

FIDELITY SELECT FUNDRANKER™

Volume 1 Issue 4

April 2006

March Performance

The *Top Eight Model Portfolio* regained most of February's disappointing drop. Gold was the best performer and returned over 8%. Air Transportation, Environmental, and Natural Resources returned over 6%. Defense & Aerospace and Transportation returned over 4%, Brokerage & Investment Mgmt returned over 1%, and Biotechnology was the worst performer with a drop of over 2%.

April Exchanges

The *Top Eight Model Portfolio* is still showing some turmoil. Three of the new funds for February will be exchanged again: Biotechnology, Defense & Aerospace, and Transportation. One of the new funds is Energy Service, which made it back into the model portfolio after a 1-month hiatus. Networking & Infrastructure and Developing Communications are the other two new funds.

Back Testing vs. Forward Performance

The *Fidelity Select Fundranker* system was developed in early 2003 using "back testing" on existing data from December 31, 1995 to early 2003. Performance of the *Top Eight Model Portfolio* for the first six plus years (1997 through early 2003) therefore is attributable to the back testing period, but the *Top Eight Model Portfolio's* three-year forward performance from that back testing period has beaten the S&P 500 Index hands down. See the 3-Year Summary on page 3 and the 3-Year Chart on page 6.

Developing the Fidelity Select Fundranker System

When I decided to develop my own mutual fund trading system, I adopted several basic tenets: 1) concentrate on Fidelity Investments Select mutual funds, 2) stay 100% invested, 3) monitor the performance of potential funds and move regularly to better performing funds, and 4) stay diversified.

With over 20 years experience investing in funds of several different leading mutual fund families, it was easy for me to choose to concentrate on Fidelity Investments funds, because I had always been impressed with the breadth of their fund choices, the performance of their funds, their commitment to research, and their groundbreaking Internet technology for managing accounts. I narrowed my focus to Fidelity's Select funds after reviewing Fidelity's short-term trading rules for their various funds and finding that the Select funds best fit the trading patterns my trading system would entail. The number of Fidelity's Select funds still provides considerable diversification.

My second tenet comes from legendary fund manager Peter Lynch: stay 100% invested. He holds that the certainty of being in the market during upturns more than makes up for being in the market during downturns. As Peter Lynch said, "I can't tell you which way the market will go for the next 1,000 points, but the next 10,000 points will be up."

I wanted to monitor the performance of Fidelity's mutual funds in a way that showed me how well each fund was performing in current market conditions. I hit on averaging their 12-, 6-, 3-, and 1-month returns to give a rating of how they were doing over the latest year. Averaging those returns counts the 1-month return four times, the 3-month return three times, the 6-month return two times, and the 12-month return once. Obviously, that skews the rating toward the short term. I also added bonus points to the best performing funds in each return category to further skew the ratings toward top-performing funds. I felt that skewing the ratings toward the short term and toward top performing funds would result in an excellent method to move regularly to better performing funds.

Using data from December 31, 1995, through early 2003, I tried various combinations of how many funds to hold and how many top-performing funds should be awarded bonus points. I found that the system naturally leaned toward diversification across a number of funds. Though many combinations showed superior performance compared to market indexes, holding eight funds and awarding bonus points to 12 top-performing funds gave the best overall performance as well as following the four tenets I had adopted at the outset.

Holding Period Alert

We bought Biotechnology, Defense & Aerospace, and Transportation on March 3, and we will be selling them on April 3, which is a 32-day holding period. If you missed last month's exchange date and bought any of these three funds after March 3, to avoid Fidelity's short-term trading fee, count the day you bought each fund as day 1 and exchange it on the first business day on or after day 30. You should still enter the other exchanges below to be processed on April 3. Enter your exchanges any time this weekend or before 4pm ET on Monday, April 3 for them to be processed as of April 3.

Subscribe to Fidelity Select Fundranker

You can subscribe to *Fidelity Select Fundranker* for \$99/year. For this fee, you will receive by email 12 issues of the *Fidelity Select Fundranker* newsletter on or before the first day of each month. You will also receive an email a few days in advance of each issue to alert you to the upcoming issue and exchange date. Although there is a *Fidelity Select Fundranker* website, www.fundranker.com, with much historical information about the *Fidelity Select Fundranker* system, subscribing to the newsletter is the only way to get timely notice of the monthly exchanges. To subscribe, send a check for \$99 to Fidelity Select Fundranker, 39 Southchase Dr, Fletcher, NC 28732-9265.

Questions and Suggestions

Do you have a question about investing using the Fundranker system or a suggestion for the newsletter or website? Check the frequently asked questions or use the Contact Us form at www.fundranker.com.

Top Eight Model Portfolio for April, 2006

1. Gold (FSAGX)
2. Brokerage & Investment Mgmt (FSLBX)
3. Networking & Infrastructure (FNINX)
4. Air Transportation (FSAIX)
5. Energy Service (FSSEX)
6. Environmental (FSLEX)
7. Developing Communications (FSDCX)
8. Natural Resources (FNARX)

Exchanges for April 3, 2006

Sell Biotechnology (FBIOX), buy Networking & Infra (FNINX)
Sell Defense & Aerospace (FSDAX), buy Energy Service (FSSEX)
Sell Transportation (FSRFEX), buy Developing Comm (FSDCX)

Upcoming Exchange Dates

Upcoming exchange dates are May 2, June 2, July 3, August 2, September 5, and October 4, 2006.

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<i>Fundranker Ratings for 3/31/06</i>	12-Month	6-Month	3-Month	1-Month	<i>Fundranker</i>	<i>Fundranker</i>
Fund (Symbol)	Return %	Return %	Return %	Return %	Rating**	Ranking
Air Transportation (FSAIX)	37.86*	25.78*	13.95*	6.61*	25.050	4
Automotive (FSAVX)	10.23	2.06	5.04	4.40	5.433	39
Banking (FSRBX)	10.48	8.89	3.48	0.49	5.835	37
Biotechnology (FBIOX)	37.40*	11.43	6.06	(2.28)	14.153	17
Brokerage & Investment Mgmt (FSLBX)	54.17*	24.60*	11.98*	1.43	26.045	2
Business Services & Outsourcing (FBSOX)	20.38	13.54	7.65	1.72	10.823	21
Chemicals (FSCHX)	4.57	12.44	6.34	2.04	6.348	33
Computers (FDCPX)	12.78	5.99	4.41	0.32	5.875	36
Construction & Housing (FSHOX)	18.72	6.58	6.76	1.90	8.490	28
Consumer Industries (FSCPX)	10.03	9.26	4.54	1.94	6.443	31
Cyclical Industries (FCYIX)	25.20	17.37*	12.06*	4.58	16.803	13
Defense & Aerospace (FSDAX)	27.00	14.66	13.13*	4.94*	16.933	12
Developing Communications (FSDCX)	35.53*	18.56*	15.89*	7.01*	23.248	7
Electronics (FSELX)	23.55	9.50	5.95	(0.58)	9.605	24
Energy (FSENX)	44.42*	8.58	11.70	6.16*	19.715	10
Energy Service (FSESX)	50.56*	15.26	12.38*	8.62*	24.705	5
Environmental (FSLEX)	38.50*	17.18*	17.77*	6.23*	23.920	6
Financial Services (FIDSX)	20.82	12.61	4.91	0.62	9.740	23
Food & Agriculture (FDFAX)	10.25	6.90	4.92	1.86	5.983	35
Gold (FSAGX)	68.79*	37.77*	17.30*	8.58*	37.110	1
Health Care (FSPHX)	20.41	5.05	1.83	(0.39)	6.725	30
Home Finance (FSVLX)	7.77	7.28	2.26	0.37	4.420	40
Industrial Equipment (FSCGX)	22.77	17.25*	13.27*	4.22	16.378	14
Industrial Materials (FSDPX)	24.22	19.26*	9.86	4.55	15.473	16
Insurance (FSPCX)	17.30	5.27	(0.06)	(0.55)	5.490	38
Leisure (FDLSX)	21.50	17.00*	10.11	7.14*	15.938	15
Medical Delivery (FSHCX)	21.41	4.53	0.29	(0.47)	6.440	32
Medical Equipment & Systems (FSMEX)	10.11	0.92	0.49	(0.69)	2.708	41
Multimedia (FBMPX)	13.42	7.10	1.34	2.28	6.035	34
Natural Gas (FSNGX)	34.81*	1.07	5.87	5.76*	13.878	19
Natural Resources (FNARX)	46.71*	13.48	13.81*	6.69*	23.173	8
Networking & Infrastructure (FNINX)	36.27*	21.93*	18.30*	7.75*	25.063	3
Paper & Forest Products (FSPFX)	4.08	16.51	5.27	4.37	7.558	29
Pharmaceuticals (FPHAX)	26.51	8.93	6.96	1.92	11.080	20
Retailing (FSRPX)	14.17	12.78	7.34	3.09	9.345	25
Software & Computer Services (FSCSX)	21.26	9.31	7.81	4.91	10.823	21
Technology (FSPTX)	19.61	8.39	5.59	2.24	8.958	26
Telecommunications (FSTCX)	30.71	17.51*	14.27*	5.53*	20.005	9
Transportation (FSRFX)	28.40	20.43*	11.93	4.04	17.200	11
Utilities Growth (FSUTX)	19.33	6.07	8.47	0.67	8.635	27
Wireless (FWRLX)	30.81*	9.75	8.63	3.19	14.095	18

*Bonus point for being in the top 12 positive returns for a specific period

**Bonus points plus average of 12-, 6-, 3-, and 1-month returns

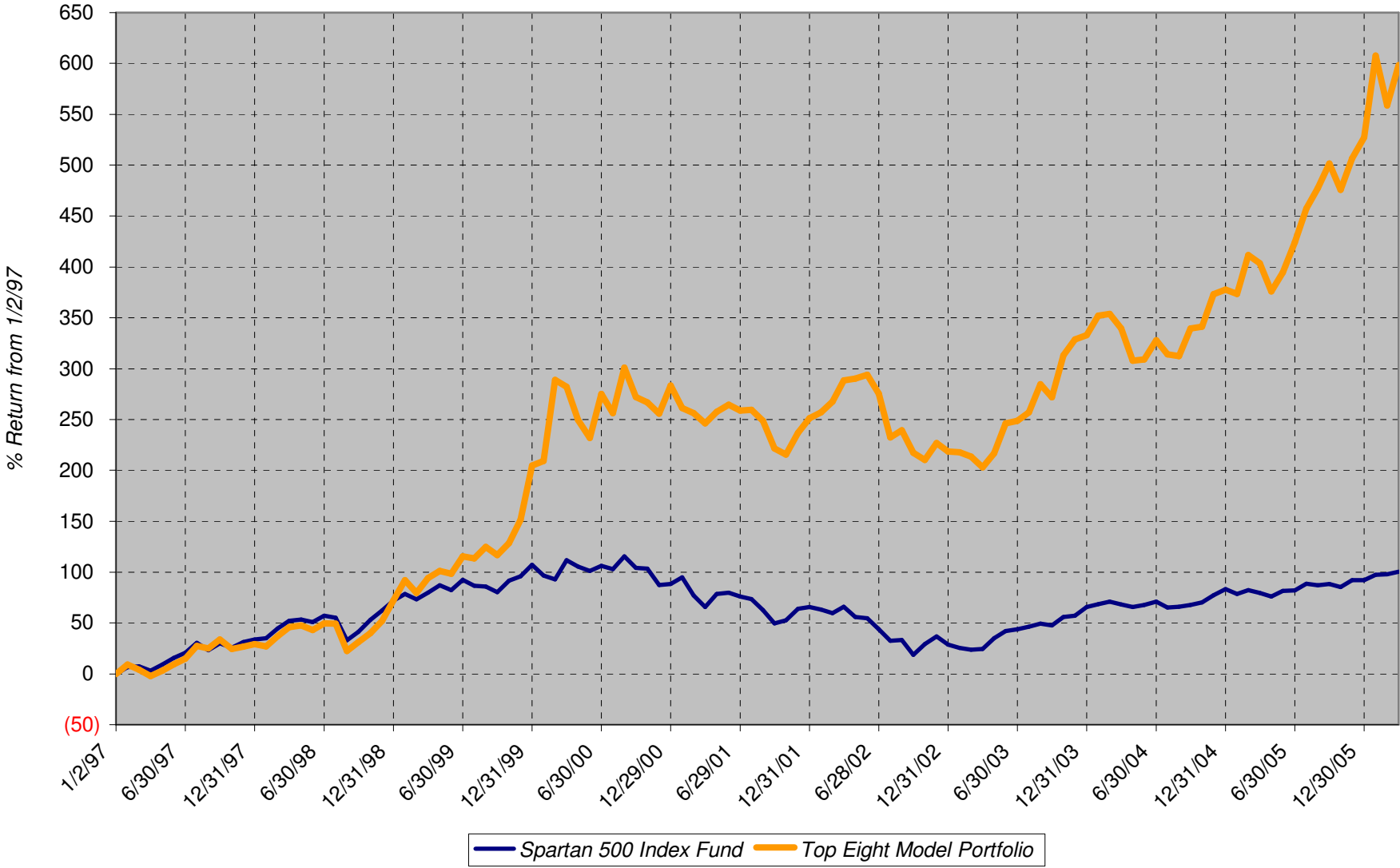
Sell on April 3, 2006

Buy on April 3, 2006

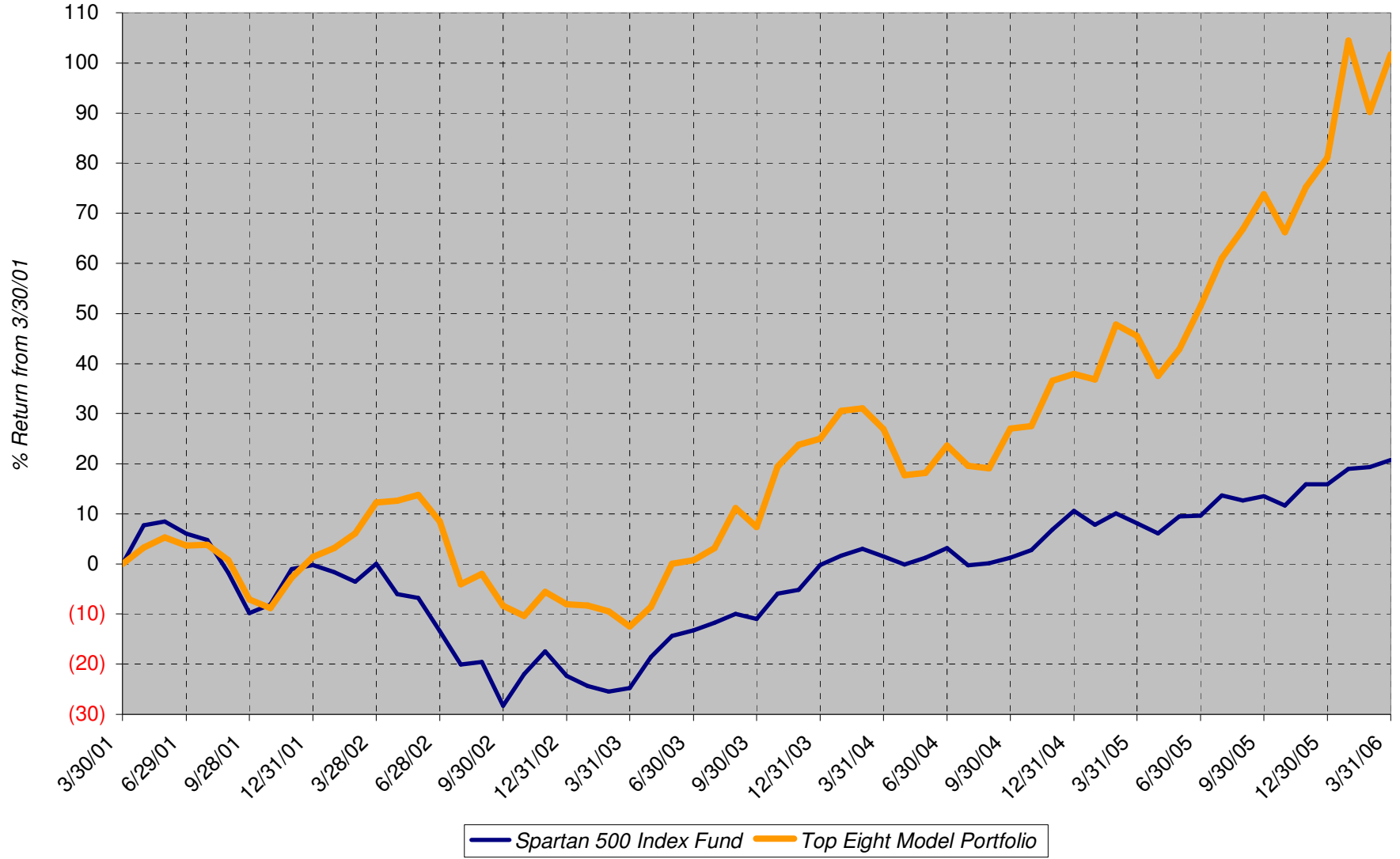
Hold

Fundranker Performance for March 2006													
2/28 Funds	2/28 Shares	2/28 Amount	<=3/3 Div Shrs	3/3 Shares	3/3 Amount	3/3 Funds	3/3 Shares	3/3 Amount	>3/3 Div Shrs	3/31 Shares	3/31 Amount	Mar Return	
FSAGX	542.452	19,479.45	none	542.452	20,157.52	FSAGX	548.781	20,392.72	none	548.781	21,396.97		
FSEX	276.206	18,787.53	none	276.206	19,751.49	FSLBX	266.119	20,392.72	none	266.119	20,547.05		
FNARX	753.253	19,486.66	none	753.253	20,345.36	FBIOX	298.751	20,392.72	none	298.751	19,866.94		
FSENX	392.135	19,293.04	none	392.135	20,089.08	FSAIX	466.653	20,392.72	none	466.653	21,456.70		
FSNGX	478.885	18,609.47	none	478.885	19,418.79	FSLEX	1,169.978	20,392.72	none	1,169.978	21,550.99		
FSLBX	281.258	21,409.36	none	281.258	21,552.80	FSDAX	254.495	20,392.72	none	254.495	21,072.19		
FSDPX	446.540	20,697.13	none	446.540	21,219.58	FSRFX	399.544	20,392.72	none	399.544	20,876.17		
FSELX	435.761	20,306.46	none	435.761	20,607.14	FNARX	755.006	20,392.72	none	755.006	20,838.17		
Top Eight		158,069.10			163,141.76			163,141.80			167,605.18	6.033	
FNCMX1	1,476.297	45,425.66	none						none	1,476.297	46,591.93	2.567	
FSMKX	536.250	47,479.58	none						none	536.250	48,064.09	1.231	
Yearly Summaries					1997		1998		1999		2000		2001
					Return %		Return %		Return %		Return %		Return %
<i>Top Eight Model Portfolio</i>					29.144		33.441		76.892		25.824		(8.468)
Nasdaq Composite Index Fund					N/A		N/A		N/A		N/A		N/A
Spartan 500 Index Fund					33.628		28.498		20.633		(9.132)		(12.054)
Yearly Summaries					2002		2003		2004		2005		
					Return %		Return %		Return %		Return %		
<i>Top Eight Model Portfolio</i>					(9.333)		35.952		10.340		31.341		
Nasdaq Composite Index Fund					N/A		N/A		8.598		1.902		
Spartan 500 Index Fund					(22.173)		28.487		10.733		4.858		
Lifetime Summary					1/2/97 to 3/31/06					1/2/97 to 3/31/06			
					Total Return %					Average Annual Return %			
<i>Top Eight Model Portfolio</i>					598.355					23.382			
Nasdaq Composite Index Fund					N/A					N/A			
Spartan 500 Index Fund					100.267					7.797			
5-Year Summary					3/30/01 to 3/31/06					3/30/01 to 3/31/06			
					Total Return %					Average Annual Return %			
<i>Top Eight Model Portfolio</i>					101.718					15.066			
Nasdaq Composite Index Fund					N/A					N/A			
Spartan 500 Index Fund					20.770					3.847			
3-Year Summary					3/31/03 to 3/31/06					3/31/03 to 3/31/06			
					Total Return %					Average Annual Return %			
<i>Top Eight Model Portfolio</i>					130.474					32.091			
Nasdaq Composite Index Fund					N/A					N/A			
Spartan 500 Index Fund					60.575					17.101			
2-Year Summary					3/31/04 to 3/31/06					3/31/04 to 3/31/06			
					Total Return %					Average Annual Return %			
<i>Top Eight Model Portfolio</i>					58.925					26.066			
Nasdaq Composite Index Fund					18.179					8.710			
Spartan 500 Index Fund					19.012					9.093			
1-Year Summary					3/31/05 to 3/31/06					3/31/05 to 3/31/06			
					Total Return %								
<i>Top Eight Model Portfolio</i>					38.608								
Nasdaq Composite Index Fund					17.562								
Spartan 500 Index Fund					11.656								
YTD Summary					12/30/05 to 3/31/06					12/30/05 to 3/31/06			
					Total Return %								
<i>Top Eight Model Portfolio</i>					11.352								
Nasdaq Composite Index Fund					6.113								
Spartan 500 Index Fund					4.197								

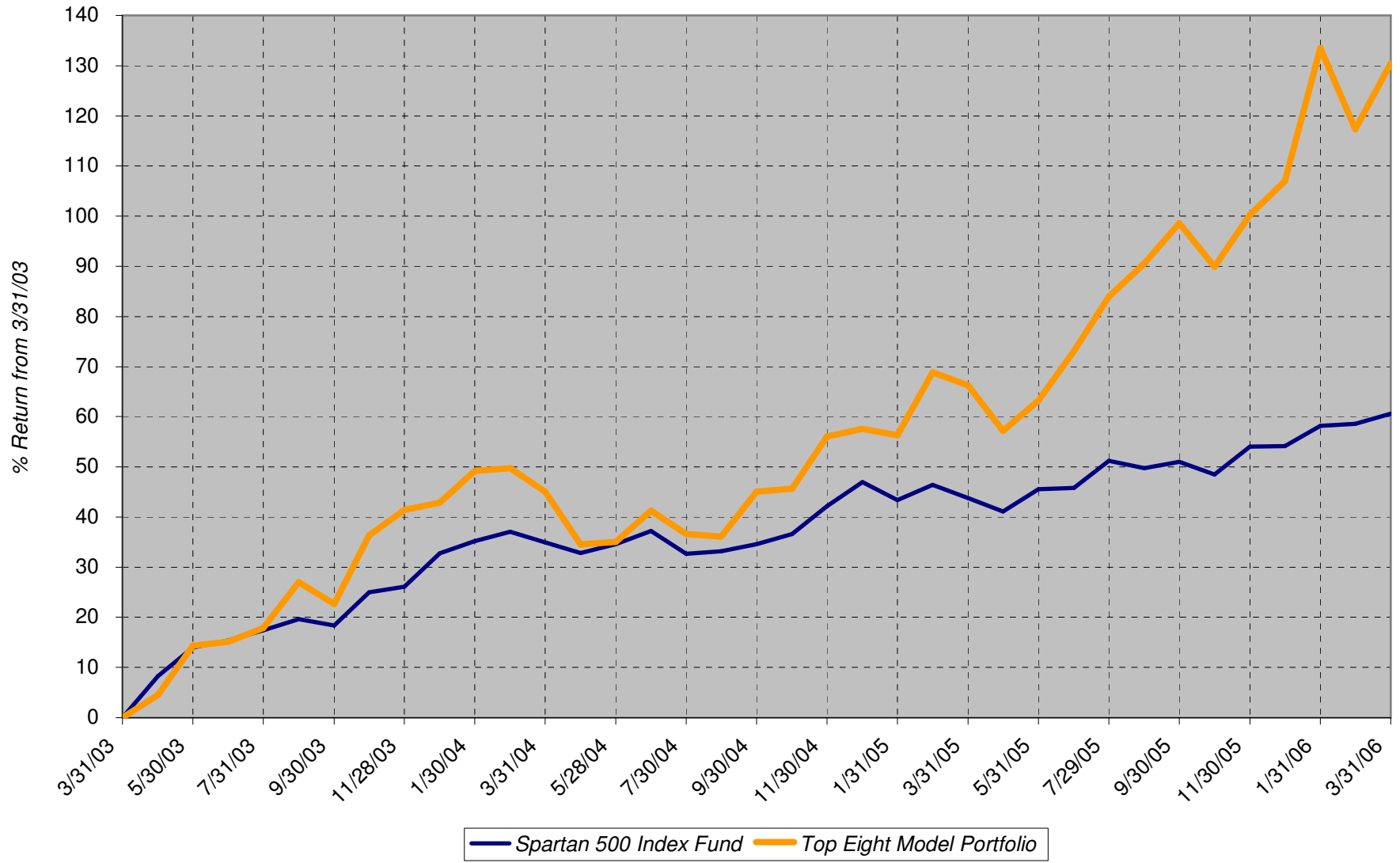
Lifetime Chart



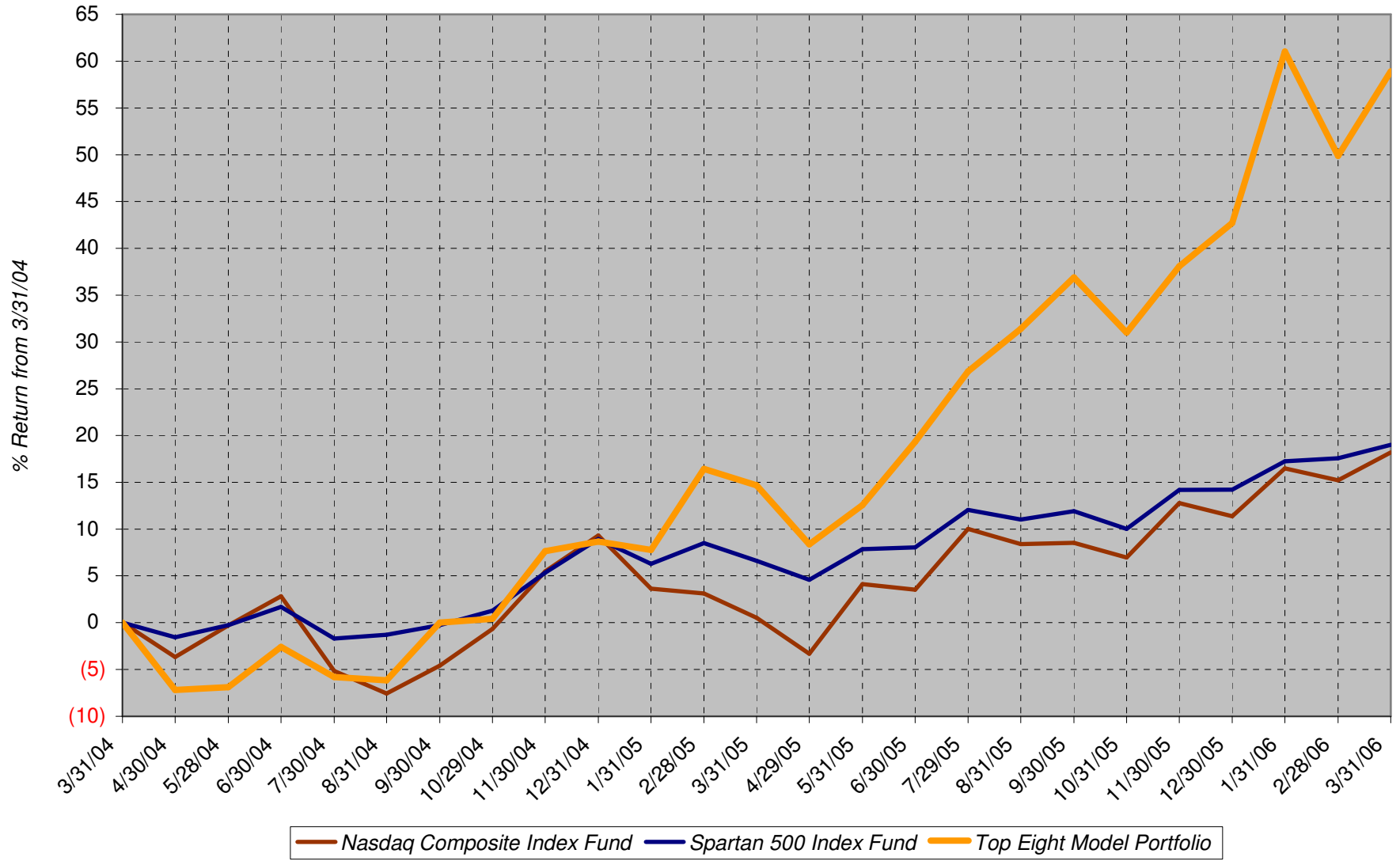
5-Year Chart



3-Year Chart



2-Year Chart



1-Year Chart

