

Closed Funds

Three more Fidelity funds closed the door to new money last month. **Contrafund**, **Growth Company**, and **Mid Cap Stock** are now limited to shareholders with existing accounts.

Closing popular funds is becoming somewhat trendy these days. The fund companies can count on kudos from Morningstar and other pundits who get a charge out of telling the fund companies what they need to do. The fund managers enjoy a more stable inflow/outflow situation. Existing shareholders may feel privileged, and overall loyalty to the fund can increase. Even those who get locked out are happy if a fund with a similar objective will soon be available. It's win-win all around.

But does anything really change? The fund manager is still contending with a large asset base. Money keeps flowing in from existing shareholders if the fund maintains a good track record, and keeps leaving if it doesn't. Closures don't usually bring about any meaningful improvement in performance unless cash levels were unusually high to begin with.

This month we take a look at Fidelity's closed funds. Along with our views on each of these funds, we also suggest the best alternatives for investors who aren't able to invest in them.

CONTRAFUND (BUY)

Manager Will Danoff, now in his sixteenth year, has set the gold standard for managing a swelling asset base. Even as **Contrafund** zoomed past the \$50 billion mark, he continued to outperform by a wide margin. By closing the fund now, Fidelity is hoping to avoid a repeat of the **Magellan** scenario. It could work. Danoff has a knack for melding broad themes with savvy stock picks, and he's unlikely to be weighed down by redemption activity.

Still, it won't be a piece of cake. As with any mammoth fund, stocks must be accumulated slowly to avoid pushing up the price. Likewise, positions must be unloaded slowly to avoid creating a liquidity problem. The only way to win at this game is to place long-term bets and get the story right more often than not.

In recent years, Danoff's biggest bet has been on foreign stocks. Starting in late 2000, he began to

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Review & Recommendations

The economy isn't slowing down yet, but the Fed seems convinced that it will. Normally that would be great news for stocks, especially when earnings are confirming the story, but a weakening dollar and rising commodity prices are sparking concerns about inflation. The S&P 500 gained 1.3% for the month.

The markets fretted about what would happen if Iranian oil exports got cut off from the West. That's unlikely in the short run, because both sides have too much to lose. However, it's a virtual certainty in the long run. Iranian demand for gasoline is growing 10% annually. At that rate, in about 10 years Iran will need all its oil production for domestic consumption!

GROWTH FUNDS

Growth Model holdings are listed on page 7. Our favorites include **Value**, **Mid Cap Stock**, **Value Discovery**, and **Value Strategies**.

Funds that had exposure to foreign stocks and commodities edged ahead in April. **Contrafund** was up 2.5%, while **New Millennium**, **Leveraged Company**, and **Export** all gained 2.4%. Lagging behind, **OTC Portfolio** pulled back 1.2%, and **Discovery** declined 1.7%.

INTERNATIONAL FUNDS

Int'l Discovery offers broad exposure to foreign stocks, with an emphasis on European markets. **Pacific Basin** is likely to benefit from continued economic growth in Asian markets.

Good news on the consumer spending front helped emerging markets. **Emerging Markets**, **Southeast Asia**, and **Latin America** were all up 7.5%. On the flip side, higher interest rates in Japan boosted the yen, raising concerns about export competitiveness. **Japan** gained a modest 0.8%, and **Japan Smaller Companies** declined 1.4%.

GROWTH & INCOME FUNDS

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

Interest in dividend stocks is finally picking up, as evidenced by **Equity-Income's** 2.6% gain.

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boost **Contrafund**'s international position, which now stands at 27% of assets. His timing was excellent, and it shows how much of a difference a good theme can make in a giant-sized fund.

Our recommended alternative for **Contrafund** is **Value Discovery**. Both funds are currently in the large-cap growth stylebox, and their top industry holdings are similar. But they are hardly clones. **Contrafund**'s top stock is Google, whereas **Value Discovery**'s biggest bet is J.P. Morgan Chase. Scott Offen tends to put **Value Discovery** in undervalued stocks, where Will Danoff's bias is under-recognized stocks. Performance-wise, **Value Discovery** has performed slightly better than **Contrafund** over the last year, despite having a lower foreign weighting (14% versus 27%).

For the Growth Model, we'll be staying with **Contrafund** for now, although we might make a switch to **Value Discovery** later this year.

GROWTH COMPANY (BUY)

With almost two-thirds of its assets in technology and health care, **Growth Company** is an aggressive fund. Steve Wymer, who has managed it since 1997, is one of Fidelity's best for picking growth stocks. His skills limited the fund's losses during the 2000-2002 bear market, while allowing full participation in the multi-year recovery that followed.

However, with \$30 billion in assets, **Growth Company** is big enough that size is starting to dictate the playing field and limit the rate at which large positions are accumulated or liquidated. So, even with Wymer's stockpicking skills, the fund may not carry much of an advantage over Fidelity's other aggressive growth funds.

For those who want something similar, consider a 50/50 blend of **OTC Portfolio** and **Aggressive Growth**. Keep in mind that **Aggressive Growth**'s poor track record isn't likely to affect its future performance. New manager Steven Calhoun has refocused the fund on a variety of attractive growth opportunities, and redemption activity has subsided.

LOW-PRICED STOCK (HOLD)

Originally structured to invest in turnaround plays, **Low-Priced** adopted a small-cap value approach as its popularity grew. Manager Joel Tillinghast has been with the fund from the beginning, and goes to great lengths to fully understand a company's business model before making a major investment. **Low Priced** has often posted strong performance in periods when

other funds were struggling. The resulting inflows prompted temporary closures on several occasions, giving Tillinghast time to work down the fund's cash level. The most recent closure, which occurred at the end of 2003, appears to be permanent.

Even though **Low-Priced** is not Fidelity's largest fund, keeping it invested in the Russell 2000 universe is a bigger challenge than keeping Fidelity's other behemoths invested in the S&P 500. At \$40 billion, **Low-Priced** represents about 2% of the Russell 2000 market capitalization. Because Fidelity limits its funds to 10-15% of outstanding shares in any given stock, the fund must hold hundreds of outperforming stocks just to stay a few percentage points ahead of its benchmark each year.

So, even though Tillinghast is an outstanding stock picker, he's had no choice but to expand into mid-caps and foreign issues. So far, performance has held up remarkably well in spite of the style drift, but that's because the Russell 2000 has been on a tear and foreign stocks have been a help rather than a hindrance. A slump on either front could set the fund back relative to other domestic growth funds.

Our recommended alternative to **Low-Priced**, is **Value**. Like **Low-Priced**, it falls in the mid-cap blend category and carries the advantages of low turnover and broad diversification. **Value**'s foreign weighting is substantially lower (10% versus 28%), so it could trail if foreign stocks continue to rally. But it may have an edge if the dollar continues to slide.

MAGELLAN (HOLD)

Harry Lange is breathing new life into **Magellan**. Shortly after being named manager last October, he jettisoned the "closet indexing" approach used by former manager Bob Stansky. In its place is a bold theme-based strategy that emphasizes growth stocks and international markets (**Magellan**'s foreign stocks are now 26% of assets). Lange may have taken a page out of **Contrafund**'s book, but his implementation is entirely different – there's not a single overlapping stock in the funds' top ten holdings.

So far, the new strategy seems to be working. **Magellan**'s performance is several points ahead of the S&P 500 over the last six months, and with a quarter of assets in the technology sector it stands to benefit from an upturn in capital spending.

However, given the fund's \$50 billion in assets, a good investment theme is almost essential if it hopes to compete with smaller funds capable of outperforming from stock selection alone.

There aren't many investors chomping at the bit

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to get into **Magellan** at this point, but we'd still like to point out **Independence** as an alternative. It carries a bit more risk and may not be as tax-efficient as **Magellan** in a non-retirement account, but its strategy is similar and could produce slightly better results.

MID-CAP STOCK (BUY)

Shep Perkins took over this fund a little over a year ago, and his stock picks have benefited from both stronger-than-expected consumer spending and an increase in business spending. At \$12 billion, **Mid Cap Stock** is not exactly a bloated giant, and there's little evidence that heavy inflows are creating any performance problems. Perhaps by closing the fund early, Fidelity aims to keep it that way.

With Perkins' stockpicking skills and a 26% weighting in the technology sector, **Mid Cap Stock** seems poised to outperform if corporate takeover activity stays robust. It may also hold up well in an extended dollar slide.

For alternatives, one option is to hold **Mid Cap Growth**, which resides in the same stylebox as **Mid Cap Stock**. However, we're not entirely comfortable with that approach, because it means taking on more risk for a fund that may not perform as strongly. A better bet would be to put two-thirds in **Capital Appreciation**, a large-cap growth fund, and one-third in **Small Cap Independence**, which resides in the small-cap blend category.

NEW MILLENNIUM (BUY)

New Millennium is different than the rest of the funds in this group, because its closure was part of the original plan. Introduced at the end of 1992, Fidelity marketed the fund with a promise to shut the doors when assets reached \$500 million. The marketing hope was that new money would come running, allowing the fund to skip over several years of "inflow drought," – a common problem for funds that used to be introduced with a 3% front-end load. It didn't work very well, but investors eventually warmed up to the fund after it established an attractive three-year record. Fidelity stalled for a few months as the \$500 million mark passed by, but the fund was eventually closed in mid-1996 – just as assets were nearing the \$1 billion mark.

As a result, long-time manager Neal Miller still has the flexibility to take on meaningful positions in smaller stocks while pursuing the fund's unique change-analysis strategy. With a lifetime return of 17.6% per year, **New Millennium** ranks as one of Fidelity's top long-term performers.

These days, the fund falls in the mid-cap growth

stylebox, and Miller is holding an offbeat combination of growth, cyclical, and commodity stocks.

As you might expect, finding a substitute for **New Millennium** isn't easy. The best recommendation we have is to put two-thirds in **Capital Appreciation** and one-third in **Small Cap Growth**.

DIVERSIFIED INTERNATIONAL (BUY)

Fidelity's most successful international fund is still an index-beater even with \$40 billion in assets. Fidelity's quantitative screening techniques never really made it to prime-time on the domestic side, but in this fund they continue to add value to the stock selection process.

Manager William Bower has been running this fund since early 2001, and he continues to outperform the EAFE index while maintaining slightly less risk. The fund's stocks are mostly from Europe, although Japan currently accounts for 18% and North America for 13%. Emerging markets exposure is light.

After closing this fund in late 2004, Fidelity revamped the former **International Growth & Income** fund, giving it a similar strategy and renaming it **International Discovery**. That makes it ideal as an alternative. Because of its smaller size, it may also carry a slight advantage in long-term performance.

INTERNATIONAL SMALL CAP (BUY)

Despite its small asset base (less than \$3 billion), Fidelity has divided security selection responsibilities between three co-managers. Running a fund like this is challenging, because small-caps in foreign markets don't always have good liquidity.

Int'l Small Cap has a strong cyclical bias, and is well-hedged against inflation with its 18% stake in the materials sector. There isn't much exposure to growth stocks, but with global economic growth on the upswing it may not matter that much. One-third of the fund's assets are Japanese small-caps. Another 17% is invested in the U.K. The rest is spread across Asia, North America, and Europe. From a big picture standpoint, the fund is a broad-based bet on global economic growth.

After closing the fund a year ago, Fidelity later introduced **Int'l Small Cap Opportunities**. So far the new fund has placed a greater emphasis on the Japanese market, and is bearing more risk. We still think it makes a good alternative.

JAPAN SMALLER COMPANIES (HOLD)

The performance of this fund tends to track the strength of the Japanese economy, but due to poor liquidity it can take investors on a wild ride. In 1999

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GUIDE TO FIGURES LISTED ON PAGES 4 AND 5

Gain/loss percentages are for prior month's close (annualized for periods over a year). Reinvested distributions are assumed, with no adjustment for loads. Size figures are for the beginning of the prior month, in millions. Dividend Yield is based on actual dollars posted to accounts, not the SEC yield that Fidelity must quote. Risk is based on standard deviation of daily gains and losses over a one-year period, relative to the S&P 500. Fee: **0.75(90)** indicates a 0.75% redemption fee on shares held less than 90 days. As of September, 2003, all retail Fidelity funds are no-load. If a fund is closed to new investors, we will list it as such in the Fee column. Fund ratings: **B ******* is for a favorite buy, **B ****** means buy, **H ***** means hold for the long run, **S **** means reduce to below 5% of holdings, **S *** means sell and move to a buy-rated fund within the same asset class. Upgrades and downgrades are indicated by ↑ and ↓.

APRIL PERFORMANCE						2006	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***	1.36	1.5(90)	18.92	4377.8	6.3	-0.1	-0.9	26.3	17.2	-7.7	3.0
Blue Chip Gth (312/FBGRX)	H***	1.03	none	44.09	21714.8	2.2	-0.2	0.0	12.9	10.3	-0.8	6.5
Blue Chip Value (1271/FBCVX)	B****	1.09	none	14.53	268.0	7.6	2.0	2.8	22.7			
Capital Apprec (307/FDCAX)	B****↑	1.27	none	27.81	7930.1	10.8	1.8	3.8	28.9	21.6	6.7	10.7
Contrafund (22/FCNTX)	B****	1.10	Closed	68.18	65203.5	7.3	2.5	1.7	28.5	21.5	9.8	11.8
Discovery (339/FDSVX)	S**	0.95	none	12.02	435.3	5.3	-1.7	1.8	18.7	11.9	1.8	
Disc Equity (315/FDEQX)	H***	1.15	none	29.40	6659.6	6.1	1.4	2.6	20.1	16.8	4.5	9.3
Dividend Gth (330/FDGFY)	H***	0.95	none	29.89	16649.2	3.8	-0.9	1.8	14.3	10.7	1.7	10.1
Export Fund (332/FEPPX)	H***	1.18	0.75(30)	22.46	4941.3	5.7	2.4	-0.3	27.6	20.2	8.7	15.0
Fidelity Fifty (500/FFTYX)	H***	1.21	0.75(30)	24.55	1164.3	8.0	1.0	2.6	32.1	14.1	6.3	11.2
Focused Stock (333/FTQGX)	H***	1.41	0.75(30)	12.46	114.4	4.7	1.6	1.0	25.3	20.5	-0.2	
Growth Company (25/FDGRX)	B****	1.32	Closed	67.58	29969.2	6.2	-0.6	0.7	30.3	21.0	2.9	10.0
Independence (73/FDFFX)	H***	1.22	none	21.46	4678.4	9.2	1.2	2.7	31.2	17.8	3.6	9.6
Large Cap Growth (763/FSLGX)	H***	1.41	0.75(30)	11.59	164.8	3.7	-0.9	-0.3	21.9	17.2		
Large-Cap Stock (338/FLCSX)	H***	1.02	none	16.55	733.0	6.0	0.9	2.5	21.4	13.4	0.6	7.6
Large Cap Value (708/FSLVX)	H***↓	1.17	0.75(30)	13.85	647.2	7.2	1.2	3.3	22.7	20.0		
Lev Co Stock (122/FLVCX)	B****	1.49	1.5(90)	29.23	4090.0	12.3	2.4	5.1	32.8	38.0	25.6	
Low-Priced Stock (316/FLPSX)	H***	1.00	Closed	45.24	38797.6	10.8	2.0	3.9	27.6	26.4	17.3	16.2
Magellan (21/FMAGX)	H***	1.11	Closed	114.96	50753.0	8.0	1.9	3.1	20.6	13.6	1.8	8.0
Mid Cap Growth (793/FSMGX)	H***	1.56	0.75(30)	14.39	436.8	11.2	0.5	1.4	33.0	25.0		
Mid Cap Stock (337/FMCSX)	B****	1.32	Closed	30.43	11894.9	14.5	1.0	6.2	44.5	23.2	5.7	13.5
Mid Cap Value (762/FSMVX)	H***	1.24	0.75(30)	15.87	400.4	7.1	1.5	3.0	27.0	24.4		
New Millennium (300/FMILX)	B****↑	1.50	Closed	39.92	3760.4	14.4	2.4	5.4	42.4	20.0	6.6	14.9
OTC Portfolio (93/FOCPX)	H***	1.32	none	39.52	8546.3	4.6	-1.2	0.0	26.1	17.7	3.1	7.9
Small Cap Gth (1388/FCPGX)	H***	1.36	1.5(90)	14.55	423.7	13.1	-0.1	4.5	36.4			
Small Cap Indep (336/FDSCX)	H***	1.35	1.5(90)	23.13	2414.4	12.9	2.0	4.3	35.8	24.4	12.6	9.0
Small Cap Stock (340/FLCX)	H***	1.23	2(90)	21.02	4998.1	14.9	0.7	7.4	34.7	27.2	13.7	
Small Cap Value (1389/FCPVX)	H***	1.29	1.5(90)	14.42	985.4	13.1	-0.1	5.7	36.6			
Stock Selector (320/FDSSX)	H***	1.05	none	26.26	831.4	6.1	0.8	2.4	20.9	15.5	3.6	7.6
Tax Mgd Stock (343/FTXMX)	B****	1.28	1(730)	13.49	65.8	6.5	1.6	1.5	23.9	18.4	3.7	
Trend (5/FTRNX)	H***	1.03	none	60.74	907.6	6.2	1.4	2.7	19.3	15.2	3.4	5.8
Value (39/FDVLX)	B****	1.05	none	81.69	16178.7	7.7	1.0	2.6	26.3	24.9	13.5	12.1
Value Discovery (832/FVDFX)	B****	1.19	none	17.15	478.8	9.6	2.3	2.6	33.2	23.4		
Value Strategies (14/FLSX)	B****↑	1.18	none	33.59	175.4	8.4	1.0	2.9	28.1	24.6	9.4	
GROWTH & INCOME FUNDS:												
Balanced (304/FBALX)	B****	0.82	none	19.82	19230.8	6.1	1.5	1.8	21.0	16.8	8.9	11.4
Convertible Sec (308/FCVXS)	B****	0.92	none	24.36	1976.4	9.0	2.0	1.8	24.2	14.7	6.9	11.9
Equity-Income (23/FEQIX)	B****	0.99	none	55.92	26333.9	8.0	2.6	4.6	19.2	17.3	5.5	9.5
Equity-Income II (319/FEQTX)	B****	1.04	none	23.93	12116.3	5.8	1.3	2.0	16.0	15.2	5.3	9.3
Fidelity Fund (3/FFIDX)	H***	1.04	none	33.86	9218.8	6.6	1.6	2.8	18.6	14.3	2.2	8.8
Growth & Income (27/FGRIX)	H***	0.99	none	36.15	31152.3	5.3	1.2	2.3	12.2	10.9	2.2	7.9
Growth & Inc II (361/FGRTX)	H***	1.09	none	10.71	192.7	5.5	0.8	2.0	18.6	11.4	3.3	
Puritan (4/FPURX)	B****↑	0.64	none	19.57	23897.1	5.2	1.8	2.9	13.1	12.5	6.0	8.9
Strategic Div & Inc (1329/FSDIX)	B****	0.89	none	12.94	929.6	6.8	0.8	2.2	20.5			
Utilities (311/FIUIX)	H***↓	1.17	none	15.74	1037.0	7.5	0.6	2.1	16.9	18.5	1.5	7.3
SELECT FUNDS:												
Air Transportation (34/FAAIX)	H***	1.42	0.75(30)	45.95	147.5	15.4	1.3	10.9	46.7	28.2	7.1	12.7
Automotive (502/FAVAX)	S**	1.39	0.75(30)	35.94	20.5	5.3	0.2	4.6	16.5	16.1	10.6	6.5
Banking (507/FSRFX)	H***	1.09	0.75(30)	37.62	362.2	7.7	4.1	6.9	15.3	15.2	8.6	12.3
Biotechnology (42/FBIOX)	B****	1.78	0.75(30)	62.38	1799.4	-0.5	-6.2	-4.5	21.7	13.3	-0.8	9.8
Brokerage (68/FLSFX)	B****	1.32	0.75(30)	75.02	1217.9	12.9	0.8	4.6	58.5	30.2	12.8	19.7
Business Ser (353/FBSOX)	H***	1.00	0.75(30)	17.22	42.4	8.8	1.1	4.8	30.8	18.6	5.8	
Chemicals (69/FSCHX)	H***↑	1.54	0.75(30)	69.99	101.7	9.6	3.1	5.1	17.2	22.9	14.0	9.9
Computers (7/FDPCX)	H***	1.48	0.75(30)	38.04	518.1	5.4	1.0	0.7	22.4	16.0	-3.2	8.3
Const & Housing (511/FSHOX)	H***	2.15	0.75(30)	48.82	238.5	6.5	-0.2	0.8	23.4	28.3	17.6	14.7
Consumer Indust (517/FSCPX)	S**	1.12	0.75(30)	26.00	51.1	5.9	1.3	4.2	16.3	12.7	3.9	7.9
Cyclical Indust (515/FCYIX)	H***	1.36	0.75(30)	21.81	102.7	14.2	1.9	8.1	34.9	28.7	11.7	
Defense & Aero (67/FSDAX)	H***	1.20	0.75(30)	81.73	1035.3	14.2	0.9	10.8	30.4	31.5	15.8	14.6
Develop Commun (518/FSDCX)	H***	1.55	0.75(30)	22.61	523.6	13.0	-2.5	3.6	40.4	26.0	-1.4	8.4
Electronics (8/FSLEX)	B****	1.73	0.75(30)	47.77	2738.3	9.2	3.1	-0.2	34.0	20.1	-3.2	11.6
Energy (60/FSNEX)	B****	2.63	0.75(30)	52.96	2677.8	18.5	6.1	1.3	61.5	43.4	17.1	16.0
Energy Services (43/FSSEX)	H***	3.10	0.75(30)	77.07	1829.5	19.7	6.6	0.2	73.9	39.8	14.0	17.5
Environmental (516/FSLEX)	H***	1.24	0.75(30)	18.70	120.2	19.6	1.5	11.5	43.1	21.3	6.6	3.4
Financial Services (66/FIDSX)	H***	1.07	0.75(30)	120.09	491.2	7.8	2.7	4.7	25.7	16.8	7.8	13.6
Food & Agriculture (9/FDFAX)	S**	0.85	0.75(30)	53.27	130.8	6.3	1.3	4.7	15.0	16.2	8.2	8.9
Gold (41/FSAGX)	H***	2.66	0.75(30)	38.61	1432.5	28.9	9.9	11.2	110.1	36.3	32.6	7.4
Health Care (63/FSPHX)	H***	1.06	0.75(30)	121.97	2354.5	-1.5	-3.2	-3.5	12.2	11.8	3.7	10.8
Home Finance (98/FSVLX)	S**	1.18	0.75(30)	53.15	287.6	5.9	3.6	3.7	14.3	12.6	9.0	12.0
Indust Equip (510/FSCGX)	H***	1.33	0.75(30)	30.89	90.8	15.9	2.3	9.9	32.9	26.1	7.8	9.9
Indust Materials (509/FSDPX)	H***	1.59	0.75(30)	49.65	166.4	16.0	5.5	8.2	42.6	32.9	17.9	9.6
Insurance (45/FSPCX)	H***	1.13	0.75(30)	69.52	202.6	2.4	2.5	3.0	21.9	16.7	10.2	16.5
Leisure (62/FDLSX)	H***	1.23	0.75(30)	84.47	234.1	11.2	1.0	9.3	29.3	20.9	7.4	12.0
Medical Delivery (505/FSHCX)	H***	1.28	0.75(30)	49.20	1375.4	-7.3	-7.6	-7.3	11.7	34.6	16.3	10.1
Medical Equip/Sys (354/FSMEX)	S**↓	1.03	0.75(30)	23.16	1058.6	-0.7	-1.2	-3.6	5.3	15.3	11.5	
Multimedia (503/FBMPX)	B****	1.16	0.75(30)	46.23	80.1	3.1	1.7	1.3	18.8	16.3	5.6	10.1
Natural Gas (513/FSNGX)	H***	3.08	0.75(30)	41.59	1504.0	10.2	4.1	-5.0	52.4	41.7	14.7	15.5
Nat Resources (514/FNARX)	B****	2.55	0.75(30)	28.76	961.5	21.5	6.7	3.8	67.3	42.2	16.5	
Networking/Infra (912/FNINX)	B****	1.69	0.75(30)	2.72	166.4	15.7	-2.2	4.2	42.4	18.1	-7.1	
Paper & Forest (506/FSFPX)	H***↑	1.51	0.75(30)	31.30	28.1	4.8	-0.5	3.9	12.7	9.7	4.0	5.5
Pharmaceuticals (580/FPHAX)	H***	1.05	0.75(30)	10.42	149.4	8.3	1.3	2.9	22.6	11.6		
Retailing (46/FSRPX)	H***	1.57	0.75(30)	51.32	69.3	8.7	1.2	5.4	23.8	20.0	6.6	10.7
Software (28/FSCSX)	H***	1.40	0.75(30)	56.62	580.2	7.9	0.1	1.3	26.6	14.3	3.4	12.4
Technology (64/FSPTX)	B****	1.31	0.75(30)	66.98	1931.9	6.1	0.4	0.6	25.6	16.8	-1.4	9.5
Telecom (96/FSTCX)	B****	1.23	0.75(30)	43.68	656.2	12.9	-1.2	7.9	30.5	20.2	0.2	5.3
Transportation (512/FSRFX)	H***	1.50	0.75(30)	51.35	122.5	12.2	0.2	5.9	39.9	26.5	12.7	13.9
Utilities Growth (65/FSUTX)	H***	1.14	0.75(30)	46.48	303.8	8.0	-0.4	3.7	17.7	20.6	0.4	8.4
Wireless (963/FWRLX)	B****	1.25	0.75(30)	7.00	522.4	8.7	0.0	2.7	33.7	40.3	0.7	

APRIL PERFORMANCE												
Fund Name (Code/Symbol)	Rating	Risk	Fee	NAV	Size	Div. Yield	2006 YTD	One Mth	Three Mth	One Year	3-Yr Rate	5-Yr Rate
Aggressive Int'l (335/FIVFX)	H***	1.23	1 (30)	18.59	620.1		9.4	3.9	3.4	30.6	23.5	10.6
Canada (309/FICDX)	B****	1.36	1.5(90)	47.90	2839.9		11.1	4.1	3.2	43.7	34.8	20.3
China Region (352/FHKCX)	H***	1.05	1.5(90)	22.07	531.4		14.4	6.0	8.3	30.0	30.2	10.7
Diversified Int'l (325/FDIVX)	H***	1.11	Closed	37.25	39302.2		14.5	4.4	6.9	36.8	30.8	14.1
Emerging Mkts (322/FEMKX)	H***	1.46	1.5(90)	22.69	3118.9		23.0	7.5	8.7	78.0	48.1	24.3
Europe (301/FIEUX)	H***	1.18	1 (30)	41.62	3216.1		15.7	4.2	6.6	37.1	35.6	11.9
Europe Cap Appr (341/FECAX)	H***	1.15	1 (30)	27.23	644.7		23.7	6.4	14.0	46.4	31.1	13.1
Global Balanced (334/FGBLX)	B****	0.74	1 (30)	22.81	222.8		8.3	3.3	4.3	20.1	19.7	9.4
Int'l Discovery (305/FIGRX)	B****	1.15	1 (30)	36.30	6253.4		14.7	4.5	6.8	38.4	32.3	13.1
Int'l Small Cap (818/FISMX)	B****	1.22	Closed	32.53	2606.2		20.6	6.4	10.6	49.0	49.7	
Int'l Small Cap Opp (1504/FSCOX)	B****	1.3 Est	2 (90)	15.34	1051.8		22.1	5.5	10.1			
Japan (350/FJPNX)	H***	2.24	1.5(90)	18.95	2022.0		3.9	0.8	0.0	52.6	33.9	7.3
Japan Smaller Co (360/FJSCX)	H***	2.34	Closed	16.05	2123.7		-4.6	-1.4	-6.1	31.0	37.8	16.1
Latin America (349/FLATX)	H***	2.36	1.5(90)	40.48	2969.9		26.6	7.5	7.7	97.2	59.0	28.5
Nordic (342/FNORX)	H***	1.34	1.5(90)	36.76	246.4		23.1	6.4	16.7	46.2	37.6	13.6
Overseas (94/FOSFX)	H***	1.19	1 (30)	47.02	6248.1		13.0	5.1	6.7	41.8	31.2	8.2
Pacific Basin (302/FPBFX)	B****	1.41	1.5(90)	28.89	1130.9		12.5	3.7	6.4	51.1	35.5	12.7
Southeast Asia (351/FSEAX)	H***	1.36	1.5(90)	25.19	1288.5		18.8	7.5	9.0	54.0	42.0	18.8
Worldwide (318/FWAFX)	H***	1.04	1 (30)	21.34	1340.3		9.0	3.2	4.1	30.4	23.3	8.5
INDEX AND ASSET ALLOCATION:												
Four-In-One Index (355/FFNOX)	H***	0.84	0.5(90)	27.81	1174.1		6.6	1.5	3.1	17.7	16.3	5.3
NASDAQ Comp (1282/FNCMX)	H***	1.23	0.75(90)	31.33	123.8		5.3	-0.7	0.7	21.4		
Spart Ext Mkt Idx (398/FSEMX)	H***	1.23	0.75(90)	37.80	1586.4		10.0	0.4	3.2	30.1	24.9	10.4
Spart Int'l Index (399/FSIIX)	B****	1.16	1(90)	40.80	1555.6		14.5	4.9	8.1	33.3	28.8	8.8
Spart 500 Index (317/FSMKX)	H***	1.00	0.5(90)	90.83	7221.6		5.6	1.3	2.9	15.3	14.6	2.6
Spart Total Mkt Idx (397/FSTMX)	B****	1.03	0.5(90)	36.84	2103.9		6.6	1.1	2.9	18.7	16.8	4.4
Asset Manager (314/FASMX)	H***	0.52	none	16.41	9800.9		2.9	0.1	1.2	10.3	7.4	3.7
Asset Mgr Agg (347/FAMRX)	H***	1.06	none	12.80	435.4		6.0	1.6	2.6	24.5	19.4	1.8
Asset Mgr Gth (321/FASGX)	H***	0.71	none	15.62	3292.3		3.6	-0.3	1.7	12.7	9.9	3.0
Asset Mgr Inc (328/FASIX)	B****	0.37	none	13.10	2015.6		2.9	0.5	0.5	11.0	8.4	6.0
Freedom 2000 (370/FFFBX)	B****	0.29	none	12.45	1582.9		2.0	0.4	0.8	6.7	5.8	3.7
Freedom 2005 (1312/FFVFX)	B****	0.50	none	11.53	483.8		3.7	0.8	1.5	11.7		
Freedom 2010 (371/FFFCX)	B****	0.52	none	14.59	10580.5		3.8	0.8	1.5	12.3	10.0	4.8
Freedom 2015 (1313/FFVFX)	B****	0.63	none	12.09	2470.2		4.7	0.9	1.9	15.1		
Freedom 2020 (372/FFFDX)	B****	0.74	none	15.54	13672.8		5.6	1.1	2.3	17.7	14.2	5.0
Freedom 2025 (1314/FFTWX)	B****	0.79	none	12.67	1985.0		5.9	1.2	2.4	18.8		
Freedom 2030 (373/FFFCX)	B****	0.86	none	16.03	8482.2		6.7	1.3	2.8	20.8	16.3	5.0
Freedom 2035 (1315/FFTHX)	B****	0.87	none	13.06	1130.4		6.8	1.3	2.8	21.3		
Freedom 2040 (718/FFFCX)	B****	0.89	none	9.46	3831.8		7.1	1.4	2.9	22.0	17.6	4.8
Freedom Income (369/FFFAF)	B****	0.27	none	11.50	2109.6		1.8	0.3	0.7	6.1	4.9	3.7
Real Estate Income (833/FRIFX)	H***	0.28	0.75(90)	11.77	569.7		2.7	0.1	1.3	7.6		
Real Estate (303/FRESX)	H***	1.58	0.75(90)	34.09	6858.2		9.6	-3.6	3.1	27.2	29.2	21.0
Int'l Real Estate (1368/FIREX)	H***	1.11	1.5(90)	14.95	368.9		16.0	1.5	9.3	35.6		
TAXABLE BOND FUNDS:												
Capital & Income (38/FAGIX)	H***	0.28	1(90)	8.57	5911.1	6.08	4.4	0.8	2.6	11.8	12.7	10.0
Floating Rate (814/FFRHX)	B****	0.06	1(60)	9.97	2668.6	6.07	2.1	0.4	1.4	5.5	4.9	
Focused High Inc (1366/FHIFX)	H***	0.2 Est	1(90)	9.96	41.8	6.01	1.6	0.0	0.4	6.8		
GNMA Portfolio (15/FGMNX)	H***	0.26	none	10.59	3603.3	6.80	-0.7	-0.3	-0.9	0.8	2.5	4.3
Gov't Income (54/FGOVX)	H***	0.30	none	9.91	5676.1	3.92	-0.8	-0.1	-0.9	0.5	2.0	4.6
High Income (455/SPHIX)	H***	0.22	1(90)	8.87	3610.5	6.73	3.2	0.4	1.9	9.9	9.9	7.4
Inflation-Protected (794/FINPX)	H***	0.51	none	10.67	1490.0	2.27	-2.4	-0.2	-2.4	-1.5	4.4	
Intermed Bond (32/FTHRX)	H***	0.24	none	10.14	7598.0	4.42	-0.1	0.2	-0.1	1.4	2.4	4.9
Intermed Gov't Inc (452/FSTGX)	H***	0.23	none	9.89	791.6	3.78	-0.2	0.1	-0.3	0.9	1.5	4.2
Invest Grade Bond (26/FBNDX)	H***	0.30	none	7.24	7798.0	4.11	-0.5	-0.1	-0.5	1.5	2.9	5.4
Mortgage Securities (40/FMSFX)	H***	0.26	none	10.88	1674.2	5.01	-0.1	0.0	-0.3	1.5	2.9	4.9
New Markets Inc (331/FNMIX)	H***	0.46	1(90)	14.67	1971.6	5.65	3.9	0.5	1.6	15.7	13.9	14.9
Short-Term Bond (450/FSHBX)	H***	0.14	none	8.82	5723.9	4.26	0.9	0.3	0.7	2.7	2.2	3.9
Spart Gov't Inc (453/SPGVX)	H***	0.30	none	10.66	786.8	4.13	-0.9	-0.2	-0.9	0.5	2.2	4.9
Spart Invest Grade (448/FSIBX)	H***	0.29	none	10.22	3255.6	4.00	-0.5	-0.1	-0.6	1.4	3.1	5.5
Strategic Income (368/FSICX)	H***	0.25	none	10.45	3513.8	5.26	2.0	0.6	1.0	6.0	8.1	9.2
Strategic Real Rtn (1505/FSRRX)	H***	0.5 Est	0.75(60)	10.13	957.5		1.3	1.6	0.4			
Total Bond (820/FTBFX)	H***	0.27	none	10.25	551.6	4.80	-0.2	0.0	-0.3	2.0	3.2	
Ultra-Short Bond (812/FUSFX)	B****	0.06	0.25(60)	10.02	898.3	4.71	1.5	0.4	1.1	3.6	2.3	
US Bond Index (651/FBIDX)	H***	0.30	none	10.67	5733.2	4.68	-0.6	-0.1	-0.7	0.9	2.7	5.3
MUNICIPAL BOND FUNDS:												
AZ Municipal Inc (434/FAZAX)	H***	0.22	0.5(30)	11.22	103.6	3.84	-0.2	-0.1	-0.4	1.1	3.1	5.0
CA Municipal Inc (91/FCTFX)	H***	0.21	0.5(30)	12.20	1578.9	4.24	0.0	-0.3	-0.3	2.0	3.8	5.3
CA Short-Int TF (1534/FCSTX)	B****	0.1 Est	0.5(30)	9.98	66.6	3.33	0.4	0.1	0.0			
CT Municipal Inc (407/FICNX)	H***	0.20	0.5(30)	11.24	430.5	4.00	-0.1	0.0	-0.3	1.1	2.9	4.8
FL Municipal Inc (427/FFLIX)	H***	0.21	0.5(30)	11.31	496.5	4.14	0.1	0.1	-0.2	1.6	3.4	5.1
Intermediate Muni (36/FLTMX)	H***	0.18	0.5(30)	9.85	2006.2	4.03	0.1	-0.1	-0.2	1.7	3.3	4.9
MA Municipal Inc (70/FDMMX)	H***	0.23	0.5(30)	11.72	1857.0	4.20	0.0	-0.1	-0.2	1.8	3.8	5.4
MD Municipal Inc (429/SMDMX)	H***	0.22	0.5(30)	10.69	112.0	3.96	-0.2	-0.1	-0.4	1.2	3.2	4.7
MI Municipal Inc (81/FMHTX)	H***	0.21	0.5(30)	11.69	556.0	4.12	0.1	0.1	-0.2	1.6	3.3	5.1
MN Municipal Inc (82/FMIMX)	H***	0.20	0.5(30)	11.28	339.9	4.18	0.1	0.0	-0.1	1.6	3.3	4.8
Municipal Income (37/FHIGX)	H***	0.22	0.5(30)	12.65	4686.2	4.31	0.2	0.0	-0.1	2.2	4.1	5.7
NJ Municipal Inc (416/FNJHX)	H***	0.25	0.5(30)	11.32	562.8	4.04	-0.2	-0.1	-0.4	1.4	3.6	5.1
NY Municipal Inc (71/FTFMX)	H***	0.23	0.5(30)	12.61	1414.0	3.96	0.0	-0.2	-0.2	1.6	3.6	5.4
OH Municipal Inc (88/FOHFX)	H***	0.22	0.5(30)	11.49	421.3	4.09	-0.1	-0.1	-0.3	1.5	3.6	5.2
PA Municipal Inc (402/FPXTX)	H***	0.20	0.5(30)	10.67	307.4	4.09	0.1	0.0	-0.1	1.6	3.4	5.0
Short-Int Municipal (404/FSTFX)	B****	0.11	0.5(30)	10.13	1652.7	3.04	0.3	0.1	0.0	1.4	1.7	3.2
Tax-Free Bond (90/FTABX)	H***	0.24	0.5(30)	10.58	398.3	4.16	0.0	-0.1	-0.2	2.0	4.2	

APRIL PERFORMANCE Indexes and Model Portfolios			2006	One	Three	One	3-Yr	5-Yr	10-Yr
	Risk	Value	YTD	Month	Month	Year	Rate	Rate	Rate
Dow Jones Industrial	1.00	11367.14	6.8	2.5	5.2	14.1	12.7	3.4	9.5
S&P 500	1.00	1310.61	5.6	1.3	2.9	15.4	14.7	2.7	8.9
NASDAQ	1.21	2322.57	5.6	-0.7	0.9	21.9	17.4	2.4	7.4
Russell 2000	1.59	764.54	13.9	0.0	4.5	33.5	25.7	10.9	9.6
Fidelity Monitor Income Model	0.15	82646.76	2.4	0.7	1.3	5.3	5.0	5.5	5.3
Fidelity Monitor G&I Model	0.69	165049.29	5.4	1.2	1.9	16.8	15.7	9.5	10.3
Fidelity Monitor Growth Model	1.07	184244.80	7.2	2.1	2.1	23.2	22.4	10.3	10.2
Fidelity Monitor Select System	1.20	345954.52	9.4	0.6	1.6	30.2	20.6	8.7	11.1
Fidelity Monitor Unique Opportunities	1.27	121691.43	12.0	3.2	3.4	35.2	29.4	17.8	

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	\$28.76	1068.344	\$30725.57
Pacific Basin	\$28.89	843.140	\$24358.31
Conv. Securities	\$24.36	1174.769	\$28617.37
Value	\$81.69	465.053	\$37990.18

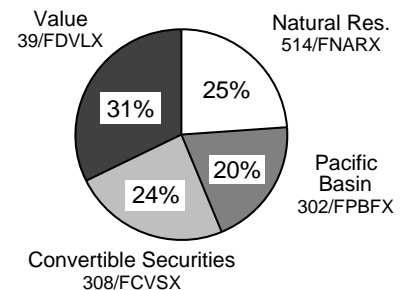
34% Foreign Holdings

Balance as of 4/28/06: \$121691.43

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:	+ 12.0%



In April our Unique Opportunities Model gained 3.2%. The current asset mix is 97% stock, 3% cash.

VIP CORNER

VIP SECTOR:	VIP GROWTH MODEL:	VIP G & I MODEL:	VIP INCOME MODEL:
14% Technology, 15% Financial Ser, 30% Telecom & Util., 27% Natural Res., 14% Health Care	26% Mid-Cap Stock, 40% Equity-Income, 34% Contrafund	32% Growth & Income, 55% Balanced, 13% Freedom Income.	69% Freedom Income, 31% Balanced.

APRIL VIP PERFORMANCE			2006	One	Three	One	3-Yr	5-Yr
Portfolio	Rating	Unit Value	YTD	Month	Month	Year	Rate	Rate
VIP Aggressive Growth	H ***	11.49	5.7	-0.2	-1.3			
VIP Asset Manager	H ***	33.60	3.8	1.1	1.0	10.8	8.0	3.1
VIP Asset Manager: Growth	H ***	22.28	5.1	1.5	1.5	13.8	9.8	2.4
VIP Balanced	B *****	16.51	5.8	1.4	1.7	14.3	8.6	3.9
VIP Consumer Industries	S **	11.79	5.7	1.3	3.9	15.4	12.1	
VIP Contrafund	B ****	42.82	7.2	2.4	1.5	28.3	21.0	9.3
VIP Cyclical Industries	H ***	17.41	14.2	1.9	8.1	34.7	28.3	
VIP Dynamic Capital Appreciation	B ****↑	14.73	10.4	1.8	3.2	42.3		
VIP Equity-Income	B *****	62.21	7.7	2.6	4.4	18.4	16.5	4.9
VIP Financial Services	B ****	14.13	7.6	2.7	4.6	24.9	16.2	
VIP Freedom 2005	B ****	10.83	3.3	0.8	1.1			
VIP Freedom 2010	B ****	10.86	3.3	0.8	1.2			
VIP Freedom 2015	B ****	11.10	4.4	1.2	1.6			
VIP Freedom 2020	B ****	11.29	5.1	1.3	1.9			
VIP Freedom 2025	B ****	11.41	5.6	1.5	2.1			
VIP Freedom 2030	B ****	11.56	6.2	1.6	2.5			
VIP Freedom Income	B ****	10.41	1.7	0.4	0.6			
VIP Growth	H ***	59.80	4.5	0.4	1.4	17.6	12.2	-1.9
VIP Growth & Income	B *****	18.31	5.3	0.7	1.9	17.6	10.7	2.8
VIP Growth Opportunities	H ***	13.16	1.7	-0.4	-1.8	16.1	12.4	1.6
VIP Growth Stock	H ***	10.81	2.2	-1.0	-0.8			
VIP Health Care	H ***	11.89	-1.7	-3.3	-3.6	11.4	11.2	
VIP High Income	H ***	29.36	2.9	0.4	1.6	8.6	8.8	6.1
VIP Index 500	H ***	34.99	5.3	1.3	2.7	14.4	13.6	1.7
VIP Int'l Capital Appreciation	H ***	12.42	9.1	3.8	3.2			
VIP Investment Grade Bond	H ***	28.07	-0.8	-0.1	-0.8	0.2	1.9	4.6
VIP Mid Cap	B ****	21.64	12.4	3.1	3.3	37.1	32.2	15.9
VIP Money Market		19.94	1.2	0.3	0.9	2.9	1.3	1.3
VIP Natural Resources	B ****	23.05	21.2	6.8	3.5	66.1	41.5	
VIP Overseas	B ****	38.75	10.8	4.0	5.7	38.1	29.2	6.3
VIP Real Estate	H ***	18.47	10.5	-3.6	3.8	27.9		
VIP Strategic Income	H ***	11.31	1.6	0.5	0.7	4.9		
VIP Technology	B ****	11.15	10.3	-1.4	0.6	37.1	19.5	
VIP Telecom & Utilities	B ****	10.94	7.8	-0.5	3.6	16.9	19.8	
VIP Value	B ****	11.32	6.2	1.4	1.9			
VIP Value Leaders	B ****	11.62	7.3	1.9	2.7			
VIP Value Strategies	B ****↑	14.20	8.2	1.0	2.8	27.3		
Fidelity Monitor VIP Income Model		18974.56	1.6	0.7	1.1	2.9	4.4	5.7
Fidelity Monitor VIP G&I Model		23740.33	5.1	1.1	1.6	13.4	10.3	4.6
Fidelity Monitor VIP Growth Model		36004.36	8.7	2.7	3.1	24.5	16.9	4.2
Fidelity Monitor VIP Sector Model		17476.08	10.0	1.4	2.3	30.6	23.4	

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
Balanced	\$19.82	774.168	\$15344.01
Asset Mgr. Inc.	\$13.10	2470.160	\$32359.10
Ultra-Short Bond	\$10.02	1579.330	\$15824.89
Floating Rate	\$9.97	1917.629	\$19118.76

8% Foreign Holdings

Balance as of 4/28/06: **\$82646.76**
Balance at start of 2006: **\$80716.02**

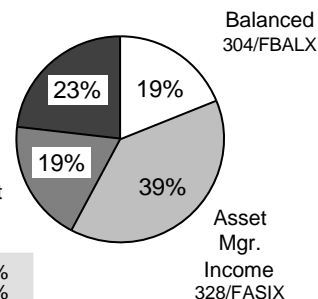
PERFORMANCE

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%

Floating Rate High Income
814/FFRHX

Ultra-Short
812/FUSFX

2005: + 3.6%
*2006: + 2.4%



Our Income Model gained 0.7% for the month of April. The current asset mix is 22% stock, 56% bond, and 22% cash.

GROWTH AND INCOME MODEL

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

FUND	NAV	SHARES	BALANCE
Asset Mgr. Inc.	\$13.10	2693.147	\$35280.23
Puritan	\$19.57	1888.420	\$36956.38
Balanced	\$19.82	2090.396	\$41431.65
Strat. Div. & Inc.	\$12.94	3970.713	\$51381.03

9% Foreign Holdings

Balance as of 4/28/06: **\$165049.29**
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:	+ 5.4%

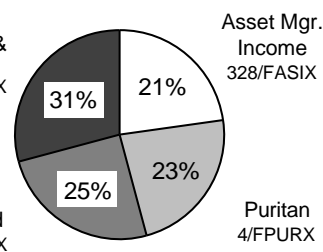
Strategic Dividend & Income
1329/FSDIX

Balanced
304/FBALX

Equity-Income
23/FEQIX

Contrafund
22/FCNTX

2002: - 17.1%
2003: + 46.1%
2004: + 12.4%
2005: + 11.2%
*2006: + 7.2%



In April our Growth and Income Model gained 1.2%. The current asset mix is 66% stock, 24% bond, and 10% 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
Mid Cap Stock	\$30.43	1447.002	\$44032.27
Value	\$81.69	581.752	\$47523.32
Contrafund	\$68.18	680.579	\$46401.88
Equity-Income	\$55.92	827.742	\$46287.33

16% Foreign Holdings

Balance as of 4/28/06: **\$184244.80**
Balance at start of 2006: **\$171931.86**

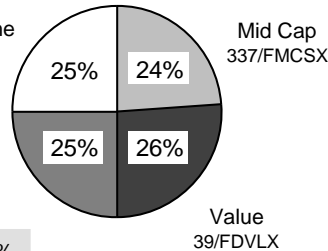
PERFORMANCE

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%

Equity-Income
23/FEQIX

Contrafund
22/FCNTX

2002: - 17.1%
2003: + 46.1%
2004: + 12.4%
2005: + 11.2%
*2006: + 7.2%



Our Growth Model gained 2.1% in April, versus 1.3% for the S&P 500. On 4/17 we sold **Export** (\$22.04) and bought **Mid-Cap** (\$29.90). Current asset mix is 96% stock, 4% cash.

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	\$52.96	1181.190	\$62555.82
Brokerage	\$75.02	950.274	\$71289.56
Wireless	\$7.00	9177.574	\$64243.02
Technology	\$66.98	712.107	\$47696.93
Biotechnology	\$62.38	672.176	\$41930.34
Telecom	\$43.68	1333.307	\$58238.85

18% Foreign Holdings

Balance as of 4/28/06: **\$345954.52**
Balance at start of 2006: **\$316217.19**

PERFORMANCE

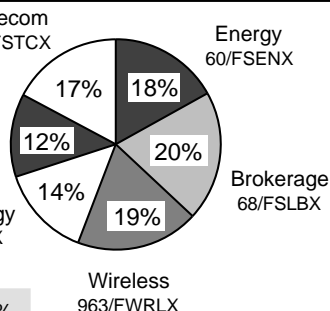
1989:	+ 23.4%
1990:	+ 31.3%
1991:	+ 35.3%
1992:	+ 20.4%
1993:	+ 25.9%
1994:	- 0.9%
1995:	+ 39.0%
1996:	+ 5.2%
1997:	+ 29.3%
1998:	+ 21.7%
1999:	+ 44.9%
2000:	- 14.9%
2001:	- 7.3%
2002:	- 14.7%
2003:	+ 38.4%

Telecom
96/FSTCX

Biotech
42/FBIOX

Technology
64/FSPTX

2004: + 7.4%
2005: + 15.0%
*2006: + 9.4%



We were up 0.6%, versus 1.3% for the S&P. On 4/17 we traded **Med. Delivery** (\$51.01) for **Biotech** (\$63.21), and sold 20% of **Energy** (\$51.94) for **Telecom** (\$43.90). Mix: 99% stock, 1% cash.

it more than tripled in value, only to fall by 50% the following year.

Long-time manager Kenichi Mizushita is betting on a rebound in the consumer, industrial, and tech sectors. If Japan's economic recovery stays on track, the fund should do well.

Int'l Small Cap Opportunities is probably the best alternative for **Japan Smaller Companies**. Its diversification means less overall risk, but its long-term performance is likely to be in the same range. ■

APRIL DISTRIBUTIONS

Asset Manager	\$0.10 / \$16.35	(4/7)
Asset Manager: Income	\$0.04 / \$13.04	(4/7)
Balanced	\$0.08 / \$19.54	(4/7)
CA Municipal	\$0.035/\$12.25	(4/7)
Convertible Securities	\$0.12 / \$23.82	(4/7)
Equity-Income	\$0.21 / \$54.48	(4/7)
Equity-Income II	\$0.07 / \$23.60	(4/7)
Fidelity Fund	\$0.07 / \$33.45	(4/7)
Four-In-One Index	\$0.27 / \$27.42	(4/7)
Freedom Income	\$0.03 / \$11.45	(4/7)
Growth & Income	\$0.07 / \$35.66	(4/7)
Growth & Income II	\$0.01 / \$10.63	(4/7)
Puritan	\$0.13 / \$19.21	(4/7)
Select Air Transportation	\$0.62 / \$45.27	(4/13)
Select Banking	\$0.73 / \$35.83	(4/13)
Select Brokerage	\$2.74 / \$73.43	(4/13)
Select Business Services	\$0.69 / \$16.81	(4/13)
Select Chemicals	\$2.98 / \$67.35	(4/13)
Select Construction & Housing	\$1.42 / \$48.98	(4/13)
Select Consumer Industries	\$0.59 / \$26.03	(4/7)
Select Cyclical Industries	\$0.53 / \$21.32	(4/13)
Select Defense & Aero	\$1.78 / \$79.77	(4/13)
Select Energy	\$2.37 / \$51.42	(4/7)
Select Energy Services	\$1.60 / \$74.57	(4/7)
Select Financial Services	\$3.79/\$115.28	(4/13)
Select Food & Agriculture	\$0.57 / \$52.74	(4/7)
Select Gold	\$4.06 / \$36.95	(4/7)
Select Health Care	\$12.33/\$124.15	(4/7)
Select Home Finance	\$0.70 / \$51.18	(4/13)
Select Industrial Equipment	\$0.19 / \$30.28	(4/13)
Select Industrial Materials	\$1.45 / \$48.09	(4/13)
Select Leisure	\$2.71 / \$84.86	(4/7)
Select Insurance	\$0.50 / \$66.64	(4/13)
Select Medical Delivery	\$1.46 / \$52.65	(4/7)
Select Medical Equip. & Systems	\$0.99 / \$23.00	(4/7)
Select Multimedia	\$3.02 / \$46.18	(4/7)
Select Natural Gas	\$1.17 / \$40.84	(4/7)
Select Natural Resources	\$0.68 / \$27.88	(4/7)
Select Paper & Forest Products	\$0.53 / \$31.83	(4/7)
Select Pharmaceuticals	\$0.32 / \$10.33	(4/7)
Select Retailing	\$1.70 / \$51.78	(4/7)
Select Telecommunications	\$0.07 / \$44.67	(4/7)
Select Transportation	\$1.03 / \$51.37	(4/13)
Select Utilities Growth	\$0.06 / \$46.72	(4/7)
Select Wireless	\$0.44 / \$7.11	(4/7)
Strategic Dividend & Income	\$0.046/\$12.78	(4/7)
Spartan Extended Mkt Index	\$0.40 / \$37.42	(4/7)
Spartan International Index	\$0.11 / \$39.34	(4/7)
Spartan Total Mkt Index	\$0.11 / \$36.41	(4/7)
Utilities	\$0.03 / \$15.52	(4/7)

Funds scheduled for May payouts include: **Asset Mgr. Income**, all **Freedom** funds, **Magellan**, and **Real Estate Income**.

Convertible Securities also did well, posting a 2.0% increase. Trailing behind, **Growth & Income II** edged up 0.8%, and **Utilities** rose 0.6%.

BOND FUNDS

Income Model holdings are listed on page 7. **Floating Rate High Income** offers a competitive yield with minimal interest-rate risk.

Rising commodity prices gave a boost to **Strategic Real Return**, which rose 1.6%. **Capital & Income** also did well with an increase of 0.8%. In contrast, investment-grade bond funds struggled as long-term interest rates edged up. On the bottom end, **Ginnie Mae** slid 0.3%, and **Inflation-Protected Bond** was off 0.2%. Most municipal bond funds finished the month near breakeven.

SELECT PORTFOLIOS

Select System holdings are listed on page 7. Funds rated buy, as ranked by our volatility model, are **Brokerage**, **Telecom**, **Natural Resources**, **Technology**, **Multimedia**, **Energy**, **Electronics**, **Networking**, **Wireless**, and **Biotechnology**.

Commodities sectors led the pack. **Gold** climbed 9.9%, **Natural Resources** gained 6.7%, **Energy Services** was up 6.6%, and **Energy** posted a 6.1% increase. On the bottom end, health care stocks continued to sell off, perhaps because they lack appeal in a strong economy. However, there may be more to it than that. Medical coverage has become costly enough that a rising percentage of healthy participants are dropping out voluntarily. **Health Care** declined 3.2%, **Biotechnology** lost 6.2%, and **Medical Delivery** fell 7.6%. ■

Happenings

Fidelity plans to reintroduce a fund with the name **International Value** on 5/23. The new portfolio will be managed by George Stairs, and will compete with the EAFE index. Fidelity sees opportunity in large foreign firms that are restructuring. It may also be able to use its network of research professionals to get the real story, just as it did in the U.S. before the SEC's fair disclosure rule restricted communication with corporate leaders. We rate the new fund a buy.

Fidelity appointed new managers to three Select funds in April. Chris Bartel is the new stockpicker for **Chemicals**, Chris Bartel and Lindsay Conner are sharing responsibilities at **Transportation**, and Heather Lawrence has taken over at **Computers**. ■

Money Market Funds	Size	Yield	Money Market Funds	Size	Yield	Money Market Funds	Size	Yield
Cash Reserves (55/FDRXX)	69651.9	4.45	CT MM (418/FCMXX)	1385.7	3.21			
Select MM (85/FSLXX)	944.1	4.44	MA MM (74/FDMXX)	4271.4	3.23	FL MM (428/FSFXX)	1814.9	3.32
Money Market (454/SPRXX)	6195.8	4.50	MI MM (420/FMIXX)	711.0	3.20	MA AMT TF (426/FMSXX)	1400.2	3.28
Gov't MM (458/SPAXX)	499.9	4.35	NJ MM (417/FNJXX)	1623.1	3.13	AMT Tax-Free (460/FIMXX)	3147.1	3.43
US Treas. MM (415/FDLXX)	1825.9	4.17	NY MM (92/FNYXX)	3761.1	3.15	NJ AMT TF (423/FSJXX)	943.3	3.33
Tax-Free MM (275/FMOXX)	2287.2	3.25	OH MM (419/FOMXX)	813.6	3.14	NY AMT TF (422/FSNXX)	1709.7	3.29
US Gov't Reser (50/FGRXX)	2734.4	4.44	AZ MM (433/FSAXX)	251.2	3.23	PA MM (401/FPTXX)	433.5	3.21
CA MM (97/FCFXX)	4047.0	3.25	CA AMT TF (457/FSPXX)	2308.2	3.36	Municipal MM (10/FTEXX)	17061.7	3.29