

FIDELITY SELECT FUNDRANKER™

Volume 3 Issue 1

The Right Funds at the Right Time

January 2008

December Performance

Energy, Natural Resources, and Energy Service led the way for the Top Eight Model Portfolio with one-month gains of 9.0%, 8.5%, and 6.5%, respectively. Materials, Chemicals, and Gold followed with gains of 1.9%, 1.4%, and 0.2%. Consumer Staples and Wireless trailed with losses of 0.6% and 2.2%.

The Top Eight Model Portfolio, the Nasdaq Composite tracking portfolio, and the S&P 500 tracking portfolio 2007 YTD (one-year) returns were 19.463%, 10.497%, and 5.426%, respectively.

Performance of Funds Sold in December

Fundranker exchanged four funds on December 3. Here are the returns they contributed to the Top Eight Model Portfolio:

Fund	Bought	Sold	Return
Computers (FDCPX)	11/2/2007	12/3/2007	(8.73)%
Natural Gas (FSNGX)	11/2/2007	12/3/2007	(6.00)%
Soft & Comp Services (FSCSX)	11/2/2007	12/3/2007	(7.58)%
Technology (FSPTX)	11/2/2007	12/3/2007	(9.92)%

Qualified Dividends, Capital Gains Tax Break

May, 2003, tax law changes gave us a tax break on qualified dividends and long term capital gains, which are now taxed at 5% for lower tax brackets and 15% for higher tax brackets. In May, 2005, lawmakers extended the expiration date for this tax break from December 31, 2008, to December 31, 2010, and they made it even better—the 5% tax rate goes to 0% for 2008 to 2010, although the 15% rate for higher tax brackets remains the same. Starting in 2011, barring further extensions or other tax law changes, qualified dividends will be taxed as ordinary income and capital gains will revert to pre-2003 rates of 10% for lower brackets and 20% for higher brackets. Of course, with a new president and a new Congress in 2009, these tax breaks could be rescinded early.

If you are investing in Top Eight Model Portfolio funds using a taxable account, this tax break can make a big difference in the taxes you pay. In 2006, Fundranker had some sizable long-term capital gains as well as qualified dividends that benefited from the lower rates. In 2007, although Fundranker did not hold any funds long enough to generate long-term capital gains, some of the dividends paid by Top Eight Model Portfolio funds may be qualified. In 2008, it is possible that Energy Service and Natural Resources, both now in the Top Eight Model Portfolio for their tenth month, will generate long-term capital gains that could be taxed at 0%, depending on your tax bracket.

The tax rules that govern whether dividends are qualified are complex and involve holding periods of underlying securities by the mutual fund itself as well as holding periods of mutual fund shares by individual investors. Fidelity shows YTD qualified dividends for your account at www.fidelity.com as the necessary holding periods end. Qualified dividends also will be shown on your 1099-DIV. If a necessary holding period ends after your original 1099-DIV is generated, Fidelity will send you a corrected 1099-DIV.

Holding Period Alert

If you purchased shares after December 3 of any funds which are being exchanged on January 3, 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. If that date is after January 11, to get back in sync with Fundranker exchange dates, consider holding the funds through January and making appropriate exchanges on February 4, to funds in the Top Eight Model Portfolio for February.

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. When you make exchanges the following month, be careful to avoid *roundtrip* transactions, described at left 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. Fidelity Select Fundranker has a website, 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, click on the Subscribe button at www.fundranker.com, or send a check for \$99 to Fidelity Select Fundranker, 39 Southchase Dr, Fletcher, NC 28732-9265. Include your name 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 for January, 2008

1. Natural Resources (FNARX) — 10th month
2. Energy Service (FSESX) — 10th month
3. Energy (FSENX) — 2nd month
4. Natural Gas (FSNGX) — 1st month
5. Software & Computer Services (FSCSX) — 1st month
6. Gold (FSAGX) — 4th month
7. Materials (FSDPX) — 2nd month
8. Chemicals (FSCHX) — 2nd month

Portfolio Exchanges for January 3, 2008

Sell Consumer Staples (FDAX), buy Natural Gas (FSNGX)
Sell Wireless (FWRLX), buy Soft & Comp Services (FSCSX)

Upcoming Portfolio Exchange Date

The next exchange date will be Monday, February 4, 2008, whether or not Fundranker exchanges funds held for only a month.

Invest New Money Date for January

Invest new money on January 2.

Optional Rebalancing Exchange Dates

January 2, May 2, July 2, October 2, and December 2, 2008 (see the rebalancing FAQ at www.fundranker.com for more information)

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<i>Fundranker Ratings for 12/31/07</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)	(1.92)	(7.80)	(12.59)	(8.49)	(7.700)	33
Automotive (FSAVX)	0.01	(16.05)	(12.54)	(5.98)	(8.640)	35
Banking (FSRBX)	(21.18)	(19.29)	(16.03)	(6.25)	(15.688)	40
Biotechnology (FBIOX)	2.65	3.27	(5.18)	(6.74)	(1.500)	26
Brokerage & Investment Mgmt (FSLBX)	(0.15)	(3.53)	0.29	(1.05)	(1.110)	25
Chemicals (FSCHX)	28.42*	9.31*	0.72	1.37*	12.955	8
Communications Equipment (FSDCX)	9.78	(3.02)	(8.33)	(1.49)	(0.765)	23
Computers (FDCPX)	22.44*	10.46*	1.38*	0.33	11.653	10
Construction & Housing (FSHOX)	(13.87)	(16.51)	(7.58)	(1.45)	(9.853)	38
Consumer Discretionary (FSCPX)	(8.31)	(13.24)	(9.15)	(4.85)	(8.888)	37
Consumer Staples (FDFAX)	21.49*	12.43*	3.60*	(0.61)	12.228	9
Defense & Aerospace (FSDAX)	17.81	5.98	(4.35)	(2.87)	4.143	21
Electronics (FSELX)	4.67	(7.29)	(9.68)	0.07	(3.058)	27
Energy (FSENX)	45.53*	18.52*	9.10*	9.04*	24.548	3
Energy Service (FSESX)	55.21*	18.96*	1.51*	6.53*	24.553	2
Environmental (FSLEX)	12.44	7.17*	2.15*	1.46*	8.805	15
Financial Services (FIDSX)	(13.59)	(14.32)	(11.63)	(4.27)	(10.953)	39
Gold (FSAGX)	24.93*	28.10*	2.53*	0.17	16.933	6
Health Care (FSPHX)	12.45	4.75	1.07	(1.31)	4.240	20
Home Finance (FSVLX)	(37.96)	(35.37)	(25.20)	(3.91)	(25.610)	41
Industrial Equipment (FSCGX)	23.18*	7.14	0.13	1.27*	9.930	12
Industrials (FCYIX)	17.70	3.66	(1.40)	0.08	5.010	18
Insurance (FSPCX)	(4.35)	(7.95)	(6.95)	(1.39)	(5.160)	31
IT Services (FBSOX)	11.54	(4.18)	1.17	3.90*	4.108	22
Leisure (FDLSX)	4.19	(1.03)	(3.74)	(3.32)	(0.975)	24
Materials (FSDPX)	29.21*	7.97*	0.83	1.88*	12.973	7
Medical Delivery (FSHCX)	16.86	6.42	7.20*	1.99*	10.118	11
Medical Equipment & Systems (FSMEX)	17.87	9.33*	(0.16)	1.13*	9.043	13
Multimedia (FBMPX)	(9.28)	(13.74)	(8.37)	(3.73)	(8.780)	36
Natural Gas (FSNGX)	40.91*	13.00*	10.73*	8.24*	22.220	4
Natural Resources (FNARX)	50.08*	19.65*	9.34*	8.47*	25.885	1
Networking & Infrastructure (FNINX)	0.40	(6.06)	(9.49)	(3.13)	(4.570)	30
Paper & Forest Products (FSPFX)	0.76	(10.18)	(4.02)	(0.63)	(3.518)	29
Pharmaceuticals (FPHAX)	13.40	2.52	2.00*	(2.56)	4.840	19
Retailing (FSRPX)	(7.97)	(14.15)	(8.18)	(4.09)	(8.598)	34
Software & Computer Services (FSCSX)	23.88*	15.07*	9.53*	3.95*	17.108	5
Technology (FSPTX)	19.78	5.39	(2.53)	(0.74)	5.475	17
Telecommunications (FSTCX)	8.20	(8.49)	(11.86)	(1.86)	(3.503)	28
Transportation (FSRFX)	(0.59)	(9.99)	(7.30)	(5.39)	(5.818)	32
Utilities Growth (FSUTX)	18.13	6.87	6.42*	0.21	8.908	14
Wireless (FWRLX)	27.46*	4.60	(8.02)	(2.17)	6.468	16

*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

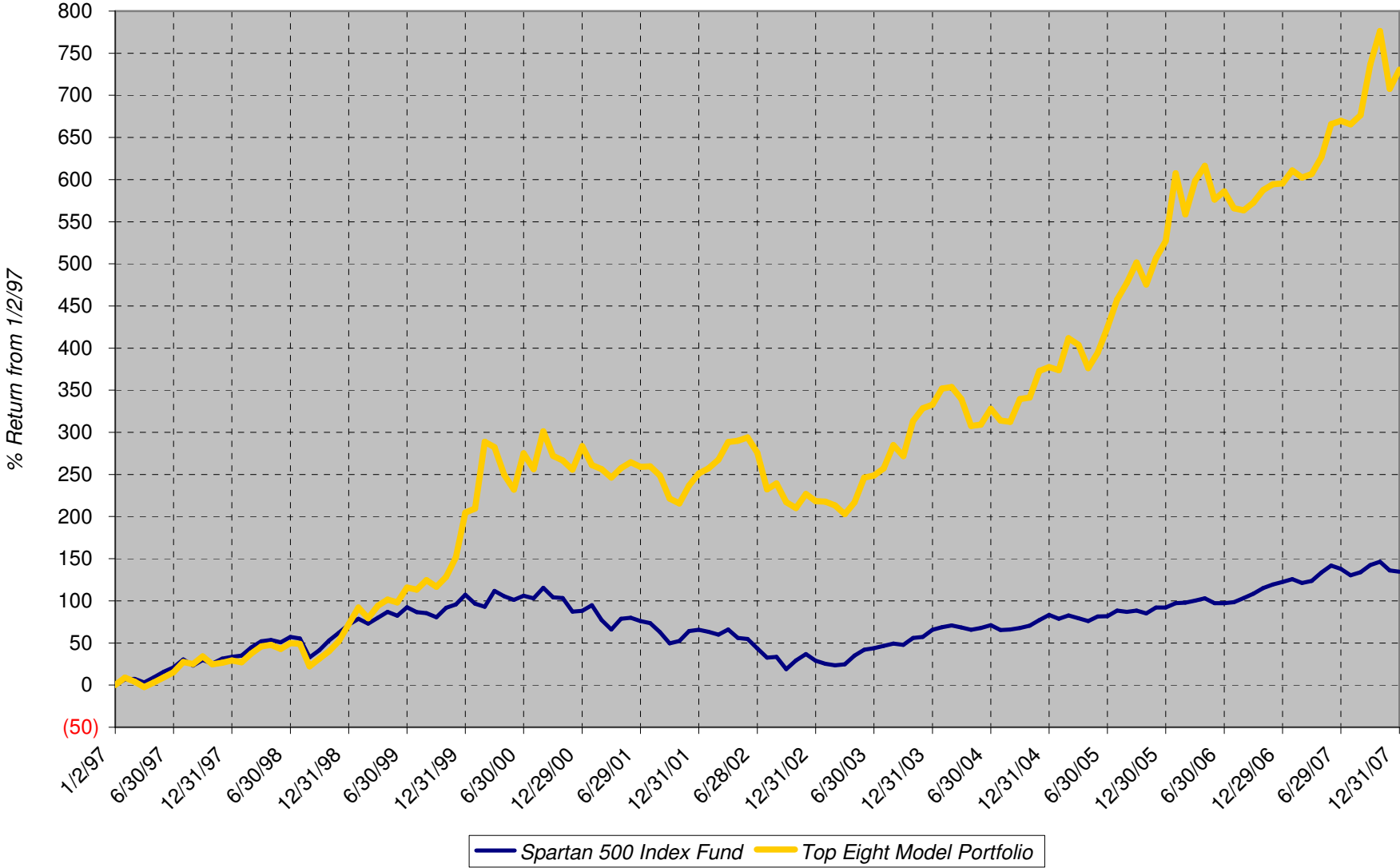
Sell on January 3, 2008

Buy on January 3, 2008

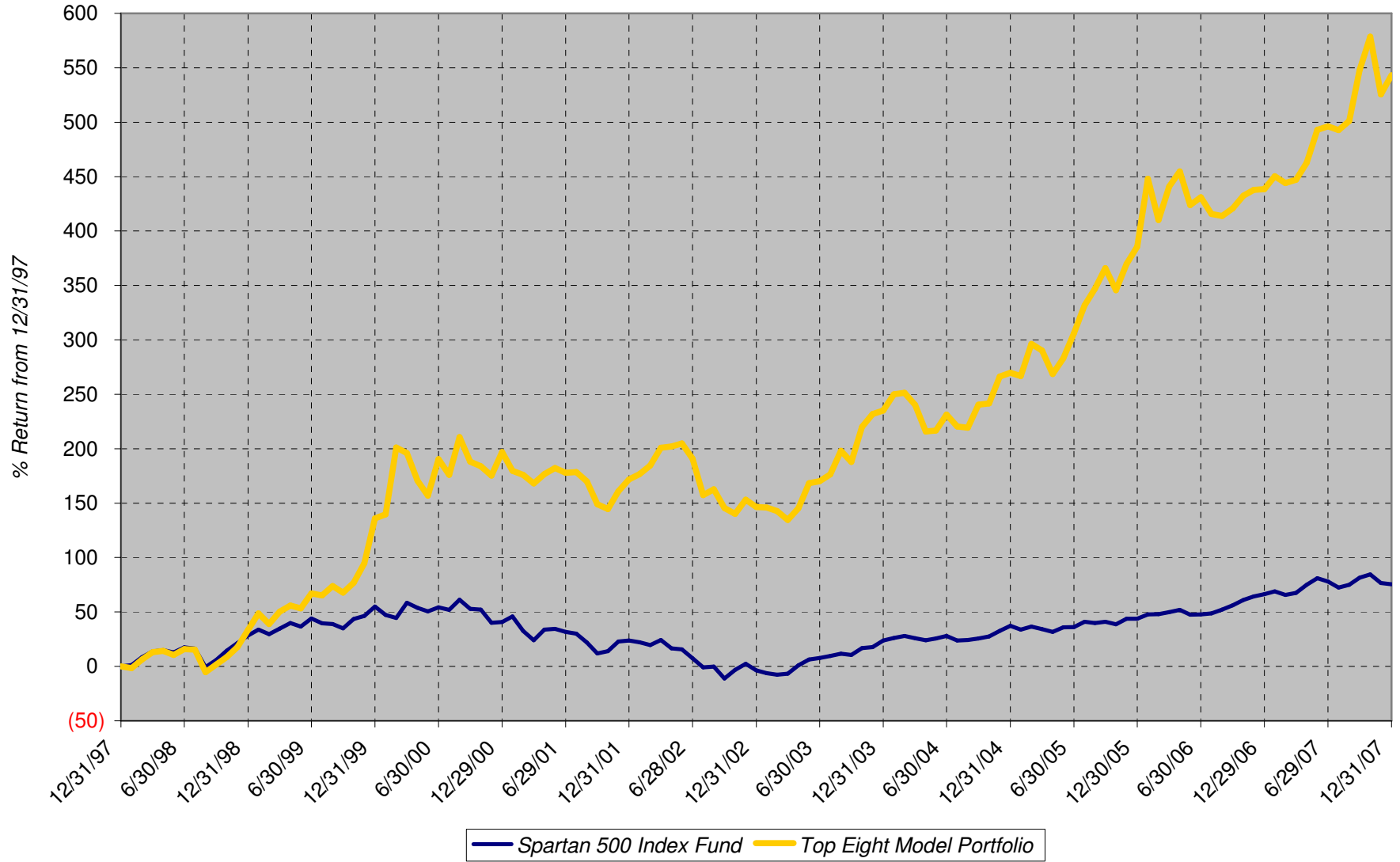
Hold

Fundranker Performance for December 2007													
11/30 Funds	11/30 Shares	11/30 Amount	<=12/3 Div Shrs	12/3 Shares	12/3 Amount	12/3 Funds	12/3 Shares	12/3 Amount	>12/3 Div Shrs	12/31 Shares	12/31 Amount	Dec Return	
FSAGX	548.885	23,838.08	none	548.885	23,903.94	FSAGX	556.138	24,219.81	50.515	606.653	24,193.32		
FNARX	657.469	24,839.18	none	657.469	24,970.67	FSESX	249.021	24,219.81	1.408	250.429	25,448.59		
FDCPX	498.041	24,000.60	none	498.041	23,751.58	FDFAX	351.317	24,219.81	11.450	362.767	24,145.77		
FWRLX2	658.082	24,241.71	none	2,658.082	24,082.22	FNARX	637.699	24,219.81	14.799	652.498	26,132.54		
FSPTX	289.204	23,694.48	none	289.204	23,439.98	FSENX	376.318	24,219.81	18.251	394.569	26,305.92		
FSESX	258.059	24,755.60	none	258.059	25,098.82	FSCHX	287.646	24,219.81	8.549	296.195	24,504.21		
FSNGX	516.937	24,383.92	none	516.937	24,461.46	FWRLX2	673.268	24,219.81	87.303	2,760.571	23,851.33		
FSCSX	308.727	24,123.93	none	308.727	24,049.83	FSDPX	409.880	24,219.81	13.578	423.458	24,763.82		
Top Eight		193,877.50			193,758.50			193,758.50			199,345.50	2.820	
FNCMX1	492.008	53,533.25	none						28.459	1,520.467	53,383.60	(0.280)	
FSMKX	547.687	56,669.17	none						7.702	555.389	56,272.01	(0.701)	
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	2006					
				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					
Yearly Summaries				2007									
				Return %									
<i>Top Eight Model Portfolio</i>				19.463									
Nasdaq Composite Index Fund				10.497									
Spartan 500 Index Fund				5.426									
Lifetime Summary				1/2/97 to 12/31/07	1/2/97 to 12/31/07								
				Total Return %	Average Annual Return %								
<i>Top Eight Model Portfolio</i>				730.606	21.222								
Nasdaq Composite Index Fund				N/A	N/A								
Spartan 500 Index Fund				134.467	8.055								
10-Year Summary				12/31/97 to 12/31/07	12/31/97 to 12/31/07								
				Total Return %	Average Annual Return %								
<i>Top Eight Model Portfolio</i>				543.163	20.457								
Nasdaq Composite Index Fund				N/A	N/A								
Spartan 500 Index Fund				75.462	5.784								
5-Year Summary				12/31/02 to 12/31/07	12/31/02 to 12/31/07								
				Total Return %	Average Annual Return %								
<i>Top Eight Model Portfolio</i>				160.938	21.146								
Nasdaq Composite Index Fund				N/A	N/A								
Spartan 500 Index Fund				81.996	12.723								
3-Year Summary				12/31/04 to 12/31/07	12/31/04 to 12/31/07								
				Total Return %	Average Annual Return %								
<i>Top Eight Model Portfolio</i>				73.948	20.265								
Nasdaq Composite Index Fund				23.894	7.403								
Spartan 500 Index Fund				27.917	8.553								
1-Year Summary				12/29/06 to 12/31/07									
				Total Return %									
<i>Top Eight Model Portfolio</i>				19.463									
Nasdaq Composite Index Fund				10.497									
Spartan 500 Index Fund				5.426									
YTD Summary				12/29/06 to 12/31/07									
				Total Return %									
<i>Top Eight Model Portfolio</i>				19.463									
Nasdaq Composite Index Fund				10.497									
Spartan 500 Index Fund				5.426									

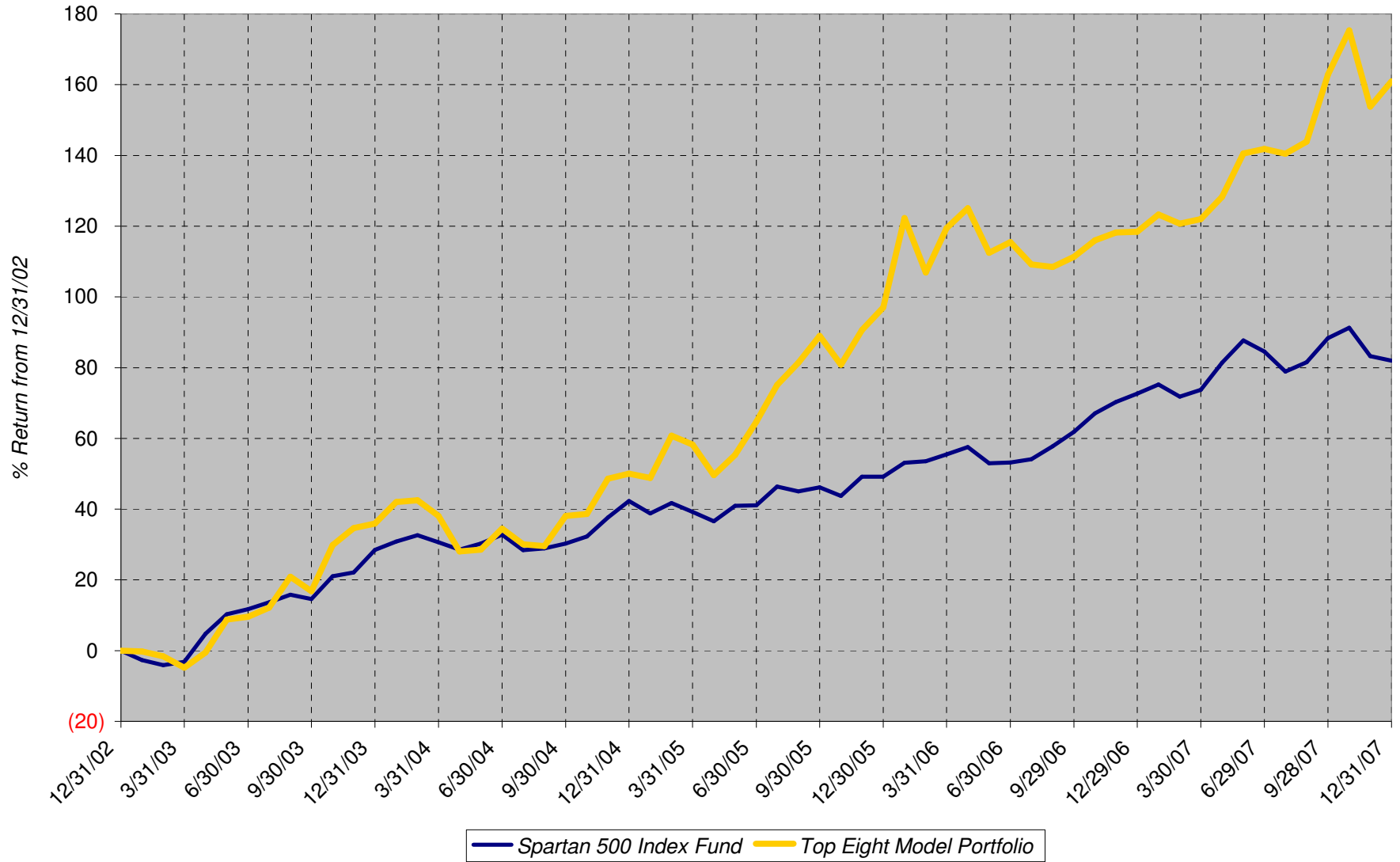
Lifetime Chart



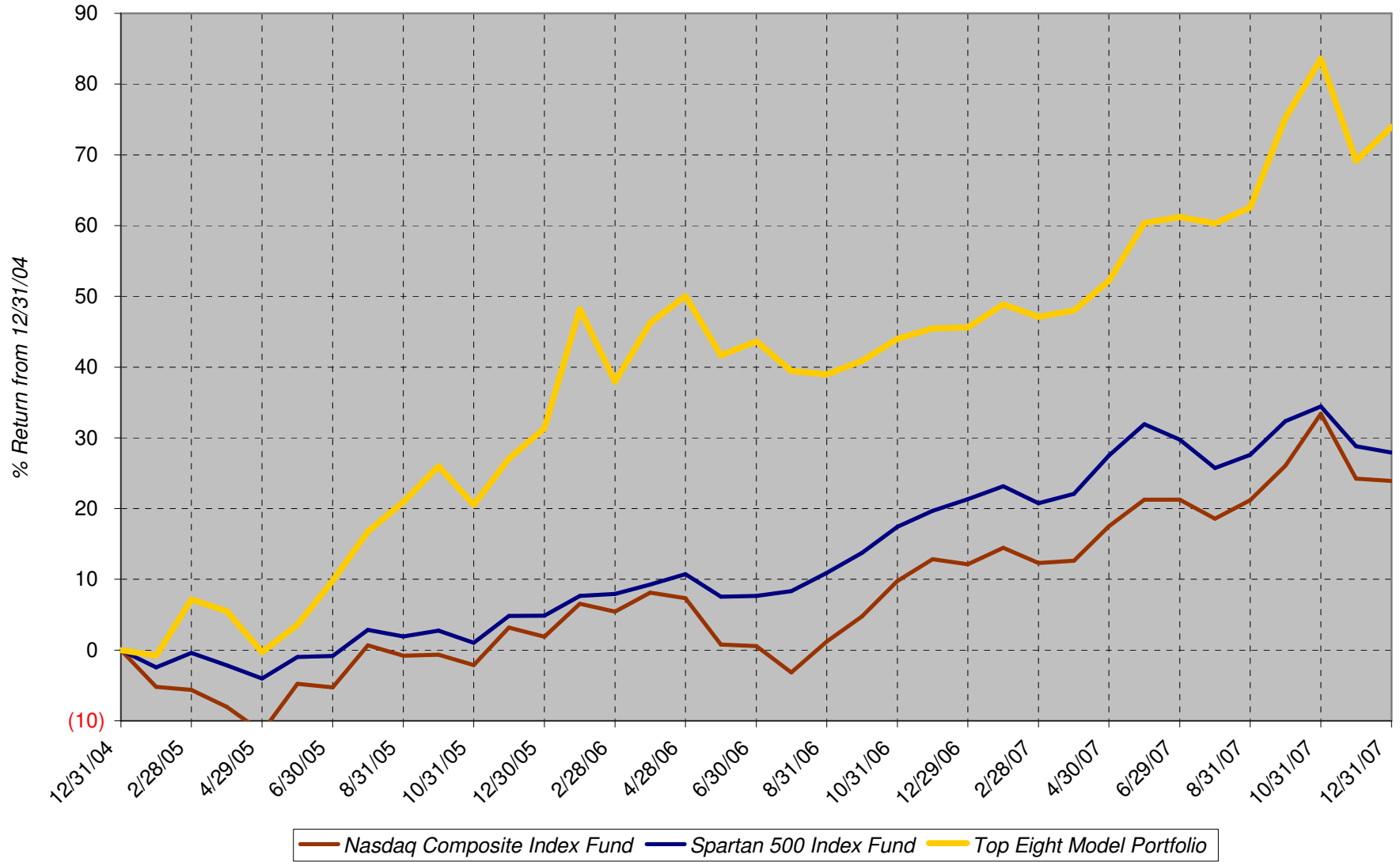
10-Year Chart



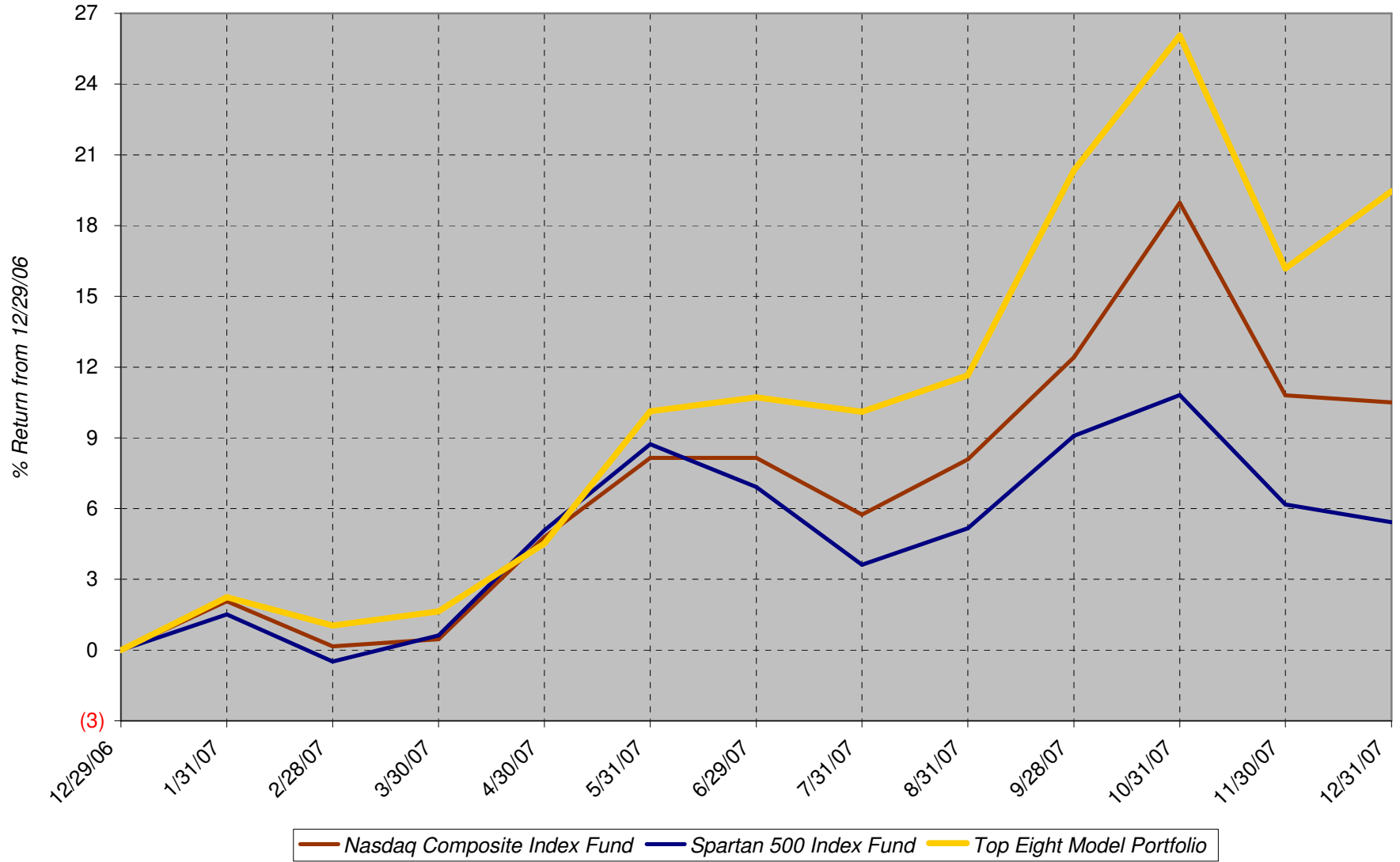
5-Year Chart



3-Year Chart



1-Year Chart



**Month-to-Date Chart
(as of 12/31/07)**

