

FIDELITY SELECT FUNDRANKER™

Volume 1 Issue 6

June 2006

May Performance

With an overall drop of 5.6%, May was not a good month for the Fidelity Select Fundranker system, but at least it didn't make the Worst Months list at right. Gold, Brokerage & Investment Management, and Environmental dropped 8.9%, 7.1%, and 6.2%, respectively. Natural Resources, Air Transportation, Energy, and Energy Service weren't quite as bad, dropping 4.5%, 4.4%, 4.1%, and 3.4%, respectively. The only bright spot in the Top Eight Model Portfolio was Industrial Materials, and it still dropped 1.1%.

June Exchanges

Every Select fund was down in May, so despite all of our Top Eight Model Portfolio funds being down, only two dropped out of the top eight, Brokerage & Investment Management and Environmental. Natural Gas and Transportation moved up into the Top Eight Model Portfolio.

Market Timing vs. Staying Invested

After a significant correction like we had this month, it is tempting to abandon the Select Fundranker system temporarily and bail out of the Select funds into cash until the worst of the correction is over. The only catch to that idea is figuring out when the correction is finished. Is it finished now? Might the stock market go even lower? Or is the market about to rebound significantly?

Not only is it impossible to accurately time the market, but the costs of anything but perfect market timing can be severe. Being out of the market during only a few of the best days or months can ruin a portfolio's long-term returns.

If you had invested \$1,000 in the S&P 500 at the end of 1981, your stake would have grown to \$25,584 (including reinvested dividends) by the end of 1998. But if you had missed the 30 best days of those 4,400 trading days by trying to time the market, you would have ended up with \$4,549, 82% less. (Source: Dow 100,000: Fact or Fiction)

Consider three people who each invested \$1,000 per year in the S&P 500 Index from 1965 to 1995. Investor A bought on the first day of each year, Investor B, the world's best market timer, bought at the lowest price each year, and unlucky Investor C bought at the market's peak each year. Here are the results:

Investor A (invests on first day of the year): 11.0%
Investor B (invests at market nadir each year): 11.7%
Investor C (invests at market peak each year): 10.6%

As you can see, the differences among the compound annual returns earned by each investor are small. (Source: Peter Lynch, Fidelity Investments brochure, "Key Things Every Investor Should Know")

One of the cornerstones of the Select Fundranker system is to stay invested all the time and thereby not miss the best trading days on the stock market. As an individual investor, you ultimately make the decision whether to stay invested during market downturns. As the previous examples show, missing just a few good days on the stock market is a risk which it is better not to take.

Holding Period Alert

We have held Brokerage & Investment Management and Environmental, the two funds we are selling this month, for a number of months in the Top Eight Model Portfolio. If you bought them when they entered the Top Eight Model Portfolio or, for that matter, anytime through May 4, you will have held them long enough by

June 2 to avoid Fidelity's short-term trading fee. If you purchased either of them after May 4, count the day you purchased them as day 1 and enter your exchanges to be processed on the first business day on or after day 30.

Enter your exchanges at Fidelity.com after 4pm ET on Thursday, June 1, or before 4pm ET on Friday, June 2, for them to be processed as of June 2.

Subscribe to Fidelity Select Fundranker

You can subscribe to *Fidelity Select Fundranker* for \$99/year. For this fee, you will receive 12 issues of the *Fidelity Select Fundranker* newsletter via email 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. Please include your name, snail mail address, and email address.

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 Best and Worst Months

| | | | |
|-------------|---------|------------|-----------|
| 1. 2/2000 | 25.635% | 1. 8/1998 | (17.961)% |
| 2. 12/1999 | 21.159% | 2. 7/2002 | (11.551)% |
| 3. 12/1998 | 13.445% | 3. 4/2000 | (8.565)% |
| 4. 6/2000 | 13.011% | 4. 9/2001 | (7.795)% |
| 5. 1/2006 | 12.835% | 5. 9/2000 | (7.245)% |
| 6. 8/2000 | 12.601% | 6. 4/2004 | (7.224)% |
| 7. 1/1999 | 11.490% | 7. 10/1997 | (7.032)% |
| 8. 10/2003 | 11.191% | 8. 2/2006 | (6.929)% |
| 9. 7/1997 | 10.606% | 9. 2/1999 | (6.647)% |
| 10. 11/1999 | 10.174% | 10. 9/2002 | (6.529)% |

Top Eight Model Portfolio for June, 2006

1. Gold (FSAGX)
2. Energy Service (FSESX)
3. Natural Resources (FNARX)
4. Energy (FSENX)
5. Industrial Materials (FSDPX)
6. Air Transportation (FSAIX)
7. Natural Gas (FSNGX)
8. Transportation (FSRFX)

Exchanges for June 2, 2006

Sell Brokerage & Inv Mgmt (FSLBX), buy Natural Gas (FSNGX)
Sell Environmental (FSLEX), buy Transportation (FSRFX)

Upcoming Exchange Dates

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

Fidelity Select Fundranker is published via email on the first day of each month and is edited by Harvey J. Poorbaugh. Subscriptions are available at \$99/year. *Fidelity Select Fundranker* is not affiliated 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. Past results are not an assurance of future performance. For more information, go to www.fundranker.com. © 2006 Fidelity Select Fundranker

| <i>Fundranker Ratings for 5/31/06</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) | 32.20* | 14.47* | 3.23* | (4.42) | 14.370 | 6 |
| Automotive (FSAVX) | 8.86 | 6.58 | 2.15* | (2.37) | 4.805 | 19 |
| Banking (FSRBX) | 9.33 | 3.41 | 0.84 | (3.56) | 2.505 | 24 |
| Biotechnology (FBIOX) | 11.58 | (1.48) | (11.23) | (3.16) | (1.073) | 35 |
| Brokerage & Investment Mgmt (FSLBX) | 37.00* | 6.60 | (5.06) | (7.13) | 8.853 | 12 |
| Business Services & Outsourcing (FBSOX) | 19.85 | 5.81 | (0.25) | (2.96) | 5.613 | 17 |
| Chemicals (FSCHX) | 14.03 | 11.25* | 3.19* | (1.87) | 8.650 | 13 |
| Computers (FDCPX) | 3.15 | (2.67) | (5.75) | (6.97) | (3.060) | 39 |
| Construction & Housing (FSHOX) | 4.77 | (0.85) | (5.72) | (7.27) | (2.268) | 37 |
| Consumer Industries (FSCPX) | 5.59 | 1.60 | (0.71) | (3.88) | 0.650 | 31 |
| Cyclical Industries (FCYIX) | 24.90* | 12.48* | 3.07* | (3.30) | 12.288 | 9 |
| Defense & Aerospace (FSDAX) | 18.16 | 11.04* | 0.15 | (5.43) | 6.980 | 14 |
| Developing Communications (FSDCX) | 14.62 | 4.11 | (5.21) | (9.16) | 1.090 | 28 |
| Electronics (FSELX) | 9.63 | (0.96) | (7.19) | (9.46) | (1.995) | 36 |
| Energy (FSENX) | 49.26* | 16.67* | 8.01* | (4.08) | 20.465 | 4 |
| Energy Service (FSESX) | 60.10* | 19.50* | 11.80* | (3.40) | 25.000 | 2 |
| Environmental (FSLEX) | 24.22* | 13.38* | 1.15 | (6.20) | 10.138 | 11 |
| Financial Services (FIDSX) | 15.93 | 3.82 | (1.37) | (4.58) | 3.450 | 22 |
| Food & Agriculture (FDFAX) | 10.51 | 6.63 | 2.44* | (0.75) | 5.708 | 16 |
| Gold (FSAGX) | 87.58* | 27.91* | 8.70* | (8.91) | 31.820 | 1 |
| Health Care (FSPHX) | 7.15 | (2.60) | (5.66) | (2.12) | (0.808) | 34 |
| Home Finance (FSVLX) | 7.81 | 3.99 | 1.68 | (2.18) | 2.825 | 23 |
| Industrial Equipment (FSCGX) | 24.35* | 12.79* | 3.15* | (3.27) | 12.255 | 10 |
| Industrial Materials (FSDPX) | 40.04* | 19.05* | 9.15* | (1.09) | 19.788 | 5 |
| Insurance (FSPCX) | 10.74 | (2.66) | (2.40) | (4.24) | 0.360 | 32 |
| Leisure (FDLSX) | 14.84 | 6.12 | 1.99 | (5.77) | 4.295 | 20 |
| Medical Delivery (FSHCX) | 5.07 | (7.60) | (10.27) | (2.44) | (3.810) | 40 |
| Medical Equipment & Systems (FSMEX) | (0.87) | (6.08) | (5.99) | (4.19) | (4.283) | 41 |
| Multimedia (FBMPX) | 9.46 | (0.42) | 0.66 | (3.27) | 1.608 | 26 |
| Natural Gas (FSNGX) | 37.23* | 7.97 | 4.00* | (5.53) | 12.918 | 7 |
| Natural Resources (FNARX) | 55.04* | 20.26* | 8.81* | (4.45) | 22.915 | 3 |
| Networking & Infrastructure (FNINX) | 13.08 | 3.86 | (6.20) | (11.03) | (0.072) | 33 |
| Paper & Forest Products (FSPFX) | 8.91 | 2.28 | (1.62) | (5.30) | 1.068 | 29 |
| Pharmaceuticals (FPHAX) | 18.26 | 7.89 | 0.32 | (2.78) | 5.923 | 15 |
| Retailing (FSRPX) | 9.20 | 4.02 | 0.27 | (3.92) | 2.393 | 25 |
| Software & Computer Services (FSCSX) | 7.81 | 3.28 | (0.72) | (5.42) | 1.238 | 27 |
| Technology (FSPTX) | 4.78 | (2.98) | (5.20) | (7.69) | (2.773) | 38 |
| Telecommunications (FSTCX) | 16.78 | 6.13 | (1.32) | (5.36) | 4.058 | 21 |
| Transportation (FSRFX) | 30.67* | 10.59* | 2.07 | (2.14) | 12.298 | 8 |
| Utilities Growth (FSUTX) | 15.10 | 6.08 | (0.67) | (0.88) | 4.908 | 18 |
| Wireless (FWRLX) | 15.10 | 0.29 | (4.73) | (7.71) | 0.738 | 30 |

*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

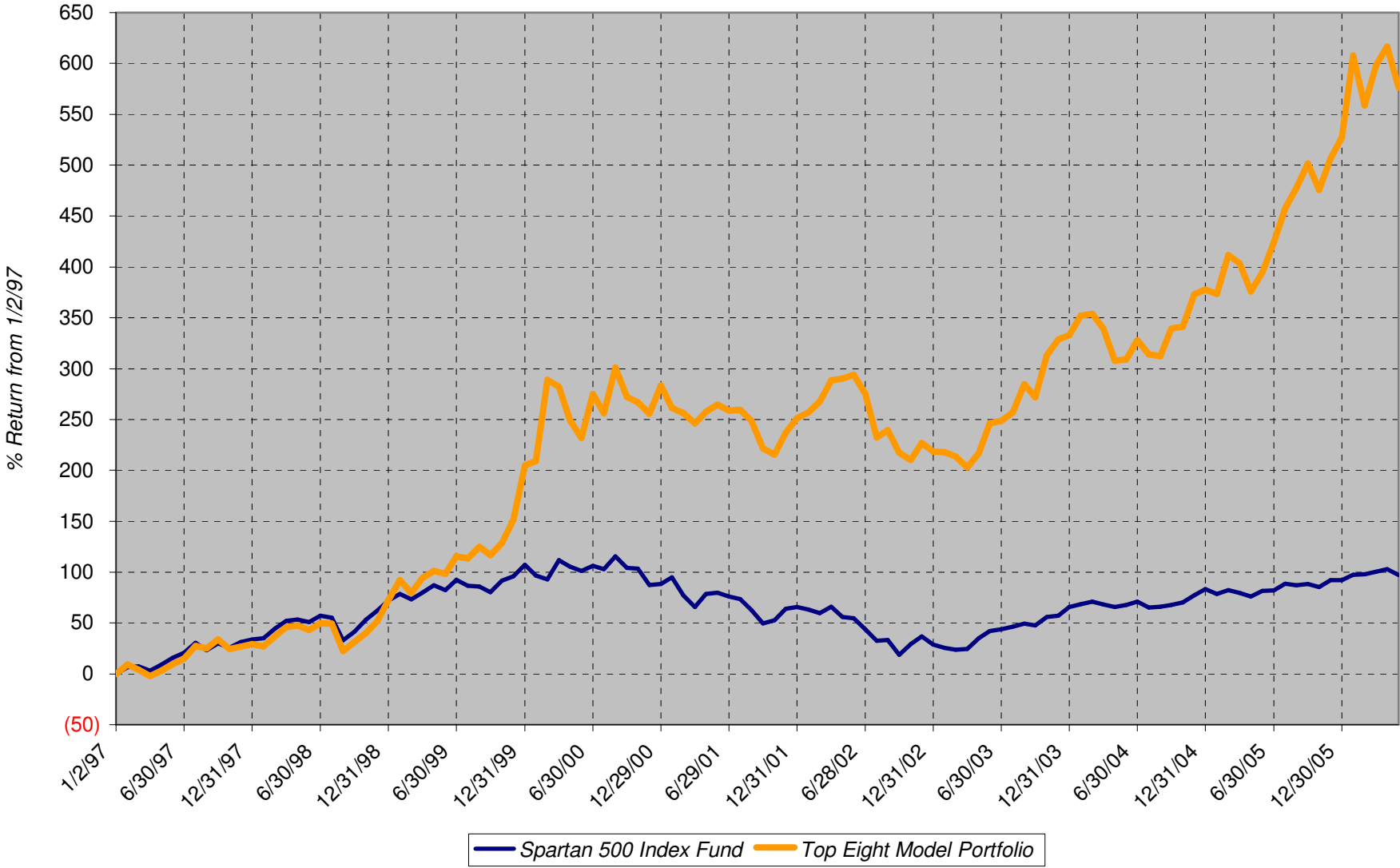
Sell on June 2, 2006

Buy on June 2, 2006

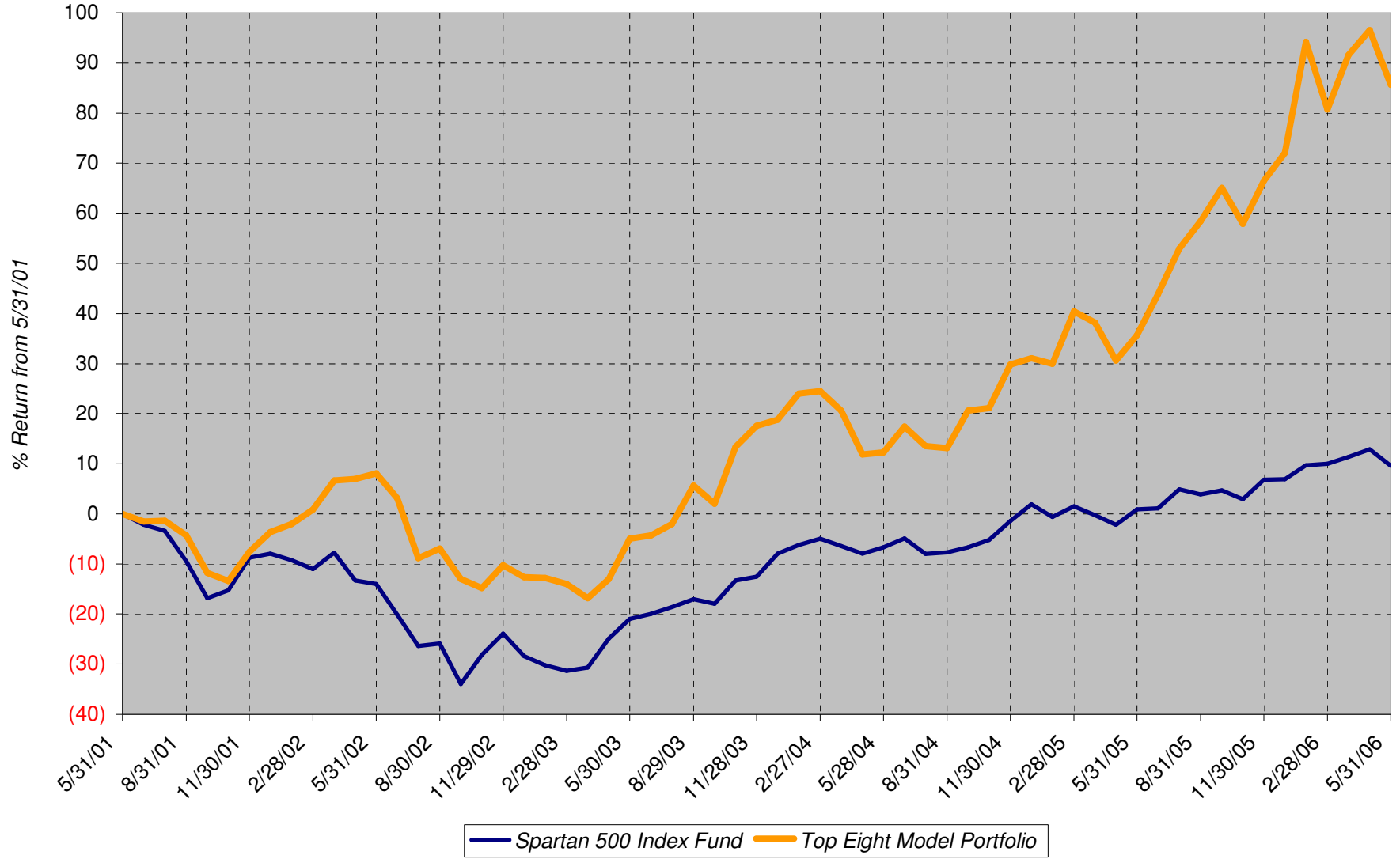
Hold

| Fundranker Performance for May 2006 | | | | | | | | | | | | | |
|-------------------------------------|----------------|-------------------|-------------------|---------------|----------------------------|--------------|---------------|-------------------|------------------|----------------------------|-------------------|----------------|-----------------|
| 4/28 Funds | 4/28 Shares | 4/28 Amount | <=5/2 Div Shrs | 5/2 Shares | 5/2 Amount | 5/2 Funds | 5/2 Shares | 5/2 Amount | >5/2 Div Shrs | 5/31 Shares | 5/31 Amount | May Return | |
| FSAGX | 591.534 | 22,839.13 | none | 591.534 | 22,898.28 | FSAGX | 561.616 | 21,740.14 | none | 561.616 | 19,752.03 | | |
| FSLBX | 281.696 | 21,132.83 | none | 281.696 | 20,834.24 | FSEX | 267.703 | 21,740.14 | none | 267.703 | 19,930.49 | | |
| FNINX | 7,536.371 | 20,498.93 | none | 7,536.371 | 20,423.57 | FNARX | 730.025 | 21,740.14 | none | 730.025 | 20,061.09 | | |
| FSAIX | 462.098 | 21,233.40 | none | 462.098 | 21,524.52 | FSENX | 395.707 | 21,740.14 | none | 395.707 | 20,101.92 | | |
| FSEX | 289.120 | 22,282.48 | none | 289.120 | 23,479.44 | FSDPX | 430.157 | 21,740.14 | none | 430.157 | 21,125.01 | | |
| FSLEX | 1,139.886 | 21,315.87 | none | 1,139.886 | 21,327.27 | FSAIX | 466.727 | 21,740.14 | none | 466.727 | 20,498.65 | | |
| FSDCX | 903.065 | 20,418.30 | none | 903.065 | 20,418.30 | FSLBX | 293.945 | 21,740.14 | none | 293.945 | 20,479.15 | | |
| FNARX | 772.852 | 22,227.22 | none | 772.852 | 23,015.53 | FSLEX | 1,161.953 | 21,740.14 | none | 1,161.953 | 20,380.66 | | |
| Top Eight | | 171,948.16 | | | 173,921.15 | | | 173,921.10 | | | 162,329.00 | (5.594) | |
| FNCMX1 | 1,476.297 | 46,252.39 | none | | | | | | none | 1,476.297 | 43,417.89 | (6.128) | |
| FSMKX | 536.250 | 48,707.59 | none | | | | | | none | 536.250 | 47,302.61 | (2.885) | |
| 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 5/31/06 | | | | | 1/2/97 to 5/31/06 | | | |
| | | | | | Total Return % | | | | | Average Annual Return % | | | |
| <i>Top Eight Model Portfolio</i> | | | | | 576.371 | | | | | 22.507 | | | |
| Nasdaq Composite Index Fund | | | | | N/A | | | | | N/A | | | |
| Spartan 500 Index Fund | | | | | 97.094 | | | | | 7.471 | | | |
| 5-Year Summary | | | | | 5/31/01 to 5/31/06 | | | | | 5/31/01 to 5/31/06 | | | |
| | | | | | Total Return % | | | | | Average Annual Return % | | | |
| <i>Top Eight Model Portfolio</i> | | | | | 85.587 | | | | | 13.164 | | | |
| Nasdaq Composite Index Fund | | | | | N/A | | | | | N/A | | | |
| Spartan 500 Index Fund | | | | | 9.592 | | | | | 1.849 | | | |
| 3-Year Summary | | | | | 5/30/03 to 5/31/06 | | | | | 5/30/03 to 5/31/06 | | | |
| | | | | | Total Return % | | | | | Average Annual Return % | | | |
| <i>Top Eight Model Portfolio</i> | | | | | 95.284 | | | | | 24.994 | | | |
| Nasdaq Composite Index Fund | | | | | N/A | | | | | N/A | | | |
| Spartan 500 Index Fund | | | | | 38.697 | | | | | 11.521 | | | |
| 2-Year Summary | | | | | 5/28/04 to 5/31/06 | | | | | 5/28/04 to 5/31/06 | | | |
| | | | | | Total Return % | | | | | Average Annual Return % | | | |
| <i>Top Eight Model Portfolio</i> | | | | | 65.327 | | | | | 28.580 | | | |
| Nasdaq Composite Index Fund | | | | | 10.452 | | | | | 5.096 | | | |
| Spartan 500 Index Fund | | | | | 17.413 | | | | | 8.357 | | | |
| 1-Year Summary | | | | | 5/31/05 to 5/31/06 | | | | | 5/31/05 to 5/31/06 | | | |
| | | | | | Total Return % | | | | | | | | |
| <i>Top Eight Model Portfolio</i> | | | | | 36.769 | | | | | | | | |
| Nasdaq Composite Index Fund | | | | | 5.796 | | | | | | | | |
| Spartan 500 Index Fund | | | | | 8.570 | | | | | | | | |
| YTD Summary | | | | | 12/30/05 to 5/31/06 | | | | | 12/30/05 to 5/31/06 | | | |
| | | | | | Total Return % | | | | | | | | |
| <i>Top Eight Model Portfolio</i> | | | | | 7.847 | | | | | | | | |
| Nasdaq Composite Index Fund | | | | | (1.115) | | | | | | | | |
| Spartan 500 Index Fund | | | | | 2.546 | | | | | | | | |

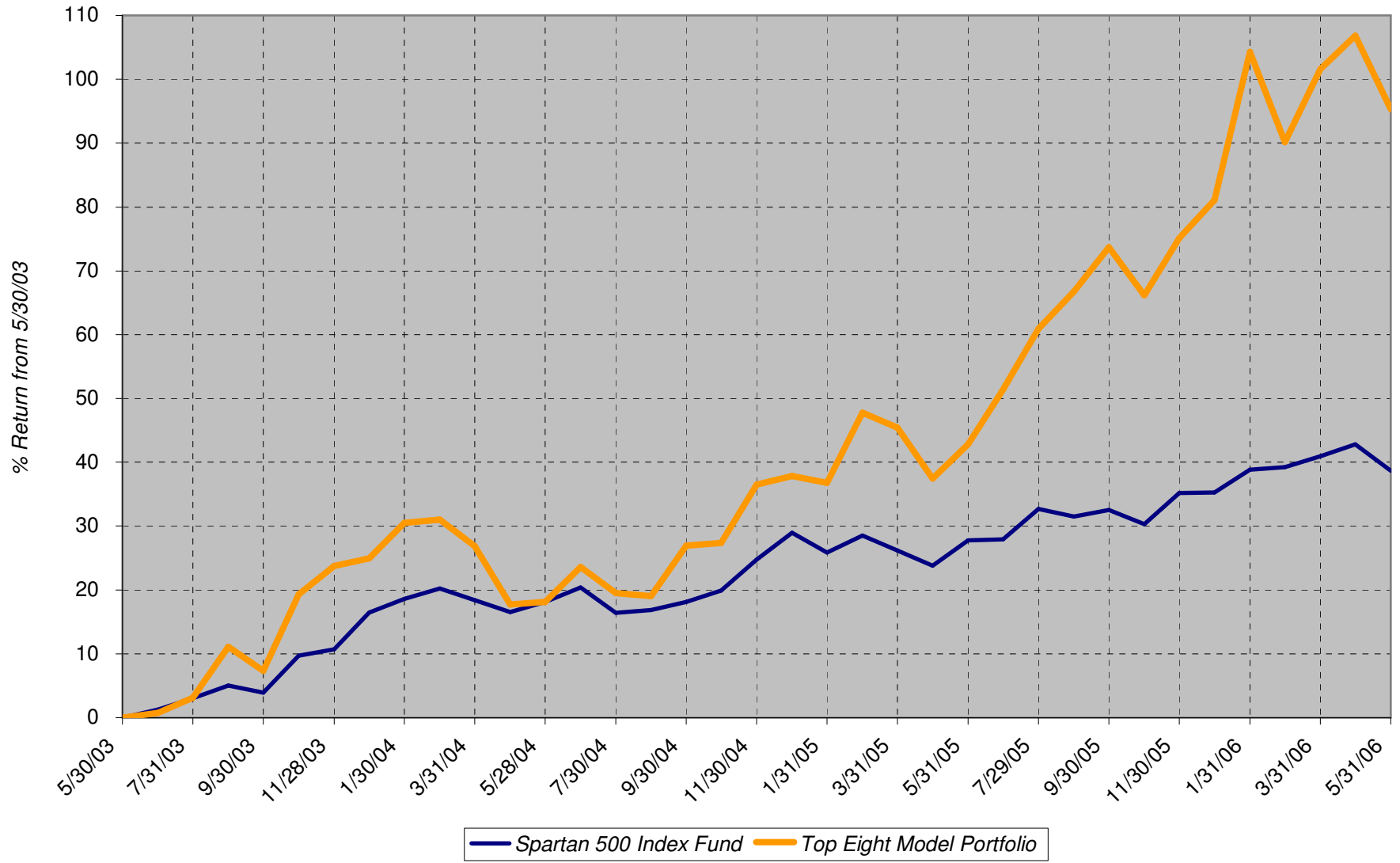
Lifetime Chart



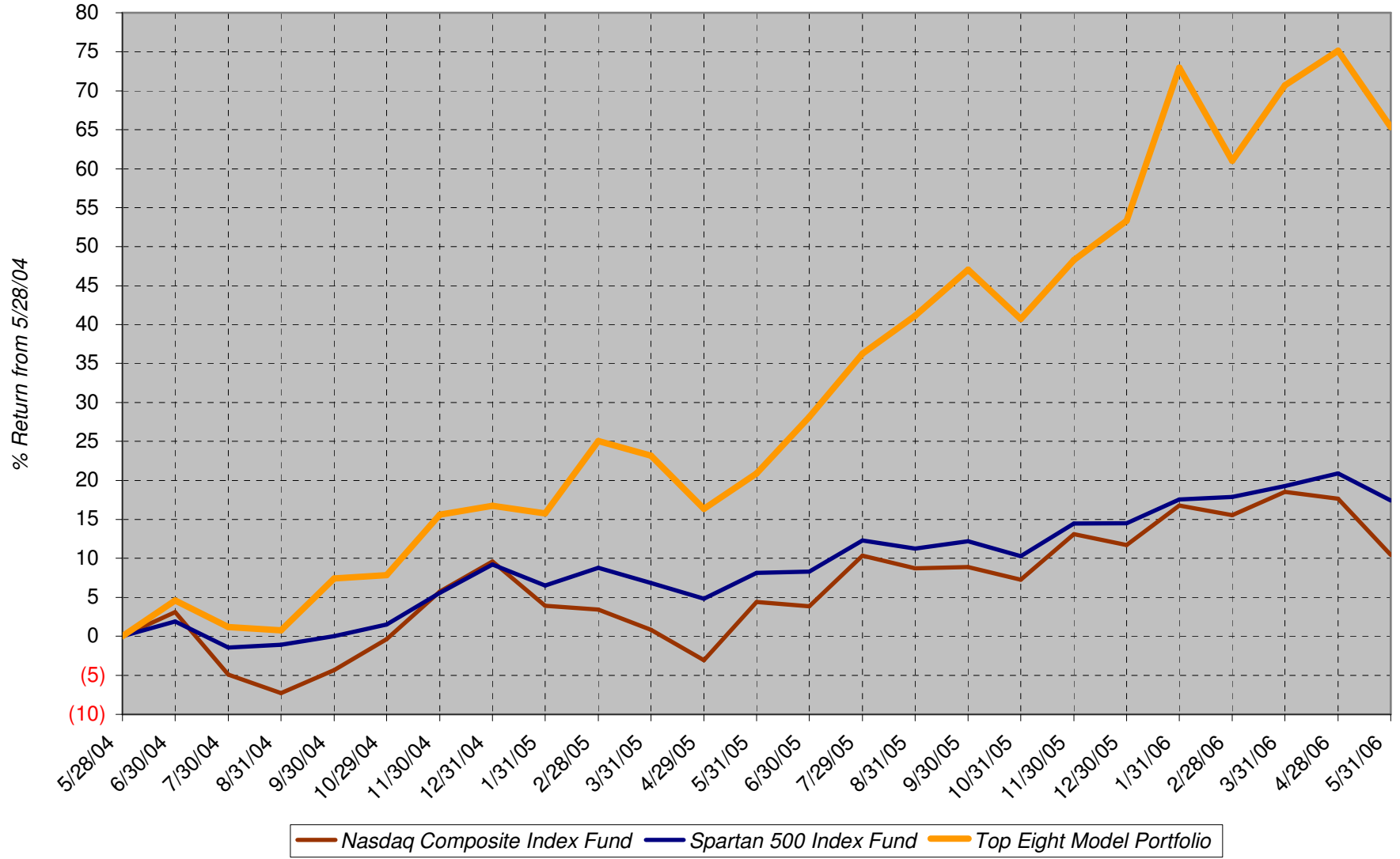
5-Year Chart



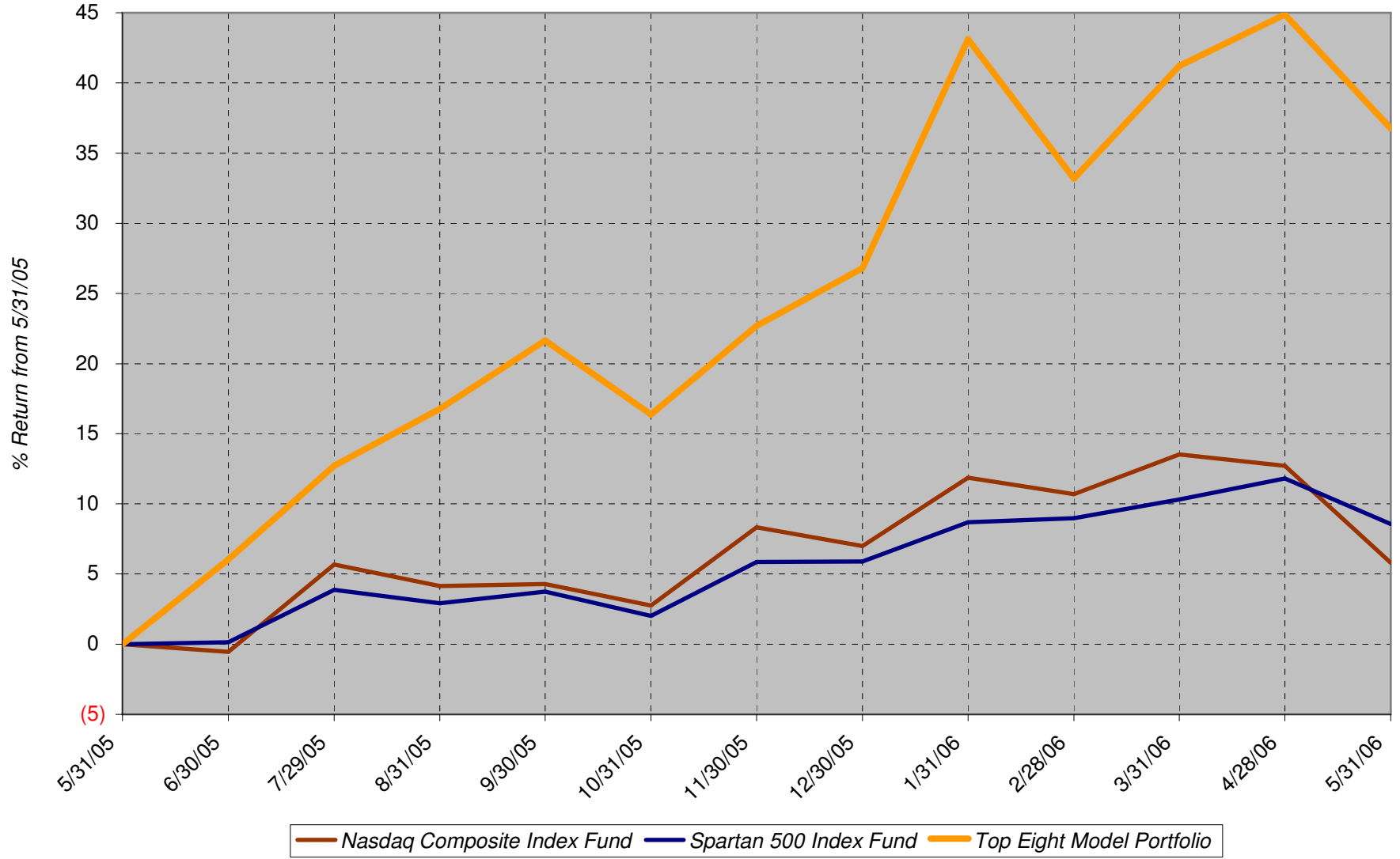
3-Year Chart



2-Year Chart



1-Year Chart



(5)