

## International Stock Funds

Foreign stocks look more attractive these days. Valuations are lower than the U.S. market, which means the global economic recovery may have a more favorable impact overseas – where the expectations for an earnings recovery have yet to be fully factored in. Furthermore, the dollar still has room to edge lower, even after the Fed makes its move. That could boost international returns, since Fidelity tends to avoid exchange rate hedges in its foreign stock funds. Starting on the next page is an updated review of Fidelity's foreign stock funds, listed in alphabetical order.

INTERNATIONAL STOCK FUNDS - *Continued on page 2*

## Trades For Income Model, Growth & Income Model

The Fed's new-found willingness to raise short-term interest rates suggests that inflation may rise at a slower pace, and could mean the difference between short-term and long-term yields will narrow rather than widen. As such, we are reducing our exposure to **Real Estate Income** and **Inflation-Protected Bond** while waiting for an established trend in the labor market.

On Monday, 5/10, our Income Model will sell one-half of **Real Estate Income** (833/FRIFX), adding to our position in **Floating Rate High Income** (794/FFRHX). The resulting mix will be approximately 19% **Short-Term Bond**, 21% **Ultra-Short**, 15% **High Income**, 35% **Floating Rate High Income**, and 10% **Real Estate Income**. There are no changes to the VIP Income Model.

Also on 5/10, our Growth and Income Model will sell one-half of **Inflation-Protected Bond** (FINPX) and one-fourth of **Balanced** (FBALX), investing the proceeds in **Asset Manager Income** (FASIX). The resulting mix will be roughly 11% **Inflation-Protected Bond**, 24% **Asset Manager Income**, 37% **Balanced**, and 28% **Low-Priced Stock**. There are no changes to the VIP Growth and Income Model. **Asset Manager Income** has over 75% in cash and bonds, but its interest-rate sensitivity is moderated by short maturities and a small position in growth stocks.

## Review & Recommendations

April brought stronger-than-expected job growth, signs of rising inflation, and comments by Alan Greenspan indicating that tightening moves are inevitable. The markets braced for a rate hike that could come as early as July or August. Commodities fell and income-oriented securities saw profit-taking as leveraged bets were unwound. Among equities, the financial and technology groups took a hit – although stronger-than-expected first-quarter earnings helped stocks in general hold up reasonably well. The S&P 500 closed the month with a 1.6% decline.

### GROWTH FUNDS

Growth Model holdings are listed on page 7. **Export & Multinational** makes a good all-around choice. Our other favorites, in increasing order of risk, include **Low-Priced Stock**, **Value**, **Leveraged Company Stock**, and **Capital Appreciation**.

An overweighted position in defense stocks helped **Discovery** edge up 0.1%. **Dividend Growth** slipped just 0.5%, and **Export** declined 1.2%. Funds that emphasize technology tended to lag. **Value Strategies** lost 6.7%, and **New Millennium** was down 7.6%.

### INTERNATIONAL FUNDS

**Diversified Int'l** and **Int'l Growth & Income** offer broad-based foreign stock exposure. **Int'l Small Cap** could benefit from a global economic rebound.

**Japan Smaller Companies**, up 2.0%, logged a gain on evidence that Japan's deflation problem is fading fast. Other funds weren't so lucky. The prospect of higher short-term interest rates pulled capital away from emerging market regions and depressed the currencies of countries that export commodities. **Canada** was down 8.4%, **Emerging Markets** lost 8.9%, and **Latin America** fell 11.1%.

### GROWTH & INCOME FUNDS

Growth and Income Model holdings are listed on page 7. **Balanced** and **Puritan** offer an all-weather approach that should stand the test of time. For stocks, go with **Equity-Income**, or **Equity-Income II**.

The trend toward defensive stocks limited the pullback in **Utilities** to 0.4%. **Fidelity Fund** and **Growth & Income** benefited from their consumer stock emphasis; their respective declines were limited

RECOMMENDATIONS - *Continued on page 8*

**AGGRESSIVE INTERNATIONAL (HOLD)**

This fund is not all that aggressive compared to some. Granted, it holds only 69 stocks, but its industry mix is conservative and its volatility is below average relative to other funds in this group. **Aggressive Int'l** holds a diverse group of countries. Japan is the top position, followed by the U.K. and Switzerland. Emerging market holdings include India, Korea, and Taiwan, but those account for less than 20% of assets. With the exception of a bad year in 2000, manager Kevin McCarey has outperformed his benchmark since joining the fund in late 1999. We see no advantage to owning this fund over other broad-based alternatives such as **Diversified Int'l** and **Int'l Growth & Income**.

**CANADA (BUY)**

The Canadian economy is driven largely by natural resources. Energy and materials account for 27% of this fund's holdings, ranking right below financial services with a 31% weighting. **Canada** has been helped by weakness in the U.S. dollar over the last year, and may still benefit from strength in natural resources, provided it's not offset by weakness on the currency side. Manager Maxime Lemieux has performed on par with the fund's benchmark since she was appointed 18 months ago.

**CHINA REGION (HOLD)**

This emerging market fund currently has 56% of assets in Hong Kong, 21% in Taiwan, and just 9% in China itself. Its limited exposure to mainland stocks is dictated by small market capitalizations, high volatility, and heavy-handed restrictions on foreign capital flows. The situation may improve as China's financial system matures, but this may take a decade or more. In the meantime, the fund is somewhat sensitive to Hong Kong real estate values, which may come under pressure from both rising global interest rates and a modest strengthening of the Chinese currency against the dollar.

**DIVERSIFIED INTERNATIONAL (BUY)**

**Diversified Int'l** has been a long-time favorite of ours. The fund ranks as one of the least volatile and most broadly diversified foreign stock funds around, and it's one of the few that have consistently outperformed over the years. Top country holdings include the U. K. at 19% of assets, followed by Japan at 17%, Switzerland at 8%, France at 7%, and Canada at 6%. Emerging market holdings are not significant. The largest industry groups include financial services

at 24%, consumer stocks at 14%, and health care at 13%. At \$16 billion, **Diversified Int'l** is not exactly light on its feet. Consider **Int'l Growth & Income** if you want a more nimble choice.

**EMERGING MARKETS (HOLD)**

Emerging Markets is more diversified and less risky than Fidelity's other emerging market choices, but performance has been an issue. Major country positions include South Korea, Brazil, and Taiwan, which account for about 45% of holdings. Given the prospect for higher short-term interest rates on a global basis, we see no reason to favor this fund over other foreign choices. New manager Robert von Rekowsky might be able to start outperforming the Morgan Stanley Emerging Markets Index, but we remain skeptical. When it comes to emerging markets, Fidelity does a solid job of picking stocks, but has a sketchy record of forecasting when entire countries are about to become an economic car-wreck.

**EUROPE (BUY)**

Stock prices are lower in Europe, mainly because investors don't like the region's heavy-handed workforce regulations, high tax rates, and strong currencies. But manager David Baverez is finding ways to take advantage of the situation. His focus on industries such as finance, energy, health care, media, and telecom makes sense, as these groups are heavily regulated almost everywhere – meaning their ability to grow earnings should be as good in Europe as anywhere else. So far Baverez seems to be on the right track. Since taking over the fund 15 months ago, he's outdistanced his benchmark by more than 10 percentage points by making contrarian bets in France, Germany, and Switzerland – places where economic growth is slow and free market reforms have been elusive. Keep in mind the fund has only 46 stocks in its portfolio, which makes for above-average volatility.

**EUROPE CAPITAL APPRECIATION (HOLD)**

This fund has a more traditional country mix, with one-third of assets in the U.K. and smaller positions in other countries. Its industry weightings are skewed heavily toward the telecom, media, and consumer groups. On the plus side, these industries aren't hurt by the region's strong currencies, but their potential to benefit from economic growth may not be as great. Stockpicker Ian Hart has been manager for the last four years, steering the fund through a difficult period without compromising returns when stocks recovered in 2003. On an annual basis he

---

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

---

Fidelity Monitor is published by Independent Fidelity Investors, Inc, P.O. Box 1270, Rocklin, CA 95677. Web site: [www.fidelitymonitor.com](http://www.fidelitymonitor.com) For information/service, call (800) 397-3094, email [fidmonserv@comcast.net](mailto:fidmonserv@comcast.net) or visit the web site. Subscription rate: \$139 per year, including weekly hotline service. Fidelity Monitor is not associated with Fidelity Investments. All facts and figures are obtained from reliable sources but are subject to revision. Before buying a fund, please read its prospectus. Editor: Jack Bowers. Copyright (c) 2004.

---

is approximately three percentage points ahead of his benchmark for the period.

#### **INTERNATIONAL GROWTH & INCOME (BUY)**

Penelope Dobkin has outperformed the EAFE Index five percentage points per year since taking over this fund three years ago. **Int'l Growth and Income** is well-diversified and looks similar to **Diversified Int'l** from the standpoint of both country weightings and industry mix. Both funds are a solid bet for the long run. **Diversified Int'l** is a bit lower from a risk standpoint, but **Int'l Growth & Income** has more flexibility owing to its smaller size.

#### **INTERNATIONAL SMALL CAP (BUY)**

Fidelity's newest introduction has all the marks of a long-term winner. Its volatility is low, thanks to broad geographic diversification and a relatively low concentration of stocks in its top ten holdings. It has outperformed its EAFE Small Cap benchmark, indicating that managers Tokuya Sano and Ben Patton seem to understand this market. With Japanese stocks at 30% of assets, turnaround potential may be a plus.

This fund has a heavy cyclical bias. Materials and industrial stocks account for 28% of assets – more than most funds in this group. As such, **Int'l Small Cap** seems well-positioned for a global economic recovery, and may benefit somewhat from the end of deflation in Japan. The fund should also be helped if the dollar ultimately trends lower against other major currencies, as most companies in its portfolio have limited sensitivity to a weaker greenback.

#### **JAPAN (HOLD)**

The good news is that Japan's economy is finally on the mend, and this fund is solidly positioned to benefit from a consumer-led recovery. There's only one problem – the Bank of Japan is determined to limit the yen's strength. And it usually intervenes after the yen has finished a significant climb against the dollar. As such, the fund's performance may be a bit unnerving, rising quickly one day and falling sharply the next. Fortunately, the long-term outlook is favorable. After a 13-year bear market, Japan's latest economic recovery seems to have staying power.

Manager Yoko Ishibashi has delivered solid but unimpressive results over the last four years, trailing slightly behind the TOPIX Index for the period.

#### **JAPAN SMALLER COMPANIES (HOLD)**

This fund may be a good long-term bet if you can stand the roller coaster ride. The main problem is that Japan's second tier market is not very liquid. Foreign money comes and goes, driving stock values

up and down. Currency effects magnify the volatility.

To his credit, manager Kenichi Mizushita has done well against the Russell Nomura Small Cap index over the last seven years. And with Japan's economy getting back on track, this fund may have some turnaround potential.

Nevertheless, we suggest **Int'l Small Cap** as an alternative. Although it only has one-third as much Japanese exposure, it runs with far less volatility. As such, you can commit a larger portion of your portfolio and still sleep well at night.

#### **LATIN AMERICA (HOLD)**

The least diverse of Fidelity's emerging market funds, Latin America suffers from a lack of quality growth stocks and a shortage of governments that are willing to embrace fiscal responsibility. The Fidelity research machine can be seriously challenged here, as top-notch companies can sometimes have their market caps wiped out if their home country's currency takes a deep plunge. Those concerns aside, the bullish case for this fund is that Latin American exporters could benefit from a stronger Chinese currency, provided that future tightening moves by the Fed don't draw too much capital away from the region. Most of **Latin America's** assets are split between Brazil and Mexico. The top industry groups are telecom, materials, and energy.

#### **NORDIC (HOLD)**

This fund has much more exposure to growth stocks than other European funds. Unfortunately, it's concentrated in just a handful of stocks. Nokia and Ericsson, the fund's top two holdings, account for 15-20% of assets, despite the fact they remain underweighted relative to the fund's benchmark. From an industry standpoint, **Nordic** looks a lot like a diversified growth fund, with 29% in technology, 17% in industrials, 15% in financials, and 11% in health care. However, we're not sure it offers any advantage over Fidelity's domestic growth funds, which can draw from a larger base of growth stocks.

#### **OVERSEAS (HOLD)**

Overseas is a tad more aggressive compared to **Diversified Int'l** and **Int'l Growth & Income**, but we don't see any clear benefit to the added risk. Except for strongly bullish periods, the performance of **Overseas** has generally trailed that of its more conservative alternatives. Top country holdings include Japan, the U.K., France, and Switzerland. Major industries include finance, technology, energy,

INTERNATIONAL STOCK FUNDS - *Continued on page 8*

#### **GUIDE TO FIGURES LISTED ON PAGES 4 AND 5**

Gain/loss percentages are for prior month's close (annualized for periods over a year). Reinvested distributions are assumed, with no adjustment for loads. Size figures are for the beginning of the prior month, in millions. Dividend Yield is based on actual dollars posted to accounts, not the SEC yield that Fidelity must quote. Risk is based on standard deviation of daily gains and losses over a one-year period, relative to the S&P 500. 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 ↓.

APRIL PERFORMANCE						2004	One	Three	One	3-Yr	5-Yr	10-Yr
Fund Name (Code/Symbol)	Rating	Risk	Fee	NAV	Size	YTD	Mth	Mth	Year	Rate	Rate	Rate
Aggressive Gth (324/FDEGX)	H***	1.19	1.5(90)	15.33	5295.6	2.7	-2.1	0.4	30.4	-18.5	-13.2	5.7
Blue Chip Gth (312/FBGRX)	H***	1.02	none	39.48	22823.6	-0.4	-1.3	-2.4	18.4	-5.4	-4.0	8.7
Blue Chip Value (1271/FBCVX)	H***	1.0 Est	none	11.12	63.9	-0.1	-2.2	-1.9				
Capital Apprec (307/FDCAX)	B****	1.26	none	24.91	5395.0	1.6	-2.5	0.3	40.0	2.6	3.3	10.8
Contrafund (22/FCNTX)	H***	0.91	none	50.45	37677.2	2.2	-1.4	2.3	27.7	4.3	2.2	12.4
Discovery (339/FDSVX)	H***	0.78	none	10.30	582.2	-0.4	0.1	-1.2	17.2	-2.9	1.4	
Disc Equity (315/FDEQX)	H***	1.01	none	22.61	4247.5	-0.6	-3.0	-2.1	20.9	-1.9	-0.3	9.8
Dividend Gth (330/FDGFY)	H***	0.97	none	27.53	18849.5	0.8	-0.5	-1.0	20.4	-1.2	1.3	14.6
Export Fund (332/FEXPX)	B****	1.07	0.75(30)	18.27	1173.1	0.6	-1.2	-1.0	26.2	3.3	7.1	
Fidelity Fifty (500/FFTYX)	H***	1.24	0.75(30)	18.97	938.9	-1.6	-3.0	-3.2	13.5	1.2	2.4	12.8
Growth Company (25/FDGRX)	B****	1.43	none	50.37	23652.7	0.6	-2.4	-2.3	32.0	-4.9	1.5	11.3
Large-Cap Stock (338/FLCSX)	H***	1.05	none	13.69	732.3	-1.4	-2.5	-3.7	18.6	-5.6	-4.3	
Lev Co Stock (122/FLVCX)	B****	1.28	1.5(90)	19.49	1712.5	0.8	-4.4	-3.3	61.2	24.2		
Low-Priced Stock (316/FLPSX)	B****	0.90	Closed	36.13	29967.6	3.3	-2.4	0.6	41.9	16.0	16.7	16.2
Magellan (21/FMAGX)	H***	0.98	Closed	97.44	66873.3	-0.3	-1.7	-1.6	18.4	-4.1	-3.0	9.2
Mid Cap Stock (337/FMCSX)	B****	1.20	0.75(30)	21.07	8522.7	-2.3	-5.3	-4.1	26.0	-3.9	7.2	
New Millennium (300/FMILX)	B****	1.45	Closed	28.31	3702.0	-6.8	-7.6	-10.1	22.5	-0.8	3.4	17.9
OTC Portfolio (93/FOCPX)	B****	1.51	none	31.67	8031.4	-2.5	-4.1	-5.9	29.1	-2.7	-2.4	10.2
Independence (73/FDFFX)	H***	1.21	none	15.90	4679.3	-1.0	-2.9	-2.9	20.0	-4.3	0.7	9.5
Small Cap Indep (336/FDSCX)	H***	1.04	1.5(90)	18.43	982.5	2.7	-1.7	-0.6	37.2	8.9	7.6	8.9
Small Cap Stock (340/FSLCX)	H***	1.10	2(90)	17.25	3273.4	0.9	-3.8	-2.0	45.9	10.4	14.5	
Stock Selector (320/FDSSX)	H***	1.02	none	20.98	802.9	0.0	-1.6	-1.8	21.1	-2.1	-1.4	8.9
Strc Lg Cap Gth (763/FSLGX)	H***	1.10	0.75(30)	8.86	23.3	-1.8	-3.3	-3.8	18.4			
Strc Lg Cap Val (708/FSLVX)	H***	0.94	0.75(30)	10.73	27.4	2.0	-2.0	0.8	25.5			
Strc Mid Cap Gth (793/FSMGX)	H***	1.26	0.75(30)	10.22	59.0	-1.0	-4.5	-3.9	31.7			
Strc Mid Cap Val (762/FSMVX)	H***	0.95	0.75(30)	12.22	97.0	1.2	-4.0	-0.8	31.3			
Focused Stock (333/FTQGX)	H***	1.05	0.75(30)	8.55	35.2	-2.5	-4.5	-2.4	19.4	-12.2	-5.7	
Trend (5/FTRNX)	H***	1.01	none	49.00	862.0	0.1	-1.6	-1.5	21.3	-2.1	0.2	6.2
Value (39/FDVLX)	B****	0.98	none	63.64	7733.2	2.5	-2.3	0.1	34.0	9.0	7.2	12.0
Value Discovery (832/FVDFX)	H***	1.14	none	12.56	56.9	0.6	-3.1	-1.9	26.7			
Value Strategies (14/FSLSX)	H***	1.2 Est	none	32.88	102.2	0.2	-6.7	-4.9	51.7	7.1	11.3	
<b>GROWTH &amp; INCOME FUNDS:</b>												
Balanced (304/FBALX)	B****	0.78	none	16.63	10878.9	-0.4	-3.6	-2.2	21.9	5.5	4.4	9.7
Convertible Sec (308/FCVXS)	H***	0.63	none	20.01	1864.5	0.1	-2.6	-1.5	18.7	3.1	9.5	12.5
Equity-Income (23/FEQIX)	B****	0.96	none	49.13	24021.7	0.1	-1.6	-0.9	27.1	1.0	1.3	10.9
Equity-Income II (319/FEQTX)	B****	1.06	none	22.23	12387.8	-1.4	-1.9	-2.4	23.7	1.6	1.5	10.6
Fidelity Fund (3/FFIDX)	H***	1.00	none	28.05	10407.7	0.1	-1.0	-1.2	20.9	-3.3	-2.1	10.6
Growth & Income (27/FGRIX)	H***	0.87	none	35.61	30669.0	0.2	-1.1	-1.1	15.0	-2.1	-1.7	10.4
Growth & Inc II (361/FGRTX)	H***	0.91	none	9.14	223.7	-1.3	-1.7	-2.4	13.7	-1.1	-2.0	
Puritan (4/FPURX)	B****	0.66	none	18.43	22349.5	0.4	-1.7	-0.8	18.9	3.7	3.4	9.6
Real Estate Inc (833/FRIFX)	H***↓	0.2 Est	0.75(90)	11.32	504.5	1.1	-3.6	-0.9	14.0			
Real Estate (303/FRESX)	H***	1.03	0.75(90)	22.43	3455.4	-3.8	-14.2	-7.8	22.8	14.0	12.6	11.1
Strategic Div & Inc (1329/FSDIX)	B****	0.7 Est	none	10.11	338.8	0.2	-3.7	-2.6				
Utilities (311/FUIX)	S**	0.98	none	11.53	833.9	0.8	-0.4	-1.4	17.0	-8.9	-7.1	6.1
<b>SELECT FUNDS:</b>												
Air Transportation (34/FSAIX)	H***	1.58	0.75(30)	29.05	34.0	-1.9	-0.8	-1.7	28.8	-4.9	4.3	11.4
Automotive (502/FAVX)	S**	1.29	0.75(30)	31.85	21.1	-2.0	-2.9	-2.2	38.3	13.6	4.7	7.0
Banking (507/FSRBX)	B****	1.09	0.75(30)	38.06	482.8	-2.3	-5.5	-3.4	24.4	7.1	3.6	14.6
Biotechnology (42/FBIOX)	B****	1.74	0.75(30)	58.56	2028.6	13.8	3.5	9.8	36.6	-3.5	9.7	13.7
Brokerage (68/FSLBX)	H***	1.52	0.75(30)	48.30	454.9	-2.7	-8.8	-8.0	29.9	2.4	6.1	17.0
Business Ser (353/FBSOX)	H***	1.18	0.75(30)	14.53	35.0	1.4	1.2	0.3	28.0	0.5	4.3	
Chemicals (69/FSCHX)	H***	1.28	0.75(30)	52.47	49.3	1.3	0.7	3.9	27.9	9.8	7.6	10.0
Computers (7/FDCPX)	B****	1.99	0.75(30)	32.57	931.0	-9.2	-9.9	-14.2	33.5	-10.0	-6.8	13.0
Const & Housing (511/FSHOX)	S**	1.31	0.75(30)	34.93	136.4	0.5	-6.4	2.4	41.8	14.8	10.0	12.0
Consumer Indust (517/FSCPX)	H***	0.91	0.75(30)	22.71	37.9	0.6	-2.1	0.6	21.1	0.8	-0.8	9.8
Cyclical Indust (515/FCYIX)	H***	1.12	0.75(30)	15.82	30.9	0.0	-0.2	0.7	34.6	3.1	4.8	
Defense & Aero (67/FSDAX)	H***	1.17	0.75(30)	54.73	300.9	-0.1	1.4	-0.4	41.4	8.9	9.3	15.3
Develop Commn (518/FSDCX)	B****	2.04	0.75(30)	16.60	814.5	0.1	-11.4	-15.5	46.9	-12.0	-7.8	9.5
Electronics (8/FSLEX)	H***	2.12	0.75(30)	38.21	3886.2	-8.8	-10.4	-14.1	38.5	-12.1	0.9	17.3
Energy (60/FSENX)	B****	1.17	0.75(30)	26.77	313.9	6.9	0.5	6.1	32.9	-0.3	6.8	10.2
Energy Services (43/FSSESX)	B****	1.96	0.75(30)	34.64	448.7	9.6	-0.2	2.5	20.2	-5.4	10.1	14.7
Environmental (516/FSLEX)	H***	1.14	0.75(30)	13.19	12.2	-0.9	0.4	0.0	25.7	-1.0	-1.4	2.4
Financial Services (66/FIDSX)	H***	1.05	0.75(30)	111.49	550.6	-1.6	-6.0	-4.3	21.8	3.6	3.5	14.9
Food & Agriculture (9/FDFAX)	H***	0.70	0.75(30)	46.94	114.3	6.6	0.9	6.2	28.3	6.7	5.2	11.6
Gold (41/FSAGX)	H***	2.15	0.75(30)	22.30	789.8	-25.2	-23.0	-17.8	15.7	23.4	10.6	2.2
Health Care (63/FSPHX)	H***	1.06	0.75(30)	124.39	1973.3	5.4	3.2	2.2	17.9	0.3	3.3	16.0
Home Finance (98/FSVLX)	H***	1.10	0.75(30)	61.90	441.6	-1.8	-7.6	-5.2	25.7	10.7	10.1	15.9
Indust Equip (510/FSFCGX)	H***	1.25	0.75(30)	23.53	50.1	-2.7	-3.4	-3.2	39.1	0.3	0.9	10.1
Indust Materials (509/FSDPX)	H***	1.35	0.75(30)	31.30	128.0	-11.1	-9.5	-5.1	39.1	10.6	5.8	6.8
Insurance (45/FSPCX)	H***	0.97	0.75(30)	57.63	143.1	5.0	-0.9	0.1	27.0	9.0	10.3	18.1
Leisure (62/FDLSX)	H***	1.13	0.75(30)	70.43	203.9	3.9	-1.5	1.1	35.1	2.9	-0.1	12.8
Medical Delivery (505/FSHCX)	H***	1.41	0.75(30)	31.78	199.9	3.1	-2.2	-2.5	44.5	8.0	9.7	10.0
Medical Equip/Sys (354/FSMEX)	B****	0.96	0.75(30)	21.68	591.4	8.8	3.7	3.2	33.2	14.5	16.5	
Multimedia (503/FBMPX)	H***	1.36	0.75(30)	42.63	124.2	-3.3	-0.4	-3.3	33.4	3.6	2.5	13.5
Natural Gas (513/FSNGX)	H***	1.53	0.75(30)	23.75	238.9	10.1	2.5	9.1	39.1	-1.1	11.5	10.3
Nat Resources (514/FNARX)	B****↓	1.11	0.75(30)	14.62	107.1	2.2	-1.8	3.5	34.1	0.0	7.7	
Networking/Infra (912/FNINX)	H***	2.22	0.75(30)	2.11	179.8	-9.8	-14.2	-21.0	27.9	-18.7		
Paper & Forest (506/FSFPX)	H***	1.36	0.75(30)	30.23	29.0	-2.2	-3.0	1.9	24.5	4.6	5.6	9.5
Pharmaceuticals (580/FPHAX)	H***	1.11	0.75(30)	9.01	82.9	2.9	2.0	0.7	16.3			
Retailing (46/FSRPX)	H***	1.06	0.75(30)	46.26	91.5	3.3	-1.5	2.8	32.1	1.7	-0.8	10.3
Software (28/FSCSX)	B****	1.49	0.75(30)	49.18	830.4	-0.1	-3.7	-4.0	28.4	0.5	7.1	16.8
Technology (64/FSPTX)	B****	1.87	0.75(30)	55.21	2456.9	-8.1	-8.4	-12.3	30.9	-8.5	-4.3	13.0
Telecom (96/FSTCX)	H***	1.61	0.75(30)	32.89	401.8	2.8	-4.1	-4.8	27.9	-9.3	-10.4	5.9
Transportation (512/FSREX)	H***	1.34	0.75(30)	32.52	37.3	-3.9	-0.7	-0.7	22.0	3.2	6.1	11.0
Utilities Growth (65/FSUTX)	H***	1.06	0.75(30)	33.55	201.3	2.2	0.3	1.4	22.2	-10.7	-7.4	7.4
Wireless (963/FWRLX)	H***	1.84	0.75(30)	4.56	296.0	11.5	-5.2	-1.1	69.5	-14.0		

APRIL PERFORMANCE							Div.	2004	One	Three	One	3-Yr	5-Yr
Fund Name (Code/Symbol)	Rating	Risk	Fee	NAV	Size	Yield	YTD	Mth	Mth	Year	Rate	Rate	Rate
Aggressive Int'l (335/FIVFX)	H***	1.07	1 (30)	15.28	684.4		0.5	-4.3	-0.7	37.9	6.6	3.2	
Canada (309/FICDX)	B****	1.07	1.5(90)	26.24	328.9		-4.2	-8.4	-6.9	33.4	11.1	13.0	
Diversified Int'l (325/FDIVX)	B****	0.90	1 (30)	24.87	16760.1		3.1	-3.4	1.4	43.8	7.6	8.1	
Emerging Mkts (322/FEMKX)	H***	1.11	1.5(90)	10.63	670.0		0.2	-8.9	-3.2	49.1	10.9	4.9	
Europe (301/FIEUX)	B****↑	1.15	1 (30)	27.07	1614.1		1.7	-3.7	-2.7	43.9	0.3	0.6	
Europe Cap Appr (341/FECAX)	H***	1.06	1 (30)	18.80	451.4		0.5	-3.7	-4.1	35.5	3.6	3.3	
China Region (352/FHKCX)	H***	1.18	1.5(90)	15.02	356.2		-3.3	-6.4	-6.9	46.2	3.3	5.1	
Global Balanced (334/FGBLX)	H***	0.70	1 (30)	19.06	133.0		1.0	-2.5	-0.9	29.0	5.7	4.6	
Int'l Growth & Inc (305/FIGRX)	B****	1.01	1 (30)	24.39	1805.9		2.0	-3.0	-0.9	46.1	5.3	6.0	
Int'l Small Cap (818/FISMV)	B****	0.99	2 (90)	20.16	1135.5		8.0	-3.3	3.4	79.2			
Japan (350/FJPNX)	H***	1.77	1.5(90)	12.39	670.3		7.4	-5.3	8.1	56.6	-2.4	3.1	
Japan Smaller Co (360/FJSCX)	H***	1.60	1.5(90)	12.40	1149.1		19.9	2.0	18.7	90.3	15.2	10.9	
Latin America (349/FLATX)	H***	1.48	1.5(90)	14.69	327.0		-3.5	-11.1	-4.5	39.9	6.8	3.7	
Nordic (342/FNORX)	H***	1.25	1.5(90)	21.83	111.7		4.0	-4.5	-2.5	40.1	0.5	3.3	
Overseas (94/FOSFX)	H***	1.14	1 (30)	31.91	4299.4		1.5	-4.1	-0.8	49.7	-0.6	0.5	
Pacific Basin (302/FPBFX)	H***	1.30	1.5(90)	18.32	486.2		4.5	-5.4	3.3	52.8	3.8	4.5	
Southeast Asia (351/FSEAX)	H***	1.26	1.5(90)	14.58	548.3		0.0	-7.0	-5.9	58.9	9.5	6.9	
Worldwide (318/FWWFX)	H***	0.99	1 (30)	16.41	1040.1		0.2	-3.0	-2.0	35.3	2.7	3.8	

**INDEX AND ASSET ALLOCATION:**

Four-In-One Index (355/FFNOX)	H***	0.81	0.5(90)	22.88	573.0		0.5	-2.3	-1.4	24.1	0.7		
NASDAQ Comp (1282/FNCMX)	H***	1.52	0.75(90)	26.29	77.5		-4.3	-3.7	-7.0				
Spart Ext Mkt Idx (398/FSEMXX)	B****	1.13	0.75(90)	27.69	995.7		1.4	-4.1	-2.0	38.4	5.2	2.4	
Spart Int'l Index (399/FSIIX)	H***	1.00	1(90)	27.57	577.1		1.5	-2.8	-0.3	38.9	-0.2	-0.9	
Spart 500 Index (317/FSMKX)	H***	1.00	0.5(90)	76.64	10346.4		0.1	-1.6	-1.7	22.7	-2.5	-2.4	
Spart Total Mkt Idx (397/FSTMX)	H***	1.01	0.5(90)	29.95	2247.5		0.3	-2.2	-1.8	25.7	-0.8	-1.3	
Asset Manager (314/FASMX)	H***	0.54	none	15.76	11442.2		0.5	-1.1	-0.8	12.8	2.2	3.0	
Asset Mgr Agg (347/FAMRX)	H***	1.15	none	10.40	356.9		1.6	-2.2	0.3	36.9	-4.3		
Asset Mgr Gth (321/FASGX)	H***	0.73	none	14.37	3788.6		0.6	-0.9	-1.0	17.0	0.7	0.4	
Asset Mgr Inc (328/FASIX)	B****	0.37	none	12.12	1224.6		0.1	-1.9	-1.1	9.5	4.8	4.3	
Freedom 2000 (370/FFFBX)	B*****	0.30	none	11.77	1589.2		-0.1	-1.7	-0.8	6.7	2.6	3.8	
Freedom 2005 (1312/FFVFX)	B*****	0.3 Est	none	10.26	35.2		0.0	-2.1	-1.3				
Freedom 2010 (371/FFFCX)	B*****	0.49	none	13.02	7375.4		0.0	-2.2	-1.3	12.9	2.4	3.4	
Freedom 2015 (1313/FFVFX)	B*****	0.5 Est	none	10.33	106.8		0.0	-2.3	-1.4				
Freedom 2020 (372/FFFDX)	B*****	0.71	none	13.03	7521.1		0.1	-2.3	-1.6	19.5	0.9	2.2	
Freedom 2025 (1314/FFTWX)	B*****	0.7 Est	none	10.39	62.5		0.0	-2.3	-1.7				
Freedom 2030 (373/FFFEX)	B*****	0.82	none	12.96	4352.9		0.1	-2.3	-1.7	22.7	-0.2	1.2	
Freedom 2035 (1315/FFTHX)	B*****	0.8 Est	none	10.45	26.0		0.2	-2.2	-1.6				
Freedom 2040 (718/FFFEX)	B*****	0.89	none	7.57	1291.4		0.1	-2.3	-1.8	25.1	-0.9		
Freedom Income (369/FFFAA)	B*****	0.26	none	11.05	1751.5		0.0	-1.5	-0.7	5.3	2.9	4.1	

**TAXABLE BOND FUNDS:**

Capital & Income (38/FAGIX)	H***	0.28	1(90)	7.94	4381.6	6.48	0.7	-0.7	-1.2	16.6	9.6	3.8	
Floating Rate (814/FFRHX)	B****	0.05	1(60)	9.90	1157.7	2.88	1.3	0.2	0.6	5.1			
GNMA Portfolio (15/FGMNX)	H***	0.23	none	10.98	4342.9	4.03	0.5	-1.3	-0.2	1.8	5.3	5.8	
Gov't Income (54/FGOVX)	H***	0.41	none	10.09	4182.7	2.91	-0.3	-3.0	-1.1	0.5	5.9	6.0	
Intermed Bond (32/FTHRX)	H***	0.30	none	10.54	6986.9	3.65	0.0	-2.3	-0.5	2.3	6.6	6.5	
Intermed Gov't Inc (452/FSTGX)	H***	0.30	none	10.19	1073.4	2.76	-0.1	-2.3	-0.6	0.6	5.7	6.1	
Invest Grade Bond (26/FBNDX)	H***	0.34	none	7.47	5844.3	3.43	0.1	-2.5	-0.8	1.9	6.7	6.4	
Mortgage Securities (40/FMSFX)	H***	0.23	none	11.11	1388.6	3.94	0.2	-1.6	-0.4	2.2	6.0	6.4	
New Markets Inc (331/FNMIX)	H***	0.60	1(90)	13.17	980.4	6.12	-2.4	-5.4	-2.6	10.9	14.6	15.1	
Short-Term Bond (450/FSHBX)	B****	0.16	none	8.99	5683.1	2.29	0.2	-1.1	-0.1	2.0	5.0	5.5	
Spart Gov't Inc (453/SPGVX)	H***	0.41	none	10.88	877.6	3.59	-0.1	-3.0	-0.9	1.0	6.3	6.3	
High Income (455/SPHIX)	H***	0.20	1(90)	8.87	2920.0	6.69	1.4	0.1	-0.1	14.8	7.4	1.1	
Spart Invest Grade (448/FSIBX)	H***	0.34	none	10.59	2482.9	3.86	0.1	-2.5	-0.6	2.3	6.9	6.6	
Strategic Income (368/FSICX)	H***	0.28	none	10.25	2634.9	5.27	-0.7	-2.4	-1.6	9.0	10.2	7.7	
Inflation-Protected (794/FINPX)	H***↓	0.56	none	10.94	1193.6	1.39	-0.2	-4.8	-1.3	5.3			
Total Bond (820/FTBFX)	H***	0.34	none	10.42	338.7	3.80	0.2	-2.3	-0.7	2.2			
Ultra-Short Bond (812/FUSEX)	B****	0.05	0.25(60)	10.06	412.1	1.37	0.5	-0.1	0.3	1.6			
US Bond Index (651/FBIDX)	H***	0.2 Est	none	10.99	4981.2	4.00	0.0	-2.6	-0.7	2.2	6.9		

**MUNICIPAL BOND FUNDS:**

Spart AZ Muni Inc (434/FAZZX)	H***	0.31	0.5(30)	11.34	81.9	3.76	-1.1	-2.8	-1.6	2.1	5.8	5.3	
Spart CA Muni Inc (91/CTFX)	H***	0.29	0.5(30)	12.26	1532.8	4.33	-0.7	-2.7	-1.3	2.2	5.8	5.1	
Spart CT Muni Inc (407/FICNX)	H***	0.30	0.5(30)	11.60	446.8	4.20	-0.9	-2.8	-1.6	2.2	5.8	5.3	
Spart FL Muni Inc (427/FFLIX)	H***	0.30	0.5(30)	11.48	550.1	4.17	-0.8	-2.8	-1.7	2.0	5.8	5.1	
Spart Intermediate (36/FLTMX)	H***	0.24	0.5(30)	10.02	1878.5	4.04	-0.5	-2.1	-1.2	2.9	5.8	5.2	
Spart MA Muni Inc (70/FDMMX)	H***	0.28	0.5(30)	11.98	1843.0	4.42	-0.8	-2.7	-1.5	2.4	6.0	5.3	
Spart MD Muni Inc (429/SMDMX)	H***	0.28	0.5(30)	10.86	101.2	3.94	-0.7	-2.5	-1.2	2.4	5.5	5.1	
Spart MI Muni Inc (81/FMHTX)	H***	0.29	0.5(30)	11.96	574.5	4.12	-0.8	-2.5	-1.4	2.3	6.0	5.4	
Spart MN Muni Inc (82/FIMIX)	H***	0.25	0.5(30)	11.43	354.2	4.08	-0.7	-2.3	-1.3	2.4	5.5	4.9	
Spart Municipal Inc (37/FHIGX)	H***	0.29	0.5(30)	12.88	4927.5	4.46	-0.8	-2.8	-1.6	2.9	6.4	5.7	
Spart NJ Muni Inc (416/FNJHX)	H***	0.30	0.5(30)	11.54	564.9	4.07	-1.2	-2.9	-1.8	2.4	5.6	5.3	
Spart NY Muni Inc (71/FTFMX)	H***	0.30	0.5(30)	12.89	1446.4	4.18	-0.9	-2.7	-1.5	2.2	6.2	5.6	
Spart OH Muni Inc (88/FOHFX)	H***	0.30	0.5(30)	11.78	436.4	4.26	-1.1	-2.8	-1.7	2.3	5.9	5.2	
Spart PA Muni Inc (402/FPXTX)	H***	0.27	0.5(30)	10.79	297.6	4.20	-1.0	-2.7	-1.7	2.2	5.6	5.1	
Spart Short-Int Muni (404/FSTFX)	B****	0.14	0.5(30)	10.36	1896.6	2.57	-0.3	-1.2	-0.7	1.5	4.3	4.3	
Spart Tax-Free Bond (90/FTABX)	H***	0.32	0.5(30)	10.51	239.4	4.30	-0.9	-3.0	-1.7	3.1	6.7		

APRIL PERFORMANCE			2004	One	Three	One	3-Yr	5-Yr	10-Yr
Indexes & Model Portfolios	Risk	Value	YTD	Month	Month	Year	Rate	Rate	Rate
Dow Jones Industrial	0.95	10225.57	-1.5	-1.1	-2.0	23.1	0.5	0.8	13.0
S&P 500	1.00	1107.30	0.1	-1.6	-1.7	22.9	-2.3	-2.3	11.4
NASDAQ	1.52	1920.15	-4.0	-3.7	-6.9	31.8	-2.8	-5.1	10.7
Russell 2000	1.47	559.80	0.8	-5.1	-3.4	42.0	6.3	6.7	9.8
Fidelity Monitor Income Model	0.09	75409.32	0.9	-0.9	0.0	5.7	6.1	4.2	6.1
Fidelity Monitor G&I Model	0.63	129705.65	-0.1	-3.6	-2.2	21.7	7.4	6.4	10.3
Fidelity Monitor Growth Model	1.15	138971.80	1.1	-2.6	-1.1	38.5	7.3	5.5	11.1
Fidelity Monitor Select System	1.38	254710.72	-0.6	-3.7	-4.1	29.3	3.8	5.0	12.7
Fidelity Monitor Unique Opportunities	0.80	78037.97	3.0	-2.9	-0.1	39.0	13.4	8.3	

## 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
Natural Resources	\$14.62	1434.568	\$20973.38
Int'l Small Cap	\$20.16	629.116	\$12682.98
Leveraged Co.	\$19.49	924.149	\$18011.66
Low-Priced Stock	\$36.13	729.863	\$26369.95

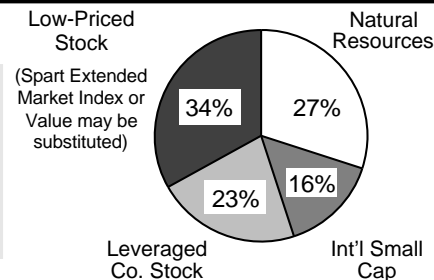
35% Foreign Holdings

Balance as of 4/30/04: **\$78037.97**

Balance at start of 2004: **\$75768.12**

### PERFORMANCE

Partial Yr 99:	+ 33.8%
2000:	- 20.5%
2001:	+ 1.6%
2002:	- 2.1%
2003:	+ 43.2%
*2004:	+ 3.0%



Our Unique Opportunities portfolio declined 2.9% for the month of April. Our current mix, based on the latest asset allocation numbers, is 93% stock, 1% bond, and 6% cash.

## 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 (+1.2% YTD)	Portfolio B (+0.6% YTD)	Portfolio C (+0.0% YTD)	Portfolio D (+0.0% YTD)
58% Dividend Growth, 42% Capital Appreciation	63% Magellan, 37% Contrafund	31% Magellan, 69% Equity-Income	31% Magellan, 69% Equity-Income

For the month of April, Portfolio A was off 1.4%, and Portfolios B, C and D all declined 1.6%.

## 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:
47% Technology, 17% Fin Services, 18% Health Care, 18% Natural Res.	36% Equity-Income, 64% Growth	55% Asset Mgr, 31% Equity-Inc, 14% Investment Grade Bond.	71% Inv. Grade, 29% High Income.

### APRIL VIP PERFORMANCE

Portfolio	Rating	Unit Value	2004 YTD	One Month	Three Month	One Year	3-Yr Rate	5-Yr Rate
VIP Asset Manager	B ****	30.04	0.3	-1.1	-1.0	12.6	1.3	0.6
VIP Asset Manager: Growth	H ***	19.65	0.4	-1.0	-1.1	16.8	-0.3	-2.0
VIP Balanced	H ***	14.08	-1.0	-1.8	-1.8	9.4	1.0	-0.8
VIP Contrafund	H ***	30.69	2.1	-1.5	2.1	27.1	3.8	1.6
VIP Dynamic Capital Appreciation	H ***	10.37	-6.0	-5.3	-9.6			
VIP Equity-Income	B ****	49.68	0.0	-1.6	-1.1	26.4	0.4	0.5
VIP Growth	B ****	51.83	-2.5	-3.6	-5.9	22.3	-7.6	-4.2
VIP Growth & Income	B ****	15.27	-1.6	-1.7	-2.4	13.2	-1.4	-2.4
VIP Growth Opportunities	B ****	11.05	-2.0	-2.0	-3.2	19.3	-3.1	-7.1
VIP High Income	H ***	25.95	0.7	-0.5	-0.8	13.8	5.9	-3.1
VIP Index 500	H ***	29.05	-0.2	-1.7	-2.0	21.6	-3.3	-3.3
VIP Investment Grade Bond	H ***	26.88	-0.2	-2.6	-1.0	1.5	6.3	5.9
VIP Mid Cap	B ****	13.33	0.7	-4.9	-0.5	42.1	8.7	
VIP Overseas	B ****↑	26.61	1.3	-4.1	-0.9	48.1	-2.4	-1.1
VIP Real Estate	H ***	10.55	-4.1	-14.5	-8.1			
VIP Value Strategies	H ***	11.35	-0.2	-6.8	-5.1			
VIP Consumer Industries	H ***	10.13	0.6	-2.0	0.6	21.1		
VIP Cyclical Industries	H ***	11.07	0.1	-0.3	0.7	34.2		
VIP Financial Services	B ****	10.90	-1.8	-6.0	-4.4	21.0		
VIP Health Care	B ****	10.14	5.2	3.3	2.0	17.2		
VIP Natural Resources	B ****	10.88	2.1	-1.9	3.3	33.7		
VIP Technology	B ****	8.43	-8.7	-8.6	-12.8	29.0		
VIP Telecom & Utilities	H ***	7.74	2.4	0.5	1.9	21.7		
Morgan Stanley Emg Mkts Debt	H ***	15.28	-3.6	-5.6	-4.0	9.8	13.1	
Morgan Stanley Emg Mkts Equity	H ***	10.91	-0.9	-10.3	-3.7	48.2	8.4	
Morgan Stanley Global Equity	H ***	13.10	2.2	-0.4	0.5	33.2	0.5	
Morgan Stanley Int'l Magnum	H ***	9.71	1.2	-2.8	-0.7	32.2	-2.8	
PBHG Growth II	S **	8.79	-2.3	-4.8	-5.5	18.7	-12.0	
PBHG Select Value	H ***	14.98	-4.1	-0.9	-4.1	15.6	-19.3	
PBHG Select 20	S **	14.09	-1.8	-3.2	-4.9	20.5	2.3	
PBHG Small Cap Value	H ***	17.72	0.2	-3.9	-2.5	33.9	-0.6	
PBHG Tech & Communications	S **	7.12	-7.2	-7.4	-11.6	26.5	-25.4	
Strong Mid Cap Growth Fund II	S **	11.82	0.2	-4.8	-1.5	21.8	-12.8	
Strong Opportunity Fund II	H ***	15.80	3.6	-1.5	-0.5	35.3	-1.4	
CS Int'l Focus	H ***	9.28	-0.8	-3.6	-2.0	30.0	-3.6	
CS Global Post-VC	S **	9.99	4.4	-1.7	-0.3	50.2	-4.9	
CS Small Cap Growth	S **	11.03	2.1	-5.8	-3.3	43.2	-1.5	
Fidelity Monitor VIP Sector Model		12667.98	-3.4	-5.0	-6.3	36.1		
Fidelity Monitor VIP Growth Model		27649.92	-1.7	-2.9	-4.2	22.7	-1.8	-2.1
Fidelity Monitor VIP G&I Model		20353.86	0.1	-1.5	-1.2	15.1	2.5	0.6
Fidelity Monitor VIP Income Model		17471.88	0.0	-2.0	-0.9	4.8	6.6	3.2

## 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	\$8.99	1588.280	\$14278.64
Ultra-Short Bond	\$10.06	1560.123	\$15694.84
High Income	\$8.87	1307.830	\$11600.45
Floating Rate	\$9.90	1888.580	\$18696.94
Real Estate Inc.	\$11.32	1337.319	\$15138.45

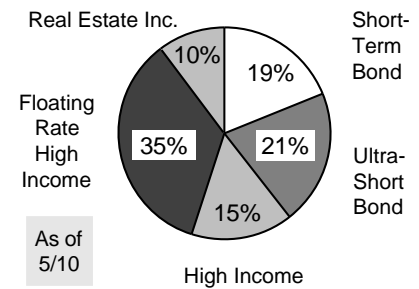
4% Foreign Holdings

Balance as of 4/30/04: \$75409.32

Balance at start of 2004: \$74748.25

## 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:	+ 0.9%



In April our Income Model slipped 0.9%. On 5/10 we will sell half of **Real Estate Income** and buy **Floating Rate High Income**. The resulting mix will be roughly 5% stock, 81% bond, and 14% cash.

## 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
Inflation-Protect.	\$10.94	2692.374	\$29454.57
Balanced	\$16.63	3810.762	\$63372.97
Low-Priced Stock	\$36.13	1020.706	\$36878.11

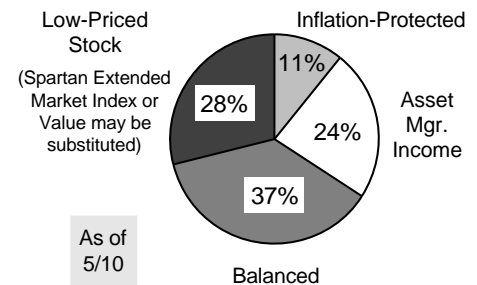
12% Foreign Holdings

Balance as of 4/30/04: \$129705.65

Balance at start of 2004: \$129816.46

## 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:	- 0.1%



We lost 3.6% in April. On 5/10 we'll sell one-half of **Inflation-Protected** and one-fourth of **Balanced**, buying **Asset Manager Income**. The resulting mix: 55% stock, 32% bond, and 13% cash.

## 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	\$18.27	2543.811	\$46475.43
Capital Apprec.	\$24.91	2216.781	\$55220.01
Leveraged Co.	\$19.49	1912.589	\$37276.36

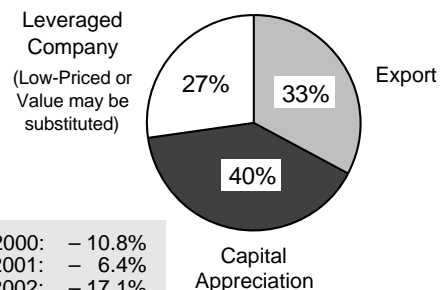
17% Foreign Holdings

Balance as of 4/30/04: \$138971.80

Balance at start of 2004: \$137499.26

## 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:	+ 1.1%



In April our Growth Model lost 2.6%, versus a 1.6% decline for the S&P 500. Our current mix, based on the latest available figures, is 97% stock, 1% bond, and 3% cash.

## 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	\$26.77	1317.381	\$35266.29
Banking	\$38.06	1301.952	\$49552.29
Medical Equip.	\$21.68	2407.181	\$52187.68
Software	\$49.18	938.003	\$46130.99
Technology	\$55.21	676.687	\$37359.89
Computers	\$32.57	1050.463	\$34213.58

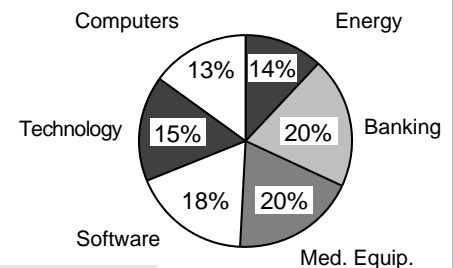
13% Foreign Holdings

Balance as of 4/30/04: \$254710.72

Balance at start of 2004: \$256163.60

## 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:	- 0.6%



Our Select System was down 3.7% in April, lagging the S&P 500's 1.6% decline. Our asset mix, based on the latest figures, is 97% stock and 3% cash.

INTERNATIONAL STOCK FUNDS - *Continued from page 3*  
and consumer. The fund's cash position, at 9%, is among the highest in the group.

#### PACIFIC BASIN (HOLD)

This fund has roughly one-half of its portfolio in Japanese stocks, with the balance in Australia and emerging markets of Southeast Asia. The combination results in a fund that is heavy in the financials and consumer groups. While it remains a good long-term bet on the region's rising economic clout, at this point we see little advantage compared to investing directly in **Japan**.

#### SOUTHEAST ASIA (HOLD)

With exception of China, the emerging markets in this fund are more developed than those in other areas, which plays to Fidelity's stockpicking ability. Long-time manager Allan Liu has exceeded the fund's benchmark over the last 11 years. Currently, **Southeast Asia** is focusing heavily on South Korea, Hong Kong, and Taiwan. The major sector holdings are financials and technology. For those who insist on emerging market exposure, this fund is probably the best alternative. ■

#### APRIL DISTRIBUTIONS

Asset Manager: Income	\$0.02 / \$12.41	(4/2)
Four-In-One Index	\$0.04 / \$23.68	(4/2)
Freedom Income	\$0.02 / \$11.21	(4/2)
Select Air Transportation	\$0.36 / \$30.04	(4/2)
Select Banking	\$0.15 / \$40.21	(4/8)
Select Brokerage	\$0.06 / \$53.69	(4/2)
Select Chemicals	\$0.03 / \$53.24	(4/2)
Select Consumer Industries	\$0.97 / \$23.70	(4/8)
Select Cyclical Industries	\$0.26 / \$16.25	(4/8)
Select Energy	\$0.03 / \$26.47	(4/2)
Select Financial Services	\$1.66 / \$119.35	(4/8)
Select Health Care	\$0.02 / \$124.51	(4/8)
Select Home Finance	\$1.52 / \$65.73	(4/8)
Select Industrial Equipment	\$0.44 / \$25.13	(4/8)
Select Industrial Materials	\$0.77 / \$34.88	(4/8)
Select Insurance	\$0.59 / \$60.13	(4/8)
Select Leisure	\$3.40 / \$72.85	(4/2)
Select Medical Equipment	\$0.11 / \$21.61	(4/8)
Select Multimedia	\$1.08 / \$44.45	(4/8)
Select Natural Resources	\$0.02 / \$14.99	(4/8)
Select Telecommunications	\$0.04 / \$34.92	(4/2)
Select Utilities Growth	\$0.13 / \$33.72	(4/2)
Spartan CA Muni	\$0.085 / \$12.49	(4/2)
Spartan Extended Mkt Index	\$0.02 / \$29.39	(4/2)
Spartan International Index	\$0.11 / \$28.79	(4/2)
Spartan Total Mkt Index	\$0.06 / \$31.06	(4/2)
U.S. Bond Index	\$0.06 / \$11.19	(4/2)

May payouts (5/7) will include **Asset Manager: Income**, all **Freedom** funds, **Magellan**, and **Real Estate Income**.

to 1.0% and 1.1%. The real estate sector was hit hard. **Real Estate Income** declined 3.6%, and **Real Estate** tumbled 14.2%.

#### BOND FUNDS

Income Model holdings are listed on page 7. Our current buys, in increasing order of risk, include **Ultra-Short Bond**, **Floating Rate High Income**, and **Short-Term Bond**. We downgraded **Inflation-Protected Bond** on signs the U.S. and China are getting serious about ending easy-money policies.

A reduction in credit risk helped **Floating Rate High Income**, which gained 0.2%, and **High Income**, up 0.1%. Inflation-indexed bonds and emerging market debt were hit hard by the prospect of a more hawkish Fed. **Inflation-Protected Bond** lost 4.8%, and **New Markets Income** dropped 5.4%. Munis posted declines ranging from 1.2% to 3.0%.

#### SELECT PORTFOLIOS

Select System holdings are listed on page 7. Our current buys, in increasing order of risk, include **Natural Resources**, **Medical Equipment**, **Energy**, **Banking**, **Software**, **Biotechnology**, **Technology**, **Dev. Com.**, **Computers**, and **Energy Services**.

The health care group got a nice boost as investors sought out defensive sectors. **Medical Equipment** gained 3.7%, **Biotechnology** was up 3.5%, and **Health Care** rose 3.2%. The biggest losers were commodity groups and cyclical technology sectors. **Dev. Communications** lost 11.4%, **Networking** fell 14.2%, and **Gold** tumbled 23.0%. ■

## Happenings

Fidelity has changed its Web site, adding new features and making it easier for account holders to get the information they want. Pulling up your statements and tax forms is now a snap, and the position summary now highlights the gain/loss since purchase on every position. We encountered some glitches on the portfolio analyzer with some accounts, but the new feature is quite useful for pulling up a personalized breakout of assets, along with a net style box position and aggregate industry weightings. We give the redesign a thumbs up.

Three sector portfolios saw new appointments on 4/1. Matt Fruhan has been named manager of **Financial Services** and **VIP Financial Services**, and Ramona Persaud is the new stockpicker for **Construction & Housing**. Our ratings for these funds are unchanged. ■

Money Market Funds	Size	Yield	Money Market Funds	Size	Yield	Money Market Funds	Size	Yield
Cash Reser (55/FDRXX)	53425.3	0.75	CT MM (418/FCMXX)	1054.6	0.58	FL MM (428/FSFXX)	1267.6	0.61
Select MM (85/FSLXX)	670.1	0.73	MA MM (74/FDMXX)	3394.0	0.53	Spart MA MM (426/FMSXX)	981.7	0.65
Spart MM (454/SPRXX)	5715.2	0.76	MI MM (420/FMIXX)	597.6	0.52	Spart Municipal (460/FIMXX)	3068.7	0.77
Spart US Gov't (458/SPAXX)	594.9	0.69	NJ MM (417/FNJXX)	1333.9	0.55	Spart NJ MM (423/FSJXX)	565.5	0.73
Spart US Treas (415/FDLXX)	2226.0	0.61	NY MM (92/FNYXX)	2883.9	0.55	Spart NY MM (422/FSNXX)	1069.2	0.66
Tax-Free MM (275/FMOXX)	681.3	0.64	OH MM (419/FOMXX)	670.0	0.56	PA MM (401/FPTXX)	295.2	0.61
US Gov't Reser (50/FGRXX)	2123.0	0.76	AZ MM (433/FSAXX)	140.9	0.60	Municipal MM (10/FTEXX)	14788.3	0.67
CA MM (97/FCFXX)	2934.3	0.54	Spart CA MM (457/FSPXX)	1246.1	0.71			