

Outlook For 2007

Expect the unexpected. That pretty much sums up the market in 2006, and 2007 could see more of the same. Sector leadership was narrow even before the election, and the swing in Congress has created

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Changes for Growth Model, Select System, VIP Sector, Unique Opportunities

We'll be making a number of changes on 12/18.

Our Growth Model will be selling **Utilities** (311/FIUIX) and buying **Spartan 500 Index** (317/FSMKX), for a mix of 23% **Spartan 500 Index**, 25% **Value Discovery**, and 52% **Equity-Income**. There's a chance that telecom mergers and buyouts may not proceed as easily as they have in the past, and we think that 2007 will be a good year to index to the S&P 500. Spartan 500 Index is scheduled to pay a distribution on 12/22, but it's likely to be less than 1% of net asset value.

Our Select System will be making two trades. We'll be selling **Pharmaceuticals** (580/FPHAX) and buying **Utilities Growth** (65/FSUTX), and we'll exchange **Multimedia** (503/FBMPX) for **Software** (28/FSCSX). The model's approximate mix will be 18% **Energy**, 21% **Brokerage**, 18% **Consumer Staples**, 13% **Utilities Growth**, 12% **Software**, and 18% **Telecommunications**. Drug companies could face new regulatory pressures, but lawmakers will probably tread carefully when it comes to electricity. And even though media stocks have been doing well, our volatility model likes software companies even better.

Our VIP Sector Model will be selling one-half of **VIP Consumer Discretionary** and buying **VIP Technology**. The model will also exchange **VIP Health Care** for **VIP Utilities**. Don't make the first trade early or you may be subject to a 60-day redemption fee on **VIP Consumer Discretionary**.

Our Unique Opportunities Model will sell **Utilities** (311/FIUIX) and buy **Spartan 500 Index** (317/FSMKX), for a mix of roughly 25% **Natural Resources**, 19% **Int'l Value**, 24% **Spartan 500 Index**, and 32% **Equity-Income**. Please see the comments for our Growth Model trade above.

Review & Recommendations

Greater-than-expected relief from inflation gave a boost to growth stocks in November, setting the stage for a year-end rally. However, unexpected weakness in the dollar later prompted foreign investors to cut their allocation to U.S. equities. The S&P 500 finished with a 1.9% return for the month.

There's a chance the greenback may see additional weakness, which could increase volatility for the global financial markets. Should this come to pass, some U.S. stocks might be negatively affected, but the domestic market would ultimately come out ahead. Some 30% of S&P 500 earnings are derived from overseas operations. When the greenback weakens, overseas profits grow in dollar terms. Additionally, the competitive position of U.S. exporters is enhanced, leading to increases in global market share and a reduced trade deficit.

GROWTH FUNDS

Growth Model holdings are listed on page 7. Our favorite funds in this group include **Value Discovery** and **Spartan 500 Index**.

It was a good month for growth stocks and natural resources. **Aggressive Growth** gained 5.9%, and both **Small Cap Independence** and **Leveraged Company** rose 4.7%. Funds with defensive holdings lagged behind. **Large Cap Value** was up 1.2%, **Dividend Growth** gained 0.8%, and **Focused Stock** rose 0.6%.

INTERNATIONAL FUNDS

Int'l Value offers broad exposure to foreign stocks, with an emphasis on Europe. **China Region** is the least risky emerging market bet. **Canada** could benefit from growth in energy and commodities.

Emerging market stocks rose on expectations of a soft landing for the U.S. economy. **Southeast Asia** gained 8.1%, and **Emerging Markets** rose 7.1%. However, Japanese stocks posted additional losses on worries that a weak dollar might further erode corporate earnings. **Japan** edged up 0.8%, and **Japan Smaller Companies** lost 1.8%.

GROWTH & INCOME FUNDS

Growth and Income Model holdings are listed on page 7. Our favorites include **Equity-Income**, **Balanced**, and **Puritan**. For less risk, consider **Asset**

RECOMMENDATIONS - *Continued on page 8*

new uncertainty in the telecom and pharmaceutical groups. An economic slowdown is taking hold both domestically and globally, and it's created some slack in the oil markets, at least temporarily. U.S. inflation, a significant concern earlier this year, has eased courtesy of lower energy prices and a slide in the housing market.

Domestic stocks have appreciated slower than earnings over the last several years, so they are no longer expensive. The forward P/E ratio for the S&P 500 is roughly 15, and many stocks have become cheap enough to attract takeover artists, otherwise known as private equity investors. With buyouts driving the market to a large degree, it's difficult to identify sustainable trends. You never know when or where a surprise offer will surface, and the market adjusts swiftly when it does.

So, perhaps the best way to glimpse what might lie ahead is to pull back, look at the big picture, and apply some contrarian judgment. The chart on the following page shows the performance of six major groups over the last eleven calendar years. Although the 2006 figures do not include the final two months of the year, it's not unreasonable to assume that the ranking order of the asset classes will not change as the year draws to a close.

Normally, asset class leadership tends to move around from year to year, but that hasn't happened much in recent history. Granted, it's not unusual for investment grade bonds to land in the lowest rung, or for high yield to be the second lowest position, because that's in line with long-term performance. But in other places there are trends that are not likely to be sustained:

- Real estate securities have landed in the top spot for five of the last seven years, which strongly suggests that time may be running out for the group's golden years.

- Foreign stocks have outperformed the S&P 500 for every one of the last five years. That's not in sync with long-term performance. The EAFE index usually trails domestic stocks. That's because productivity growth is often lower at foreign-owned corporations – a result of their slower adaptation of new technology and restrictive labor laws.

- The Russell 2000 has outperformed the S&P 500 in seven of the last eight years. It may be normal for small-caps to beat large-caps over the long haul, but the large difference in performance suggests that large-caps may be poised to play catch-up.

- High-yield bonds have outpaced investment grade bonds in four of the last four years. Again, that's in line with long-term trends, but big differences in returns suggest that the group may be vulnerable going forward.

- The S&P 500 shows up in the bottom half for six of the last seven years, and has not been in the top third of asset classes for eight years.

ECONOMIC TRENDS

Other top-level factors tend to support the idea that the S&P 500 is well-positioned for 2007. Stock buyback programs are providing underlying support for share prices. Large-caps are often the best place to be when the yield curve is relatively flat and not showing much of a tendency to change. Finally, the potential for a weaker dollar could help domestic multinationals to boost earnings and market share.

A weak dollar may not seem bullish when foreign investors are bailing out, but it almost always leads to higher-than-expected earnings the following quarter.

NOT A BAD YEAR TO INDEX

If large-caps are the place to be, wouldn't the best opportunities be found in well-managed large-cap funds? Perhaps, but actively managed funds may be facing a headwind in 2007. The main problem is narrow stock leadership. The percentage of S&P 500 stocks outperforming the index as a whole is falling, making it difficult for actively managed funds to outperform. It's happened before, most notably from 1996-1998, when "index-mania" was taking hold.

Today's market is not so heavily skewed, but an argument can still be made for allocating a portion of stock holdings directly to the S&P 500. Putting some eggs in the index basket makes for a heavier weighting in the largest of the S&P 500 stocks, which are currently the least expensive of the lot. It also takes advantage of favorable surprises that could occur in unexpected places. With those thoughts in mind, here are our fund favorites for 2007.

INCOME FUNDS

Investment grade bonds offer the potential to profit from a slowdown in the economy, but stepping up bond exposure for 2007 is hardly a sure bet. For one thing, the economy might pick up once it becomes clear that the housing market has bottomed out. Or, a weak dollar might push up long-term interest rates.

So, if a 5% return is good enough, a position in **Cash Reserves** may be all that's needed. You'll only be marking time from a purchasing power standpoint, but at least you won't lose any sleep.

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It should be possible to get a little more yield with **Ultra-Short Bond**. And you might realize a small capital gain if the economy slows even further and the Fed decides to cut interest rates.

The best bet on the high-yield side is **Floating Rate High Income**, which currently yields about 6.5%. That's almost as much income as junk-bond funds, but shorter maturities and an asset-backed approach make this fund substantially less risky.

Asset Manager 20%, which has 80% in cash and bonds, is also a good choice. The stock portion is large enough to give the fund a long-term edge over bond funds, but small enough that the added risk is not very significant.

GROWTH & INCOME FUNDS

Dividend stocks may lose some of their appeal as the 2010 cutoff approaches for the 15% dividend tax break. However, many of the firms that pay dividends are also buying back stock, and some are takeover targets because they generate strong cash flows. They may not enjoy a strong advantage like they have this year, but they could still outperform.

Equity-Income focuses on dividend stocks in the S&P 500 universe, and is required to maintain an income stream exceeding the S&P 500. The fund's lifetime 40-year return clocks in at 13%

annualized, suggesting that dividend stocks and good research make for a solid long-term strategy.

Balanced offers a 65/35 blend of stocks and bonds, and has beaten 99% of funds in its category over the last five years. Manager Lawrence Rakers has a slight growth bias in his stock picks. That may have held the fund back a bit for 2006, but could position it well for 2007.

Puritan offers a similar mix of stocks and bonds, but the equity side of its portfolios mirrors **Equity-Income**, a result of having Stephen Petersen pick stocks for both funds. Even though **Puritan** carries only two-thirds as much risk as the S&P 500, it could significantly outperform inflation in 2007.

GROWTH FUNDS

Broad leadership in the growth category may be hard to find until the Fed cuts interest rates or the economy shows clear signs of a rebound. So, we're taking a cautious approach to funds in this category, favoring broadly-diversified large-cap funds.

Value Discovery uses an approach similar to **Contrafund**, except that it has less foreign exposure and more flexibility (a result of its smaller size). The latter helped this year, and both factors may be a plus in 2007.

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ANNUAL ASSET CLASS RETURNS											as of 10/31
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Large Cap (S&P 500)	36.9%	33.4%	28.6%	27.2%	30.7%	10.5%	10.3%	47.3%	34.8%	13.8%	32.5%
Small Cap (Russell 2000)	23.0%	22.4%	20.3%	21.3%	11.6%	8.4%	2.7%	39.0%	20.4%	13.7%	19.1%
High Yield (ML HY Mstr II)	16.5%	19.8%	8.7%	21.0%	-3.0%	4.5%	-0.5%	37.1%	18.3%	4.9%	15.0%
Invest. Grade (LB Aggr Bond)	11.3%	12.9%	2.9%	2.4%	-5.2%	2.5%	-15.7%	28.7%	10.9%	4.6%	12.1%
Real Estate (DJW R.E.)	6.1%	9.7%	-2.5%	-0.8%	-9.1%	-11.9%	-20.5%	28.0%	10.9%	2.8%	7.9%
Foreign Stock (EAFE)	3.6%	2.0%	-17.4%	-3.2%	-14.0%	-21.3%	-22.1%	4.1%	4.3%	2.4%	3.7%

Source: Fidelity Mutual Fund Guide

GUIDE TO FIGURES LISTED ON PAGES 4 AND 5

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

NOVEMBER PERFORMANCE						2006	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***	1.71	12/15(0.00)	19.67	3728.9	10.5	5.9	13.4	12.5	10.3	0.7	2.9
Blue Chip Gth (312/FBGRX)	B****	1.08	12/15(0.12)	44.39	20432.8	5.4	1.5	6.6	5.5	6.7	1.7	5.3
Blue Chip Value (1271/FBCVX)	B****	1.12	12/8(0.03)	14.99	319.4	14.1	2.7	8.5	15.4	15.3		
Capital Apprec (307/FDCAX)	B****	1.39	12/8(1.44)	28.20	8359.0	12.4	2.9	8.0	13.2	11.4	10.2	10.0
Contrafund (22/FCNTX)	B****	1.17	12/22(5.65)	70.79	67145.7	11.4	2.7	7.5	12.9	15.2	12.0	10.9
Discovery (339/FDSVX)	H***	0.97	12/15(0.03)	12.69	439.4	12.1	2.1	5.1	12.7	10.4	5.1	
Disc Equity (315/FDEQX)	H***	1.17	12/1(2.69)	31.21	7691.9	12.6	1.2	7.3	12.4	13.0	7.9	8.8
Dividend Gth (330/FDGFY)	B****	0.95	12/8(0.54)	31.71	16774.1	12.6	0.8	7.2	13.3	9.5	4.2	9.6
Export Fund (332/FEXPX)	H***	1.33	12/15(0.00)	23.28	4373.2	9.8	3.3	8.1	10.7	15.3	9.6	13.1
Fidelity Fifty (500/FFTYX)	H***	1.28	12/15(0.02)	22.87	1221.9	9.7	2.6	8.2	11.0	10.9	10.5	10.5
Focused Stock (333/FTQGX)	H***	1.40	12/1(0.01)	12.39	89.2	4.1	0.6	2.4	5.4	13.8	1.9	5.0
Growth Company (25/FDGRX)	H***	1.46	12/15(0.00)	69.66	29198.7	9.5	3.5	10.5	11.6	12.2	5.7	9.2
Independence (73/FDFFX)	H***	1.25	12/15(0.04)	22.05	4593.2	12.2	2.9	7.7	13.6	13.2	7.8	9.5
Large Cap Growth (763/FSLGX)	H***	1.69	12/8(0.00)	11.74	171.6	5.0	3.1	9.9	5.4	12.0	4.0	
Large-Cap Stock (338/FLCSX)	H***	1.11	12/1(0.05)	17.51	791.0	12.4	2.5	8.6	13.2	10.4	4.3	6.5
Large Cap Value (708/FSLVX)	B****	1.13	12/8(0.04)	14.88	1201.0	15.2	1.2	6.7	15.8	16.9	10.0	
Lev Co Stock (122/FLVCX)	B****	1.50	12/8(0.12)	29.42	4560.8	17.9	4.7	7.1	20.0	22.5	28.2	
Low-Priced Stock (316/FLPSX)	H***	1.07	12/15(0.56)	43.23	37397.7	15.6	4.2	9.4	17.7	16.6	16.4	15.5
Magellan (21/FMAGX)	H***	1.34	12/1(2.72)	92.80	45403.4	7.8	2.6	6.8	9.9	9.1	3.5	6.8
Mid Cap Growth (793/FSMGX)	H***	1.87	12/8(0.00)	14.02	435.9	8.3	4.2	11.4	9.0	12.8	7.7	
Mid Cap Stock (337/FMCSX)	H***	1.56	12/1(0.71)	29.92	12476.4	15.1	2.5	7.4	17.7	13.8	7.7	12.5
Mid Cap Value (762/FSMVX)	H***	1.24	12/8(0.10)	16.79	575.8	13.3	1.6	6.8	14.5	17.5	13.5	
New Millennium (300/FMILX)	H***	1.74	12/15(10.20)	39.51	2420.5	13.2	3.3	9.8	15.8	9.3	8.2	13.8
OTC Portfolio (93/FOCPX)	H***	1.59	12/15(0.00)	41.94	8526.2	11.0	4.6	14.5	11.3	10.1	6.8	7.2
Small Cap Gth (1388/FCPGX)	H***	1.64	12/1(0.06)	14.56	441.8	13.8	4.4	9.8	12.7			
Small Cap Indep (336/FDSCX)	H***	1.57	12/1(2.41)	23.27	2623.6	13.6	4.7	11.1	14.9	14.1	10.6	9.1
Small Cap Stock (340/FLCX)	H***	1.53	12/1(0.21)	19.21	4739.2	12.0	2.4	7.4	13.4	13.2	12.3	
Small Cap Value (1389/FCPVX)	H***	1.48	12/1(0.11)	14.17	988.4	15.9	3.0	10.9	16.7			
Stock Selector (320/FDSSX)	H***	1.07	12/1(0.11)	27.83	853.0	12.5	2.2	7.2	12.4	12.3	6.5	7.0
Tax Mgd Stock (343/FTMX)	B****	1.34	12/1(0.02)	14.08	68.8	11.1	2.3	7.2	11.7	13.9	6.5	
Trend (5/FTRNX)	H***	1.05	12/22(0.38)	64.17	897.3	12.2	2.0	6.9	12.7	11.8	6.6	5.6
Value (39/FDVLX)	B****	1.10	12/1(6.70)	86.41	17140.0	13.9	3.1	8.0	15.9	18.5	14.9	11.9
Value Discovery (832/FVDFX)	B****	1.18	12/8(0.03)	17.52	941.5	15.5	2.8	7.2	18.0	18.5		
Value Strategies (14/FLSLX)	B****	1.16	12/15(3.88)	35.77	202.0	15.4	3.6	10.1	17.5	10.8	11.6	
GROWTH & INCOME FUNDS:												
Balanced (304/FBALX)	B****	0.85	12/8(0.29)	19.73	21518.1	11.6	2.4	6.2	13.5	12.4	10.3	10.7
Convertible Sec (308/FCVXS)	H***↓	1.09	12/15(0.03)	25.21	2014.5	14.0	3.7	6.5	16.4	11.2	8.9	11.8
Equity-Income (23/FEQIX)	B****	1.01	12/8(2.97)	60.23	29076.4	17.3	1.8	7.8	18.0	14.2	8.7	9.0
Equity-Income II (319/FEQTX)	B****	1.02	12/15(1.25)	25.12	11637.5	11.9	0.9	7.7	12.3	11.0	8.1	8.8
Fidelity Fund (3/FFIDX)	H***	1.15	12/15(0.08)	35.64	7934.6	12.8	1.9	7.4	14.0	11.4	5.8	8.0
Growth & Income (27/FGRIX)	H***	1.11	12/15(0.34)	31.41	29759.8	10.4	2.8	8.8	10.1	9.4	4.1	7.0
Growth & Inc II (361/FGRTX)	H***	1.04	12/15(0.00)	11.14	192.1	12.1	2.1	7.2	12.0	9.9	5.5	
Puritan (4/FPURX)	B****	0.68	12/8(0.44)	20.13	25039.7	13.2	1.6	6.2	14.0	11.1	8.0	8.4
Strategic Div & Inc (1329/FSDIX)	B****	0.92	12/15(0.57)	13.70	1072.8	14.1	2.8	7.0	15.3			
Utilities (311/FIUX)	H***↓	0.97	12/1(0.00)	18.49	1656.5	27.3	1.4	7.9	26.2	21.7	9.3	8.1
SELECT FUNDS:												
Air Transportation (34/FSAIX)	H***	1.86	12/15(0.14)	49.27	90.1	23.8	6.2	17.4	28.4	19.9	12.5	14.6
Automotive (502/FSAVX)	H***	1.40	12/15(0.09)	38.06	24.8	11.5	0.9	12.1	15.6	7.0	10.3	6.7
Banking (507/FSRBX)	B****	1.02	12/8(1.60)	38.22	397.9	9.4	-0.3	2.5	8.9	8.1	9.0	9.7
Biotechnology (42/FBIOX)	H***	1.76	12/1(0.00)	67.16	1590.6	7.1	0.7	11.2	9.5	10.5	-0.7	11.2
Brokerage (68/FSLBX)	B****	1.68	12/15(5.32)	78.10	1205.9	17.5	1.1	11.1	19.5	22.0	15.5	18.0
IT Ser / Bus Ser (353/FSBOX)	H***	1.33	12/8(1.26)	17.84	33.7	12.7	3.5	8.5	13.0	12.3	5.9	
Chemicals (69/FSCHX)	H***	1.46	12/15(8.22)	72.71	95.0	13.9	2.9	10.0	17.8	18.9	14.2	9.5
Computers (7/FDCPX)	H***	1.71	12/15(0.00)	39.59	457.2	9.7	4.7	12.0	8.9	2.6	1.2	6.3
Const & Housing (511/FSHOX)	S**	1.91	12/15(5.02)	48.26	149.2	5.3	5.6	12.6	5.7	14.4	16.3	13.2
Consumer Disc (517/FSCPX)	H***	1.12	12/15(1.83)	27.66	79.5	12.7	-1.0	8.8	12.5	9.1	6.0	8.1
Industrial / Cyc Ind (515/FCYIX)	H***	1.42	12/8(1.47)	21.69	69.6	13.6	2.1	7.6	15.7	19.2	12.7	
Defense & Aero (67/FSDAX)	H***	1.44	12/15(4.30)	85.10	988.8	18.9	5.4	11.5	22.3	21.4	17.6	14.2
Com Equip / DevC (518/FSDCX)	H***	1.95	12/15(0.00)	20.60	376.6	2.9	3.2	5.1	4.4	7.2	1.6	6.7
Electronics (8/FSLEX)	H***	2.13	12/1(0.00)	44.97	2174.0	2.8	4.3	6.0	3.0	2.1	-1.5	8.6
Energy (60/FSENX)	B****	2.62	12/8(2.18)	52.88	2302.0	18.3	8.8	6.7	21.5	38.4	22.4	14.1
Energy Services (43/FSESX)	H***	3.32	12/1(3.50)	73.09	1402.1	13.6	9.2	7.7	17.3	38.3	23.3	14.9
Environmental (516/FSLEX)	H***	1.40	12/1(0.00)	17.13	59.8	9.5	-1.6	4.6	10.7	9.6	7.7	2.1
Financial Services (66/FIDSX)	B****	1.12	12/8(5.27)	126.43	562.9	13.5	1.4	7.5	14.5	12.3	10.0	11.3
Con Stap / Food Ag (9/FDFAX)	B****	0.82	12/8(3.72)	58.53	322.8	16.8	1.0	3.3	18.0	13.5	9.1	9.0
Gold (41/FSAGX)	H***	2.70	12/8(1.00)	38.67	1371.8	29.1	11.6	8.1	40.6	16.9	30.3	8.0
Health Care (63/FSPHX)	H***	1.07	12/8(4.42)	128.75	3186.1	4.0	0.1	1.7	5.0	11.7	4.2	10.2
Home Finance (98/FSVLX)	H***	1.10	12/15(6.59)	54.73	271.6	9.1	0.8	5.8	9.5	5.4	10.0	9.3
Indust Equip (510/FSFGX)	H***	1.46	12/8(0.11)	30.71	85.9	15.2	2.9	7.5	15.9	15.0	9.9	8.6
Materials / Ind Mat (509/FSDPX)	H***	1.90	12/8(1.77)	50.58	176.3	18.1	4.3	8.6	22.6	18.8	18.7	9.6
Insurance (45/FSPCX)	H***	1.02	12/8(3.53)	73.74	213.1	8.6	2.4	7.5	7.8	13.6	11.3	14.6
Leisure (62/FDLSX)	H***	1.32	12/8(9.29)	86.48	232.5	13.9	3.4	12.7	15.3	13.1	10.1	11.9
Medical Delivery (505/FSHCX)	S***↓	1.38	12/8(2.96)	50.10	721.8	-5.6	0.4	-1.4	-3.6	22.0	15.6	10.4
Medical Equip/Sys (354/FSMEX)	S**	1.18	12/8(0.97)	24.23	844.9	3.9	0.8	2.7	2.6	10.4	11.2	
Multimedia (503/FBMPX)	H***↓	1.17	12/8(3.53)	49.26	120.7	9.9	0.7	11.1	9.7	8.7	9.5	11.1
Natural Gas (513/FSNGX)	H***	2.98	12/8(2.47)	42.57	1182.9	12.8	10.2	6.9	17.0	37.0	23.3	13.6
Nat Resources (514/FNARX)	B****	2.59	12/8(0.52)	29.01	1005.7	22.5	9.2	9.1	26.9	35.1	21.4	
Networking (912/FNINX)	H***	2.18	12/15(0.00)	2.51	104.4	6.8	5.5	11.1	7.7	1.6	-3.1	
Paper & Forest (506/FSFPX)	H***	1.33	12/1(0.71)	32.14	21.1	7.6	2.9	6.1	10.9	5.8	4.7	5.8
Pharmaceuticals (580/FPHAX)	H***↓	1.09	12/15(0.04)	10.83	301.8	12.6	-0.4	1.7	15.3	11.1	3.0	
Retailing (46/FSRPX)	H***	1.48	12/8(1.81)	54.43	149.2	15.2	-1.1	12.5	14.8	12.5	9.6	10.5
Software (28/FSCSX)	B****↑	1.36	12/1(0.00)	66.39	969.9	26.5	3.3	14.6	28.0	11.7	7.8	12.7
Technology (64/FSPTX)	H***	1.63	12/1(0.00)	69.30	1720.3	9.7	4.4	11.7	8.7	4.8	2.8	8.7
Telecom (96/FSTCX)	B****	1.43	12/1(0.35)	47.00	529.4	21.5	0.2	7.2	20.7	17.0	6.0	6.0
Transportation (512/FSRFX)	H***	1.92	12/8(0.02)	51.24	110.9	12.0	2.1	11.8	12.8	17.5	13.9	13.9
Utilities Growth (65/FSUTX)	B****	0.99	12/1(0.37)	55.53	570.8	29.0	3.6	9.6	27.9	22.8	9.7	9.5
Wireless (963/FWRLX)	H***	1.53	12/15(0.00)	6.85	316.7	6.3	2.2	7.4	6.3	22.8	5.8	

NOVEMBER PERFORMANCE						30-day	2006	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***	1.53	12/8(2.90)	19.15	476.5		12.7	5.5	6.6	19.7	15.1	13.1
Canada (309/FICDX)	B****	1.48	12/1(1.18)	50.24	3135.8		16.5	1.5	4.4	22.0	25.0	22.5
China Region (352/FHKCX)	B****	1.21	12/1(0.60)	24.23	733.8		25.5	5.6	10.5	31.0	19.0	15.9
Diversified Int'l (325/FDIVX)	B****	1.39	12/8(2.90)	38.85	43949.2		19.4	3.4	6.9	25.7	21.4	17.0
Emerging Mkts (322/FEMKX)	H***	1.92	12/8(0.11)	23.59	3003.9		27.9	7.1	13.1	37.7	34.9	27.6
Europe (301/FIEUX)	H***	1.47	12/8(5.67)	43.62	4030.3		21.3	3.1	6.6	28.1	24.3	15.8
Europe Cap Appr (341/FECAX)	H***	1.47	12/8(2.63)	28.82	1067.9		30.9	4.9	9.1	37.9	23.7	16.1
Global Balanced (334/FGBLX)	B****	0.83	12/8(2.41)	23.74	259.9		12.7	2.9	5.8	14.8	13.7	11.3
Int'l Discovery (305/FIGRX)	B****	1.43	12/1(1.41)	37.94	8046.5		19.8	3.5	7.2	27.1	22.1	17.2
Int'l Small Cap (818/FISMXX)	H***	1.50	12/8(5.31)	29.84	1818.5		10.6	2.8	3.0	19.7	25.6	
Int'l Small Cap Opp (1504/FSCOX)	H***↓	2.00	12/8(0.04)	15.06	981.4		19.9	5.8	10.7	33.1		
Int'l Value (1597/FIVLX)	B****	1.2 E	12/8(0.07)	10.89	220.7			2.6	6.6			
Japan (350/FJPNX)	H***	2.39	12/1(0.34)	16.99	1763.9		-6.8	0.8	-1.6	6.4	16.4	12.0
Japan Smaller Co (360/FJSCX)	H***	2.55	12/8(0.67)	13.19	1219.7		-21.6	-1.8	-4.0	-7.1	13.2	15.3
Latin America (349/FLATX)	H***	2.78	12/8(1.49)	43.34	3122.6		35.5	5.4	13.4	38.6	48.6	33.7
Nordic (342/FNORX)	H***	1.89	12/8(0.91)	38.46	348.6		28.8	5.1	11.3	36.0	28.5	18.4
Overseas (94/FOSFX)	H***	1.41	12/1(5.21)	48.78	7211.2		17.2	3.6	6.8	25.2	19.3	13.1
Pacific Basin (302/FPBFX)	H***	1.62	12/8(1.73)	28.84	973.2		12.3	5.4	9.0	22.9	21.8	16.7
Southeast Asia (351/FSEAX)	H***	1.58	12/8(1.59)	27.67	1590.8		30.5	8.1	15.3	40.1	28.8	23.4
Worldwide (318/FWWFX)	H***	1.22	12/8(2.83)	22.47	1329.3		14.8	3.0	7.8	19.2	15.8	10.9
INDEX AND ASSET ALLOCATION:												
Four-In-One Index (355/FFNOX)	H***	0.91	12/28(0.25)	29.75	1355.3		14.1	2.2	7.2	15.2	12.6	8.3
NASDAQ Comp (1282/FNCMX)	H***	1.42	12/15(0.21)	32.94	139.5		10.8	2.8	11.5	9.4	7.8	
Spart Ext Mkt Idx (398/FESEM)	H***	1.37	12/22(0.99)	39.56	1697.3		15.1	3.6	9.7	15.6	15.1	13.0
Spart Int'l Index (399/FSIIX)	B****	1.37	12/22(0.75)	43.53	2244.9		22.2	2.9	7.1	28.4	21.4	14.2
Spart 500 Index (317/FISMXX)	B****	1.00	12/22(0.60)	97.69	7549.3		14.1	1.9	7.9	14.2	11.7	6.0
Spart Total Mkt Idx (397/FSTMX)	H***	1.07	12/22(0.33)	39.53	2416.7		14.4	2.3	8.3	14.5	12.5	7.6
Asset Mgr 50% (314/FAMXX)	H***	0.55	12/15(0.95)	17.08	9282.6		8.8	1.8	5.2	10.0	7.4	5.3
Asset Mgr 85% (347/FAMRX)	H***	0.95	12/15(0.18)	13.45	463.4		11.3	2.4	6.7	13.0	11.3	5.6
Asset Mgr 70% (321/FASGX)	H***	0.73	12/15(0.29)	16.52	3179.3		9.5	2.0	6.0	10.5	8.2	5.0
Asset Mgr 20% (328/FASIX)	B****	0.32	12/15(0.60)	13.34	2171.5		7.3	1.2	3.4	8.5	6.9	6.7
Freedom 2000 (370/FFFBX)	B****	0.34	12/28(0.30)	12.89	1586.8		6.7	1.4	3.9	7.4	5.6	4.5
Freedom 2005 (1312/FFVFX)	B****	0.58	12/28(0.27)	11.95	670.4		8.9	1.9	5.3	9.9	8.1	
Freedom 2010 (371/FFFCX)	B****	0.61	12/28(0.37)	15.10	11708.7		9.0	2.0	5.4	10.2	8.3	6.3
Freedom 2015 (1313/FFVFX)	B****	0.71	12/28(0.29)	12.52	3768.4		9.8	2.0	5.8	11.3	9.6	
Freedom 2020 (372/FFDFX)	B****	0.83	12/28(0.43)	16.01	15918.9		10.9	2.2	6.6	12.3	10.7	7.3
Freedom 2025 (1314/FFTWX)	B****	0.87	12/28(0.31)	13.09	3100.0		11.1	2.3	6.7	12.7	11.2	
Freedom 2030 (373/FFFEEX)	B****	0.98	12/28(0.45)	16.51	9927.7		11.9	2.5	7.3	13.5	11.9	7.7
Freedom 2035 (1315/FFTHX)	B****	0.99	12/28(0.33)	13.48	1762.7		11.9	2.4	7.3	13.7	12.2	
Freedom 2040 (718/FFFFX)	B****	1.01	12/28(0.26)	9.73	4820.0		12.3	2.5	7.5	14.1	12.5	7.8
Freedom 2045 (1617/FFFGX)	B****	1.0 E	12/28(0.17)	10.78	40.7			2.6	7.7			
Freedom 2050 (1618/FFHHX)	B****	1.0 E	12/28(0.16)	10.78	32.9			2.6	7.7			
Freedom Income (369/FFFAAX)	B****	0.29	12/28(0.08)	11.71	2228.6		6.4	1.3	3.4	7.0	5.1	4.2
Real Estate Income (833/FRIFX)	H***	0.28	12/15(0.10)	12.18	632.9		11.4	1.6	4.8	12.0	9.9	
Real Estate (303/FRESX)	H***	1.46	12/15(1.01)	38.17	7951.6		35.8	4.7	15.1	37.5	29.0	24.7
Int'l Real Estate (1368/FIREX)	H***	1.35	12/15(0.61)	16.15	675.5		32.9	5.4	12.0	43.6		
TAXABLE BOND FUNDS:												
Capital & Income (38/FAGIX)	H***	0.25	12/1(0.00)	8.85	6884.9	5.90	11.6	2.1	5.3	13.3	10.7	12.9
Floating Rate (814/FFRHX)	B****	0.04	12/1(0.00)	9.94	2973.8	6.49	5.6	0.5	1.8	6.0	4.9	
Focused High Inc (1366/FFHIFX)	H***	0.14	12/1(0.00)	10.18	46.6	6.31	7.5	1.5	3.9	8.4		
GNMA Portfolio (15/FGMNX)	H***	0.27	12/15(0.00)	10.84	3367.2	4.96	4.4	1.1	2.3	5.4	3.9	4.3
Gov't Income (54/FGOVX)	H***	0.28	12/15(0.00)	10.14	5943.0	4.36	4.2	1.0	2.2	5.1	3.7	4.4
High Income (455/SPHIX)	H***	0.14	12/1(0.00)	9.02	4284.6	6.88	9.3	1.6	4.1	10.5	8.3	10.1
Inflation-Protected (794/FINPX)	H***	0.44	12/22(0.00)	11.06	1397.2	2.57	2.6	1.2	1.1	3.7	4.6	
Intermed Bond (32/FTHRX)	H***	0.22	12/1(0.00)	10.35	7647.9	4.66	4.6	0.9	2.2	5.3	3.5	4.6
Intermed Gov't Inc (452/FSTGX)	H***	0.21	12/15(0.00)	10.08	736.3	4.29	4.1	0.8	1.9	4.6	2.9	3.9
Invest Grade Bond (26/FBNDX)	H***	0.27	12/8(0.00)	7.47	10475.4	4.80	5.5	1.2	2.8	6.5	4.6	5.2
Mortgage Securities (40/FMSFX)	H***	0.27	12/8(0.00)	11.13	1624.4	5.03	5.1	1.0	2.5	6.0	4.3	4.8
New Markets Inc (331/FNMIX)	H***	0.40	12/22(0.36)	15.11	2125.3	5.96	10.9	1.0	3.4	12.9	12.9	16.0
Short-Term Bond (450/FSHXX)	H***	0.12	12/1(0.00)	8.90	6836.6	4.92	4.5	0.6	1.6	4.9	3.1	3.7
Spart Intermed Tr Idx (1561/FBIBX)	H***	0.5 E	12/22(0.00)	10.03	9.6	4.42	3.8	1.1	2.8			
Spart L-Term Tr Idx (1562/FLBIX)	H***	0.3 E	12/22(0.00)	10.07	6.0	4.57	3.9	2.0	4.4			
Spart S-Term Tr Idx (1563/FSBIX)	H***	0.1 E	12/22(0.00)	10.05	19.1	4.57	3.7	0.6	1.6			
Strategic Income (368/FSICX)	H***	0.23	12/22(0.06)	10.74	3967.3	5.35	8.0	1.5	3.3	9.4	7.6	9.5
Strategic Real Rtn (1505/FSRRX)	H***	0.53	12/22(0.00)	10.40	2982.8	4.35	6.7	2.4	2.9	8.2		
Total Bond (820/FTBFX)	H***	0.25	12/8(0.02)	10.55	2637.2	4.95	5.5	1.1	2.7	6.5	4.9	
Ultra-Short Bond (812/FUSFX)	B****	0.05	12/8(0.00)	10.03	898.1	5.22	4.6	0.5	1.4	5.0	3.0	
US Bond Index (651/FBIDX)	H***	0.28	12/15(0.00)	10.98	6371.6	4.71	5.1	1.2	2.7	6.0	4.3	5.2
MUNICIPAL BOND FUNDS:												
AZ Municipal Inc (434/FAZAX)	H***	0.20	12/1(0.06)	11.50	112.4	3.39	4.9	0.9	2.2	5.8	4.1	5.1
CA Municipal Inc (91/FCTFX)	H***	0.19	12/8(0.05)	12.51	1557.4	3.54	5.0	0.7	2.1	5.9	4.8	5.1
CA Short-Int TF (1534/FCSTX)	B****	0.1 E		10.11	90.2	3.22	3.7	0.4	1.2	4.2		
CT Municipal Inc (407/FICNX)	H***	0.18	12/15(0.07)	11.49	428.0	3.41	4.4	0.7	1.8	5.2	3.7	4.8
FL Municipal Inc (427/FFLIX)	H***	0.18	12/15(0.03)	11.55	468.9	3.56	4.6	0.8	1.9	5.5	4.2	5.0
Intermediate Muni (36/FLTMX)	H***	0.15	12/1(0.00)	10.03	2068.5	3.49	4.2	0.6	1.8	5.0	3.8	4.8
MA Municipal Inc (70/FDMMX)	H***	0.20	12/8(0.02)	12.04	1843.5	3.55	5.2	0.8	2.4	6.1	4.7	5.4
MD Municipal Inc (429/SMDMX)	H***	0.20	12/1(0.02)	10.97	115.9	3.41	4.7	0.8	2.1	5.6	4.0	4.8
MI Municipal Inc (81/FMHTX)	H***	0.19	12/8(0.06)	11.97	566.6	3.44	4.9	0.8	2.1	5.8	4.1	5.2
MN Municipal Inc (82/FIMIX)	H***	0.17	12/8(0.04)	11.50	336.7	3.41	4.5	0.7	1.9	5.3	4.0	4.8
Municipal Income (37/FFHGX)	H***	0.19	12/15(0.09)	12.96	4586.1	3.54	5.1	0.8	2.2	6.0	4.8	5.7
NJ Municipal Inc (416/FNJHX)	H***	0.21	12/15(0.04)	11.65	575.5	3.48	5.1	0.8	2.2	6.0	4.4	5.3
NY Municipal Inc (71/FTFMX)	H***	0.21	12/15(0.05)	12.95	1391.9	3.45	5.0	0.8	2.3	6.0	4.5	5.6
OH Municipal Inc (88/FOHFX)	H***	0.20	12/15(0.08)	11.79	421.9	3.36	4.9	0.8	2.3	5.9	4.4	5.3
PA Municipal Inc (402/FPXTX)	H***	0.17	12/15(0.01)	10.87	307.8	3.39	4.4	0.7	1.8	5.3	4.1	4.9
Short-Int Municipal (404/FSTFX)	B****	0.10	12/15(0.00)	10.23	1499.8	3.20	3.1	0.3	1.1	3.5	2.1	3.0
Tax-Free Bond (90/FTABX)	H***	0.21	12/8(0.01)	10.88	455.9	3.70	5.2	0.9	2.3	6.2	5.0	5.9

NOVEMBER PERFORMANCE Indexes and Model Portfolios	Risk	Value	2006 YTD	One Month	Three Month	One Year	3-Yr Rate	5-Yr Rate	10-Yr Rate
Dow Jones Industrial	0.99	12221.93	16.5	1.4	7.9	15.8	10.1	6.8	8.6
S&P 500	1.00	1400.63	14.2	1.9	7.9	14.2	11.8	6.1	8.1
NASDAQ	1.41	2431.77	11.0	2.8	11.5	9.8	8.2	5.3	7.0
Russell 2000	1.75	786.12	18.0	2.6	9.4	17.4	14.2	12.7	9.7
Fidelity Monitor Income Model	0.25	85838.47	6.3	1.0	3.1	6.9	5.1	5.5	5.0
Fidelity Monitor G&I Model	0.71	176319.97	12.6	1.8	6.1	13.9	11.9	11.6	9.9
Fidelity Monitor Growth Model	1.15	195717.75	13.8	2.0	8.2	14.9	14.6	12.3	9.9
Fidelity Monitor Select System	1.43	352743.43	11.6	1.9	7.9	13.0	11.8	11.0	11.2
Fidelity Monitor Unique Opportunities	1.33	125364.59	15.4	3.6	7.4	19.7	20.0	19.6	

UNIQUE OPPORTUNITIES MODEL

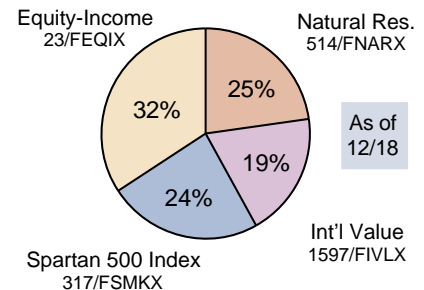
This model aims for a long-term growth rate of 12% per year by emphasizing value, inflation protection, and foreign opportunities.

FUND	NAV	SHARES	BALANCE
Natural Resources	\$29.01	1068.344	\$30992.66
Int'l Value	\$10.89	2164.515	\$23571.57
Utilities	\$18.49	1618.262	\$29921.66
Equity-Income	\$60.23	678.710	\$40878.70

31% Foreign Holdings
Balance as of 11/30/06: \$125364.59
Balance at start of 2006: \$108605.62

PERFORMANCE

Partial Yr 99:	+ 33.8%
2000:	- 20.5%
2001:	+ 1.6%
2002:	- 2.1%
2003:	+ 43.2%
2004:	+ 20.6%
2005:	+ 18.8%
*2006:	+ 15.4%



For the month of November our portfolio gained 3.6%. On 12/18 we'll be selling **Utilities** and buying **Spartan 500 Index**.

VIP CORNER

Performance figures reflect the Retirement Reserves fee structure. Results for the Personal Retirement Annuity are approximately 0.5 percentage points higher on an annualized basis.

VIP SECTOR (as of 12/18):	VIP GROWTH MODEL:	VIP G & I MODEL:	VIP INCOME MODEL:
20% Financial, 34% Utilities, 17% Energy, 15% Consumer Discretionary, 14% Technology	25% Mid-Cap Stock, 42% Equity-Income, 33% Contrafund	32% Equity-Income, 55% Balanced, 13% Freedom Income.	69% Freedom Income, 31% Balanced.

NOVEMBER VIP PERFORMANCE Portfolio	Rating	PRA Value	RR Value	2006 YTD	One Month	Three Month	One Year	3-Yr Rate	5-Yr Rate
VIP Aggressive Growth	H ***	11.31	11.89	9.4	5.7	13.1	11.4		
VIP Asset Manager	H ***	10.95	34.54	6.7	2.3	5.0	7.8	6.2	4.3
VIP Asset Manager: Growth	H ***	10.91	22.54	6.3	2.8	5.9	7.2	6.6	3.7
VIP Balanced	B ****	11.59	17.28	10.7	2.3	5.9	12.5	7.9	5.4
VIP Cons Disc (Consumer Indust)	B ****	11.27	12.44	11.4	-0.9	8.6	11.1	8.1	5.5
VIP Contrafund	B ****	11.87	44.25	10.7	2.5	7.4	12.2	14.7	11.5
VIP Industrials (Cyclical Industries)	H ***	11.96	17.33	13.6	2.1	7.8	15.6	18.9	12.4
VIP Dynamic Capital Appreciation	B ****	12.25	14.90	11.7	2.9	8.1	12.8	11.6	
VIP Equity-Income	B ****	12.02	67.42	16.8	1.8	7.8	17.3	13.4	8.1
VIP Financial Services	B ****	12.12	14.82	12.8	1.4	7.3	13.8	11.7	9.3
VIP Freedom 2005	B ****	11.16	11.36	8.3	1.6	4.7	9.4		
VIP Freedom 2010	B ****	11.16	11.40	8.5	1.7	4.8	9.6		
VIP Freedom 2015	B ****	11.36	11.66	9.6	1.8	5.3	10.9		
VIP Freedom 2020	B ****	11.49	11.85	10.4	1.9	5.9	11.8		
VIP Freedom 2025	B ****	11.56	11.97	10.8	2.0	6.0	12.3		
VIP Freedom 2030	B ****	11.66	12.12	11.3	2.1	6.4	12.9		
VIP Freedom Income	B ****	10.79	10.85	6.0	0.9	3.0	6.6		
VIP Growth	H ***	11.02	61.20	6.9	1.3	6.6	6.7	5.8	1.1
VIP Growth & Income	B ****	11.75	19.40	11.6	2.0	7.0	11.4	9.2	5.0
VIP Growth Opportunities	H ***	11.42	13.86	7.1	4.6	15.8	7.1	8.8	4.4
VIP Growth Stock	H ***	10.68	10.91	3.1	3.2	8.2	4.8		
VIP Health Care	H ***	10.88	12.63	4.4	0.1	2.7	5.4	11.4	4.0
VIP High Income	H ***	11.07	31.10	9.0	1.4	3.9	9.8	7.3	9.3
VIP Index 500	H ***	11.59	37.64	13.3	1.8	7.7	13.2	10.8	5.1
VIP Int'l Capital Appreciation	H ***	12.00	12.64	11.0	5.6	6.6	17.8		
VIP Investment Grade Bond	H ***	10.53	29.50	4.2	1.0	2.5	5.1	3.4	4.4
VIP Mid Cap	B ****	12.09	21.72	12.8	3.9	6.1	16.2	19.4	16.0
VIP Money Market		10.55	20.44	3.7	0.3	1.1	4.0	2.1	1.5
VIP Energy (Natural Resources)	B ****	13.17	22.85	20.2	8.8	7.6	24.4	33.8	20.6
VIP Overseas	H ***	12.63	39.68	13.4	3.4	6.0	21.0	17.3	11.1
VIP Real Estate	H ***	14.53	23.14	38.5	5.1	14.3	40.0	29.2	
VIP Strategic Income	H ***	10.86	11.93	7.1	1.5	3.1	8.2		
VIP Technology	B ****↑	11.77	10.99	8.7	5.1	11.0	9.6	5.8	3.1
VIP Utilities (Telecom & Utilities)	B ****	13.06	13.17	29.8	3.5	9.7	28.5	22.6	9.4
VIP Value	B ****	11.63	12.02	12.8	1.5	8.3	13.1		
VIP Value Leaders	B ****	11.83	12.25	13.1	2.8	8.4	14.3		
VIP Value Strategies	B ****	11.84	15.08	14.9	3.6	9.9	16.9	9.7	
Fidelity Monitor VIP Income Model			19805.88	6.0	1.4	3.9	6.7	4.8	5.9
Fidelity Monitor VIP G&I Model			25037.37	10.8	2.0	6.1	11.8	8.8	6.4
Fidelity Monitor VIP Growth Model			37662.23	13.7	2.6	7.2	15.3	11.9	7.1
Fidelity Monitor VIP Sector Model			18653.30	17.4	2.0	7.0	18.5	12.1	

INCOME MODEL

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

FUND	NAV	SHARES	BALANCE
Puritan	\$20.13	795.521	\$16013.84
Asset Mgr. 20%	\$13.34	2528.591	\$33731.40
Ultra-Short Bond	\$10.03	1626.746	\$16316.26
Floating Rate	\$9.94	1989.635	\$19776.97

9% Foreign Holdings

Balance as of 11/30/06: \$85838.47

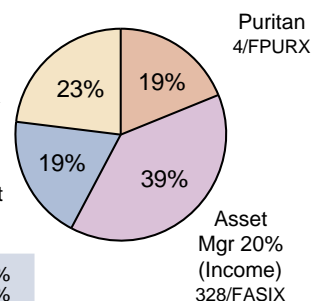
Balance at start of 2006: \$80716.02

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%
2004:	+ 4.2%
2005:	+ 3.6%
*2006:	+ 6.3%

Floating Rate High Income
814/FFRHX

Ultra-Short
812/FUSFX



Our Income Model gained 1.0% for the month of November. No near-term changes are anticipated for this portfolio.

GROWTH AND INCOME MODEL

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

FUND	NAV	SHARES	BALANCE
Asset Mgr. 20%	\$13.34	2756.851	\$36776.39
Puritan	\$20.13	1976.324	\$39783.40
Balanced	\$19.73	2209.145	\$43586.43
Equity-Income	\$60.23	932.654	\$56173.75

9% Foreign Holdings

Balance as of 11/30/06: \$176319.97

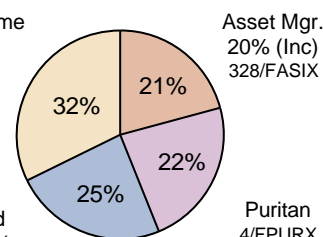
Balance at start of 2006: \$156588.48

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:	+ 8.2%
*2006:	+ 12.6%

Equity-Income
23/FEQIX

Balanced
304/FBALX



In November our Growth and Income Model gained 1.8%. No near-term changes are anticipated for this portfolio.

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
Utilities	\$18.49	2454.249	\$45379.06
Value Discovery	\$17.52	2792.154	\$48918.54
Equity-Income	\$60.23	1683.881	\$101420.15

8% Foreign Holdings

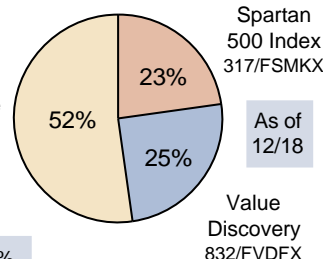
Balance as of 11/30/06: \$195717.75

Balance at start of 2006: \$171931.86

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:	+ 46.1%
2004:	+ 12.4%
2005:	+ 11.2%
*2006:	+ 13.8%

Equity-Income
23/FEQIX



Our Growth Model rose 2.0% in November, versus 1.9% for the S&P 500. On 12/18 we'll be selling **Utilities** and buying **Spartan 500 Index**.

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	\$52.88	1181.190	\$62461.33
Brokerage	\$78.10	950.274	\$74216.40
Consumer Staples	\$58.53	1090.776	\$63843.12
Pharmaceuticals	\$10.83	4221.920	\$45723.39
Multimedia	\$49.26	889.845	\$43833.76
Telecom	\$47.00	1333.307	\$62665.43

18% Foreign Holdings

Balance as of 11/30/06: \$352743.43

Balance at start of 2006: \$316217.19

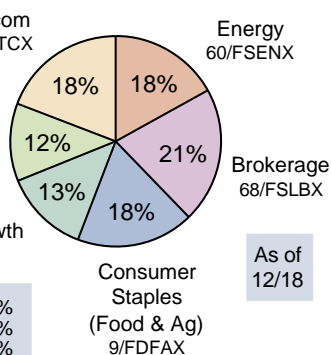
PERFORMANCE

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:	+ 38.4%
2004:	+ 7.4%
2005:	+ 15.0%
*2006:	+ 11.6%

Telecom
96/FSTCX

Software
28/FSCSX

Utilities Growth
65/FSUTX



Our Select System gained 1.9% in November, matching the S&P 500. On 12/18 we'll exchange **Pharmaceuticals** for **Utilities Growth**. We'll also be selling **Multimedia** and buying **Software**.

Spartan 500 Index may move ahead of the pack if the bluest of the Blue Chips outpace the rest of the market. Cheap large-cap valuations, moderate inflation, and a slowing economy could make the fund a solid bet for 2007.

INTERNATIONAL FUNDS

Economic growth remains uncertain in Japan, and inflation may not be as easy to tame in Europe, where real estate is not providing any relief. But dollar weakness might be a plus for foreign funds with significant commodity exposure, and a stronger yuan could help those that invest in countries that compete with China.

For a low-risk approach, **Int'l Discovery** offers broad diversification and could take advantage of the restructuring trend sweeping across Europe. The fund's positioning is not unlike the EAFE index, so it's mainly a bet on Fidelity's research skills. And access to company executives is not restricted outside the U.S., so Fidelity researchers can sometimes uncover good information.

If you have to hitch a ride to the emerging market rally, **China Region** may be the least risky way to do it. The fund is well-positioned for a stronger yuan or weaker dollar, and its stake in Hong Kong and Taiwan should allow it to weather any unfavorable surprises on the mainland.

Commodity-heavy funds might benefit from dollar-related weakness or from a rebound in oil stock values. **Canada** has roughly 30% in energy and materials, and carries less risk than other commodity-heavy funds, such as **Emerging Markets**, **Int'l Small Cap**, and **Latin America**. ■

Correction

An incorrectly typed reinvestment price caused us to overstate **Equity-Income**'s performance by 0.5 percentage points in last month's issue. Our apologies. The correct returns were 3.3% for October, 15.2% for year-to-date, 8.0% for three months, and 20.7% for one-year. Annualized 3-year, 5-year, and 10-year figures should have been 13.8%, 9.7%, and 9.5%, respectively. Model performance was unaffected. ■

NOVEMBER DISTRIBUTIONS

Asset Manager 20%	\$ 0.065/\$13.13 (11/3)
Freedom Income	\$ 0.04 / \$11.52 (11/3)

Most funds are scheduled to pay in December. We've listed dates and estimates on pages 4-5 in the "Ex-Date" column.

Manager 20% (formerly **Asset Manager Income**).

Dividend stocks suffered a setback as the shift in Congress could mean the dividend tax cut will not be extended beyond 2010. **Convertible Securities** gained 3.7%, and both **Growth & Income** and **Strategic Dividend & Income** were up 2.8%. On the bottom end, **Utilities** gained 1.4%, and **Equity-Income II** edged up 0.9%.

BOND FUNDS

Income Model holdings are listed on page 7. **Ultra-Short Bond** offers a yield slightly higher than money market funds, but carries minimal interest rate risk. **Floating Rate High Income** offers an income stream on par with junk bond funds, but has only a fraction of the credit risk.

Strategic Real Return posted a 2.4% increase, thanks to a strong month for commodities. **Capital & Income** and **High Income** responded to favorable inflation numbers, which suggested a rate cut by the Fed is more likely in 2007. The funds were up 2.1% and 1.6%, respectively. Those with low-risk portfolios trailed behind. **Floating Rate High Income** and **Ultra-Short Bond** both finished with 0.5% returns. Municipal bond funds posted increases ranging from 0.3% to 0.9%.

SELECT PORTFOLIOS

Select System holdings are listed on page 7. Funds rated buy include **Utilities Growth**, **Consumer Staples (Food/Ag)**, **Software**, **Telecommunications**, **Financial Services**, **Banking**, **Brokerage**, **Natural Resources**, and **Energy**.

Commodities and technology were the top sector groups in November. **Gold** led the pack, jumping 11.6% in response to the weak dollar. **Natural Gas** and **Natural Resources** also did well, posting gains of 10.2% and 9.2%, respectively. Laggards included **Consumer Discretionary**, off 1.0%, **Retailing** slipping 1.1%, and **Environmental**, down 1.6%. ■

Happenings

Several funds saw new manager assignments in November. Jennifer Uhrig has taken over at **Blue Chip Growth**, Jason Weiner is the new stockpicker at **VIP Growth**, Robert Bertelson has been named manager of **Independence**, Peter Saperstone is the new leader at **Fidelity Fifty**, C. Robert Chow has taken over at **Equity-Income II**, and Richard Fentin is now running **VIP Value**. ■

Money Market Funds	Size	Yield	Money Market Funds	Size	Yield	Money Market Funds	Size	Yield
Cash Reserves (55/FDRXX)	86098.4	4.96	CT MM (418/FCMXX)	1478.5	3.15	FL MM (428/FSFXX)	1672.2	3.20
Select MM (85/FSLXX)	1807.3	5.04	MA MM (74/FDMXX)	4425.2	3.12	MA AMT TF (426/FMSXX)	1807.0	3.22
Money Market (454/SPRXX)	6688.6	5.00	MI MM (420/FMIXX)	769.9	3.15	AMT Tax-Free (460/FIMXX)	3336.6	3.32
Gov't MM (458/SPAXX)	479.2	4.94	NJ MM (417/FNJXX)	1748.7	3.11	NJ AMT TF (423/FSJXX)	1050.6	3.29
US Treas. MM (415/FDLXX)	1776.1	4.69	NY MM (92/FNYXX)	3918.6	3.14	NY AMT TF (422/FSNXX)	2020.9	3.23
Tax-Free MM (275/FMOXX)	2647.5	3.21	OH MM (419/FOMXX)	908.9	3.16	PA MM (401/FPTXX)	480.9	3.17
US Gov't Reser (50/FGRXX)	3215.7	4.98	AZ MM (433/FSAXX)	272.7	3.15	Municipal MM (10/FTEXX)	17062.2	3.23
CA MM (97/FCFXX)	4536.8	3.09	CA AMT TF (457/FSPXX)	2964.1	3.24			