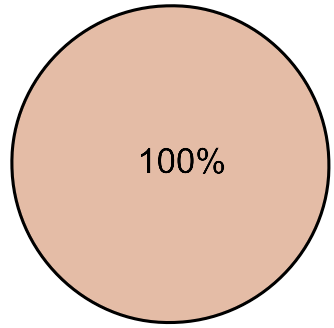
BOWERS WEALTH
MANAGEMENT

Select Portfolio



Domestic Sector Funds

Number of funds held: 5-7
Relative Volatility: 1.0 to 1.5

The Select Portfolio seeks long-term growth by investing 100% in domestic sector funds from Fidelity's Select family. It will usually hold six different sector funds, with a typical weighting range of 12-20% for each position. While some effort is made to diversify the portfolio among the ten major industry groups, there are no limits on industry group concentration. At times the portfolio may have two-thirds of its assets in Fidelity Selects that fall under a single industry group, such as financial services or technology. The portfolio competes with the S&P 500 index.

We attempt to invest in industry groups that are in the process of being recognized for their long-term potential. Such sectors are identified through the use of a volatility model that evaluates the standard deviation of monthly gains and losses over a period of up to 36 months, while comparing each sector's result with a baseline period of up to10 years. Each industry group is ranked against all other non-gold sectors in the Fidelity lineup. Normally, six sectors are held from the upper quartile of the resulting ranking. Together, these funds account for roughly 200 unique stock positions, but there can be significant overlap between sectors. In addition, many of the sector funds are heavily concentrated, with their top 10 holdings accounting for more than 50% of assets.

The portfolio focuses on the Select family because Fidelity has a solid history of performance with its sector funds. At the end of 2009, 30 out of 37 retail Select funds had outperformed the S&P 500 over the previous ten years. Past performance is no guarantee of future results, but we believe that Fidelity has built a very capable research organization, and that all of its managers are set up for success.

Although the Select Portfolio does not hold international funds, it will typically have a foreign stock weighting that ranges from 10-25%. This is due to foreign stock holdings within each Select fund. While the Select family focuses mainly on the U.S. stock market, some sector funds may have a relatively high foreign weighting due to the nature of the industry or the location of the most attractive companies.

We don't anticipate investing outside of Fidelity's Select family, but the possibility exists that we may opt to purchase a non-Fidelity sector fund to meet our objectives. Such a need could arise either because a particular Fidelity Select fund may not be large enough to absorb client assets without creating excessive inflows, or because we may judge the performance of a Select fund to be hampered by inferior stock picks or high cash levels.

During bearish conditions the portfolio may rotate into defensive sectors, but bond funds and money market funds are not normally held. We believe a fully invested strategy seeking attractively-positioned sectors is capable of a higher long-term return than one that tries to rotate between stocks and cash at the right time. ■

Income	Aggr Income	NS Low	Low Risk	NS Med-Low	Med-Low Aggr G&I	Medium Risk TE Growth	Med-High	NS High Risk	Select TE Select	UA Select

Less Risk **RISK SPECTRUM** **More Risk**