends stocks and bonds, although manager Lawrence Rakers holds a more growth-oriented mix of stocks. His stock-selection skills have been impressive, even in periods of market weakness. **Balanced** finished ahead of many stock-only funds over the last three years, even with its 30% weighting in bonds and cash.

**Convertible Securities**, which has been managed by Thomas Soviero since June, is being reshaped to fit Soviero's view of a global economy saddled with rising prices for energy and natural resources. Soviero has done unusually well with **Leveraged Company**, and we think **Convertible Securities** will provide similar benefits with more growth opportunities and less overall volatility.

**Strategic Dividend & Income** draws from four income-producing asset classes: common stocks, preferred stocks, convertibles, and real estate. So far, the fund has produced returns exceeding those of **Equity-Income** while taking on about 10% less risk. Most of the fund's emphasis is on common stocks and convertibles. Fortunately, its real estate component is conservatively positioned and currently accounts for less than 15% of assets.

**Equity-Income** hasn't been a runaway winner over the last year, though it has kept ahead of the S&P 500 while carrying similar risk. Stock dividend payouts have been enjoying robust growth, but with short-term interest rates climbing, the overall impact on dividend stocks has been something less than exciting. That may change, however. Once the Fed's tightening cycle ends, dividend stocks will be more likely to track the ongoing double-digit growth rate of shareholder distributions.

### GROWTH FUNDS

As the yield curve flattens out, small-caps tend to lose their edge when it comes to earnings growth.

On the flip side, with economic growth picking up overseas and capital spending climbing here at home, large-caps are a better bet for beating forecasted earnings. As such, our picks for the upcoming year are focused mostly on the large-cap universe.

**Contrafund** has enjoyed good success this year, in part because 26% of its assets are invested outside the U.S. Long-time manager Will Danoff seems to be a natural for the \$55 billion fund, and so far he has not suffered any of the ills that can affect funds of this size. He keeps turnover low, avoids making heavy-handed sector bets, and doesn't concentrate too heavily on his top 10 positions. We think his approach will continue to pay off in 2006.

With more than a third of its holdings in tech and health care, **Value** is looking for bargains outside of its usual territory. Manager Rich Fentin is on track for a solid showing in 2005, and seems reasonably well-positioned for the year ahead. As a mid-cap fund, **Value** is poised to benefit from continued merger and acquisition activity. However, it could be negatively affected if the domestic economy slows down too quickly.

**Export & Multinational** is back on our favorites list for 2006. Last year at this time we became concerned that the fund was too dependent on the financial services sector, and not focused enough on U.S. firms selling goods and services overseas. Since then, the fund has embraced its export theme to a greater degree, and we think new manager Victor Thay is likely to cut back the fund's financial holdings, just as he did at **Growth & Income II** a few months ago. It's unlikely that **Export** will get any help from a weaker dollar in 2006, but many of today's successful exporters have high enough margins that exchange rates are no longer a critical factor.

Scott Offen has enjoyed good success at **Value Discovery**, a fund that looks for companies selling at a discount relative to their competitors. We like the fund's 18% weighting in the energy group, its focus on large-cap stocks, and the high degree of flexibility that stems from its relatively small size.

**Leveraged Company Stock** remains on our buy list, even as we take it out of our Unique Opportunities Model to reduce volatility. The fund continues to use a deep-value approach that targets companies carrying a heavy debt load. Thomas Soviero's heavy bet on energy and commodities has given the fund a behavior pattern that resembles a natural resources fund in some ways. That approach may pay off if commodity stocks benefit from rising prices and further consolidation.

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### 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. Fee: **0.75(90)** indicates a 0.75% redemption fee on shares held less than 90 days. As of September, 2003, all retail Fidelity funds are no-load. If a fund is closed to new investors, we will list it as such in the Fee column. 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 are indicated by ↑ and ↓.

| NOVEMBER PERFORMANCE              |        |      |             |        |         | 2005  | One  | Three | One  | 3-Yr | 5-Yr  | 10-Yr |
|-----------------------------------|--------|------|-------------|--------|---------|-------|------|-------|------|------|-------|-------|
| Fund Name (Code/Symbol)           | Rating | Risk | Ex-Date     | NAV    | Size    | YTD   | Mth  | Mth   | Year | Rate | Rate  | Rate  |
| Aggressive Gth (324/FDEGX)        | H***   | 1.38 | 12/16(0.00) | 17.48  | 4261.9  | 5.3   | 3.8  | 1.5   | 9.6  | 12.8 | -12.5 | 3.0   |
| Blue Chip Gth (312/FBGRX)         | H***   | 0.99 | 12/16(0.10) | 43.23  | 21875.8 | 4.0   | 4.0  | 3.1   | 7.5  | 8.9  | -3.1  | 6.5   |
| Blue Chip Value (1271/FBCVX)      | B****  | 1.07 | 12/9(0.15)  | 13.55  | 189.7   | 8.9   | 4.7  | 3.7   | 12.5 |      |       |       |
| Capital Apprec (307/FDCAX)        | H***   | 1.23 | 12/9(2.46)  | 27.33  | 6982.9  | 5.0   | 4.1  | 2.6   | 9.3  | 17.5 | 6.6   | 10.2  |
| Contrafund (22/FCNTX)             | B****  | 1.01 | 12/23(1.22) | 65.06  | 54996.1 | 14.7  | 4.1  | 5.4   | 17.7 | 18.8 | 6.6   | 12.0  |
| Discovery (339/FDSVX)             | S**    | 0.95 | 12/16(0.03) | 11.41  | 436.5   | 1.6   | 3.0  | 3.8   | 5.8  | 9.0  | 0.2   |       |
| Disc Equity (315/FDEQX)           | H***   | 1.12 | 12/2(0.11)  | 27.95  | 5837.2  | 10.5  | 4.6  | 4.0   | 13.8 | 14.5 | 2.4   | 9.2   |
| Dividend Gth (330/FDGFY)          | H***   | 0.97 | 12/9(0.42)  | 29.04  | 16240.4 | 2.9   | 3.4  | 3.3   | 6.5  | 7.9  | 1.0   | 11.2  |
| Export Fund (332/FEXPX)           | B****  | 1.11 | 12/16(0.80) | 21.80  | 3484.9  | 14.3  | 4.3  | 7.2   | 18.2 | 17.7 | 7.5   | 15.4  |
| Fidelity Fifty (500/FFTYX)        | H***   | 1.22 | 12/16(0.18) | 22.62  | 823.6   | 9.6   | 5.7  | 6.9   | 13.4 | 9.8  | 7.1   | 11.0  |
| Focused Stock (333/FTQGX)         | H***   | 1.38 | 12/2(0.02)  | 11.80  | 109.9   | 16.8  | 3.8  | 3.3   | 21.4 | 16.3 | -2.0  |       |
| Growth Company (25/FDGRX)         | H***   | 1.30 | 12/16(0.00) | 62.44  | 25341.0 | 11.4  | 5.5  | 7.2   | 16.2 | 16.7 | -1.7  | 10.0  |
| Independence (73/FDQX)            | H***   | 1.20 | 12/16(0.03) | 19.46  | 4429.9  | 9.2   | 5.9  | 5.1   | 12.6 | 13.1 | -0.3  | 9.5   |
| Large Cap Growth (763/FSLGX)      | H***   | 1.32 | 12/9(0.26)  | 11.56  | 107.6   | 12.7  | 5.5  | 4.5   | 18.6 | 14.9 |       |       |
| Large-Cap Stock (338/FLCSX)       | B****  | 1.01 | 12/2(0.04)  | 15.56  | 630.9   | 6.7   | 4.7  | 5.2   | 10.3 | 10.1 | -2.0  | 7.6   |
| Large Cap Value (708/FLVLX)       | B****  | 1.14 | 12/9(0.37)  | 13.43  | 400.6   | 10.6  | 3.9  | 3.9   | 15.0 | 16.1 |       |       |
| Lev Co Stock (122/FLVCX)          | B****  | 1.50 | 12/9(0.17)  | 25.74  | 3314.1  | 15.4  | 5.0  | 0.9   | 16.0 | 40.3 |       |       |
| Low-Priced Stock (316/FLPSX)      | H***   | 1.00 | 12/16(1.23) | 41.30  | 35303.2 | 6.7   | 4.5  | 0.7   | 11.0 | 20.9 | 18.5  | 16.2  |
| Magellan (21/FMAGX)               | H***   | 1.00 | 12/2(3.70)  | 108.01 | 50671.9 | 4.4   | 3.3  | 2.7   | 7.6  | 9.4  | -1.0  | 7.1   |
| Mid Cap Growth (793/FSMGX)        | H***   | 1.46 | 12/9(0.28)  | 13.18  | 167.2   | 12.9  | 5.5  | 3.0   | 19.1 | 19.8 |       |       |
| Mid Cap Stock (337/FMCSX)         | H***   | 1.31 | 12/2(0.62)  | 26.57  | 9021.2  | 13.5  | 6.7  | 3.9   | 18.2 | 15.7 | 2.3   | 12.8  |
| Mid Cap Value (762/FSMVX)         | H***↓  | 1.23 | 12/9(1.11)  | 15.85  | 238.0   | 12.5  | 3.9  | 3.3   | 17.0 | 21.1 |       |       |
| New Millennium (300/FMILX)        | H***   | 1.40 | 12/16(0.01) | 34.11  | 3269.1  | 7.6   | 5.1  | 3.8   | 11.1 | 12.5 | 1.7   | 14.7  |
| OTC Portfolio (93/FOCPX)          | H***   | 1.27 | 12/16(0.00) | 37.67  | 7780.5  | 8.6   | 6.0  | 5.6   | 12.5 | 13.6 | -2.6  | 8.3   |
| Small Cap Gth (1388/FCPGX)        | H***   | 1.30 | 12/2(0.12)  | 13.03  | 249.4   | 15.4  | 4.1  | 2.2   | 19.9 |      |       |       |
| Small Cap Indep (336/FDSCX)       | H***   | 1.27 | 12/2(1.48)  | 21.64  | 1604.4  | 9.7   | 3.9  | 0.7   | 13.6 | 17.8 | 9.5   | 8.4   |
| Small Cap Stock (340/FSLCX)       | H***   | 1.20 | 12/2(0.23)  | 18.71  | 4150.0  | 6.8   | 4.3  | 1.8   | 10.3 | 19.4 | 11.2  |       |
| Small Cap Value (1389/FCPVX)      | H***   | 1.25 | 12/2(0.11)  | 12.76  | 671.1   | 16.8  | 4.6  | 2.3   | 20.2 |      |       |       |
| Stock Selector (320/FDSSX)        | H***   | 1.02 | 12/2(0.09)  | 24.87  | 770.4   | 9.0   | 4.8  | 5.4   | 12.6 | 12.7 | 0.9   | 7.4   |
| Trend (5/FTRNX)                   | H***   | 1.02 | 12/23(0.30) | 57.37  | 845.0   | 6.9   | 4.2  | 4.2   | 10.3 | 12.4 | 1.2   | 5.8   |
| Value (39/FDVLX)                  | B****  | 1.07 | 12/2(5.60)  | 80.07  | 13028.0 | 12.3  | 5.9  | 3.1   | 15.6 | 20.9 | 15.6  | 12.3  |
| Value Discovery (832/FVDFX)       | B****  | 1.17 | 12/9(0.19)  | 15.44  | 224.1   | 16.1  | 5.8  | 3.7   | 18.9 |      |       |       |
| Value Strategies (14/FLSLX)       | H***   | 1.38 | 12/16(7.32) | 37.76  | 163.9   | 0.9   | 6.5  | 2.7   | 6.5  | 18.2 | 10.6  |       |
| <b>GROWTH &amp; INCOME FUNDS:</b> |        |      |             |        |         |       |      |       |      |      |       |       |
| Balanced (304/FBALX)              | B****  | 0.81 | 12/9(0.16)  | 18.61  | 15186.7 | 8.9   | 3.6  | 2.3   | 12.1 | 14.6 | 8.3   | 10.6  |
| Convertible Sec (308/FCVXS)       | B****  | 0.81 | 12/16(0.00) | 22.14  | 1721.5  | 3.8   | 2.3  | 0.2   | 6.9  | 13.1 | 6.0   | 11.7  |
| Equity-Income (23/FEQIX)          | B****↑ | 0.96 | 12/9(1.80)  | 54.27  | 25347.6 | 5.2   | 4.2  | 3.4   | 8.5  | 13.2 | 4.5   | 9.7   |
| Equity-Income II (319/FEQTX)      | B****  | 1.03 | 12/16(1.80) | 24.57  | 11920.9 | 4.3   | 3.9  | 2.7   | 7.4  | 12.3 | 4.7   | 9.8   |
| Fidelity Fund (3/FFIDX)           | H***   | 0.99 | 12/16(0.07) | 31.54  | 9497.8  | 6.3   | 3.9  | 4.0   | 9.0  | 11.4 | 0.6   | 9.0   |
| Global Balanced (334/FGBLX)       | B****  | 0.68 | 12/9(1.85)  | 22.14  | 191.1   | 7.1   | 2.3  | 2.2   | 10.9 | 15.7 | 7.0   |       |
| Growth & Income (27/FGRIX)        | B****  | 0.91 | 12/16(3.41) | 37.85  | 30693.0 | 3.1   | 3.4  | 3.4   | 6.2  | 9.3  | 0.2   | 8.4   |
| Growth & Inc II (361/FGRTX)       | B****  | 1.02 | 12/16(0.00) | 10.35  | 182.7   | 7.6   | 4.0  | 5.5   | 10.8 | 10.3 | 1.3   |       |
| Puritan (4/FPURX)                 | B****  | 0.63 | 12/9(0.25)  | 18.86  | 23657.8 | 4.0   | 2.8  | 1.9   | 6.5  | 10.8 | 5.5   | 9.0   |
| Strategic Div & Inc (1329/FSDIX)  | B****  | 0.85 | 12/16(0.09) | 12.22  | 764.1   | 8.7   | 4.0  | 2.7   | 12.1 |      |       |       |
| Utilities (311/FIUIX)             | B****  | 1.12 | 12/2(0.00)  | 14.88  | 1039.6  | 10.9  | 2.5  | 0.7   | 14.4 | 17.9 | -0.1  | 7.1   |
| <b>SELECT FUNDS:</b>              |        |      |             |        |         |       |      |       |      |      |       |       |
| Air Transportation (34/FSAIX)     | H***   | 1.39 | 12/16(1.46) | 39.59  | 50.5    | 17.5  | 6.4  | 8.7   | 17.0 | 21.1 | 3.5   | 11.0  |
| Automotive (502/FAVX)             | S**    | 1.29 | 12/16(0.05) | 32.99  | 14.5    | -5.3  | 1.8  | -8.2  | 0.2  | 10.6 | 10.9  | 6.9   |
| Banking (507/FSRBX)               | H***   | 1.08 | 12/9(3.24)  | 38.98  | 366.5   | 0.3   | 3.5  | 4.0   | 2.5  | 12.3 | 8.6   | 12.5  |
| Biotechnology (42/FBIOX)          | H***   | 2.06 | 12/2(0.00)  | 61.32  | 1593.5  | 6.4   | 5.3  | 2.3   | 14.3 | 14.2 | -5.3  | 11.0  |
| Brokerage (68/FSLBX)              | B****  | 1.24 | 12/16(5.30) | 71.31  | 622.9   | 27.7  | 7.1  | 14.5  | 34.1 | 21.7 | 10.2  | 19.2  |
| Business Ser (353/FBSOX)          | H***   | 1.03 | 12/9(0.23)  | 16.73  | 31.1    | 5.8   | 5.5  | 6.8   | 8.6  | 14.1 | 4.7   |       |
| Chemicals (69/FSCHX)              | S**↓   | 1.59 | 12/16(0.97) | 66.05  | 125.6   | -2.3  | 2.9  | -0.1  | -0.1 | 18.3 | 15.1  | 10.3  |
| Computers (7/FDCPX)               | H***   | 1.56 | 12/16(0.00) | 36.36  | 533.9   | 3.4   | 7.0  | 2.1   | 6.9  | 12.4 | -8.0  | 7.8   |
| Const & Housing (511/FSHOX)       | S**↓   | 2.03 | 12/16(0.13) | 47.02  | 292.8   | 8.9   | 6.0  | -1.7  | 19.1 | 24.9 | 20.1  | 14.6  |
| Consumer Indust (517/FSCPX)       | S**    | 1.11 | 12/16(0.37) | 25.41  | 41.1    | 3.0   | 4.5  | 3.6   | 8.3  | 9.4  | 3.1   | 8.1   |
| Cyclical Indust (515/FCYIX)       | H***   | 1.35 | 12/9(0.95)  | 20.21  | 55.6    | 10.3  | 5.9  | 3.9   | 12.8 | 22.2 | 10.4  |       |
| Defense & Aero (67/FSDEX)         | H***   | 1.19 | 12/16(3.06) | 74.36  | 781.1   | 14.6  | 4.1  | -0.3  | 15.3 | 23.4 | 12.8  | 14.5  |
| Develop Commn (518/FSDCX)         | H***   | 1.57 | 12/16(0.00) | 19.73  | 437.6   | 2.1   | 4.3  | 4.5   | 5.5  | 21.0 | -8.6  | 7.4   |
| Electronics (8/FSLEX)             | B****↑ | 1.73 | 12/2(0.00)  | 43.67  | 2403.0  | 15.6  | 11.6 | 3.9   | 20.6 | 12.2 | -5.1  | 11.3  |
| Energy (60/FSENX)                 | B****  | 2.32 | 12/9(1.73)  | 47.27  | 2209.8  | 48.0  | 2.1  | 0.4   | 45.4 | 34.3 | 16.1  | 16.0  |
| Energy Services (43/FSSEX)        | H***   | 2.64 | 12/2(0.00)  | 63.64  | 1261.9  | 49.2  | 5.3  | 3.9   | 47.3 | 29.6 | 17.3  | 18.8  |
| Environmental (516/FSLEX)         | H***   | 1.26 | 12/2(0.14)  | 15.47  | 18.5    | 8.2   | 3.0  | -1.0  | 11.6 | 12.5 | 5.2   | 2.5   |
| Financial Services (66/FIDSX)     | H***   | 1.05 | 12/9(4.26)  | 117.97 | 447.6   | 6.5   | 4.6  | 7.8   | 10.9 | 14.0 | 6.5   | 13.3  |
| Food & Agriculture (9/FDFAX)      | S**    | 0.87 | 12/9(2.66)  | 52.81  | 130.0   | 4.7   | 1.2  | 1.5   | 9.6  | 11.4 | 6.0   | 8.8   |
| Gold (41/FSAGX)                   | H***   | 2.36 | 12/9(1.50)  | 32.79  | 787.8   | 29.1  | 14.3 | 28.7  | 22.4 | 24.7 | 28.5  | 6.6   |
| Health Care (63/FSPHX)            | H***   | 1.04 | 12/9(14.05) | 148.20 | 2220.0  | 15.7  | 3.5  | 2.4   | 23.7 | 12.3 | 0.9   | 11.6  |
| Home Finance (98/FSVLX)           | S**    | 1.19 | 12/16(7.58) | 58.11  | 307.7   | -7.5  | 4.4  | 3.3   | -4.8 | 12.4 | 9.7   | 12.1  |
| Indust Equip (510/FSGCX)          | H***   | 1.31 | 12/9(1.10)  | 27.87  | 41.8    | 6.8   | 7.5  | 3.9   | 10.8 | 17.5 | 7.2   | 9.3   |
| Indust Materials (509/FSDPX)      | H***   | 1.47 | 12/9(0.67)  | 43.17  | 125.8   | 10.1  | 5.5  | 9.4   | 11.8 | 24.4 | 17.6  | 8.2   |
| Insurance (45/FSPCX)              | H***   | 1.13 | 12/9(1.67)  | 70.47  | 184.8   | 14.6  | 5.3  | 9.6   | 20.4 | 16.2 | 10.0  | 16.5  |
| Leisure (62/FDLSX)                | H***   | 1.18 | 12/9(1.80)  | 79.06  | 190.1   | 2.7   | 6.3  | 6.0   | 8.0  | 17.3 | 7.3   | 12.0  |
| Medical Delivery (505/FSHCX)      | B****  | 1.22 | 12/9(1.27)  | 54.37  | 1503.0  | 26.3  | 3.1  | 4.8   | 36.2 | 33.2 | 17.3  | 12.0  |
| Medical Equip/Sys (354/FSMEX)     | H***   | 0.94 | 12/9(0.93)  | 25.47  | 1159.2  | 8.8   | 4.3  | 1.4   | 15.0 | 19.7 | 10.7  |       |
| Multimedia (503/FBMPX)            | B****  | 1.08 | 12/9(0.95)  | 48.63  | 83.2    | 7.6   | 5.8  | 7.2   | 12.5 | 13.1 | 7.2   | 10.5  |
| Natural Gas (513/FSNGX)           | B****  | 2.73 | 12/9(1.81)  | 39.16  | 1762.9  | 40.5  | 1.2  | -0.1  | 39.2 | 37.7 | 16.2  | 15.9  |
| Nat Resources (514/FNARX)         | B****  | 2.24 | 12/9(0.66)  | 24.07  | 594.8   | 40.9  | 3.8  | 2.4   | 37.7 | 31.7 | 14.9  |       |
| Networking/Infra (912/FNINX)      | B****  | 1.69 | 12/16(0.00) | 2.33   | 94.8    | -0.9  | 3.1  | 5.4   | 3.1  | 10.4 | -17.6 |       |
| Paper & Forest (506/FSFPX)        | S**    | 1.55 | 12/2(0.10)  | 29.57  | 22.6    | -11.0 | 12.3 | 6.8   | -7.8 | 3.7  | 5.7   | 5.2   |
| Pharmaceuticals (580/FPHAX)       | H***   | 1.09 | 12/16(0.02) | 9.69   | 118.7   | 7.1   | 1.3  | 2.2   | 16.7 | 9.1  |       |       |
| Retailing (46/FSRPX)              | S**    | 1.52 | 12/9(4.85)  | 53.32  | 65.4    | 7.5   | 5.9  | 2.4   | 10.0 | 14.5 | 5.7   | 11.5  |
| Software (28/FSCSX)               | B****  | 1.39 | 12/2(0.00)  | 51.85  | 658.8   | -1.2  | -1.0 | 3.0   | 3.1  | 10.6 | 0.1   | 12.1  |
| Technology (64/FSPTX)             | B****  | 1.39 | 12/2(0.00)  | 63.73  | 1802.6  | 5.9   | 6.0  | 4.5   | 9.5  | 13.1 | -7.2  | 9.0   |
| Telecom (96/FSTCX)                | B****  | 1.15 | 12/2(0.16)  | 39.27  | 339.2   | 5.9   | 5.1  | 4.9   | 9.3  | 12.5 | -4.9  | 4.7   |
| Transportation (512/FSRFX)        | H***   | 1.52 | 12/9(1.60)  | 47.11  | 71.5    | 11.1  | 6.8  | 10.8  | 13.3 | 24.4 | 12.8  | 13.6  |
| Utilities Growth (65/FSUTX)       | H***   | 1.08 | 12/2(0.41)  | 44.28  | 286.1   | 10.3  | 2.7  | 0.4   | 13.3 | 19.6 | -1.2  | 8.4   |
| Wireless (963/FWRXL)              | B****  | 1.20 | 12/16(0.00) | 6.84   | 447.5   | 17.3  | 4.9  | 2.7   | 19.6 | 33.6 | -3.9  |       |

| NOVEMBER PERFORMANCE               |        |         |             |       |         |       | Div. | 2005 | One  | Three | One  | 3-Yr | 5-Yr |
|------------------------------------|--------|---------|-------------|-------|---------|-------|------|------|------|-------|------|------|------|
| Fund Name (Code/Symbol)            | Rating | Risk    | Ex-Date     | NAV   | Size    | Yield | YTD  | Mth  | Mth  | Year  | Rate | Rate |      |
| Aggressive Int'l (335/FIVFX)       | H***   | 1.02    | 12/9(1.68)  | 17.93 | 696.3   |       | 7.2  | 4.3  | 3.2  | 12.1  | 17.4 | 6.7  |      |
| Canada (309/FICDX)                 | B****  | 1.19    | 12/2(0.10)  | 41.35 | 1715.5  |       | 22.1 | 5.6  | 3.6  | 24.3  | 31.9 | 16.3 |      |
| China Region (352/FHKCX)           | H***   | 0.95    | 12/2(0.27)  | 18.72 | 397.0   |       | 9.7  | 5.5  | 2.7  | 11.8  | 18.7 | 7.5  |      |
| Diversified Int'l (325/FDIVX)      | H***   | 0.95    | 12/9(1.00)  | 31.89 | 29613.8 |       | 11.3 | 3.5  | 3.4  | 15.9  | 23.3 | 9.3  |      |
| Emerging Mkts (322/FEMKX)          | H***   | 1.27    | 12/9(0.16)  | 17.33 | 1387.3  |       | 34.0 | 10.3 | 14.2 | 42.5  | 33.3 | 17.8 |      |
| Europe (301/FIEUX)                 | H***↓  | 1.07    | 12/9(4.33)  | 38.19 | 2547.6  |       | 11.8 | 2.5  | 0.0  | 18.9  | 25.6 | 7.1  |      |
| Europe Cap Appr (341/FECAX)        | H***   | 1.07    | 12/9(2.80)  | 23.74 | 492.5   |       | 10.3 | 2.5  | -0.1 | 15.0  | 20.2 | 6.6  |      |
| Int'l Discovery (305/FIGRX)        | B****  | 0.98    | 12/2(1.78)  | 31.52 | 3940.4  |       | 11.8 | 2.8  | 3.8  | 17.3  | 22.9 | 7.7  |      |
| Int'l Small Cap (818/FISMX)        | B****  | 1.06    | 12/9(2.98)  | 27.86 | 2087.9  |       | 19.7 | 3.6  | 2.4  | 25.3  | 40.6 |      |      |
| Int'l Small Cap Opp (1504/FSCOX)   | B****  | 1.1 Est | 12/9(0.04)  | 11.32 | 195.2   |       |      | 8.8  | 10.0 |       |      |      |      |
| Japan (350/FJPNX)                  | H***   | 1.64    | 12/2(0.04)  | 16.00 | 1070.2  |       | 25.0 | 6.7  | 17.0 | 30.9  | 22.9 | 0.8  |      |
| Japan Smaller Co (360/FJSCX)       | H***   | 1.57    | 12/9(0.90)  | 15.01 | 1402.4  |       | 19.3 | 5.3  | 10.9 | 22.5  | 32.8 | 11.1 |      |
| Latin America (349/FLATX)          | H***   | 2.07    | 12/9(0.62)  | 32.09 | 1375.2  |       | 51.7 | 9.1  | 20.7 | 64.5  | 54.2 | 23.3 |      |
| Nordic (342/FNORX)                 | H***   | 1.24    | 12/9(2.73)  | 30.99 | 188.1   |       | 12.2 | 0.2  | -3.6 | 15.1  | 23.3 | 5.1  |      |
| Overseas (94/FOSFX)                | H***   | 1.07    | 12/2(0.53)  | 39.52 | 4731.8  |       | 11.7 | 5.0  | 6.2  | 15.8  | 19.5 | 3.4  |      |
| Pacific Basin (302/FPBFX)          | B****  | 1.12    | 12/9(0.42)  | 23.95 | 644.6   |       | 21.1 | 6.8  | 11.6 | 26.8  | 22.9 | 6.3  |      |
| Southeast Asia (351/FSEAX)         | H***   | 1.16    | 12/9(0.69)  | 20.42 | 785.5   |       | 24.4 | 9.1  | 10.7 | 26.6  | 25.3 | 13.4 |      |
| Worldwide (318/FWVFX)              | H***   | 0.98    | 12/9(1.04)  | 19.97 | 1181.0  |       | 9.4  | 4.8  | 5.0  | 13.5  | 16.8 | 5.6  |      |
| <b>INDEX AND ASSET ALLOCATION:</b> |        |         |             |       |         |       |      |      |      |       |      |      |      |
| Four-In-One Index (355/FFNOX)      | H***   | 0.83    | 12/29(0.17) | 26.53 | 1011.1  |       | 5.4  | 3.1  | 2.3  | 9.0   | 13.4 | 3.2  |      |
| NASDAQ Comp (1282/FNCMX)           | S**    | 1.23    | 12/16(0.11) | 30.32 | 109.2   |       | 3.2  | 5.4  | 4.0  | 6.9   |      |      |      |
| Spart Ext Mkt Idx (398/FSEMXX)     | H***   | 1.22    | 12/16(0.29) | 34.96 | 1278.4  |       | 9.5  | 4.7  | 3.0  | 14.1  | 20.9 | 8.0  |      |
| Spart Int'l Index (399/FSIIX)      | B****  | 1.02    | 12/16(0.54) | 34.49 | 1085.9  |       | 8.2  | 2.0  | 3.0  | 13.0  | 20.0 | 4.0  |      |
| Spart 500 Index (317/FSMKX)        | H***   | 1.00    | 12/2(0.95)  | 86.91 | 7179.4  |       | 4.8  | 3.8  | 2.9  | 8.4   | 12.0 | 0.5  |      |
| Spart Total Mkt Idx (397/FSTMXX)   | B****  | 1.03    | 12/16(0.29) | 35.03 | 1939.6  |       | 6.3  | 4.0  | 2.9  | 10.1  | 13.9 | 2.3  |      |
| Asset Manager (314/FASMX)          | H***   | 0.52    | 12/16(0.50) | 16.39 | 10026.4 |       | 3.0  | 2.2  | 1.7  | 5.3   | 7.3  | 2.7  |      |
| Asset Mgr Agg (347/FAMRX)          | H***   | 1.14    | 12/16(0.03) | 11.96 | 393.4   |       | 5.7  | 5.2  | 3.7  | 10.0  | 17.4 | 0.1  |      |
| Asset Mgr Gth (321/FASGX)          | H***   | 0.72    | 12/16(0.22) | 15.24 | 3236.1  |       | 2.8  | 2.8  | 2.5  | 5.8   | 8.3  | 1.6  |      |
| Asset Mgr Inc (328/FASIX)          | B****  | 0.38    | 12/2(0.24)  | 13.02 | 1740.7  |       | 5.0  | 1.7  | 1.7  | 6.6   | 8.1  | 5.5  |      |
| Freedom 2000 (370/FFFBX)           | B****  | 0.28    | 12/29(0.16) | 12.41 | 1567.7  |       | 3.3  | 1.4  | 0.9  | 4.7   | 5.5  | 3.3  |      |
| Freedom 2005 (1312/FFVFX)          | B****  | 0.47    | 12/29(0.14) | 11.24 | 364.0   |       | 4.7  | 2.4  | 1.5  | 6.7   |      |      |      |
| Freedom 2010 (371/FFFCX)           | B****  | 0.50    | 12/29(0.15) | 14.18 | 9437.3  |       | 4.8  | 2.5  | 1.6  | 7.0   | 9.0  | 3.6  |      |
| Freedom 2015 (1313/FFVFX)          | B****  | 0.60    | 12/29(0.11) | 11.61 | 1610.6  |       | 5.7  | 2.9  | 2.1  | 8.3   |      |      |      |
| Freedom 2020 (372/FFFDX)           | B****  | 0.71    | 12/29(0.12) | 14.76 | 11382.4 |       | 6.3  | 3.4  | 2.6  | 9.3   | 12.1 | 3.1  |      |
| Freedom 2025 (1314/FFTXX)          | B****  | 0.76    | 12/29(0.11) | 11.99 | 1238.6  |       | 6.7  | 3.5  | 2.8  | 9.9   |      |      |      |
| Freedom 2030 (373/FFFX)            | B****  | 0.82    | 12/29(0.09) | 15.03 | 6778.6  |       | 7.3  | 3.9  | 3.3  | 10.6  | 13.4 | 2.5  |      |
| Freedom 2035 (1315/FFTHX)          | B****  | 0.84    | 12/29(0.10) | 12.24 | 666.4   |       | 7.4  | 4.0  | 3.4  | 10.8  |      |      |      |
| Freedom 2040 (718/FFFFX)           | B****  | 0.86    | 12/29(0.06) | 8.84  | 2783.2  |       | 7.4  | 4.0  | 3.4  | 10.9  | 14.3 | 2.1  |      |
| Freedom Income (369/FFFAFX)        | B****  | 0.25    | 12/29(0.00) | 11.40 | 2045.1  |       | 3.1  | 1.2  | 0.7  | 4.2   | 4.7  | 3.5  |      |
| Real Estate Income (833/FRIFX)     | H***   | 0.27    | 12/16(0.36) | 11.81 | 626.3   |       | 4.5  | 1.1  | 0.1  | 6.2   |      |      |      |
| Real Estate (303/FRESX)            | S**    | 1.51    | 12/16(1.28) | 32.03 | 5617.8  |       | 13.4 | 4.6  | 2.9  | 19.5  | 27.3 | 20.2 |      |
| Int'l Real Estate (1368/FIREX)     | H***   | 0.98    | 12/16(0.08) | 12.04 | 166.4   |       | 6.3  | 1.9  | 1.0  | 12.3  |      |      |      |
| <b>TAXABLE BOND FUNDS:</b>         |        |         |             |       |         |       |      |      |      |       |      |      |      |
| Capital & Income (38/FAGIX)        | H***   | 0.31    | 12/29(0.03) | 8.32  | 5255.9  | 6.13  | 3.5  | 0.9  | -0.8 | 5.4   | 18.7 | 9.6  |      |
| Floating Rate (814/FFRHX)          | B****  | 0.06    | 12/2(0.00)  | 9.95  | 2459.0  | 5.09  | 3.8  | 0.4  | 1.0  | 4.2   | 5.3  |      |      |
| Focused High Inc (1366/FHIFX)      | H***   | 0.2 Est | 12/2(0.00)  | 9.96  | 37.9    | 5.78  | 2.0  | 0.8  | -0.1 | 2.9   |      |      |      |
| GNMA Portfolio (15/FGMNX)          | H***   | 0.22    | 12/16(0.00) | 10.83 | 3890.5  | 4.48  | 1.6  | 0.4  | -0.8 | 2.2   | 3.1  | 5.1  |      |
| Gov't Income (54/FGOVX)            | H***   | 0.29    | 12/16(0.00) | 10.09 | 5339.6  | 3.69  | 1.5  | 0.4  | -1.3 | 2.5   | 3.2  | 5.4  |      |
| High Income (455/SPHIX)            | H***   | 0.25    | 12/29(0.03) | 8.77  | 3264.1  | 6.73  | 2.4  | 0.8  | 0.1  | 3.8   | 13.2 | 7.4  |      |
| Inflation-Protected (794/FINPX)    | H***   | 0.49    | 12/2(0.36)  | 11.29 | 1703.2  | 1.68  | 1.1  | 0.1  | -1.3 | 2.9   | 6.9  |      |      |
| Intermed Bond (32/FTHRX)           | H***   | 0.22    | 12/2(0.00)  | 10.27 | 7394.4  | 4.13  | 1.1  | 0.4  | -0.7 | 1.8   | 3.8  | 5.8  |      |
| Intermed Gov't Inc (452/FSTGX)     | H***   | 0.22    | 12/16(0.00) | 10.03 | 848.8   | 3.54  | 0.9  | 0.4  | -0.7 | 1.5   | 2.4  | 5.0  |      |
| Invest Grade Bond (26/FBNDX)       | H***   | 0.28    | 12/9(0.02)  | 7.35  | 7288.8  | 4.20  | 1.8  | 0.5  | -1.1 | 2.7   | 4.4  | 6.1  |      |
| Mortgage Securities (40/FMSFX)     | H***   | 0.22    | 12/9(0.01)  | 11.01 | 1802.2  | 4.57  | 1.6  | 0.4  | -0.9 | 2.1   | 3.6  | 5.6  |      |
| New Markets Inc (331/FNMIX)        | H***   | 0.49    | see page 8  | 14.53 | 1615.9  | 5.99  | 9.1  | 1.6  | 2.1  | 12.0  | 18.4 | 15.0 |      |
| Short-Term Bond (450/FSHBX)        | H***↓  | 0.12    | 12/2(0.00)  | 8.85  | 4992.1  | 4.00  | 1.7  | 0.3  | 0.0  | 2.0   | 2.8  | 4.5  |      |
| Spart Gov't Inc (453/SPGVX)        | H***   | 0.29    | 12/2(0.00)  | 10.87 | 854.3   | 3.85  | 1.6  | 0.4  | -1.2 | 2.6   | 3.4  | 5.6  |      |
| Spart Invest Grade (448/FSIBX)     | H***   | 0.27    | 12/16(0.12) | 10.48 | 2945.9  | 4.27  | 1.8  | 0.5  | -1.0 | 2.8   | 4.6  | 6.4  |      |
| Strategic Income (368/FSICX)       | H***   | 0.25    | see page 8  | 10.43 | 3491.0  | 5.12  | 1.9  | 0.4  | -0.9 | 3.6   | 10.6 | 9.8  |      |
| Strategic Real Rtn (1505/FSRRX)    | H***↓  | 0.5 Est | 12/23(0.09) | 9.99  | 462.1   |       |      | 0.5  |      |       |      |      |      |
| Total Bond (820/FTBFX)             | H***   | 0.25    | 12/9(0.00)  | 10.37 | 434.8   | 4.45  | 1.5  | 0.5  | -1.2 | 2.5   | 5.0  |      |      |
| Ultra-Short Bond (812/FUSEFX)      | B****  | 0.05    | 12/9(0.00)  | 10.02 | 864.9   | 4.01  | 2.6  | 0.3  | 0.8  | 2.8   | 2.0  |      |      |
| US Bond Index (651/FBIDX)          | H***   | 0.28    | 12/16(0.00) | 10.85 | 5802.3  | 4.39  | 1.4  | 0.4  | -1.3 | 2.2   | 4.3  | 6.1  |      |
| <b>MUNICIPAL BOND FUNDS:</b>       |        |         |             |       |         |       |      |      |      |       |      |      |      |
| AZ Municipal Inc (434/FSAZX)       | H***   | 0.24    | 12/2(0.02)  | 11.34 | 98.9    | 3.67  | 1.8  | 0.5  | -1.0 | 3.0   | 4.4  | 5.6  |      |
| CA Municipal Inc (91/FCTFX)        | H***   | 0.22    | 12/9(0.08)  | 12.42 | 1555.6  | 4.17  | 2.8  | 0.4  | -0.8 | 4.1   | 4.9  | 5.6  |      |
| CT Municipal Inc (407/FICNX)       | H***   | 0.22    | 12/16(0.10) | 11.46 | 435.0   | 4.01  | 1.5  | 0.4  | -0.8 | 2.7   | 4.1  | 5.5  |      |
| FL Municipal Inc (427/FFLIX)       | H***   | 0.23    | 12/16(0.15) | 11.54 | 505.2   | 4.04  | 1.9  | 0.5  | -0.8 | 3.3   | 4.5  | 5.6  |      |
| Intermediate Muni (36/FLTMX)       | H***   | 0.20    | 12/2(0.03)  | 9.97  | 1959.0  | 3.90  | 1.8  | 0.4  | -0.6 | 2.9   | 4.3  | 5.5  |      |
| MA Municipal Inc (70/FDMMX)        | H***   | 0.24    | 12/9(0.16)  | 11.97 | 1836.9  | 4.10  | 2.7  | 0.5  | -1.1 | 4.0   | 4.9  | 5.9  |      |
| MD Municipal Inc (429/SMDMX)       | H***   | 0.22    | 12/2(0.00)  | 10.79 | 109.4   | 3.81  | 1.7  | 0.4  | -0.9 | 2.8   | 4.3  | 5.3  |      |
| MI Municipal Inc (81/FMHTX)        | H***   | 0.23    | 12/9(0.06)  | 11.86 | 568.3   | 4.05  | 1.8  | 0.5  | -0.9 | 3.0   | 4.6  | 5.7  |      |
| MN Municipal Inc (82/FIMIX)        | H***   | 0.21    | 12/9(0.04)  | 11.40 | 348.7   | 4.00  | 1.8  | 0.3  | -0.8 | 3.0   | 4.3  | 5.3  |      |
| Municipal Income (37/FHIGX)        | H***   | 0.23    | 12/16(0.14) | 12.91 | 4687.2  | 4.19  | 2.8  | 0.6  | -0.8 | 4.2   | 5.3  | 6.3  |      |
| NJ Municipal Inc (416/FNJHX)       | H***   | 0.26    | 12/16(0.12) | 11.57 | 564.0   | 3.97  | 2.5  | 0.6  | -1.2 | 3.8   | 4.8  | 5.7  |      |
| NY Municipal Inc (71/FTFMX)        | H***   | 0.24    | 12/16(0.08) | 12.84 | 1432.3  | 3.92  | 2.1  | 0.4  | -1.1 | 3.5   | 4.8  | 6.1  |      |
| OH Municipal Inc (88/FOHFX)        | H***   | 0.24    | 12/16(0.17) | 11.76 | 426.9   | 3.99  | 2.0  | 0.5  | -1.0 | 3.4   | 4.8  | 5.8  |      |
| PA Municipal Inc (402/FPXTX)       | H***   | 0.22    | 12/16(0.08) | 10.82 | 315.1   | 4.16  | 1.9  | 0.4  | -0.8 | 3.2   | 4.5  | 5.6  |      |
| Short-Int Municipal (404/FSTFX)    | B****  | 0.12    | 12/16(0.00) | 10.18 | 1772.4  | 2.87  | 0.6  | 0.1  | -0.2 | 1.2   | 2.3  | 3.8  |      |
| Tax-Free Bond (90/FTABX)           | H***   | 0.25    | 12/9(0.03)  | 10.71 | 350.2   | 4.05  | 2.9  | 0.6  | -0.9 | 4.3   | 5.5  |      |      |

Note: Index figures now listed at the top of page 6

| NOVEMBER PERFORMANCE                  |      |           | 2005 | One   | Three | One  | 3-Yr | 5-Yr | 10-Yr |
|---------------------------------------|------|-----------|------|-------|-------|------|------|------|-------|
| Indexes and Model Portfolios          | Risk | Value     | YTD  | Month | Month | Year | Rate | Rate | Rate  |
| Dow Jones Industrial                  | 0.99 | 10805.87  | 2.5  | 3.8   | 3.9   | 6.2  | 9.1  | 2.8  | 9.9   |
| S&P 500                               | 1.00 | 1249.48   | 4.9  | 3.8   | 2.9   | 8.4  | 12.1 | 0.6  | 9.3   |
| NASDAQ                                | 1.22 | 2232.48   | 3.3  | 5.4   | 4.0   | 7.3  | 15.4 | -2.5 | 8.2   |
| Russell 2000                          | 1.56 | 677.29    | 5.1  | 4.9   | 2.0   | 8.2  | 20.0 | 10.1 | 9.6   |
| Fidelity Monitor Income Model         | 0.06 | 80275.86  | 3.0  | 0.6   | 1.0   | 3.6  | 5.6  | 5.7  | 5.4   |
| Fidelity Monitor G&I Model            | 0.68 | 154829.76 | 6.9  | 3.1   | 2.2   | 9.9  | 16.2 | 9.2  | 10.5  |
| Fidelity Monitor Growth Model         | 1.03 | 170347.58 | 10.2 | 4.7   | 2.7   | 14.3 | 19.0 | 7.6  | 10.3  |
| Fidelity Monitor Select System        | 1.11 | 312199.73 | 13.5 | 3.6   | 4.6   | 16.2 | 16.6 | 6.8  | 11.0  |
| Fidelity Monitor Unique Opportunities | 1.19 | 104771.35 | 14.6 | 5.0   | 2.0   | 16.7 | 26.1 | 15.8 |       |

## UNIQUE OPPORTUNITIES MODEL

This model aims for a long-term growth rate of 12% per year by emphasizing value and foreign opportunities.

| FUND              | NAV     | SHARES  | BALANCE    |
|-------------------|---------|---------|------------|
| Natural Resources | \$24.07 | 742.049 | \$17861.12 |
| Pacific Basin     | \$23.95 | 550.726 | \$13189.89 |
| Europe            | \$38.19 | 350.191 | \$13373.79 |
| Leveraged Co.     | \$25.74 | 996.929 | \$25660.95 |
| Value             | \$80.07 | 433.191 | \$34685.60 |

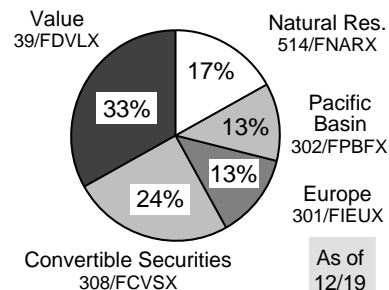
37% Foreign Holdings

Balance as of 11/30/05: **\$104771.35**

Balance at start of 2005: **\$91397.34**

### PERFORMANCE

Partial Yr 99: +33.8%  
 2000: -20.5%  
 2001: +1.6%  
 2002: -2.1%  
 2003: +43.2%  
 2004: +20.6%  
 \*2005: +14.6%



Our portfolio was up 5.0% in November. On 12/19 we will sell Leveraged Company and buy Convertible Securities.

## VIP CORNER

### VIP SECTOR MODEL:

14% Technology, 16% Financial  
 Ser. 31% Telecom & Util., 24%  
 Natural Res., 15% Health Care

### VIP GROWTH MODEL:

25% Mid-Cap Stock,  
 41% Equity-Income,  
 34% Contrafund

### VIP G & I MODEL:

32% Growth & Income,  
 54% Balanced,  
 14% Freedom Income.

### VIP INCOME MODEL:

69% Inv. Grade,  
 31% Money Market.

### NOVEMBER VIP PERFORMANCE

| Portfolio                         | Rating   | Unit Value | 2005 YTD | One Month | Three Month | One Year | 3-Yr Rate | 5-Yr Rate |
|-----------------------------------|----------|------------|----------|-----------|-------------|----------|-----------|-----------|
| VIP Aggressive Growth             | H ***    | 10.67      |          | 3.6       | 1.2         |          |           |           |
| VIP Asset Manager                 | H ***    | 32.04      | 2.2      | 2.1       | 1.5         | 4.4      | 6.7       | 1.9       |
| VIP Asset Manager: Growth         | H ***    | 21.03      | 2.2      | 2.7       | 2.4         | 5.0      | 7.8       | 0.5       |
| VIP Balanced                      | B *****  | 15.36      | 3.3      | 3.6       | 2.3         | 5.4      | 7.3       | 2.6       |
| VIP Consumer Industries           | S **     | 11.19      | 2.4      | 4.6       | 3.4         | 7.5      | 8.9       |           |
| VIP Contrafund                    | B *****  | 39.44      | 14.5     | 4.1       | 5.3         | 17.5     | 18.4      | 6.2       |
| VIP Cyclical Industries           | H ***    | 14.99      | 10.0     | 6.0       | 3.8         | 12.4     | 21.8      |           |
| VIP Dynamic Capital Appreciation  | H ***    | 13.21      | 19.0     | 4.9       | 7.4         | 21.1     |           |           |
| VIP Equity-Income                 | B *****↑ | 57.46      | 4.5      | 4.1       | 3.2         | 7.8      | 12.5      | 3.9       |
| VIP Financial Services            | B ****   | 13.03      | 5.9      | 4.7       | 7.6         | 10.4     | 13.4      |           |
| VIP Freedom 2005                  | B ****   | 10.38      |          | 2.2       | 0.4         |          |           |           |
| VIP Freedom 2010                  | B ****   | 10.39      |          | 2.3       | 0.5         |          |           |           |
| VIP Freedom 2015                  | B ****   | 10.51      |          | 2.8       | 0.9         |          |           |           |
| VIP Freedom 2020                  | B ****   | 10.60      |          | 3.2       | 1.1         |          |           |           |
| VIP Freedom 2025                  | B ****   | 10.66      |          | 3.5       | 1.4         |          |           |           |
| VIP Freedom 2030                  | B ****   | 10.74      |          | 3.7       | 1.7         |          |           |           |
| VIP Freedom Income                | B ****   | 10.18      |          | 1.2       | 0.1         |          |           |           |
| VIP Growth                        | H ***    | 57.32      | 5.1      | 4.8       | 3.6         | 8.2      | 9.3       | -4.2      |
| VIP Growth & Income               | B *****  | 17.42      | 7.0      | 4.0       | 5.2         | 9.9      | 9.7       | 0.8       |
| VIP Growth Opportunities          | H ***    | 12.94      | 8.0      | 5.8       | 7.4         | 11.3     | 11.4      | -0.4      |
| VIP Growth Stock                  | H ***    | 10.41      |          | 3.6       | 1.9         |          |           |           |
| VIP Health Care                   | B ****   | 11.99      | 15.1     | 3.5       | 2.3         | 23.0     | 11.7      |           |
| VIP High Income                   | H ***    | 28.33      | 1.1      | 0.9       | -0.2        | 2.4      | 12.0      | 5.0       |
| VIP Index 500                     | H ***    | 33.24      | 4.0      | 3.7       | 2.6         | 7.5      | 11.0      | -0.4      |
| VIP Int'l Capital Appreciation    | H ***    | 10.73      |          | 4.3       | 2.6         |          |           |           |
| VIP Investment Grade Bond         | H ***    | 28.08      | 0.6      | 0.4       | -1.5        | 1.4      | 3.6       | 5.5       |
| VIP Mid Cap                       | B ****   | 18.69      | 13.9     | 4.2       | 3.0         | 16.8     | 25.0      | 12.4      |
| VIP Money Market                  |          | 19.66      | 1.9      | 0.2       | 0.7         | 2.0      | 0.9       | 1.4       |
| VIP Natural Resources             | B ****   | 18.37      | 40.2     | 3.8       | 2.3         | 37.1     | 31.3      |           |
| VIP Overseas                      | B *****  | 32.79      | 10.7     | 4.8       | 5.8         | 14.8     | 18.2      | 1.9       |
| VIP Real Estate                   | S **     | 16.54      | 13.0     | 5.0       | 2.9         | 19.0     |           |           |
| VIP Strategic Income              | H ***    | 11.02      | 1.2      | 0.4       | -1.1        | 2.8      |           |           |
| VIP Technology                    | B ****   | 10.03      | 9.1      | 5.6       | 6.7         | 12.5     | 13.6      |           |
| VIP Telecom & Utilities           | B ****   | 10.25      | 9.7      | 2.7       | 0.2         | 12.7     | 18.7      |           |
| VIP Value                         | B ****   | 10.63      |          | 4.0       | 3.0         |          |           |           |
| VIP Value Leaders                 | B *****  | 10.72      |          | 4.4       | 3.3         |          |           |           |
| VIP Value Strategies              | H ***    | 12.90      | 0.1      | 6.5       | 2.4         | 5.4      |           |           |
| Fidelity Monitor VIP Income Model |          | 18560.79   | 1.1      | 0.4       | -0.9        | 2.1      | 5.9       | 5.7       |
| Fidelity Monitor VIP G&I Model    |          | 22397.64   | 3.6      | 3.4       | 2.1         | 6.0      | 9.1       | 3.4       |
| Fidelity Monitor VIP Growth Model |          | 32660.80   | 8.6      | 4.1       | 3.9         | 11.7     | 13.2      | 0.8       |
| Fidelity Monitor VIP Sector Model |          | 15738.66   | 12.9     | 3.8       | 2.7         | 16.0     | 20.5      |           |

## INCOME MODEL

Our Income Model aims for long-term growth of 6% per year from bonds and other income securities.

| FUND             | NAV     | SHARES   | BALANCE    |
|------------------|---------|----------|------------|
| Short-Term Bond  | \$8.85  | 1667.454 | \$14756.97 |
| Asset Mgr. Inc.  | \$13.02 | 1212.161 | \$15782.34 |
| Ultra-Short Bond | \$10.02 | 3102.523 | \$31087.28 |
| Floating Rate    | \$9.95  | 1874.298 | \$18649.27 |

7% Foreign Holdings

Balance as of 11/30/05: **\$80275.86**

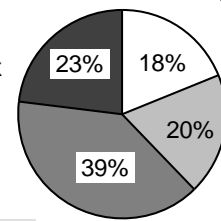
Balance at start of 2005: **\$77905.57**

## 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: | + 8.4%  |

Floating Rate High Income  
814/FFRHX

2004: + 4.2%  
\*2005: + 3.0%



Short-Term  
450/FSHBX

Asset Mgr.  
Income  
328/FASIX

Ultra-Short  
812/FUSFX

During November our Income Model moved up 0.6%.

## 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. Inc.    | \$13.02 | 2603.133 | \$33892.79 |
| Puritan            | \$18.86 | 1851.006 | \$34909.97 |
| Balanced           | \$18.61 | 2064.229 | \$38415.30 |
| Strat. Div. & Inc. | \$12.22 | 3896.211 | \$47611.70 |

9% Foreign Holdings

Balance as of 11/30/05: **\$154829.76**

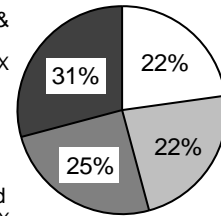
Balance at start of 2005: **\$144788.14**

## 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:  | + 33.0% |
| 2004:  | + 11.5% |
| *2005: | + 6.9%  |

Strategic Dividend & Income  
1329/FSDIX

Balanced  
304/FBALX



Asset Mgr.  
Income  
328/FASIX

Puritan  
4/FPURX

For November our Growth and Income Model gained 3.1%.

## GROWTH MODEL

Our Growth Model aims for long-term growth of 13% per year. The model typically invests in a mix of domestic stock funds and will strive to hold profitable positions for at least one year.

| FUND            | NAV     | SHARES   | BALANCE    |
|-----------------|---------|----------|------------|
| Small Cap Value | \$12.76 | 3265.664 | \$41669.87 |
| Value           | \$80.07 | 541.895  | \$43389.53 |
| Contrafund      | \$65.06 | 655.646  | \$42656.33 |
| Equity-Income   | \$54.27 | 785.551  | \$42631.85 |

15% Foreign Holdings

Balance as of 11/30/05: **\$170347.58**

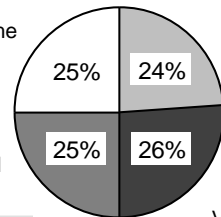
Balance at start of 2005: **\$154558.63**

## 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% |

Equity-Income  
23/FEQIX

Contrafund  
22/FCNTX



Export  
332/FEXPX

As of  
12/19

Value  
39/FDVLX

We gained 4.7%, versus 3.8% for the S&P. On 11/14 we sold a third each of **Equity-Income** (\$53.54) and **Value** (\$77.57), buying **Contrafund** (\$64.13). Please see page 1 for our upcoming trade.

## SELECT SYSTEM

Our Select System aims for growth in sector funds, and has a long-term goal of 14% per year. We use a volatility model to identify attractive growth sectors.

| FUND             | NAV     | SHARES   | BALANCE    |
|------------------|---------|----------|------------|
| Energy           | \$47.27 | 1360.001 | \$64287.25 |
| Brokerege        | \$71.31 | 870.904  | \$62104.16 |
| Wireless         | \$6.84  | 8642.722 | \$59116.22 |
| Software         | \$51.85 | 869.714  | \$45094.67 |
| Medical Delivery | \$54.37 | 795.875  | \$43271.72 |
| Telecom          | \$39.27 | 975.954  | \$38325.71 |

17% Foreign Holdings

Balance as of 11/30/05: **\$312199.73**

Balance at start of 2005: **\$275072.39**

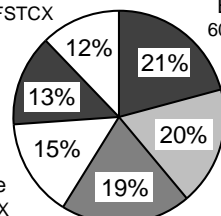
## PERFORMANCE

|       |         |
|-------|---------|
| 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% |

Telecom  
96/FSTCX

Med Delivery  
505/FSHCX

Software  
28/FSCSX



Energy  
60/FSENX

Brokerege  
68/FSLBX

Wireless  
65/FWRLX

2003: + 38.4%  
2004: + 7.4%  
\*2005: + 13.5%

Our Select System was up 3.6% in November, compared to the S&P 500's increase of 3.8%.

**INTERNATIONAL FUNDS**

Higher interest rates are now supporting the dollar despite a huge ongoing trade deficit, and that's good news for countries that export to the U.S. And even though many European economies continue to struggle, restructuring efforts are having a positive impact on corporate earnings. As such, 2006 should be a reasonably solid year for investing in foreign stocks, although returns in dollar terms may not be quite as good as those achieved in local currencies.

For a diversified approach, **Int'l Discovery** has an excellent long-term record, and has continued to outperform since William Kennedy took over a little more than a year ago. A majority of the fund's holdings are in Europe, as is the case for the EAFE index, but Japanese stocks do account for almost a quarter of the fund's holdings.

**Pacific Basin** offers a chance to participate in Asia's economic growth without taking on the full volatility of a Japanese stock fund or the event risk of an emerging markets fund. Manager Dale Nicholls has been on the job for over a year, and has exceeded his benchmark in a consistent manner.

**GOLD**

The dollar's surprise rebound knocked the wind out of gold during the first half of 2005, but with demand for the metal growing steadily it may now be on a sustainable trend. Exchange traded funds have made it easy to own the metal directly, and rising jewelry demand from China and India has begun to outstrip the supplies available from central bank sales and mining operations. Our volatility model has not yet signaled a buy for **Gold**, in part because gold stocks have not performed as well as the metal itself, but that might change in 2006. At any rate, we remind investors who already own gold stocks to limit their position to 10-15% of their portfolio, and to plan on a three-year holding period to maximize the odds of success. ■

**NOVEMBER DISTRIBUTIONS**

|                             |                          |
|-----------------------------|--------------------------|
| <b>Asset Manager Income</b> | \$ 0.04 / \$12.86 (11/4) |
| <b>Freedom Income</b>       | \$ 0.03 / \$11.29 (11/4) |

Most funds are scheduled to pay in December. We've listed dates and estimates on pages 4-5 in the "Ex-Date" column. Funds that are estimating two payouts during the month include **New Markets Income** (.23 on 12/23 and .05 on 12/29), and **Strategic Income** (.04 on 12/23 and .03 on 12/29).

payouts. **Equity-Income** and **Strategic Dividend & Income** were well positioned, posting respective gains of 4.2% and 4.0%. Those that trailed behind were held back by concerns about long-term interest rates. **Puritan** was up 2.8%, and **Utilities** rose 2.5%.

**BOND FUNDS**

Income Model holdings are listed on page 7. Our favorites in this group include **Ultra-Short Bond** and **Floating Rate High Income**. **Short-Term Bond** and **Strategic Real Return** were downgraded because they may not bring much to the party in 2006.

Encouraging signs on the consumer front helped boost low-grade debt. **New Markets Income** gained 1.6%, **Capital & Income** rose 0.9%, and **High Income** and **Focused High Income** both returned 0.8%. On the flip side, rising interest rates and moderate inflation figures worked against **Inflation-Protected Bond**; the fund trailed the group with an increase of 0.1%.

**SELECT PORTFOLIOS**

Select System holdings are listed on page 7. Funds rated buy, as ranked by our volatility model, include **Brokerage, Technology, Medical Delivery, Multimedia, Electronics, Wireless, Networking, Telecommunications, Software, Energy, Natural Resources, and Natural Gas**.

It was a strong month for consumer commodities. **Gold** surged 14.2%, **Paper & Forest Products** jumped 12.3%, and **Electronics** was up 11.6% due to chip demand. Others trailed behind. **Food & Agriculture** and **Natural Gas** both rose 1.2%, while **Software**, off 1.0%, landed on the bottom. The fund was hurt by a negative earnings surprise from Symantec, its top holding. ■

**Happenings**

Two Select Portfolios saw manager changes last month. Gopal Reddy has taken over at **Leisure**, and James McElligott is the stockpicker for **Natural Gas**.

Fidelity has introduced **California Short-Int. Tax-Free Bond**, its first muni bond fund to invest primarily in securities paying interest exempt from Alternative Minimum Tax. We like the idea that the fund offers California investors a way to obtain relatively high pre-tax yields with significantly lower risk of loss in a rising interest rate scenario. We're rating the new fund a buy, and we plan to include it in our data pages starting next month. ■

| Money Market Funds        | Size    | Yield | Money Market Funds    | Size   | Yield | Money Market Funds       | Size    | Yield |
|---------------------------|---------|-------|-----------------------|--------|-------|--------------------------|---------|-------|
| Cash Reserves (55/FDRXX)  | 64279.6 | 3.71  | CT MM (418/FCMXX)     | 1262.3 | 2.63  | FL MM (428/FSFXX)        | 1573.3  | 2.58  |
| Select MM (85/FSLXX)      | 850.3   | 3.72  | MA MM (74/FDMXX)      | 4000.3 | 2.48  | MA AMT TF (426/FMSXX)    | 1337.9  | 2.64  |
| Money Market (454/SPRXX)  | 5945.5  | 3.73  | MI MM (420/FMIXX)     | 647.3  | 2.54  | AMT Tax-Free (460/FIMXX) | 3564.0  | 2.72  |
| Gov't MM (458/SPAXX)      | 495.6   | 3.62  | NJ MM (417/FNJXX)     | 1469.5 | 2.52  | NJ AMT TF (423/FSJXX)    | 763.3   | 2.62  |
| US Treas. MM (415/FDLXX)  | 1923.1  | 3.44  | NY MM (92/FNYXX)      | 3272.2 | 2.55  | NY AMT TF (422/FSNXX)    | 1453.4  | 2.62  |
| Tax-Free MM (275/FMOXX)   | 1835.0  | 2.62  | OH MM (419/FOMXX)     | 760.7  | 2.55  | PA MM (401/FPTXX)        | 392.2   | 2.58  |
| US Gov't Reser (50/FGXXX) | 2551.9  | 3.69  | AZ MM (433/FSAXX)     | 212.1  | 2.55  | Municipal MM (10/FTEXX)  | 16409.4 | 2.58  |
| CA MM (97/FCFXX)          | 3793.8  | 2.52  | CA AMT TF (457/FSPXX) | 1930.6 | 2.73  |                          |         |       |