

MDP ASSOCIATES
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FIDELITY SELECTS MANAGED ACCOUNT PROGRAM

This is our original and most discussed and publicized managed account program. For some accounts, a timing overlay is applied to reduce or totally eliminate market exposure when the risks may be at unusually high levels. To obtain modest diversification with the goal of reducing volatility, accounts can hold two or three Select funds at a time when they are fully invested. However, more aggressive investors may elect to own just one Select fund at a time.

The Fidelity Selects are a unique group of over 40 sector funds. Fidelity often uses these funds as a training and proving ground for starting fund managers who, if successful, may move on to managing larger and more prestigious Fidelity funds. That encourages the managers of the Select funds to emphasize performance and make use of the best ideas from Fidelity's large and skilled research staff.

The results shown on the next page illustrate the strong profit potential from aggressive trading of the Select funds for investors who are willing and able to tolerate higher risk levels than would be the case with more diversified investments. To get an idea of how an aggressive account might do, below are the annual results had one invested in a single Select fund on the closest Monday to the start of the year and followed the system we use keeping the entire investment in just one Select fund at a time without applying stop-losses or a timing overlay. More details, including the trades for prior years, can be found at "www.pankin.com/select/trades.htm".

The results shown are hypothetical. That means they do not reflect actual trading in client accounts. They do not reflect any factors such as market or economic conditions that might have resulted in not executing the trades shown. That has been the case at times, including the entire second half of 2008, due to risk control measures and stop-loss sales. However, the methods used were developed prior to the results shown. That means the trades shown are "out-of-sample," and they were posted on the web site shortly after their theoretical execution dates.

Annual results, which include a 2% management fee:

Year	Selects System	Index 500
1996	31.2%	21.9%
1997	33.1%	28.6%
1998	17.1%	27.7%
1999	56.4%	19.6%
2000	32.0%	-10.8%
2001	-20.5%	- 9.5%
2002	-23.8%	-21.3%
2003	18.4%	28.2%
2004	14.7%	8.8%
2005	12.5%	7.4%
2006	12.8%	13.6%
2007	11.2%	6.9%
2008	-42.4%	-38.4%
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Average(96-08)	11.8%	6.4%

The same period returns for the Vanguard Index 500 fund, which closely tracks the S&P 500 with dividends reinvested, are shown for comparison and to provide a measure of the stock market environment.

Please keep in mind that the usual disclaimers apply to all of the information presented here. In particular, past performance does not necessarily tell you what the future will bring. Also, you should not assume that any returns presented here will be achieved in the future. There can be no assurance that managed accounts will be profitable in the future, and all investments in equities and related instruments such as mutual funds entail risks that you should evaluate.

Minimum account size: \$50,000

Maximum annual MDP Associates management fee: 2% (lower above \$250,000)