

# FIDELITY SELECT FUNDRANKER™

Volume 2 Issue 10

The Right Funds at the Right Time

October 2007

## September Performance

The Federal Reserve's ½ point reduction in both the federal funds and discount rates on September 18 spurred the overall market and the Top Eight Model Portfolio higher in September.

Natural Resources, Wireless, and Energy Services led the Top Eight Model Portfolio funds with one-month gains of 9.9%, 9.2%, and 9.1%, respectively. Energy, Chemicals, Defense & Aerospace, and Technology followed with gains of 8.5%, 7.2%, 7.0%, and 6.8%, respectively. Computers lagged, but still had a 3.6% gain.

The Top Eight Model Portfolio, Nasdaq Composite tracking portfolio, and S&P 500 tracking portfolio 2007 YTD returns are 20.337%, 12.413%, and 9.084%, respectively.

## Performance of Funds Sold in September

Only one fund fell out of the Top Eight Model Portfolio for September: Industrial Equipment (FSCGX). Here is the return it contributed to the Top Eight Model Portfolio:

Fund	Bought	Sold	Return
Industrial Equipment (FSCGX)	8/6/2007	9/6/2007	0.51%

## Gold Roars into Top Eight Model Portfolio

With a one-month gain of 24.57%, Gold surged to a number two ranking in the Top Eight Model Portfolio for October. That stellar one-month performance is the driving force in its three-month, six-month, and 12-month gains of 24.94%, 22.25%, and 36.95%, respectively. Is it a good idea to buy into a fund that has jumped so much so quickly and done so little in the previous 11 months?

Mark Hulbert, of Hulbert Financial Digest, suggests that it could be. His recent article (September 18) discusses contrarian analysis of gold sentiment; that is, the tendency for sentiment to become too exuberant at or near market tops and too pessimistic at bottoms.

The Hulbert Gold Newsletter Sentiment Index reflects the average recommended exposure to the gold market among a subset of short-term gold timing newsletters tracked by Hulbert Financial Digest. On July 30, with gold at \$674.50 per ounce, the HGNSI was at 51.8%. A month and a half later, on September 17, with gold at \$719.00 per ounce, the HGNSI had dropped to 33.9%. Usually, gold timers become more optimistic as the price of gold climbs. Furthermore, when gold rose to its previous peak of \$725.00 per ounce in May, 2006, the HGNSI rose as high as 73.2% in the preceding days.

From a contrarian's point-of-view, gold timers' apparent skepticism in the face of gold's recent rally and sentiment being significantly less optimistic than it was at gold's previous peak suggest this gold rally could have farther to go.

## Holding Period Alert

If you purchased shares in September of any funds which are being exchanged on October 2, then to avoid a *roundtrip* transaction under Fidelity's frequent trading policy for Select funds, you should wait at least 31 days before exchanging the funds. Count the day you purchased shares as day 0. You can exchange the funds on the first business day on or after day 31.

If that date is after October 12, to get back closer in synch with Fundranker exchange dates, consider holding the funds through October and making appropriate exchanges on November 2 to funds in the Top Eight Model Portfolio for November.

## Investing New Money

If you are a new subscriber or you have new money to invest using the Fundranker system, first put the new money into Select

Money Market. To reduce exposure to *roundtrip* transactions, on the next *Invest New Money Date* (see box below), exchange your new money into the funds in the Top Eight Model Portfolio for that month.

New subscribers should allocate equal amounts to each of the eight funds. If you already have a portfolio of Top Eight funds, allocate new money only to funds that are not being exchanged. Allocate it to balance those funds as much as possible. In either case, when you make exchanges the following month, be careful to wait 31 days to avoid *roundtrip* transactions, described above in *Holding Period Alert*.

## 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 also will receive an email in advance of each issue to alert you to the upcoming issue and the likelihood of the possible exchange dates, so that you can plan ahead for your exchanges. If an exchange date is more than a few days after the newsletter is emailed, you also will receive an exchange reminder email. *Fidelity Select Fundranker* has a website, [www.fundranker.com](http://www.fundranker.com), with much historical information about the *Fidelity Select Fundranker* system, but 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. Include your name, mailing 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](http://www.fundranker.com).

## Top Eight Model Portfolio for October, 2007

1. Energy Service (FSESX) — 7<sup>th</sup> month
2. Gold (FSAGX) — 1<sup>st</sup> month
3. Wireless (FWRLX) — 5<sup>th</sup> month
4. Natural Resources (FNARX) — 7<sup>th</sup> month
5. Energy (FSENX) — 7<sup>th</sup> month
6. Chemicals (FSCHX) — 4<sup>th</sup> month
7. Materials (FSDPX) — 1<sup>st</sup> month
8. Defense & Aerospace (FSDAX) — 2<sup>nd</sup> month

## Portfolio Exchange for October 2, 2007

Sell Computers (FDCPX), buy Gold (FSAGX)  
Sell Technology (FSPTX), buy Materials (FSDPX)

## Upcoming Portfolio Exchange Dates

The earliest possible exchange dates for the next two months also meet Fidelity's 31-day holding period to avoid *roundtrip* transactions, so the next two exchange dates will be November 2 and December 3, 2007, even if *Fundranker* exchanges funds held for only a month.

## Invest New Money Date for October

Invest new money on October 2.

## Optional Rebalancing Exchange Dates

October 2 and November 2, 2007, January 2, May 2, July 2, October 2, and December 2, 2008

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<i>Fundranker Ratings for 9/28/07</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)	25.96	8.47	5.48	3.79	10.925	20
Automotive (FSAVX)	26.22	10.09	(4.02)	5.92	9.553	23
Banking (FSRBX)	(2.41)	(3.35)	(3.88)	(0.16)	(2.450)	39
Biotechnology (FBIOX)	15.70	13.36	8.91*	6.32	12.073	18
Brokerage & Investment Mgmt (FSLBX)	6.34	(0.24)	(3.81)	7.28*	3.393	32
Chemicals (FSCHX)	39.41*	19.18*	8.53*	7.19*	22.578	6
Communications Equipment (FSDCX)	20.99	16.67	5.79	5.92	12.343	17
Computers (FDCPX)	31.05	20.34*	8.96*	3.56	17.978	11
Construction & Housing (FSHOX)	4.43	(6.91)	(9.67)	(4.13)	(4.070)	40
Consumer Discretionary (FSCPX)	6.20	(2.86)	(4.51)	(0.04)	(0.303)	37
Consumer Staples (FDFAX)	23.11	11.97	8.52*	5.54	13.285	16
Defense & Aerospace (FSDAX)	35.39*	17.76*	10.80*	6.97*	21.730	8
Electronics (FSELX)	20.17	13.41	2.65	2.38	9.653	22
Energy (FSENX)	45.97*	25.34*	8.63*	8.46*	26.100	5
Energy Service (FSESX)	65.90*	42.43*	17.18*	9.06*	37.643	1
Environmental (FSLEX)	15.69	10.13	4.91	6.61*	10.335	21
Financial Services (FIDSX)	3.69	(0.82)	(3.04)	3.20	0.758	36
Gold (FSAGX)	36.95*	22.25*	24.94*	24.57*	31.178	2
Health Care (FSPHX)	13.39	9.72	3.64	4.55	7.825	26
Home Finance (FSVLX)	(12.68)	(11.58)	(13.59)	(0.15)	(9.500)	41
Industrial Equipment (FSCGX)	32.14*	19.88*	6.99	6.36	18.343	10
Industrials (FCYIX)	27.28	17.76*	5.13	4.94	14.778	14
Insurance (FSPCX)	9.50	4.70	(1.07)	5.03	4.540	30
IT Services (FBSOX)	22.30	8.10	(5.29)	3.65	7.190	27
Leisure (FDLSX)	21.22	6.70	2.82	4.83	8.893	25
Materials (FSDPX)	42.91*	17.25*	7.08	8.55*	21.948	7
Medical Delivery (FSHCX)	12.02	2.17	(0.73)	1.79	3.813	31
Medical Equipment & Systems (FSMEX)	23.23	12.64	9.51*	5.84	13.805	15
Multimedia (FBMPX)	11.51	(0.56)	(5.86)	0.71	1.450	35
Natural Gas (FSNGX)	37.69*	14.62	2.06	9.19*	17.890	12
Natural Resources (FNARX)	53.36*	25.92*	9.43*	9.91*	28.655	4
Networking & Infrastructure (FNINX)	17.60	11.84	3.79	4.18	9.353	24
Paper & Forest Products (FSPFX)	16.60	(0.10)	(6.42)	1.77	2.963	34
Pharmaceuticals (FPHAX)	12.53	9.55	0.51	3.25	6.460	29
Retailing (FSRPX)	5.09	(5.57)	(6.50)	(2.20)	(2.295)	38
Software & Computer Services (FSCSX)	23.03	11.28	5.06	6.25	11.405	19
Technology (FSPTX)	31.93*	19.13*	8.13*	6.80*	20.498	9
Telecommunications (FSTCX)	31.52*	15.54	3.82	5.42	15.075	13
Transportation (FSRFX)	13.72	2.12	(2.91)	(0.09)	3.210	33
Utilities Growth (FSUTX)	21.02	1.01	0.43	4.11	6.643	28
Wireless (FWRLX)	48.09*	34.91*	13.72*	9.23*	30.488	3

\*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

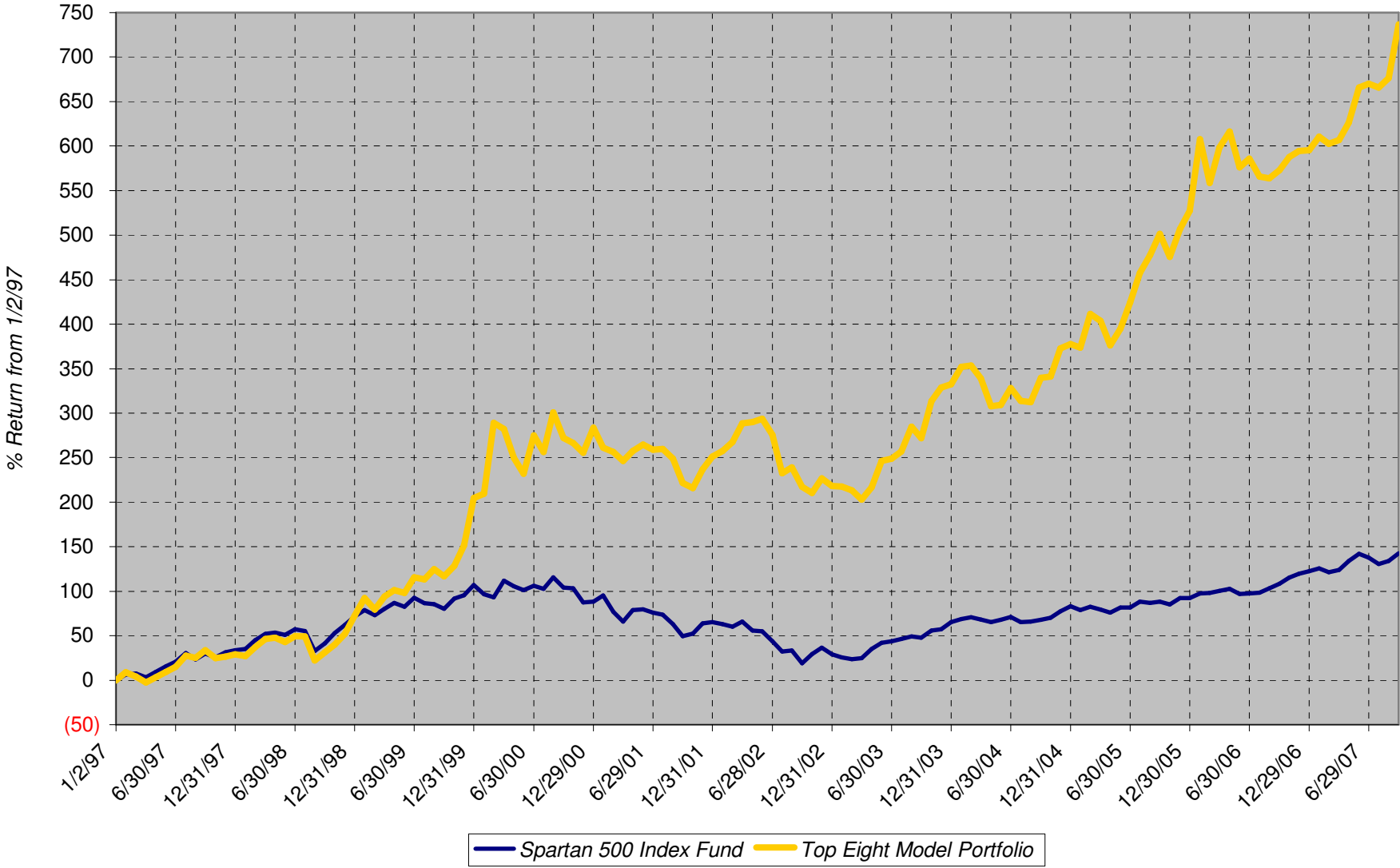
Sell on October 2, 2007

Buy on October 2, 2007

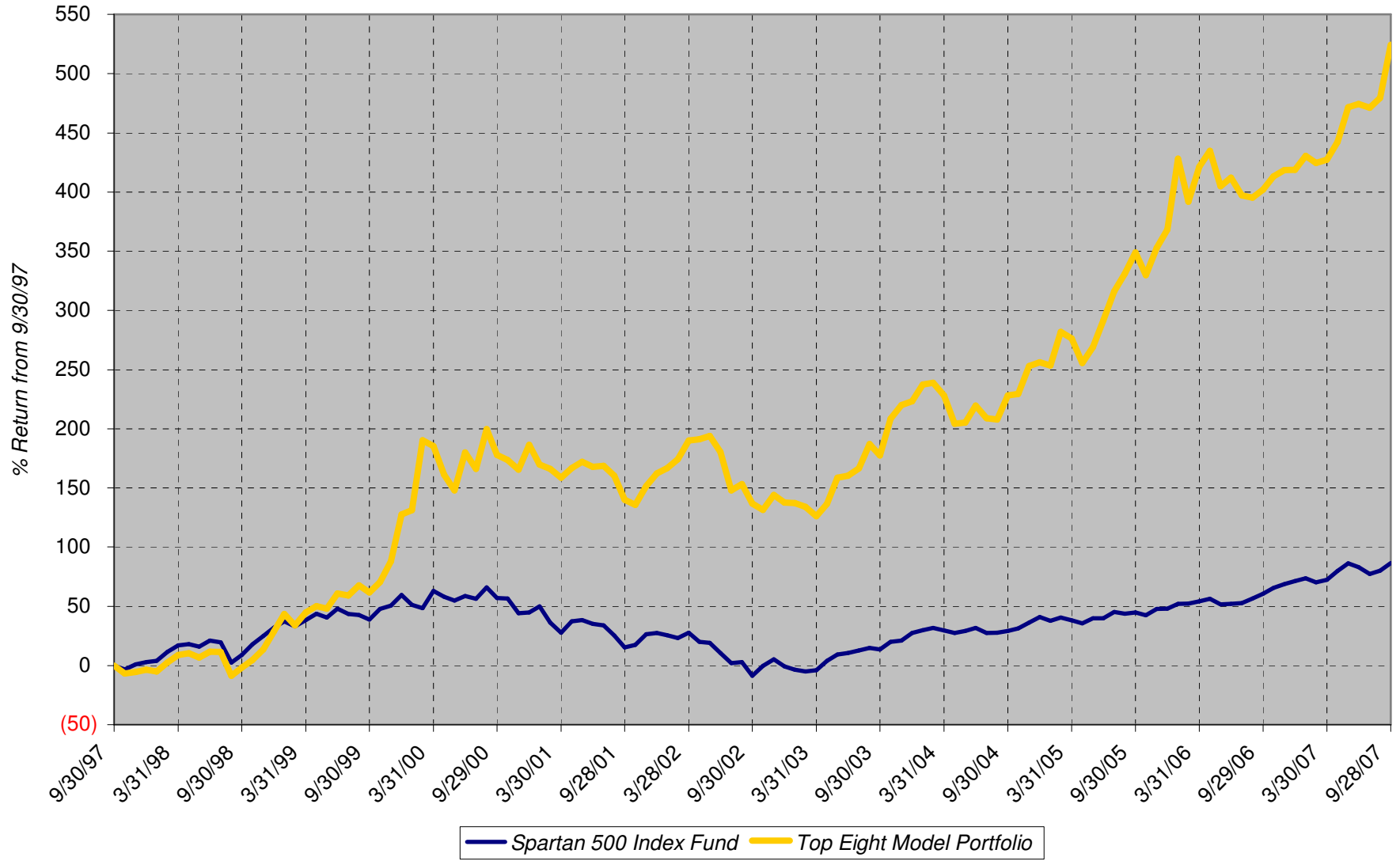
Hold

Fundranker Performance for September 2007													
8/31	8/31	8/31	<=9/6	9/6	9/6	9/6	9/6	9/6	9/6	>9/6	9/28	9/28	Sep
Funds	Shares	Amount	Div Shrs	Shares	Amount	Funds	Shares	Amount	Div Shrs	Shares	Amount	Return	
FSESX	265.695	24,526.31	none	265.695	25,270.25	FSESX	248.619	23,646.15	none	248.619	25,028.47		
FWRLX2	2,604.610	23,128.94	none	2,604.610	23,050.80	FWRLX2	2,671.881	23,646.15	none	2,671.881	25,917.25		
FSPTX	293.367	22,917.83	none	293.367	23,237.60	FDCPX	514.382	23,646.15	none	514.382	24,530.88		
FDCPX	505.801	23,292.14	none	505.801	23,251.67	FSCHX	297.398	23,646.15	none	297.398	25,153.92		
FNARX	687.184	23,432.97	none	687.184	24,257.60	FSENX	387.197	23,646.15	none	387.197	24,807.71		
FSCHX	290.862	22,951.92	none	290.862	23,126.44	FSDAX	264.321	23,646.15	none	264.321	25,353.67		
FSENX	399.250	23,583.70	none	399.250	24,382.20	FNARX	669.863	23,646.15	none	669.863	25,106.47		
FSCGX	638.030	22,484.18	none	638.030	22,592.64	FSPTX	298.525	23,646.15	none	298.525	24,905.94		
<b>Top Eight</b>		<b>186,317.99</b>			<b>189,169.20</b>			<b>189,169.20</b>			<b>200,804.31</b>		<b>7.775</b>
FNCMX1	492.008	52,220.28	none						none	1,492.008	54,309.09		4.000
FSMKX	547.687	56,132.44	none						none	547.687	58,224.60		3.727
<b>Yearly Summaries</b>					<b>1997</b>		<b>1998</b>		<b>1999</b>		<b>2000</b>		<b>2001</b>
					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)
<b>Yearly Summaries</b>					<b>2002</b>		<b>2003</b>		<b>2004</b>		<b>2005</b>		<b>2006</b>
					Return %		Return %		Return %		Return %		Return %
<i>Top Eight Model Portfolio</i>					(9.333)		35.952		10.340		31.341		10.863
Nasdaq Composite Index Fund					N/A		N/A		8.598		1.902		10.031
Spartan 500 Index Fund					(22.173)		28.487		10.733		4.858		15.712
<b>Lifetime Summary</b>					<b>1/2/97 to 9/28/07</b>					<b>1/2/97 to 9/28/07</b>			
					Total Return %					Average Annual Return %			
<i>Top Eight Model Portfolio</i>					736.685					21.848			
Nasdaq Composite Index Fund					N/A					N/A			
Spartan 500 Index Fund					142.603					8.594			
<b>10-Year Summary</b>					<b>9/30/97 to 9/28/07</b>					<b>9/30/97 to 9/28/07</b>			
					Total Return %					Average Annual Return %			
<i>Top Eight Model Portfolio</i>					524.484					20.103			
Nasdaq Composite Index Fund					N/A					N/A			
Spartan 500 Index Fund					86.684					6.441			
<b>5-Year Summary</b>					<b>9/30/02 to 9/28/07</b>					<b>9/30/02 to 9/28/07</b>			
					Total Return %					Average Annual Return %			
<i>Top Eight Model Portfolio</i>					163.809					21.411			
Nasdaq Composite Index Fund					N/A					N/A			
Spartan 500 Index Fund					104.153					15.343			
<b>3-Year Summary</b>					<b>9/30/04 to 9/28/07</b>					<b>9/30/04 to 9/28/07</b>			
					Total Return %					Average Annual Return %			
<i>Top Eight Model Portfolio</i>					90.341					23.930			
Nasdaq Composite Index Fund					44.364					13.019			
Spartan 500 Index Fund					44.543					13.066			
<b>1-Year Summary</b>					<b>9/29/06 to 9/28/07</b>					<b>9/29/06 to 9/28/07</b>			
					Total Return %								
<i>Top Eight Model Portfolio</i>					24.384								
Nasdaq Composite Index Fund					20.338								
Spartan 500 Index Fund					16.363								
<b>YTD Summary</b>					<b>12/29/06 to 9/28/07</b>					<b>12/29/06 to 9/28/07</b>			
					Total Return %								
<i>Top Eight Model Portfolio</i>					20.337								
Nasdaq Composite Index Fund					12.413								
Spartan 500 Index Fund					9.084								

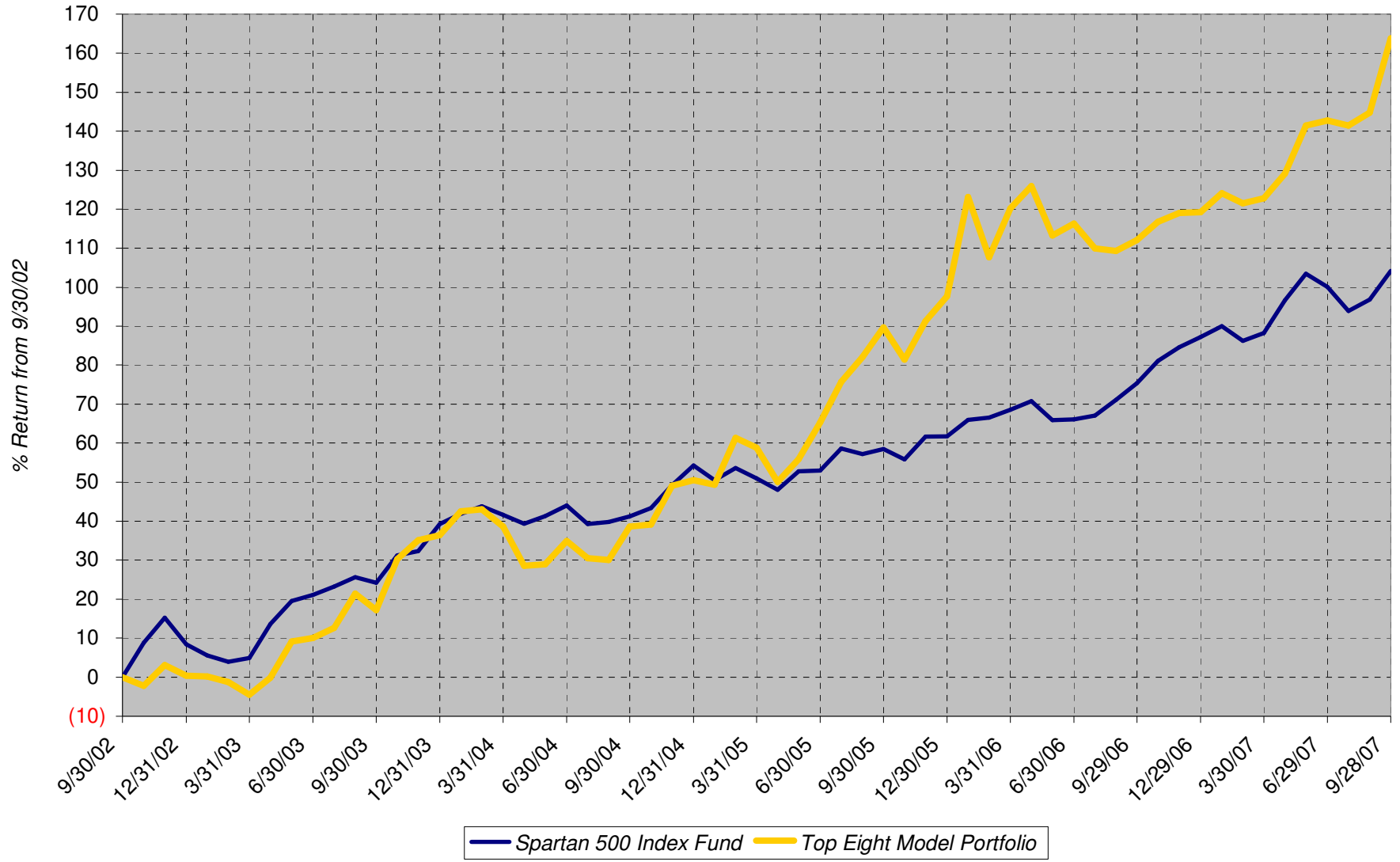
### Lifetime Chart



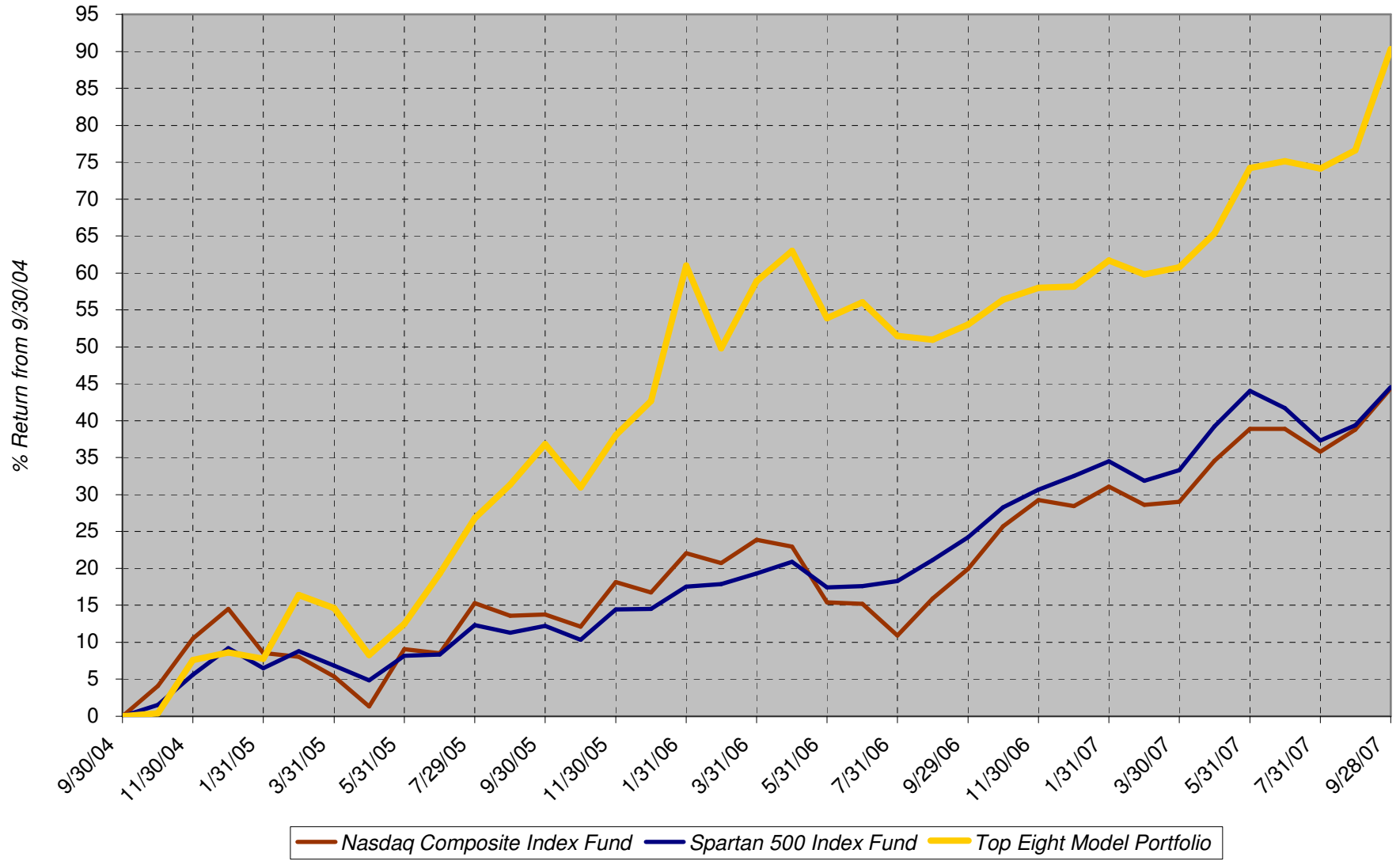
### 10-Year Chart



### 5-Year Chart



### 3-Year Chart



1-Year Chart

