

Year-End Review

The economy finally entered a recovery phase in 2003. Consumer confidence picked up after U.S. forces liberated Iraq, and the Fed decided not to tighten after the invasion was complete. The market had expected a rate hike, but strong productivity growth and deflationary concerns prompted the Fed to keep short-term interest rates low. As the year progressed, corporate earnings surged due to the combined impact of cost-cutting, low interest rates, and an uptick in business spending. Stocks tracked the improved outlook for earnings, and appeared to be helped by a renewed emphasis on dividends after the tax cut.

But not everything was rosy. Money market rates remained miserably low, and higher long-term interest rates put downward pressure on high-quality bonds.

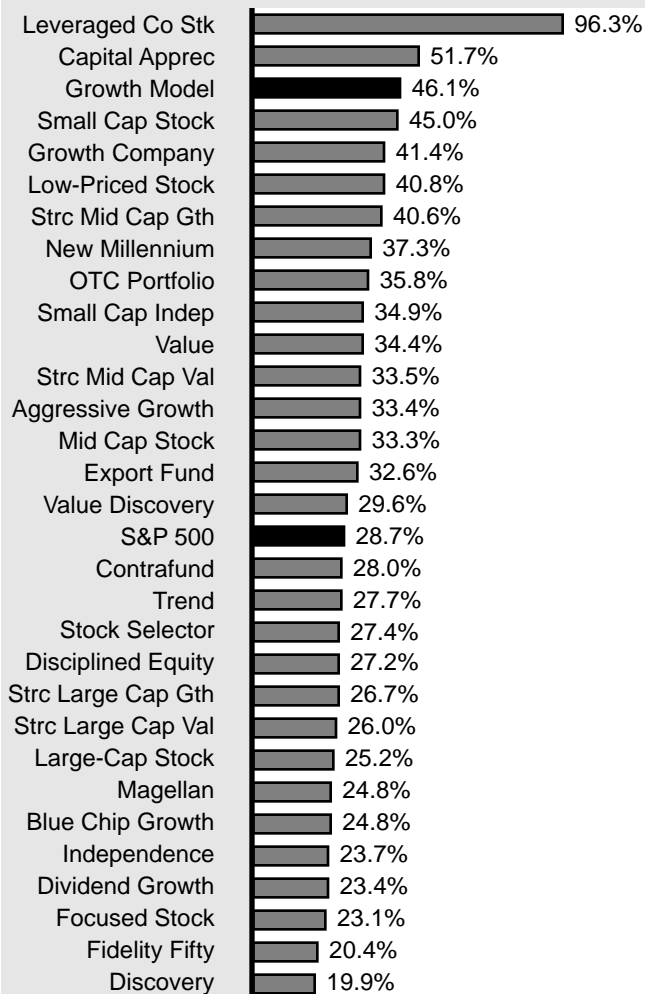
The mutual fund industry suffered a black eye as it came under scrutiny for permitting after-hours trading and abusive market timing practices. Unlike the previous year's corporate scandals, individual investors have not lost their shirts in mutual funds. Still, the idea that hedge funds and industry insiders may have profited by diluting returns for the little guy has incensed many and ushered in a new round of regulations aimed at protecting shareholders.

Fortunately, Fidelity hasn't been implicated in this mess, and probably won't be in the future. As we mentioned in our October issue, Fidelity has a long-term history of "zero tolerance" when it comes to hot money and market timers. Most rapid traders left Fidelity years ago when the firm first imposed redemption fees and round-trip trading limits.

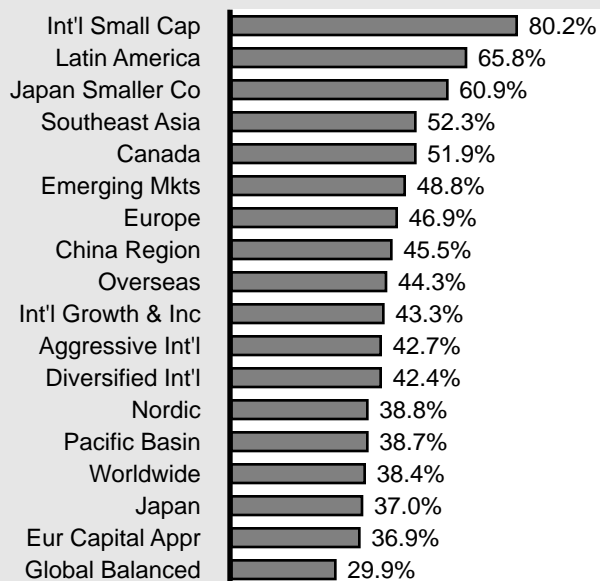
Looking ahead to 2004, productivity gains and a weaker dollar should keep earnings on a strongly favorable trend, but rising energy costs and higher prices on imported goods might put upward pressure on inflation and interest rates. All in all, stocks seem poised for near-average returns in the year ahead.

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2003 GROWTH FUND PERFORMANCE



2003 INTERNATIONAL PERFORMANCE



DOMESTIC GROWTH FUNDS

Leveraged Company Stock led the growth group by a wide margin. The fund focused mainly on companies burdened with so much debt that their survival was in question and their shares were “dirt cheap.” Low interest rates and a recovering economy provided nearly ideal conditions for these firms, and Fidelity researchers did such a good job separating the winners from the losers that not even an abrupt mid-year manager change could slow this fund down.

Capital Appreciation was the champ among funds that bet heavy on growth stocks. Manager Harry Lange has spent the better part of his career understanding what makes the technology sector tick, and it really showed in 2003. By focusing on value-priced growth stocks in the aftermath of the bear market, Lange was able to post strong results with only 10-15% more volatility than the S&P 500.

Low-Priced Stock manager Joel Tillinghast found plenty of attractive, beaten-down stocks to choose from. His fund didn't quite match the Russell 2000's gain, but with 25% less risk than the index it still posted an excellent return on a risk-adjusted basis.

Our Growth Model performed strongly in 2003. Two out of the model's three holdings were top performers for most of the market's rebound period.

Looking ahead, a weak dollar should give export

firms a boost. **Export & Multinational** should be able to capitalize in this area while staying closely aligned with the S&P 500. **Capital Appreciation's** technology emphasis and foreign holdings seem likely to keep a good thing going. Inflationary pressures could give smaller companies pricing power in 2004. **Low-Priced Stock** and **Leveraged Company Stock** may be able to post another good year, but don't expect anything like what we saw in 2003. **Value** stands to gain from a stronger economy, which could boost industrial as well as cyclical stocks.

INTERNATIONAL FUNDS

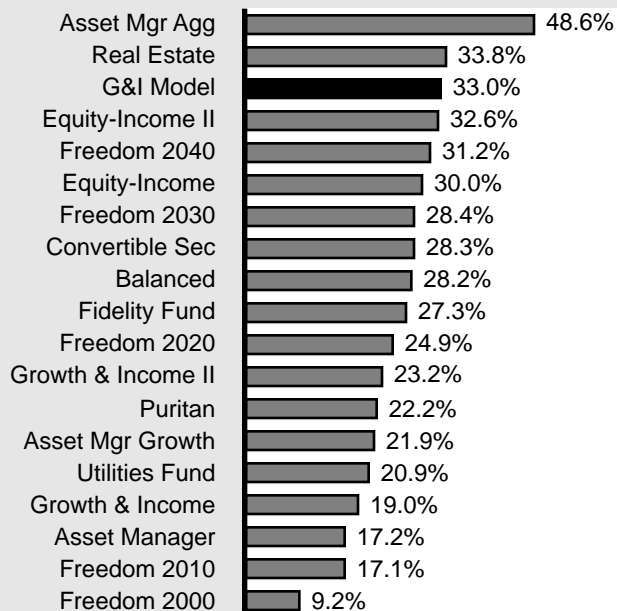
Signs of economic recovery on the global front gave a lift to international funds. In most cases the dollar's weakness helped magnify the gains.

International Small Cap stood out from the pack. Operating somewhat like a foreign version of **Low-Priced Stock**, co-managers L.C. Kvaal and Tokuya Sano exceeded their benchmark by focusing heavily on consumer stocks.

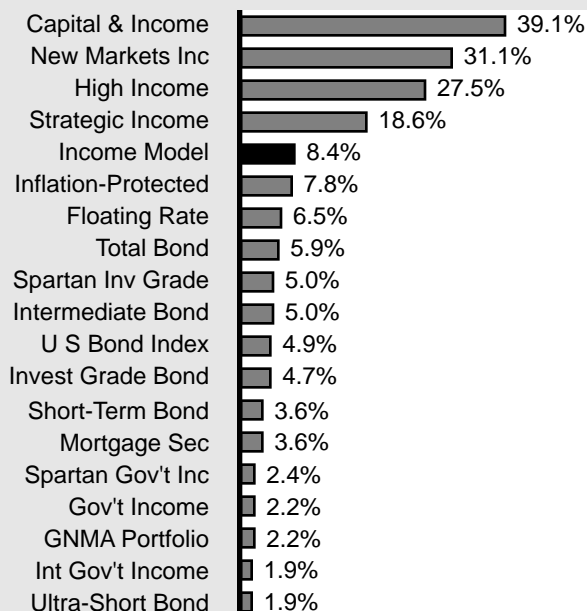
Diversified International was not as strong as some of Fidelity's other broad-based foreign funds, but it still managed to beat its EAFE benchmark (a popular foreign stock index) for the fifth year in a row – doing so with a conservative sector mix.

On the surface, a fast-falling dollar would seem to make foreign funds a good bet for 2004. But if the greenback falls far enough, foreign stocks could be hurt as U.S. manufacturers increase their global

2003 G & I / ASSET ALLOCATION PERFORMANCE



2003 BOND FUND PERFORMANCE



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market share. Fidelity's foreign funds appear to be focusing on the financial and consumer sectors, two groups that hold up well when currencies are strong.

G&I, ASSET ALLOCATION FUNDS

Asset Manager Aggressive finished at the top of this group. Harry Lange is the stockpicker for this fund, so its portfolio looked a lot like **Capital Appreciation** for most of the year.

Real Estate did well for its risk level. Despite less than favorable tax treatment, investors found favor with equity REITs because of low interest rates and a strengthening economy.

Balanced, a long-time favorite of ours, was a great performer for its risk level. Lawrence Rakers delivered a return comparable to the S&P 500 while keeping one-third of the fund's portfolio in bonds.

Our Growth and Income Model did well for its risk level. **Capital & Income**, in particular, pulled up our return while actually reducing volatility.

For 2004, **Balanced** remains our favorite, but **Puritan** is also an excellent choice. Among stock funds, **Equity-Income I & II** should benefit both from a continuing emphasis on dividend stocks.

BOND FUNDS

Upward pressure on long-term interest rates caused most government bond funds to finish the year on a weak note. Investment grade funds did better, thanks to a reduction in the yield premium on corporate bonds. But the standout performers were those that took on the most credit risk. An improving global economy and low U.S. interest rates made defaults less likely, allowing junk bond and emerging

2003 MUNI BOND FUND PERFORMANCE

| | |
|--------------------|------|
| Spartan Tax-Free | 6.2% |
| Spartan MI Muni | 5.9% |
| Spartan Muni Inc | 5.8% |
| Spartan OH Muni | 5.7% |
| Spartan NY Muni | 5.5% |
| Spartan NJ Muni | 5.4% |
| Spartan MA Muni | 5.3% |
| Spartan Intermed | 5.3% |
| Spartan MN Muni | 5.3% |
| Spartan AZ Muni | 5.2% |
| Spartan PA Muni | 5.1% |
| Spartan MD Muni | 5.0% |
| Spartan CT Muni | 5.0% |
| Spartan CA Muni | 4.9% |
| Spartan FL Muni | 4.9% |
| Spartan S-Int Muni | 3.0% |

market funds to post stronger than usual gains.

High Income and **Capital & Income** performed especially well considering the moderate amount of risk incurred. **Strategic Income**, which kept roughly

YEAR-END REVIEW - *Continued on page 8*

2003 SELECT FUND PERFORMANCE

| | |
|--------------------|-------|
| Electronics | 71.9% |
| Wireless | 68.3% |
| Develop Commun | 68.1% |
| Computers | 62.7% |
| Technology | 59.4% |
| Networking & Infra | 57.0% |
| Indust. Materials | 50.3% |
| Const. & Housing | 44.1% |
| Multimedia | 43.9% |
| Automotive | 43.5% |
| Leisure | 41.8% |
| Indust. Equipment | 41.5% |
| Select System | 38.4% |
| Transportation | 38.1% |
| Defense & Aero | 38.1% |
| Cyclical Indust | 37.6% |
| Home Finance | 36.9% |
| Brokerage | 36.5% |
| Air Transportation | 36.0% |
| Chemicals | 35.1% |
| Software | 35.0% |
| Med Equip & Sys | 33.4% |
| Biotechnology | 32.9% |
| Banking | 32.3% |
| Gold | 32.1% |
| Retailing | 31.1% |
| Financial Services | 30.6% |
| Medical Delivery | 30.2% |
| Natural Resources | 29.5% |
| Environmental | 29.0% |
| Natural Gas | 28.7% |
| S&P 500 | 28.7% |
| Insurance | 27.5% |
| Utilities Growth | 26.4% |
| Business Services | 26.1% |
| Telecommun | 25.5% |
| Consumer Indust | 23.9% |
| Energy | 22.9% |
| Pharmaceuticals | 20.3% |
| Paper & Forest | 19.1% |
| Health Care | 15.9% |
| Food & Agriculture | 14.1% |
| Energy Services | 7.6% |

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. Ratings: **B ******* is **favorite buy**, **B ****** means **buy**, **H ***** means **hold** for the long run, **S **** means cut to 5% of holdings, **S *** means **sell** and move to a buy-rated fund in the same group. Upgrades and downgrades are indicated by ↑ and ↓.

| DECEMBER PERFORMANCE | | | | | | One | Three | One | 3-Yr | 5-Yr | 10-Yr | |
|-----------------------------------|---------|---------|-------------|--------|---------|------|-------|------|------|-------|-------|------|
| Fund Name (Code/Symbol) | Rating | Risk | Payout | NAV | Size | 2003 | Mth | Mth | Year | Rate | Rate | Rate |
| Aggressive Gth (324/FDEGX) | H*** | 0.97 | | 14.93 | 5241.1 | 33.4 | 1.9 | 10.8 | 33.4 | -25.5 | -9.3 | 5.1 |
| Blue Chip Gth (312/FBGRX) | H*** | 0.99 | 0.10/38.82 | 39.63 | 21425.6 | 24.8 | 4.3 | 9.6 | 24.8 | -8.0 | -2.9 | 9.2 |
| Blue Chip Value (1271/FBCVX) | H*** | 1.0 Est | 0.05/10.97 | 11.13 | 40.0 | | 6.6 | 13.5 | | | | |
| Capital Apprec (307/FDCAX) | B***** | 1.12 | 0.03/23.33 | 24.51 | 4030.8 | 51.7 | 4.5 | 12.1 | 51.7 | 3.4 | 5.7 | 10.6 |
| Contrafund (22/FCNTX) | H*** | 0.74 | 0.04/48.60 | 49.35 | 35008.0 | 28.0 | 2.7 | 11.3 | 28.0 | 0.4 | 3.3 | 12.1 |
| Discovery (339/FDSVX) | H*** | 0.79 | 0.03/10.14 | 10.34 | 625.9 | 19.9 | 6.3 | 9.9 | 19.9 | -3.1 | 3.5 | |
| Disc Equity (315/FDEQX) | H*** | 0.94 | 0.11/21.82 | 22.74 | 3805.0 | 27.2 | 3.7 | 11.4 | 27.2 | -3.9 | 1.0 | 10.1 |
| Dividend Gth (330/FDGFY) | H*** | 1.02 | 0.09/26.37 | 27.30 | 16954.2 | 23.4 | 6.5 | 10.2 | 23.4 | -1.9 | 2.9 | 14.1 |
| Export Fund (332/FEXPX) | B*****↑ | 1.04 | 0.02/17.70 | 18.16 | 947.1 | 32.6 | 6.7 | 13.2 | 32.6 | 2.8 | 9.3 | |
| Fidelity Fifty (500/FFTYX) | H*** | 1.11 | | 19.28 | 917.8 | 20.4 | 4.3 | 8.1 | 20.4 | 1.9 | 8.1 | 12.8 |
| Growth Company (25/FDGRX) | B***** | 1.24 | | 50.07 | 22374.0 | 41.4 | 1.4 | 9.5 | 41.4 | -11.1 | 3.4 | 11.0 |
| Large-Cap Stock (338/FLCSX) | H*** | 0.97 | 0.05/13.26 | 13.88 | 679.6 | 25.2 | 4.6 | 10.7 | 25.2 | -7.5 | -2.5 | |
| Lev Co Stock (122/FLVCX) | B***** | 1.08 | 0.17/18.05 | 19.33 | 1026.3 | 96.3 | 6.7 | 22.4 | 96.3 | 25.8 | | |
| Low-Priced Stock (316/FLPSX) | B*****↓ | 0.81 | 0.45/34.18 | 34.98 | 25016.0 | 40.8 | 3.3 | 13.9 | 40.8 | 18.7 | 15.9 | 16.0 |
| Magellan (21/FMAGX) | H*** | 0.99 | 0.58/93.08 | 97.74 | 64988.7 | 24.8 | 5.2 | 10.9 | 24.8 | -5.6 | -1.1 | 9.2 |
| Mid Cap Stock (337/FMCSX) | B***** | 0.99 | 0.05/21.08 | 21.57 | 7856.1 | 33.3 | 1.3 | 12.3 | 33.3 | -5.6 | 9.2 | |
| New Millennium (300/FMILX) | B***** | 1.17 | 0.01/29.66 | 30.39 | 3619.7 | 37.3 | 0.4 | 13.3 | 37.3 | -3.4 | 12.1 | 18.2 |
| OTC Portfolio (93/FOCPX) | B***** | 1.21 | | 32.47 | 7826.9 | 35.8 | 2.0 | 10.2 | 35.8 | -7.5 | 0.0 | 9.9 |
| Independence (73/FDFFX) | H*** | 1.09 | 0.10/15.63 | 16.06 | 4604.1 | 23.7 | 4.6 | 9.9 | 23.7 | -8.8 | 2.5 | 9.4 |
| Small Cap Indep (336/FDSCX) | H*** | 0.79 | | 17.94 | 962.6 | 34.9 | 2.5 | 15.0 | 34.9 | 4.3 | 6.5 | 8.4 |
| Small Cap Stock (340/FSLCX) | H*** | 0.87 | 0.07/16.41 | 17.10 | 2294.1 | 45.0 | 4.5 | 17.3 | 45.0 | 9.2 | 15.7 | |
| Stock Selector (320/FDSSX) | H*** | 1.00 | 0.12/20.01 | 20.99 | 788.8 | 27.4 | 5.3 | 11.0 | 27.4 | -5.0 | 0.2 | 9.1 |
| Strc Lg Cap Gth (763/FSLGX) | H*** | 1.03 | | 9.02 | 19.8 | 26.7 | 4.0 | 10.0 | 26.7 | | | |
| Strc Lg Cap Val (708/FSLVX) | H*** | 0.97 | 0.08/10.00 | 10.52 | 22.1 | 26.0 | 5.9 | 13.8 | 26.0 | | | |
| Strc Mid Cap Gth (793/FSMGX) | H*** | 1.06 | | 10.32 | 51.7 | 40.6 | 0.5 | 12.8 | 40.6 | | | |
| Strc Mid Cap Val (762/FSMVX) | H*** | 0.89 | 0.04/11.69 | 12.08 | 50.2 | 33.5 | 3.4 | 14.0 | 33.5 | | | |
| Focused Stock (333/FTQGX) | S** | 0.93 | 0.02/8.44 | 8.77 | 34.5 | 23.1 | 3.5 | 10.6 | 23.1 | -13.6 | -3.9 | |
| Trend (5/FTRNX) | H*** | 0.98 | 0.34/48.30 | 48.98 | 835.1 | 27.7 | 4.8 | 11.2 | 27.7 | -4.0 | 3.0 | 5.6 |
| Value (39/FDVLX) | B***** | 0.90 | 0.28/59.45 | 62.07 | 6526.6 | 34.4 | 5.4 | 14.3 | 34.4 | 11.0 | 10.0 | 12.0 |
| Value Discovery (832/FVDFX) | H*** | 1.0 Est | 0.14/12.06 | 12.49 | 43.8 | 29.6 | 5.9 | 14.6 | 29.6 | | | |
| GROWTH & INCOME FUNDS: | | | | | | | | | | | | |
| Balanced (304/FBALX) | B***** | 0.67 | 0.08/16.37 | 16.75 | 9224.3 | 28.2 | 3.5 | 9.9 | 28.2 | 6.3 | 6.6 | 9.3 |
| Convertible Sec (308/FCVX) | H*** | 0.43 | 0.17/19.85 | 20.17 | 1767.3 | 28.3 | 3.2 | 9.3 | 28.3 | 3.6 | 11.4 | 11.9 |
| Equity-Income (23/FEQIX) | B***** | 0.97 | 1.11/47.62 | 49.75 | 21691.1 | 30.0 | 7.7 | 14.4 | 30.0 | 0.7 | 3.5 | 10.8 |
| Equity-Income II (319/FEQTX) | B***** | 1.06 | 0.08/22.25 | 22.78 | 11527.1 | 32.6 | 6.2 | 12.6 | 32.6 | 1.4 | 3.1 | 10.9 |
| Fidelity Fund (3/FFIDX) | H*** | 0.98 | 0.08/27.53 | 28.08 | 9853.7 | 27.3 | 5.8 | 12.6 | 27.3 | -4.2 | -0.6 | 10.6 |
| Growth & Income (27/FGRIX) | H*** | 0.85 | 0.13/34.94 | 35.63 | 29167.4 | 19.0 | 5.2 | 9.3 | 19.0 | -4.0 | -0.9 | 10.3 |
| Growth & Inc II (361/FGRTX) | H*** | 0.92 | 0.03/9.09 | 9.27 | 231.0 | 23.2 | 4.3 | 7.8 | 23.2 | -2.5 | -0.7 | |
| Puritan (4/FPURX) | B***** | 0.62 | 0.24/17.88 | 18.47 | 20775.6 | 22.2 | 5.8 | 10.2 | 22.2 | 3.6 | 4.3 | 9.6 |
| Real Estate Inc (833/FRIFX) | B***** | 0.2 Est | 0.26/11.21 | 11.30 | 341.0 | | 1.6 | 4.1 | | | | |
| Real Estate (303/FRESX) | H*** | 0.65 | 0.43/23.46 | 23.71 | 2586.3 | 33.8 | 2.7 | 9.2 | 33.8 | 15.7 | 15.1 | 11.9 |
| Utilities (311/FUIX) | H*** | 0.99 | 0.06/10.83 | 11.48 | 825.6 | 20.9 | 6.4 | 9.4 | 20.9 | -9.1 | -5.4 | 5.9 |
| SELECT FUNDS: | | | | | | | | | | | | |
| Air Transportation (34/FAIAX) | H*** | 1.37 | | 29.98 | 41.0 | 36.0 | 0.2 | 6.9 | 36.0 | -5.2 | 9.9 | 10.9 |
| Automotive (502/FAVX) | S** | 1.13 | | 32.51 | 28.2 | 43.5 | 4.5 | 16.9 | 43.5 | 18.1 | 5.8 | 6.4 |
| Banking (507/FSRBX) | B***** | 1.01 | 0.88/38.00 | 39.11 | 421.7 | 32.3 | 3.5 | 12.9 | 32.3 | 7.0 | 5.5 | 15.5 |
| Biotechnology (42/FBIOX) | B***** | 1.34 | | 51.48 | 1858.0 | 32.9 | 3.4 | 4.5 | 32.9 | -16.0 | 7.0 | 10.4 |
| Brokerage (68/FSLBX) | H*** | 1.40 | 0.10/47.76 | 49.68 | 390.0 | 36.5 | 5.4 | 9.6 | 36.5 | 0.9 | 11.4 | 15.5 |
| Business Ser (353/FBSOX) | H*** | 1.15 | | 14.33 | 36.2 | 26.1 | 3.3 | 12.9 | 26.1 | 0.4 | 5.2 | |
| Chemicals (69/FSCHX) | H*** | 1.09 | 0.34/49.82 | 51.81 | 41.4 | 35.1 | 10.0 | 25.2 | 35.1 | 11.1 | 11.0 | 10.8 |
| Computers (7/FDCPX) | B***** | 1.64 | | 35.86 | 1010.8 | 62.7 | -2.0 | 12.4 | 62.7 | -11.8 | -2.9 | 15.1 |
| Const & Housing (511/FSHOX) | S** | 1.16 | | 34.74 | 124.1 | 44.1 | 1.3 | 18.2 | 44.1 | 16.5 | 8.6 | 11.4 |
| Consumer Indust (517/FSCPX) | H*** | 0.90 | 0.38/23.00 | 23.50 | 36.1 | 23.9 | 2.6 | 9.9 | 23.9 | -0.2 | -0.1 | 9.0 |
| Cyclical Indust (515/FCYIX) | H*** | 0.99 | 0.31/15.43 | 16.07 | 28.6 | 37.6 | 7.5 | 20.9 | 37.6 | 4.1 | 6.9 | |
| Defense & Aero (67/FSDAX) | H*** | 1.00 | | 54.76 | 294.7 | 38.1 | 6.8 | 21.7 | 38.1 | 9.2 | 11.6 | 15.4 |
| Develop Commun (518/FSDCX) | B***** | 1.42 | | 16.59 | 682.8 | 68.1 | -0.7 | 14.8 | 68.1 | -17.5 | -2.3 | 9.4 |
| Electronics (8/FSELX) | H*** | 1.85 | | 41.89 | 3999.8 | 71.9 | -0.7 | 16.1 | 71.9 | -10.2 | 4.3 | 19.5 |
| Energy (60/FSENX) | B***** | 0.96 | 0.11/23.71 | 25.06 | 187.0 | 22.9 | 12.0 | 14.5 | 22.9 | -1.4 | 11.1 | 9.9 |
| Energy Services (43/FSESX) | B***** | 1.62 | | 31.61 | 345.0 | 7.6 | 11.9 | 8.6 | 7.6 | -5.5 | 16.9 | 13.4 |
| Environmental (516/FSLEX) | H*** | 0.96 | | 13.31 | 13.0 | 29.0 | 2.2 | 10.3 | 29.0 | -0.7 | -0.5 | 2.3 |
| Financial Services (66/FISDX) | H*** | 1.03 | 0.85/110.50 | 114.92 | 509.4 | 30.6 | 4.5 | 12.5 | 30.6 | 1.7 | 6.5 | 15.3 |
| Food & Agriculture (9/FDFAX) | H*** | 0.72 | 0.24/43.04 | 44.03 | 93.7 | 14.1 | 2.0 | 8.4 | 14.1 | 2.0 | 1.8 | 10.5 |
| Gold (41/FSAGX) | H*** | 1.55 | 0.90/29.19 | 29.83 | 871.8 | 32.1 | -2.4 | 16.6 | 32.1 | 39.5 | 19.2 | 4.2 |
| Health Care (63/FSPHX) | H*** | 0.96 | 0.12/113.98 | 118.01 | 1878.8 | 15.9 | 5.4 | 6.8 | 15.9 | -6.9 | 1.4 | 15.0 |
| Home Finance (98/FSVLX) | H*** | 0.98 | 2.05/63.12 | 64.49 | 425.5 | 36.9 | 2.2 | 15.7 | 36.9 | 9.6 | 11.6 | 16.6 |
| Indust Equip (510/FSCGX) | H*** | 1.09 | | 24.60 | 38.1 | 41.5 | 8.8 | 24.3 | 41.5 | 2.6 | 4.0 | 10.5 |
| Indust Materials (509/FSDPX) | H*** | 0.89 | 0.04/33.76 | 36.00 | 94.2 | 50.3 | 9.9 | 25.2 | 50.3 | 17.9 | 12.5 | 8.8 |
| Insurance (45/FSPCX) | H*** | 1.02 | 1.37/53.58 | 55.42 | 102.3 | 27.5 | 5.1 | 12.6 | 27.5 | 4.6 | 10.5 | 16.7 |
| Leisure (62/FDLSX) | H*** | 1.14 | | 70.98 | 181.8 | 41.8 | 3.9 | 12.1 | 41.8 | 4.9 | 3.0 | 11.7 |
| Medical Delivery (505/FSHCX) | H*** | 1.25 | | 30.82 | 182.7 | 30.2 | 2.5 | 18.4 | 30.2 | 3.8 | 5.7 | 10.1 |
| Medical Equip/Sys (354/FSMEX) | B***** | 0.82 | 0.53/19.50 | 20.02 | 356.7 | 33.4 | 2.7 | 8.1 | 33.4 | 7.8 | 15.9 | |
| Multimedia (503/FBMPX) | H*** | 1.38 | 3.47/42.76 | 45.17 | 172.3 | 43.9 | 5.6 | 14.5 | 43.9 | 7.5 | 6.6 | 13.1 |
| Natural Gas (513/FSNGX) | H*** | 1.23 | | 21.58 | 181.9 | 28.7 | 11.4 | 15.1 | 28.7 | -3.5 | 14.2 | 9.8 |
| Nat Resources (514/FNARX) | B***** | 0.88 | | 14.32 | 36.5 | 29.5 | 11.6 | 17.0 | 29.5 | 0.4 | 12.9 | |
| Networking/Infra (912/FNINX) | H*** | 1.71 | | 2.34 | 172.6 | 57.0 | -2.1 | 7.3 | 57.0 | -26.6 | | |
| Paper & Forest (506/FSPFX) | H*** | 1.12 | | 30.91 | 16.9 | 19.1 | 11.1 | 15.1 | 19.1 | 7.4 | 10.3 | 9.4 |
| Pharmaceuticals (580/FPHAX) | H*** | 1.00 | | 8.76 | 62.8 | 20.3 | 7.4 | 4.8 | 20.3 | | | |
| Retailing (46/FSRPX) | H*** | 1.05 | | 44.77 | 96.6 | 31.1 | -0.7 | 8.7 | 31.1 | 1.2 | -0.6 | 9.9 |
| Software (28/FSCSX) | B***** | 1.36 | | 49.23 | 808.6 | 35.0 | 2.2 | 10.7 | 35.0 | -1.3 | 8.2 | 16.1 |
| Technology (64/FSPTX) | B***** | 1.56 | | 60.09 | 2556.5 | 59.4 | -0.4 | 11.8 | 59.4 | -12.2 | 1.2 | 14.2 |
| Telecom (96/FSTCX) | H*** | 1.54 | 0.05/30.00 | 32.04 | 340.5 | 25.5 | 6.8 | 16.5 | 25.5 | -13.9 | -7.8 | 5.4 |
| Transportation (512/FSRFX) | H*** | 1.17 | | 33.83 | 35.9 | 38.1 | 2.0 | 9.7 | 38.1 | 7.0 | 13.0 | 11.8 |
| Utilities Growth (65/FSUTX) | H*** | 0.99 | 0.33/31.39 | 32.94 | 196.8 | 26.4 | 5.6 | 11.9 | 26.4 | -11.7 | -5.6 | 6.8 |
| Wireless (963/FWRLX) | H*** | 1.42 | | 4.09 | 141.9 | 68.3 | 4.1 | 18.6 | 68.3 | -21.1 | | |

| DECEMBER PERFORMANCE | | | | | | | Div. | One | Three | One | 3-Yr | 5-Yr |
|--------------------------------|--------|------|------------|-------|---------|-------|------|------|-------|------|------|------|
| Fund Name (Code/Symbol) | Rating | Risk | Ex-Date | NAV | Size | Yield | 2003 | Mth | Mth | Year | Rate | Rate |
| Aggressive Int'l (335/FIVFX) | H*** | 0.85 | 0.10/14.47 | 15.21 | 546.5 | | 42.7 | 7.7 | 13.2 | 42.7 | 5.0 | 4.9 |
| Canada (309/FICDX) | H*** | 0.67 | 0.13/26.19 | 27.39 | 184.5 | | 51.9 | 5.7 | 17.5 | 51.9 | 9.5 | 15.7 |
| Diversified Int'l (325/FDIVX) | B**** | 0.66 | see page 8 | 24.12 | 12078.2 | | 42.4 | 6.9 | 15.2 | 42.4 | 3.9 | 9.0 |
| Emerging Mkts (322/FEMKX) | H*** | 0.82 | see page 8 | 10.61 | 444.0 | | 48.8 | 8.2 | 17.6 | 48.8 | 10.5 | 9.1 |
| Europe (301/FIEUX) | H*** | 1.06 | 0.29/26.32 | 26.62 | 1385.5 | | 46.9 | 3.8 | 18.4 | 46.9 | -2.8 | -0.2 |
| Europe Cap Appr (341/FECAX) | H*** | 0.87 | 0.22/17.92 | 18.70 | 399.3 | | 36.9 | 6.9 | 18.0 | 36.9 | 0.4 | 3.3 |
| China Region (352/FHKCX) | H*** | 0.85 | 0.26/14.93 | 15.53 | 240.4 | | 45.5 | 5.2 | 12.2 | 45.5 | 3.4 | 11.0 |
| Global Balanced (334/FGBLX) | H*** | 0.53 | see page 8 | 18.87 | 118.2 | | 29.9 | 5.2 | 11.2 | 29.9 | 3.8 | 5.3 |
| Int'l Growth & Inc (305/FIGRX) | B**** | 0.79 | 0.18/22.70 | 23.92 | 1300.1 | | 43.3 | 7.6 | 16.9 | 43.3 | 2.2 | 7.1 |
| Int'l Small Cap (818/FISMX) | B**** | 0.65 | 0.33/17.81 | 18.67 | 615.7 | | 80.2 | 7.0 | 16.4 | 80.2 | | |
| Japan (350/FJPNX) | H*** | 1.25 | 0.01/11.05 | 11.54 | 495.3 | | 37.0 | 7.0 | 10.4 | 37.0 | -5.7 | 5.6 |
| Japan Smaller Co (360/FJSCX) | H*** | 1.05 | 0.02/9.61 | 10.34 | 828.4 | | 60.9 | 6.9 | 14.2 | 60.9 | 9.1 | 16.9 |
| Latin America (349/FLATX) | H*** | 1.02 | 0.23/14.18 | 15.22 | 234.4 | | 65.8 | 10.5 | 22.1 | 65.8 | 7.2 | 9.5 |
| Nordic (342/FNORX) | H*** | 0.93 | 0.15/20.59 | 20.99 | 84.6 | | 38.8 | 4.8 | 17.9 | 38.8 | -6.5 | 3.6 |
| Overseas (94/FOSFX) | H*** | 0.96 | 0.30/29.89 | 31.43 | 3660.3 | | 44.3 | 7.0 | 16.4 | 44.3 | -2.5 | 1.6 |
| Pacific Basin (302/FPBFX) | H*** | 0.96 | see page 8 | 17.53 | 406.8 | | 38.7 | 6.3 | 10.4 | 38.7 | 0.8 | 7.8 |
| Southeast Asia (351/FSEAX) | H*** | 1.08 | see page 8 | 14.58 | 398.1 | | 52.3 | 8.0 | 16.6 | 52.3 | 9.2 | 11.6 |
| Worldwide (318/FWWFX) | H*** | 0.91 | 0.07/15.78 | 16.37 | 873.4 | | 38.4 | 6.1 | 13.7 | 38.4 | 1.8 | 4.9 |

INDEX AND ASSET ALLOCATION:

| | | | | | | | | | | | | |
|----------------------------------|-------|---------|------------|-------|---------|--|------|-----|------|------|------|------|
| Four-In-One Index (355/FFNOX) | H*** | 0.76 | 0.32/22.52 | 22.80 | 438.3 | | 28.3 | 4.5 | 11.3 | 28.3 | -1.0 | |
| NASDAQ Comp (1282/FNCMX) | H*** | 1.30 | 0.03/27.10 | 27.51 | 28.9 | | | 2.1 | | | | |
| Spart Ext Mkt Idx (398/FSEMXX) | B**** | 0.92 | 0.13/26.78 | 27.32 | 864.8 | | 42.8 | 2.1 | 13.7 | 42.8 | 2.2 | 3.6 |
| Spart Int'l Index (399/FSIIX) | H*** | 0.85 | 0.47/26.39 | 27.26 | 411.9 | | 38.3 | 7.5 | 16.5 | 38.3 | -3.2 | -0.1 |
| Spart 500 Index (317/FSMKX) | H*** | 1.00 | 0.72/73.05 | 76.60 | 9240.0 | | 28.5 | 5.2 | 12.1 | 28.5 | -4.2 | -0.7 |
| Spart Total Mkt Idx (397/FSTMXX) | H*** | 0.97 | 0.27/29.29 | 29.91 | 1834.8 | | 31.2 | 4.4 | 12.3 | 31.2 | -2.6 | 0.3 |
| Asset Manager (314/FASMX) | H*** | 0.52 | 0.11/15.59 | 15.76 | 11002.1 | | 17.2 | 3.9 | 6.2 | 17.2 | 1.2 | 3.8 |
| Asset Mgr Agg (347/FAMRX) | H*** | 1.01 | 0.06/10.00 | 10.24 | 296.4 | | 48.6 | 3.9 | 11.2 | 48.6 | -6.6 | |
| Asset Mgr Gth (321/FASGX) | H*** | 0.74 | 0.31/14.06 | 14.28 | 3617.4 | | 21.9 | 5.0 | 8.4 | 21.9 | -0.9 | 1.3 |
| Asset Mgr Inc (328/FASIX) | B**** | 0.28 | 0.05/12.02 | 12.15 | 1056.3 | | 14.4 | 0.8 | 3.8 | 14.4 | 4.9 | 4.8 |
| Freedom 2000 (370/FFFBX) | B**** | 0.23 | 0.18/11.75 | 11.78 | 1490.1 | | 9.2 | 1.5 | 3.1 | 9.2 | 2.3 | 4.6 |
| Freedom 2005 (1312/FFVFX) | B**** | 0.3 Est | 0.04/10.20 | 10.26 | | | | 2.6 | | | | |
| Freedom 2010 (371/FFFCX) | B**** | 0.41 | 0.31/12.94 | 13.02 | 6496.8 | | 17.1 | 2.6 | 6.0 | 17.1 | 1.4 | 4.6 |
| Freedom 2015 (1313/FFVFX) | B**** | 0.5 Est | 0.04/10.24 | 10.33 | | | | 3.3 | | | | |
| Freedom 2020 (372/FFFDX) | B**** | 0.62 | 0.22/12.89 | 13.02 | 6319.0 | | 24.9 | 3.6 | 9.0 | 24.9 | -0.7 | 3.6 |
| Freedom 2025 (1314/FFTWX) | B**** | 0.7 Est | 0.05/10.27 | 10.39 | | | | 4.0 | | | | |
| Freedom 2030 (373/FFFEX) | B**** | 0.73 | 0.15/12.79 | 12.95 | 3657.8 | | 28.4 | 4.1 | 10.5 | 28.4 | -2.1 | 2.7 |
| Freedom 2035 (1315/FFTHX) | B**** | 0.8 Est | 0.05/10.29 | 10.43 | | | | 4.3 | | | | |
| Freedom 2040 (718/FFFEX) | B**** | 0.81 | 0.10/7.46 | 7.56 | 938.3 | | 31.2 | 4.4 | 11.5 | 31.2 | -3.0 | |
| Freedom Income (369/FFFAA) | B**** | 0.20 | see page 8 | 11.09 | 1565.6 | | 7.3 | 1.4 | 2.5 | 7.3 | 3.0 | 4.5 |

TAXABLE BOND FUNDS:

| | | | | | | | | | | | | |
|---------------------------------|--------|---------|-------------|-------|--------|------|------|-----|------|------|------|------|
| Capital & Income (38/FAGIX) | B**** | 0.28 | 0.135/8.05 | 8.06 | 4150.6 | 5.93 | 39.1 | 2.8 | 6.6 | 39.1 | 9.7 | 6.3 |
| Floating Rate (814/FFRHX) | B**** | 0.04 | 0.021/9.87 | 9.87 | 889.9 | 2.84 | 6.5 | 0.5 | 1.2 | 6.5 | | |
| GNMA Portfolio (15/FGMNX) | H*** | 0.16 | 0.090/11.13 | 11.08 | 4619.0 | 3.99 | 2.2 | 0.6 | 0.2 | 2.2 | 6.0 | 6.0 |
| Gov't Income (54/FGOVX) | H*** | 0.31 | see page 8 | 10.22 | 3830.8 | 3.10 | 2.2 | 0.9 | -0.2 | 2.2 | 6.6 | 5.9 |
| Intermed Bond (32/FTHRX) | H*** | 0.22 | 0.070/10.65 | 10.66 | 6822.9 | 3.67 | 5.0 | 1.0 | 0.4 | 5.0 | 7.6 | 6.7 |
| Intermed Gov't Inc (452/FSTGX) | H*** | 0.23 | | 10.29 | 1137.7 | 2.82 | 1.9 | 0.7 | -0.3 | 1.9 | 6.6 | 6.1 |
| Invest Grade Bond (26/FBNDX) | H*** | 0.25 | 0.030/7.55 | 7.55 | 5455.9 | 3.41 | 4.7 | 1.0 | 0.3 | 4.7 | 7.5 | 6.4 |
| Mortgage Securities (40/FMSFX) | H*** | 0.16 | see page 8 | 11.22 | 1294.1 | 3.20 | 3.6 | 0.9 | 0.6 | 3.6 | 6.7 | 6.6 |
| New Markets Inc (331/FNMIX) | H*** | 0.42 | 0.050/13.89 | 13.90 | 799.6 | 5.90 | 31.1 | 3.8 | 6.5 | 31.1 | 16.3 | 19.7 |
| Short-Term Bond (450/FSHBX) | B**** | 0.12 | | 9.04 | 5227.5 | 2.48 | 3.6 | 0.8 | 0.5 | 3.6 | 6.0 | 5.8 |
| Spart Gov't Inc (453/SPGVX) | H*** | 0.32 | 0.005/11.00 | 11.02 | 904.1 | 3.63 | 2.4 | 1.0 | 0.0 | 2.4 | 6.9 | 6.2 |
| High Income (455/SPHIX) | B**** | 0.18 | 0.125/8.93 | 8.94 | 2821.6 | 6.74 | 27.5 | 2.5 | 6.1 | 27.5 | 7.2 | 2.8 |
| Spart Invest Grade (448/FSIBX) | H*** | 0.25 | 0.165/10.76 | 10.71 | 2524.0 | 3.76 | 5.0 | 0.9 | 0.4 | 5.0 | 7.8 | 6.6 |
| Strategic Income (368/FSICX) | B**** | 0.19 | see page 8 | 10.50 | 2112.3 | 5.23 | 18.6 | 2.3 | 4.4 | 18.6 | 11.4 | 8.8 |
| Inflation-Protected (794/FINPX) | H*** | 0.41 | 0.131/11.05 | 11.01 | 6859.9 | 1.44 | 7.8 | 0.9 | 1.3 | 7.8 | | |
| Total Bond (820/FTBFX) | H*** | 0.2 Est | | 10.52 | 273.7 | 2.90 | 5.9 | 1.1 | 0.4 | 5.9 | | |
| Ultra-Short Bond (812/FUSEFX) | B****↓ | 0.04 | 0.001/10.06 | 10.06 | 349.0 | 1.30 | 1.9 | 0.2 | 0.5 | 1.9 | | |
| US Bond Index (651/FBIDX) | H*** | 0.2 Est | see page 8 | 11.19 | 4687.2 | 4.10 | 4.9 | 1.2 | 0.5 | 4.9 | 7.7 | |

MUNICIPAL BOND FUNDS:

| | | | | | | | | | | | | |
|----------------------------------|-------|------|-------------|-------|--------|------|-----|-----|-----|-----|-----|-----|
| Spart AZ Muni Inc (434/FAZZX) | H*** | 0.21 | 0.006/11.53 | 11.60 | 74.6 | 3.68 | 5.2 | 0.9 | 1.1 | 5.2 | 6.6 | 5.7 |
| Spart CA Muni Inc (91/CTFX) | H*** | 0.19 | 0.107/12.55 | 12.61 | 1522.5 | 4.32 | 4.9 | 0.9 | 1.5 | 4.9 | 6.0 | 5.4 |
| Spart CT Muni Inc (407/FICNX) | H*** | 0.20 | 0.105/11.89 | 11.87 | 437.5 | 4.12 | 5.0 | 0.9 | 1.2 | 5.0 | 6.6 | 5.7 |
| Spart FL Muni Inc (427/FFLIX) | H*** | 0.20 | 0.175/11.72 | 11.72 | 549.5 | 3.99 | 4.9 | 0.8 | 1.1 | 4.9 | 6.4 | 5.4 |
| Spart Intermediate (36/FLTMX) | H*** | 0.16 | 0.130/10.16 | 10.21 | 1786.3 | 4.02 | 5.3 | 0.7 | 0.9 | 5.3 | 6.6 | 5.5 |
| Spart MA Muni Inc (70/FDMMX) | H*** | 0.19 | 0.130/12.18 | 12.25 | 1836.3 | 4.31 | 5.3 | 0.9 | 1.4 | 5.3 | 6.5 | 5.7 |
| Spart MD Muni Inc (429/SMDMX) | H*** | 0.19 | | 11.07 | 95.3 | 3.85 | 5.0 | 0.7 | 1.1 | 5.0 | 6.1 | 5.3 |
| Spart MI Muni Inc (81/FMHTX) | H*** | 0.20 | | 12.22 | 556.4 | 4.22 | 5.9 | 0.8 | 1.1 | 5.9 | 6.8 | 5.7 |
| Spart MN Muni Inc (82/FIMIX) | H*** | 0.16 | 0.066/11.65 | 11.69 | 341.0 | 4.04 | 5.3 | 0.8 | 1.2 | 5.3 | 6.1 | 5.2 |
| Spart Municipal Inc (37/FFHGX) | H*** | 0.20 | 0.185/13.19 | 13.18 | 4756.4 | 4.42 | 5.8 | 0.9 | 1.4 | 5.8 | 7.1 | 6.1 |
| Spart NJ Muni Inc (416/FNIHX) | H*** | 0.20 | 0.130/11.85 | 11.84 | 548.9 | 4.09 | 5.4 | 0.9 | 1.5 | 5.4 | 6.4 | 5.8 |
| Spart NY Muni Inc (71/FTFMX) | H*** | 0.21 | 0.250/13.23 | 13.21 | 1424.4 | 4.14 | 5.5 | 0.9 | 1.3 | 5.5 | 6.9 | 5.9 |
| Spart OH Muni Inc (88/FOHFX) | H*** | 0.20 | 0.090/12.12 | 12.10 | 427.9 | 4.25 | 5.7 | 0.9 | 1.3 | 5.7 | 6.7 | 5.7 |
| Spart PA Muni Inc (402/FPXTX) | H*** | 0.18 | 0.100/11.07 | 11.06 | 291.3 | 4.15 | 5.1 | 0.9 | 1.2 | 5.1 | 6.4 | 5.5 |
| Spart Short-Int Muni (404/FSTFX) | B**** | 0.09 | 0.065/10.49 | 10.48 | 1823.7 | 2.58 | 3.0 | 0.3 | 0.1 | 3.0 | 5.0 | 4.6 |
| Spart Tax-Free Bond (90/FTABX) | H*** | 0.22 | 0.100/10.70 | 10.76 | 218.0 | 4.19 | 6.2 | 1.0 | 1.5 | 6.2 | | |

| DECEMBER PERFORMANCE | | | | One | Three | One | 3-Yr | 5-Yr | 10-Yr |
|---------------------------------------|------|-----------|------|-------|-------|------|------|------|-------|
| Indexes & Model Portfolios | Risk | Value | 2003 | Month | Month | Year | Rate | Rate | Rate |
| Dow Jones Industrial | 0.97 | 10453.92 | 28.2 | 7.1 | 13.3 | 28.2 | 1.0 | 4.6 | 13.0 |
| S&P 500 | 1.00 | 1111.92 | 28.7 | 5.2 | 12.2 | 28.7 | -4.0 | -0.6 | 11.1 |
| NASDAQ | 1.30 | 2003.37 | 50.8 | 2.2 | 12.3 | 50.8 | -6.4 | -1.5 | 10.5 |
| Russell 2000 | 1.11 | 556.91 | 47.2 | 2.0 | 14.5 | 47.2 | 6.3 | 7.1 | 9.5 |
| Fidelity Monitor Income Model | 0.06 | 74748.25 | 8.4 | 1.0 | 2.2 | 8.4 | 6.5 | 4.5 | 5.7 |
| Fidelity Monitor G&I Model | 0.50 | 129816.46 | 33.0 | 3.3 | 10.2 | 33.0 | 8.0 | 7.7 | 10.0 |
| Fidelity Monitor Growth Model | 1.06 | 137499.26 | 46.1 | 5.8 | 15.1 | 46.1 | 4.3 | 5.5 | 10.3 |
| Fidelity Monitor Select System | 1.21 | 256163.60 | 38.4 | 1.4 | 9.9 | 38.4 | 3.1 | 6.2 | 11.9 |
| Fidelity Monitor Unique Opportunities | 0.70 | 75768.12 | 43.2 | 4.5 | 13.7 | 43.2 | 12.5 | | |

UNIQUE OPPORTUNITIES MODEL

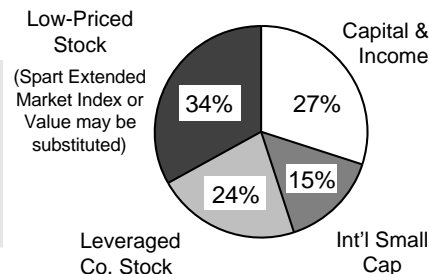
This model invests in special situations and where Fidelity's research skills give it an edge over its peers.

| FUND | NAV | SHARES | BALANCE |
|------------------|---------|----------|------------|
| Capital & Income | \$8.06 | 2559.319 | \$20628.11 |
| Int'l Small Cap | \$18.67 | 629.116 | \$11745.60 |
| Leveraged Co. | \$19.33 | 924.149 | \$17863.80 |
| Low-Priced Stock | \$34.98 | 729.863 | \$25530.61 |

22% Foreign Holdings
Balance as of 12/31/03: \$75768.12
Balance at start of 2003: \$52924.96

PERFORMANCE

| | |
|----------------|---------|
| Partial Yr 99: | + 33.8% |
| 2000: | - 20.5% |
| 2001: | + 1.6% |
| 2002: | - 2.1% |
| 2003: | + 43.2% |



Our Unique Opportunities portfolio gained 4.5% for the month of December. No major changes are anticipated in the months ahead.

401(k) CORNER

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

| Portfolio A (+33.9% 2003) | Portfolio B (+24.4% 2003) | Portfolio C (+28.3% 2003) | Portfolio D (+28.3% 2003) |
|--|---------------------------------|-----------------------------------|-----------------------------------|
| 58% Dividend Growth, 42% Capital Appreciation | 64% Magellan, 36% Contrafund | 31% Magellan 69% Equity-Income | 31% Magellan 69% Equity-Income |

For the month of December, Portfolio A gained 5.6%, Portfolio B rose 4.3%, and Portfolios C and D were both up 7.0%.

VIP CORNER

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

| VIP SECTOR MODEL: | VIP GROWTH: | VIP G&I MODEL: | VIP INCOME: |
|--|----------------------------------|--|-------------------------------------|
| 50% Technology, 17% Fin Services, 16% Health Care, 17% Natural Res. | 35% Equity-Income, 65% Growth | 41% Asset Manager, 30% Equity-Income, 29% High Inc. | 71% Inv. Grade, 29% High Income. |

| DECEMBER VIP PERFORMANCE | Rating | Unit Value | 2003 | One Month | Three Month | One Year | 3-Yr Rate | 5-Yr Rate |
|-----------------------------------|---------|------------|------|-----------|-------------|----------|-----------|-----------|
| VIP Asset Manager | B **** | 29.97 | 17.0 | 3.9 | 6.1 | 17.0 | 0.3 | 1.2 |
| VIP Asset Manager: Growth | H *** | 19.57 | 22.4 | 5.0 | 8.5 | 22.4 | -2.0 | -1.3 |
| VIP Balanced | H *** | 14.21 | 16.8 | 3.2 | 5.2 | 16.8 | 1.1 | 0.3 |
| VIP Contrafund | H *** | 30.07 | 27.4 | 2.6 | 11.3 | 27.4 | -0.1 | 2.6 |
| VIP Dynamic Capital Appreciation | H *** | 11.04 | | 3.0 | 9.6 | | | |
| VIP Equity-Income | B **** | 49.70 | 29.3 | 7.6 | 14.2 | 29.3 | 0.2 | 2.6 |
| VIP Growth | B ****↓ | 53.18 | 31.8 | 2.8 | 11.0 | 31.8 | -9.3 | -2.1 |
| VIP Growth & Income | B **** | 15.51 | 22.8 | 4.2 | 7.6 | 22.8 | -2.8 | -1.0 |
| VIP Growth Opportunities | B **** | 11.27 | 28.8 | 4.6 | 10.9 | 28.8 | -5.4 | -6.3 |
| VIP High Income | B **** | 25.76 | 26.2 | 2.4 | 5.2 | 26.2 | 4.3 | -1.3 |
| VIP Index 500 | H *** | 29.12 | 27.4 | 5.1 | 11.9 | 27.4 | -5.0 | -1.6 |
| VIP Investment Grade Bond | B **** | 26.95 | 4.4 | 1.0 | 0.5 | 4.4 | 7.1 | 5.9 |
| VIP Mid Cap | H *** | 13.24 | 37.5 | 3.8 | 16.0 | 37.5 | 5.7 | |
| VIP Overseas | H *** | 26.27 | 42.2 | 6.8 | 16.1 | 42.2 | -4.2 | 0.0 |
| VIP Real Estate | H *** | 11.00 | | 2.5 | 8.7 | | | |
| VIP Value Strategies | H ****↓ | 11.38 | | -0.3 | 13.5 | | | |
| VIP Consumer Industries | H *** | 10.08 | 24.2 | 2.5 | 9.8 | 24.2 | | |
| VIP Cyclical Industries | H *** | 11.06 | 37.2 | 7.4 | 20.6 | 37.2 | | |
| VIP Financial Services | B **** | 11.09 | 29.5 | 4.3 | 11.9 | 29.5 | | |
| VIP Health Care | B **** | 9.64 | 15.3 | 5.4 | 6.7 | 15.3 | | |
| VIP Natural Resources | B **** | 10.66 | 29.6 | 11.6 | 16.9 | 29.6 | | |
| VIP Technology | B **** | 9.22 | 57.9 | -0.6 | 11.2 | 57.9 | | |
| VIP Telecom & Utilities | H *** | 7.56 | 25.1 | 5.7 | 12.3 | 25.1 | | |
| Morgan Stanley Emg Mkts Debt | H *** | 15.84 | 26.8 | 2.7 | 5.9 | 26.8 | 14.5 | |
| Morgan Stanley Emg Mkts Equity | H *** | 11.02 | 48.4 | 7.8 | 17.5 | 48.4 | 7.6 | |
| Morgan Stanley Global Equity | H *** | 12.82 | 28.0 | 6.7 | 14.2 | 28.0 | -0.9 | |
| Morgan Stanley Int'l Magnum | H *** | 9.60 | 26.5 | 7.0 | 14.1 | 26.5 | -5.8 | |
| PBHG Growth II | S ** | 9.00 | 24.6 | -4.2 | 5.5 | 24.6 | -20.2 | |
| PBHG Select Value | H *** | 15.62 | 17.4 | 8.2 | 13.5 | 17.4 | -15.7 | |
| PBHG Select 20 | S ** | 14.35 | 31.7 | 0.6 | 11.1 | 31.7 | -5.9 | |
| PBHG Small Cap Value | H **** | 17.68 | 37.9 | 2.9 | 15.7 | 37.9 | -0.5 | |
| PBHG Tech & Communications | S ** | 7.67 | 44.3 | 0.4 | 11.0 | 44.3 | -32.2 | |
| Strong Mid Cap Growth Fund II | S ** | 11.79 | 33.1 | -1.8 | 8.2 | 33.1 | -17.3 | |
| Strong Opportunity Fund II | H **** | 15.24 | 36.6 | 3.6 | 11.0 | 36.6 | -2.0 | |
| CS Int'l Focus | H *** | 9.35 | 32.1 | 7.0 | 15.0 | 32.1 | -7.6 | |
| CS Global Post-VC | S ** | 9.57 | 46.6 | 2.4 | 11.7 | 46.6 | -11.4 | |
| CS Small Cap Growth | S ** | 10.81 | 47.5 | 0.6 | 14.9 | 47.5 | -6.9 | |
| Fidelity Monitor VIP Sector Model | | 13110.07 | 57.5 | -0.9 | 11.0 | 57.5 | | |
| Fidelity Monitor VIP Growth Model | | 28116.93 | 30.0 | 4.5 | 12.1 | 30.0 | -4.3 | -0.8 |
| Fidelity Monitor VIP G&I Model | | 20335.53 | 20.8 | 4.6 | 8.2 | 20.8 | 1.9 | 1.3 |
| Fidelity Monitor VIP Income Model | | 17466.26 | 9.9 | 1.4 | 1.9 | 9.9 | 6.8 | 3.7 |

INCOME MODEL

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

| FUND | NAV | SHARES | BALANCE |
|------------------|---------|----------|------------|
| Short-Term Bond | \$9.04 | 1575.711 | \$14244.43 |
| Ultra-Short Bond | \$10.06 | 1553.033 | \$15623.51 |
| High Income | \$8.94 | 1279.950 | \$11442.75 |
| Floating Rate | \$9.87 | 1869.991 | \$18456.81 |
| Real Estate Inc. | \$11.30 | 1325.730 | \$14980.75 |

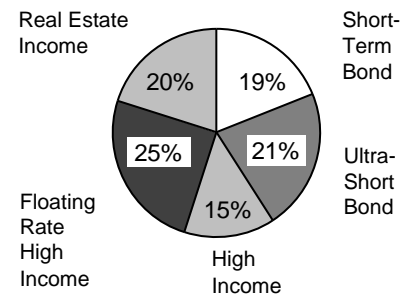
4% Foreign Holdings

Balance as of 12/31/03: \$74748.25

Balance at start of 2003: \$68975.37

PERFORMANCE

| | |
|-------|---------|
| 1992: | + 10.1% |
| 1993: | + 11.3% |
| 1994: | - 2.1% |
| 1995: | + 14.8% |
| 1996: | + 9.0% |
| 1997: | + 10.5% |
| 1998: | + 3.5% |
| 1999: | + 3.0% |
| 2000: | + 0.3% |
| 2001: | + 5.6% |
| 2002: | + 5.4% |
| 2003: | + 8.4% |



For December our Income Model gained 1.0%. No major changes are anticipated in the coming months.

GROWTH AND INCOME MODEL

Our Growth and Income Model is for conservative growth, with a long-term goal of 10% per year. The model holds funds that focus on stocks and bonds.

| FUND | NAV | SHARES | BALANCE |
|------------------|---------|----------|------------|
| Capital & Inc. | \$8.06 | 3783.965 | \$30498.76 |
| Balanced | \$16.75 | 3797.815 | \$63613.40 |
| Low-Priced Stock | \$34.98 | 1020.706 | \$35704.30 |

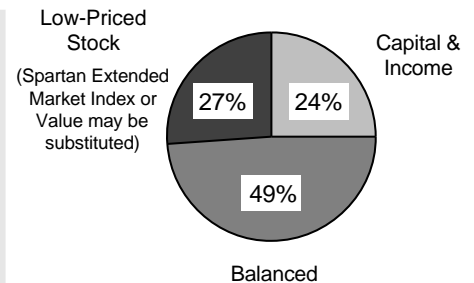
11% Foreign Holdings

Balance as of 12/31/03: \$129816.46

Balance at start of 2003: \$97626.98

PERFORMANCE

| | |
|-------|---------|
| 1994: | - 3.7% |
| 1995: | + 21.6% |
| 1996: | + 15.8% |
| 1997: | + 18.7% |
| 1998: | + 11.1% |
| 1999: | + 12.2% |
| 2000: | + 2.7% |
| 2001: | + 1.3% |
| 2002: | - 6.4% |
| 2003: | + 33.0% |



Our Growth and Income Model gained 3.3% for the month of December. No major changes are anticipated in the months ahead.

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 |
|-----------------|---------|----------|------------|
| Export | \$18.16 | 2543.811 | \$46195.61 |
| Capital Apprec. | \$24.51 | 2216.781 | \$54333.30 |
| Leveraged Co. | \$19.33 | 1912.589 | \$36970.35 |

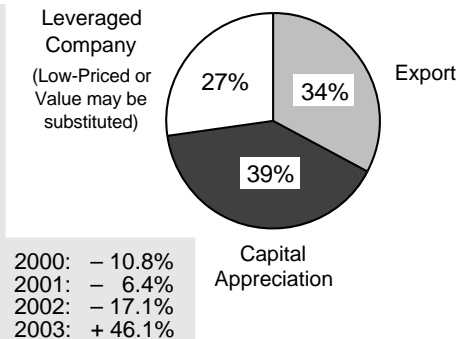
14% Foreign Holdings

Balance as of 12/31/03: \$137499.26

Balance at start of 2003: \$94089.60

PERFORMANCE

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



In December our Growth Model gained 5.8%, versus 5.2% for the S&P 500. No major changes are anticipated in the months ahead.

SELECT SYSTEM

Our Select System aims for growth in sector funds, and has a long-term goal of 16% per year. We use a valuation model to identify attractive growth sectors.

| FUND | NAV | SHARES | BALANCE |
|----------------|---------|----------|------------|
| Energy | \$25.06 | 1315.890 | \$32976.20 |
| Banking | \$39.11 | 1297.113 | \$50730.09 |
| Medical Equip. | \$20.02 | 2394.990 | \$47947.70 |
| Software | \$49.23 | 938.003 | \$46177.89 |
| Technology | \$60.09 | 676.687 | \$40662.12 |
| Computers | \$35.86 | 1050.463 | \$37669.60 |

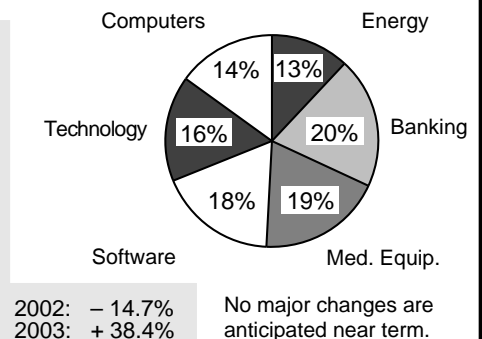
15% Foreign Holdings

Balance as of 12/31/03: \$256163.60

Balance at start of 2003: \$185070.14

PERFORMANCE

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



We gained 1.4% in December, lagging the S&P 500's 5.2% increase. On 12/16 we traded **Dev Com** (\$15.59) for **Banking** (\$37.88), **Biotech** (\$49.73) for **Medical Equip.** (\$19.48), and **Energy Services** (\$30.69) for **Energy** (\$23.86).

40% in the high-yield sector, also posted a good year. The junk-bond sector was cheap after five years of declining values, and it finally turned the corner in the final months of 2002.

New Markets Income, which holds bonds from Brazil, Russia, Mexico, and Venezuela, was also a top performer but took on significantly more risk than other funds in the group.

Municipal bond funds shook off interest rate pressures and the dividend tax-cut implications to post returns that were similar to income streams.

Our Income Model did well relative to most other bond funds. We positioned the portfolio as a conservative alternative to low-yielding money market funds. The model fell short of its income stream goal, but more than made up for it on the capital appreciation side.

The coming year could be a tough one for the bond market. The dollar's plunge has spooked foreign investors, so long-term interest rates may be forced higher as a necessary step in financing the trade gap. **Floating Rate High Income** offers share price stability and the potential for a decent return without excessive credit risk. **Capital & Income** and **High Income** also seem poised for continuing gains, although they'll be lucky to do even half as well as they did in 2003. **Ultra-Short Bond** offers a solid share price, but its yield is very low.

SELECT PORTFOLIOS

Technology sectors dominated the top spots. After a massive liquidation spanning three years, all it took was a little good news on the earnings front for valuations to spring back from doomsday levels.

Cyclical sectors also did well. An economic recovery was anything but a sure thing at the start of the year, but now it's almost a forgone conclusion.

Energy and pharmaceutical stocks were laggards. The market still views high fossil fuel prices as a temporary phenomenon, and a dearth of new products has made it tough for drug companies to replace revenue that's lost from expiring patents.

Our Select System finished the year significantly ahead of the S&P 500, although we took on more risk than usual to get there. We were on the mark with our technology bet, but our performance was held back in the first half by **Retailing**, and again in the second half by **Energy Services**.

For 2004 we're looking for a continued recovery in the technology group and a rebound in the energy

sector. Industrial groups may also hold their own, although at the moment our volatility model hasn't picked out any favorites. Some segments of the health care industry are poised to outperform, and financial firms are still exceeding expectations. A weak dollar may help gold (the metal itself), but the outlook for gold stocks seems less certain. Please see page 4 for all of the sectors currently rated buy. ■

Happenings

Fidelity has once again closed **Low-Priced Stock** to new accounts, perhaps for an extended period this time around. Potential alternatives include **Spartan Extended Market Index**, which is currently in the same stylebox, or **Value**, a mid-cap fund with a similar strategy. During past closures, **Low-Priced Stock** has outperformed the Russell 2000 by 7.8 percentage points annually, versus 7.2 when the fund is open. However, the Russell 2000 itself has done poorly when the fund's doors are shut. The typical closure occurs near the end of a strong run for small-caps, and the fund is usually reopened after small-caps have consolidated.

Two of Fidelity's international funds have new managers. Ignatius Lee is the new stockpicker for **China Region**, and Robert von Rekowsky has taken over at **Emerging Markets**.

Fidelity is set to introduce **Strategic Dividend and Income** in early January. The new growth and income fund will focus mainly on dividend stocks, but will also invest in convertibles and real estate investment trusts. We plan to rate it a buy. ■

DECEMBER DISTRIBUTIONS

December payouts are listed on pages 4 & 5. Ten funds made two payouts during the month: **Diversified Int'l** (.29/23.14 on 12/12 and .01/24.04 on 12/30), **Emerging Markets** (.08/10.19 on 12/12 and .035/10.57 on 12/30), **Freedom Income** (.02/11.09 on 12/5 and .12/11.07 on 12/26), **Global Balanced** (.28/18.28 on 12/5 and .04/18.87 on 12/30), **Gov't Income** (.02/10.27 on 12/19 and .007/10.20 on 12/30), **Mortgage Securities** (.15/11.23 on 12/5 and .005/11.21 on 12/30), **Pacific Basin** (.15/16.82 on 12/12 and .01/17.48 on 12/30), **Southeast Asia** (.09/13.75 on 12/5 and .04/14.47 on 12/30), **Strategic Income** (.03/10.53 on 12/26 and .045/10.49 on 12/30), and **U.S. Bond Index** (.14/11.23 on 12/19 and .005/11.17 on 12/30). Funds scheduled for 1/2/04 include: **Aggressive Growth**, **Conv Securities**, **Equity-Income II**, **Growth Company**, **Independence**, **NASDAQ Comp Idx**, **New Millennium**, **Spartan CT**, **Spartan FL**, **Spartan Municipal**, and **Spartan NJ**.

| Money Market Funds | Size | Yield | Money Market Funds | Size | Yield | Money Market Funds | Size | Yield |
|----------------------------|---------|-------|-------------------------|--------|-------|-----------------------------|---------|-------|
| Cash Reser (55/FDRXX) | 54747.6 | 0.79 | CT MM (418/FCMXX) | 1057.8 | 0.61 | | | |
| Select MM (85/FSLXX) | 699.9 | 0.77 | MA MM (74/FDMXX) | 3195.1 | 0.59 | FL MM (428/FSFXX) | 962.0 | 0.65 |
| Spart MM (454/SPRXX) | 5170.8 | 0.79 | MI MM (420/FMIXX) | 577.6 | 0.61 | Spart MA MM (426/FMSXX) | 1013.4 | 0.70 |
| Spart US Gov't (458/SPAXX) | 671.6 | 0.73 | NJ MM (417/FNJXX) | 1244.5 | 0.58 | Spart Municipal (460/FIMXX) | 3062.7 | 0.81 |
| Spart US Treas (415/FDLXX) | 2370.6 | 0.62 | NY MM (92/FNYXX) | 2662.7 | 0.58 | Spart NJ MM (423/FSJXX) | 570.1 | 0.76 |
| Tax-Free MM (275/FMOXX) | 517.1 | 0.68 | OH MM (419/FOMXX) | 663.5 | 0.62 | Spart NY MM (422/FSNXX) | 1107.2 | 0.69 |
| US Gov't Reser (50/FGRXX) | 2264.9 | 0.80 | AZ MM (433/FSAXX) | 135.3 | 0.64 | PA MM (401/FPTXX) | 285.4 | 0.76 |
| CA MM (97/FCFXX) | 2760.3 | 0.59 | Spart CA MM (457/FSPXX) | 1253.6 | 0.75 | Municipal MM (10/FTEXX) | 14028.1 | 0.72 |