

FIDELITY SELECT FUNDRANKER™

Volume 5 Issue 8

The Right Funds at the Right Time

August 2010

July Performance

The market hit 2010 lows in early July, but then recovered significantly. Seven *Top Eight Model Portfolio* funds had one-month gains which ranged from 5.3% for Insurance to 11.5% for Air Transportation. Gold was the only laggard with a one-month loss of 5.4%. The *Top Eight Model Portfolio* ended July with a one-month gain of 6.928%, a very nice change from a dismal showing for May and June.

Nasdaq Composite tracking portfolio, S&P 500 tracking portfolio, and *Top Eight Model Portfolio* YTD returns are all slightly negative for the year at (0.233)%, (0.266)%, and (0.469)%, respectively.

Final Performance of Funds Sold on July 6

Fundranker exchanged three funds on July 6. Here are the returns they contributed to the *Top Eight Model Portfolio*:

Fund	Bought	Sold	Return
Automotive (FSAVX)	5/4/2009	7/6/2010	43.78)%
Consumer Discretionary (FSCPX)	6/4/2010	7/6/2010	(8.30)%
Retailing (FSRPX)	6/4/2010	7/6/2010	(9.72)%

If you owned Automotive in a taxable account, and you owned it for the above period, note that the gain on Automotive is long-term. If your 2010 taxable income falls in the 10% or 15% tax brackets, your gain will be taxed at 0%. If your 2010 income falls in a higher tax bracket, your gain will be taxed at 15%.

Bull Market Revives

After the market hit 2010 lows in early July, the fragile bull market began to assert itself. At the end of trading for July, the S&P 500 Index (as measured by Fidelity's Spartan 500 Index - Investor Class Fund) had emerged from correction territory, down 9.0% from its bull market high reached in April. The Nasdaq Composite Index (as measured by Fidelity's Nasdaq Composite Index Fund) and *Fundranker's Top Eight Model Portfolio*, down 10.7% and 12.8%, respectively, from their bull market highs reached in April, don't lack much to emerge from correction territory, as well. In addition, all three measures lack very little to go into positive territory for 2010 YTD gains.

Although the market dropped off slightly during the last few sessions in July, perhaps it will break definitively out of its summer doldrums in August.

Consumer Confidence

Consumer confidence was reported last week at its lowest level in five months. Although that seems like bad news for the market, it isn't, necessarily. Consumer confidence is considered a contrarian indicator; that is, when it is low, the market often outperforms going forward.

Review of Gold July Returns

Note on our Ratings page that Gold lost 5.42% from June 30 to July 30, but it only lost 0.45% from July 6, when we bought it, to July 30, as shown at right. *Fundranker* was fortunate that most of Gold's July loss occurred on July 1 and 2, when we did not own it.

Holding Period Alert

If you purchased shares after July 6 of any funds which are being exchanged on August 5, to avoid roundtrip transactions under Fidelity's frequent trading policy for Select funds, you should wait at least 30 days before exchanging the funds.

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 this month to balance those funds as much as possible.

Subscribe to Fidelity Select Fundranker

You can subscribe to *Fidelity Select Fundranker* for \$49/first year, \$99/year thereafter. For these yearly fees, you will receive 12 issues of *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 the Subscribe button at www.fundranker.com.

Questions and Suggestions

Do you have a question about investing using the *Fundranker* system or a suggestion for the newsletter or website? Check the FAQs or use the *Contact Us* form at www.fundranker.com. We welcome your input.

Top Eight Model Portfolio for August 2010

Fund Name (Symbol)	Purchase	Return to 7/30
1. Transportation (FSRFX)	3/5/2010	11.63%
2. Air Transportation (FSAIX)	2/3/2010	14.27%
3. Multimedia (FBMPX)	2/3/2010	10.40%
4. Industrials (FCYIX)	8/5/2010	
5. Automotive (FSAVX)	8/5/2010	
6. Industrial Equipment (FSCGX)	8/5/2010	
7. Leisure (FDLSX)	6/4/2010	0.12%
8. Defense & Aerospace (FSDAX)	8/5/2010	
Funds to be sold on August 5:		
10. Computers (FDCPX)	6/4/2010	1.75%
16. Gold (FSAGX)	7/6/2010	(0.45)%
17. Insurance (FSPCX)	7/6/2010	6.18%
20. Banking (FSRBX)	7/6/2010	8.46%

Fundranker Exchanges for August 5

Sell Gold (FSAGX), buy Industrials (FCYIX)
Sell Insurance (FSPCX), buy Automotive (FSAVX)
Sell Computers (FDCPX), buy Industrial Equipment (FSCGX)
Sell Banking (FSRBX), buy Defense & Aerospace (FSDAX)

Fundranker Invest New Money Date

Invest new money on August 2.

Optional Rebalancing Exchange Dates

Method 1: none; Method 2: August 2; Method 3: August 5 (see the rebalancing FAQ at www.fundranker.com for more information)

Upcoming Fundranker Exchange Date

If all funds to be exchanged have been held more than one month, *Fundranker* will exchange on September 2; otherwise *Fundranker* will exchange on September 7.

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<i>Fundranker Ratings for 7/30/10</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)	58.50*	18.32*	(2.14)	11.46*	24.535	2
Automotive (FSAVX)	22.62	12.90*	(3.05)	16.21*	14.170	5
Banking (FSRBX)	25.80*	3.41	(13.67)	5.94	6.370	20
Biotechnology (FBIOX)	(1.76)	(4.06)	(11.72)	5.90	(2.910)	39
Brokerage & Investment Mgmt (FSLBX)	7.04	1.22	(12.89)	9.28*	2.163	29
Chemicals (FSCHX)	17.81	6.87	(5.17)	15.70*	9.803	13
Communications Equipment (FSDCX)	19.53	13.76*	(5.80)	10.16*	11.413	9
Computers (FDCPX)	24.47*	11.40*	(4.67)	5.71	11.228	10
Construction & Housing (FSHOX)	9.93	3.29	(17.95)	5.50	0.193	33
Consumer Discretionary (FSCPX)	24.71*	10.05	(8.91)	7.99	9.460	14
Consumer Staples (FDFAX)	12.18	3.31	(1.77)	7.85	5.393	24
Defense & Aerospace (FSDAX)	31.78*	10.30*	(5.83)	8.38	13.158	8
Electronics (FSELX)	9.42	3.49	(11.97)	3.12	1.015	31
Energy (FSENX)	7.47	(4.15)	(10.91)	8.16	0.143	34
Energy Service (FSSEX)	12.71	(2.75)	(12.83)	11.76*	3.223	26
Environment & Alternative Energy (FSLEX)	12.09	7.17	(3.80)	7.90	5.840	23
Financial Services (FIDSX)	9.96	(0.89)	(12.46)	7.25	0.965	32
Gold (FSAGX)	21.70	18.01*	(3.88)	(5.42)	8.603	16
Health Care (FSPHX)	10.96	(3.26)	(8.78)	0.82	(0.065)	35
Home Finance (FSVLX)	14.04	4.31	(9.61)	6.89	3.908	25
Industrial Equipment (FSCGX)	28.45*	11.04*	(7.54)	10.40*	13.588	6
Industrials (FCYIX)	28.40*	13.24*	(6.33)	10.29*	14.400	4
Insurance (FSPCX)	22.69*	6.54	(4.67)	5.26	8.455	17
IT Services (FBSOX)	21.85	2.58	(7.06)	6.90	6.068	21
Leisure (FDLSX)	29.42*	14.93*	(7.28)	8.44	13.378	7
Materials (FSDPX)	18.53	7.15	(6.49)	12.68*	8.968	15
Medical Delivery (FSHCX)	12.87	(6.18)	(9.41)	(2.31)	(1.258)	36
Medical Equipment & Systems (FSMEX)	7.89	(6.03)	(11.30)	(1.53)	(2.743)	38
Multimedia (FBMPX)	37.17*	13.83*	(5.33)	9.51*	16.795	3
Natural Gas (FSNGX)	0.46	(8.26)	(12.23)	8.62*	(1.853)	37
Natural Resources (FNARX)	10.13	0.22	(9.41)	6.98	1.980	30
Pharmaceuticals (FPHAX)	15.13	(0.32)	(4.80)	2.00	3.003	27
Retailing (FSRPX)	18.08	4.05	(14.45)	4.12	2.950	28
Software & Computer Services (FSCSX)	19.41	3.25	(6.59)	7.38	5.863	22
Technology (FSPTX)	23.57*	10.23	(5.63)	7.52	9.923	12
Telecommunications (FSTCX)	14.24	10.40*	1.50*	8.38	10.630	11
Transportation (FSRFX)	50.03*	29.19*	(2.78)	9.89*	24.583	1
Utilities (FSUTX)	11.47	6.42	0.35*	7.73	7.493	18
Wireless (FWRLX)	10.72	9.71	(0.14)	8.33	7.155	19

*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

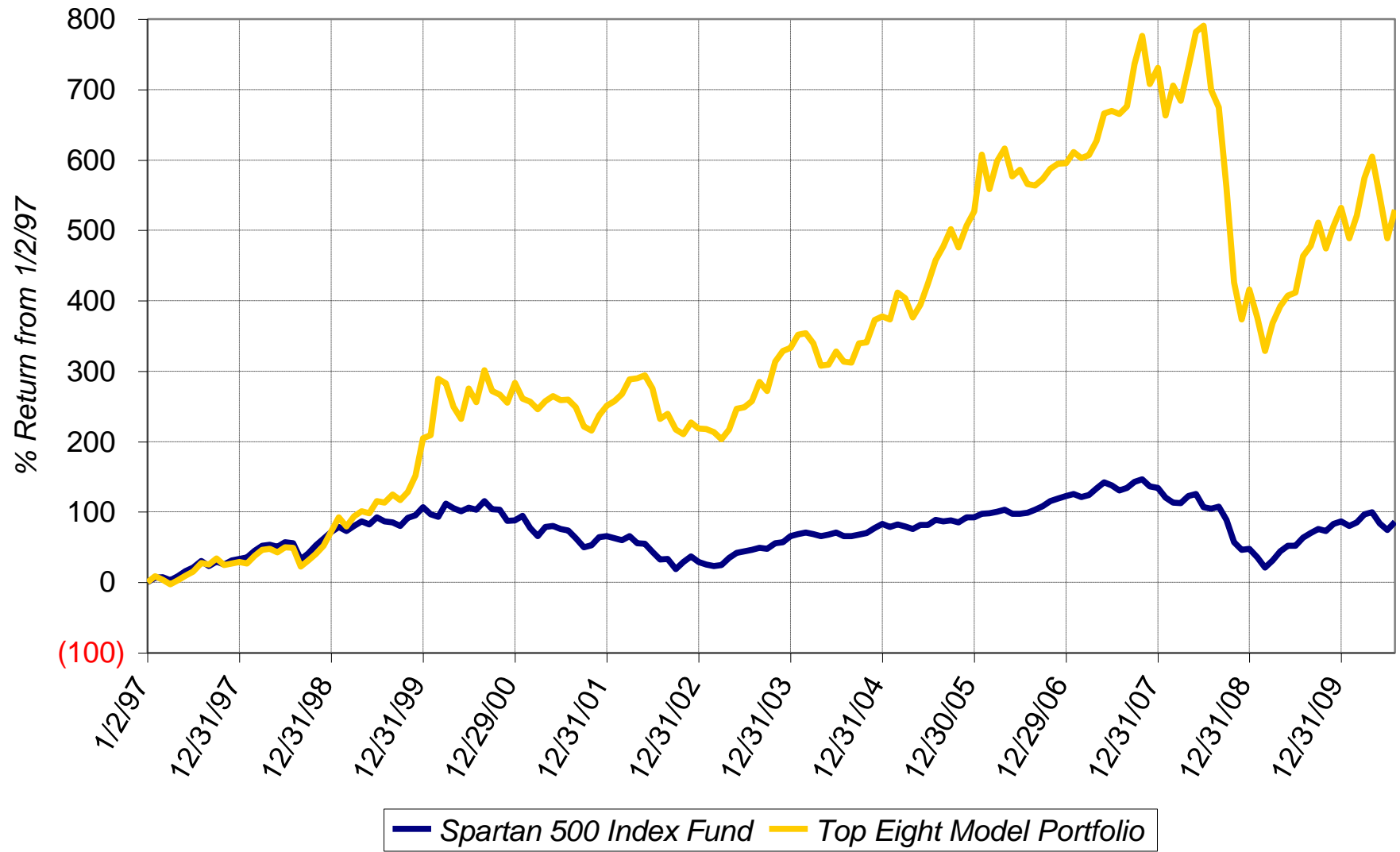
Sell on August 5, 2010

Buy on August 5, 2010

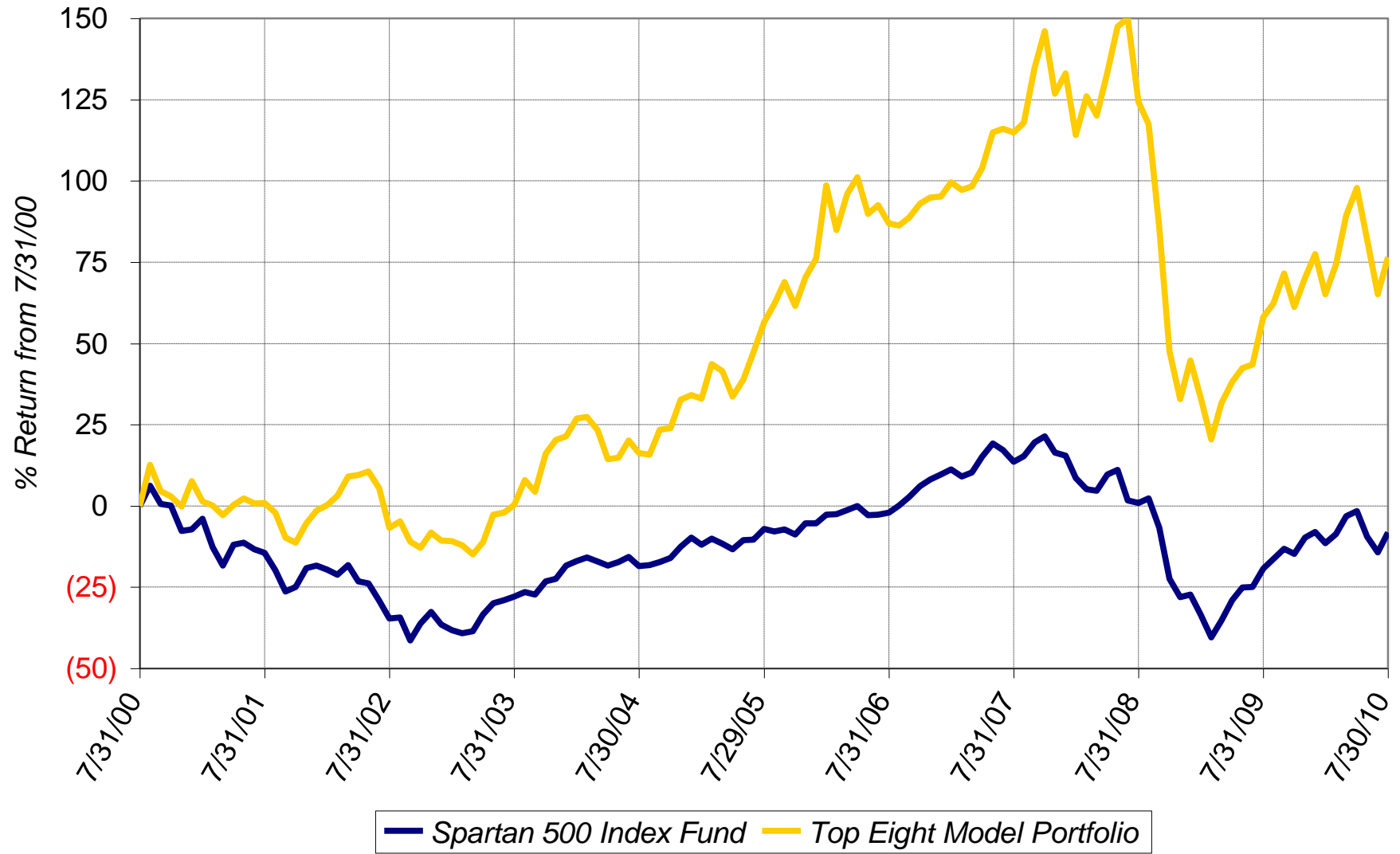
Hold

Fundranker Performance for July 2010													
6/30 Funds	6/30 Shares	6/30 Amount	<=7/6 Div Shrs	7/6 Shares	7/6 Amount	7/6 Funds	7/6 Shares	7/6 Amount	>7/6 Div Shrs	7/30 Shares	7/30 Amount	Jul Return	
FSRFX	408.094	18,074.48	none	408.094	17,466.42	FSAGX	388.088	17,397.99	none	388.088	17,320.37		
FSAIX	525.051	17,919.99	none	525.051	17,578.71	FSRFX	406.495	17,397.99	none	406.495	19,784.11		
FSRPX	418.285	17,057.66	none	418.285	16,936.36	FSAIX	519.653	17,397.99	none	519.653	19,767.60		
FBMPX	528.602	17,850.89	none	528.602	17,856.18	FSPCX	433.433	17,397.99	none	433.433	18,472.91		
FSAVX	600.131	17,547.83	none	600.131	17,217.76	FBMPX	515.038	17,397.99	none	515.038	19,046.11		
FDLSX	246.486	17,320.57	none	246.486	17,083.94	FDCPX	405.264	17,397.99	none	405.264	18,613.78		
FSCPX	932.410	17,389.45	none	932.410	17,202.96	FSRBX	1,114.541	17,397.99	none	1,114.541	18,869.18		
FDCPX	415.598	18,057.73	none	415.598	17,841.62	FDLSX	251.017	17,397.99	none	251.017	19,127.50		
Top Eight		141,218.60			139,183.95			139,183.90			151,001.56	6.928	
FNCMX	1,543.031	43,266.59	none						none	1,543.031	46,290.93	6.990	
FUSEX	1,139.753	41,771.95	none						5.375	1,145.128	44,694.35	6.996	
Yearly Summaries				1997 Return %	1998 Return %	1999 Return %	2000 Return %	2001 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 - Investor Class				33.628	28.498	20.633	(9.132)	(12.054)					
Yearly Summaries				2002 Return %	2003 Return %	2004 Return %	2005 Return %	2006 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 - Investor Class				(22.173)	28.487	10.733	4.858	15.712					
Yearly Summaries				2007 Return %	2008 Return %	2009 Return %	2010 YTD Return %						
<i>Top Eight Model Portfolio</i>				19.463	(37.882)	22.518	(0.469)						
Nasdaq Composite Index Fund				10.497	(40.041)	44.959	(0.233)						
Spartan 500 Index Fund - Investor Class				5.426	(37.047)	26.502	(0.266)						
Lifetime Summary				1/2/97 to 7/30/10 Total Return %		1/2/97 to 7/30/10 Average Annual Return %							
<i>Top Eight Model Portfolio</i>				529.173		14.500							
Nasdaq Composite Index Fund				N/A		N/A							
Spartan 500 Index Fund - Investor Class				86.226		4.684							
10-Year Summary				7/31/00 to 7/30/10 Total Return %		7/31/00 to 7/30/10 Average Annual Return %							
<i>Top Eight Model Portfolio</i>				76.607		5.852							
Nasdaq Composite Index Fund				N/A		N/A							
Spartan 500 Index Fund - Investor Class				(8.232)		(0.855)							
5-Year Summary				7/29/05 to 7/30/10 Total Return %		7/29/05 to 7/30/10 Average Annual Return %							
<i>Top Eight Model Portfolio</i>				12.871		2.451							
Nasdaq Composite Index Fund				6.734		1.312							
Spartan 500 Index Fund - Investor Class				(1.228)		(0.247)							
3-Year Summary				7/31/07 to 7/30/10 Total Return %		7/31/07 to 7/30/10 Average Annual Return %							
<i>Top Eight Model Portfolio</i>				(17.812)		(6.330)							
Nasdaq Composite Index Fund				(9.387)		(3.232)							
Spartan 500 Index Fund - Investor Class				(19.186)		(6.855)							
1-Year Summary				7/31/09 to 7/30/10 Total Return %									
<i>Top Eight Model Portfolio</i>				11.675									
Nasdaq Composite Index Fund				14.827									
Spartan 500 Index Fund - Investor Class				13.644									

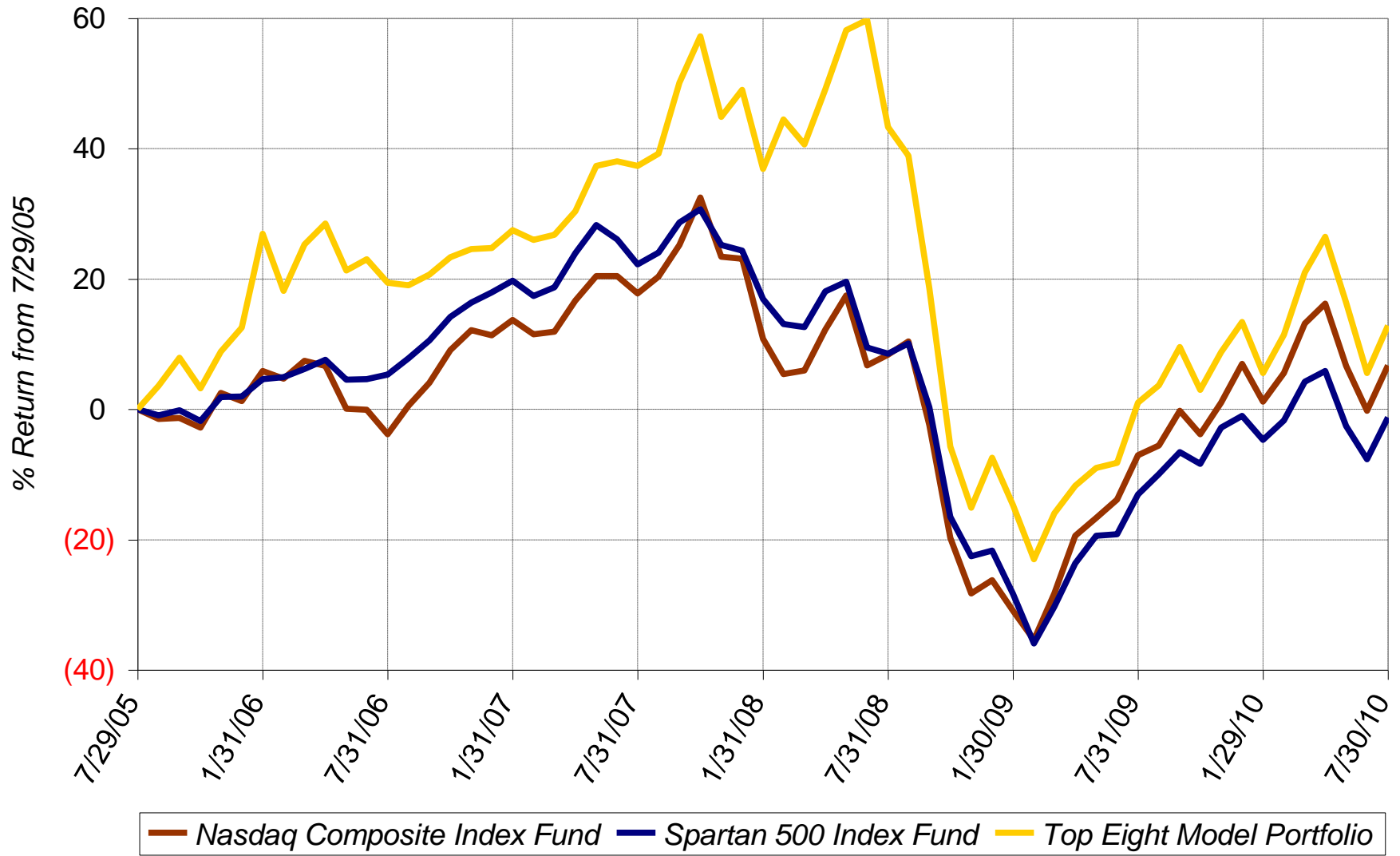
Lifetime Chart



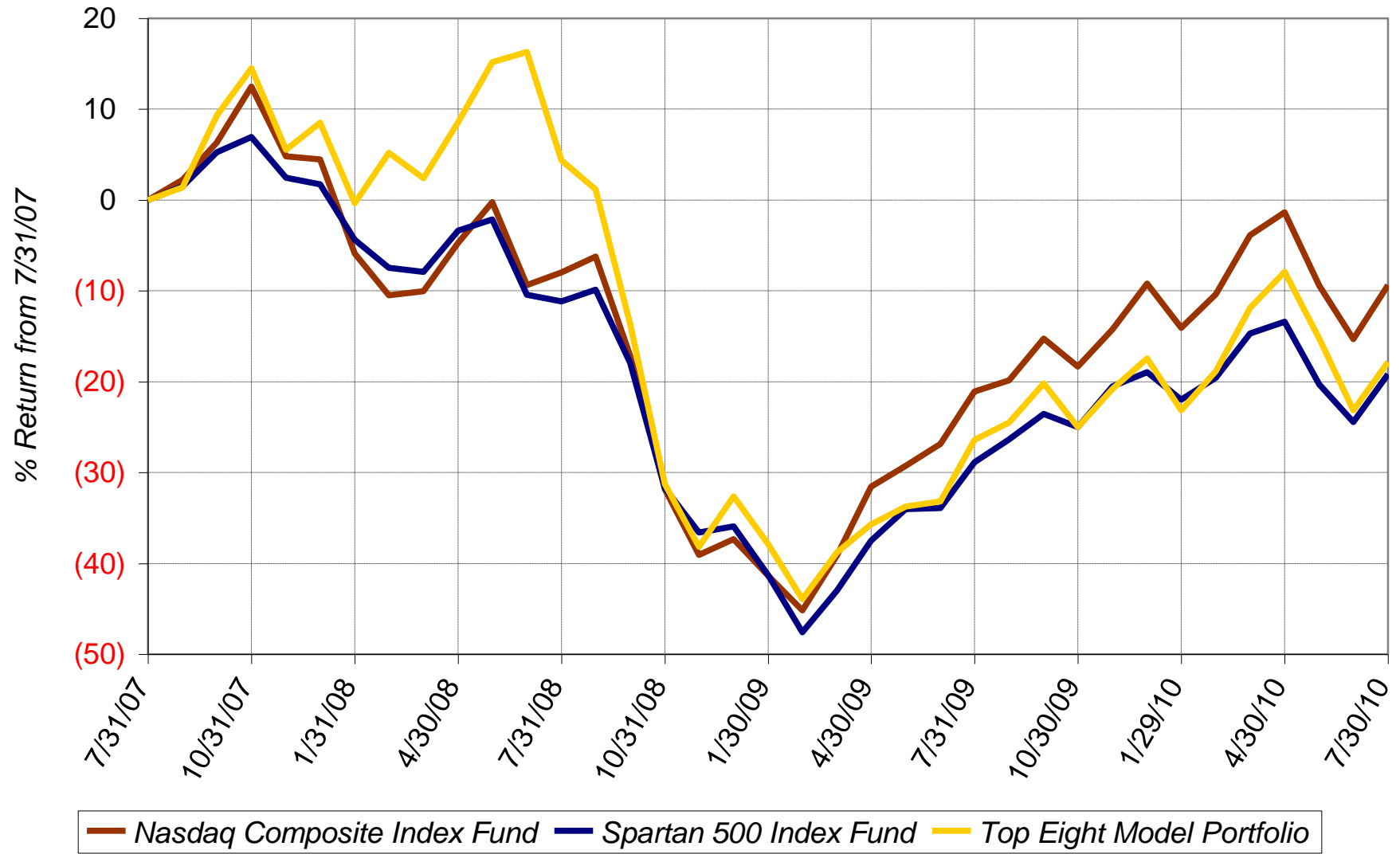
10-Year Chart



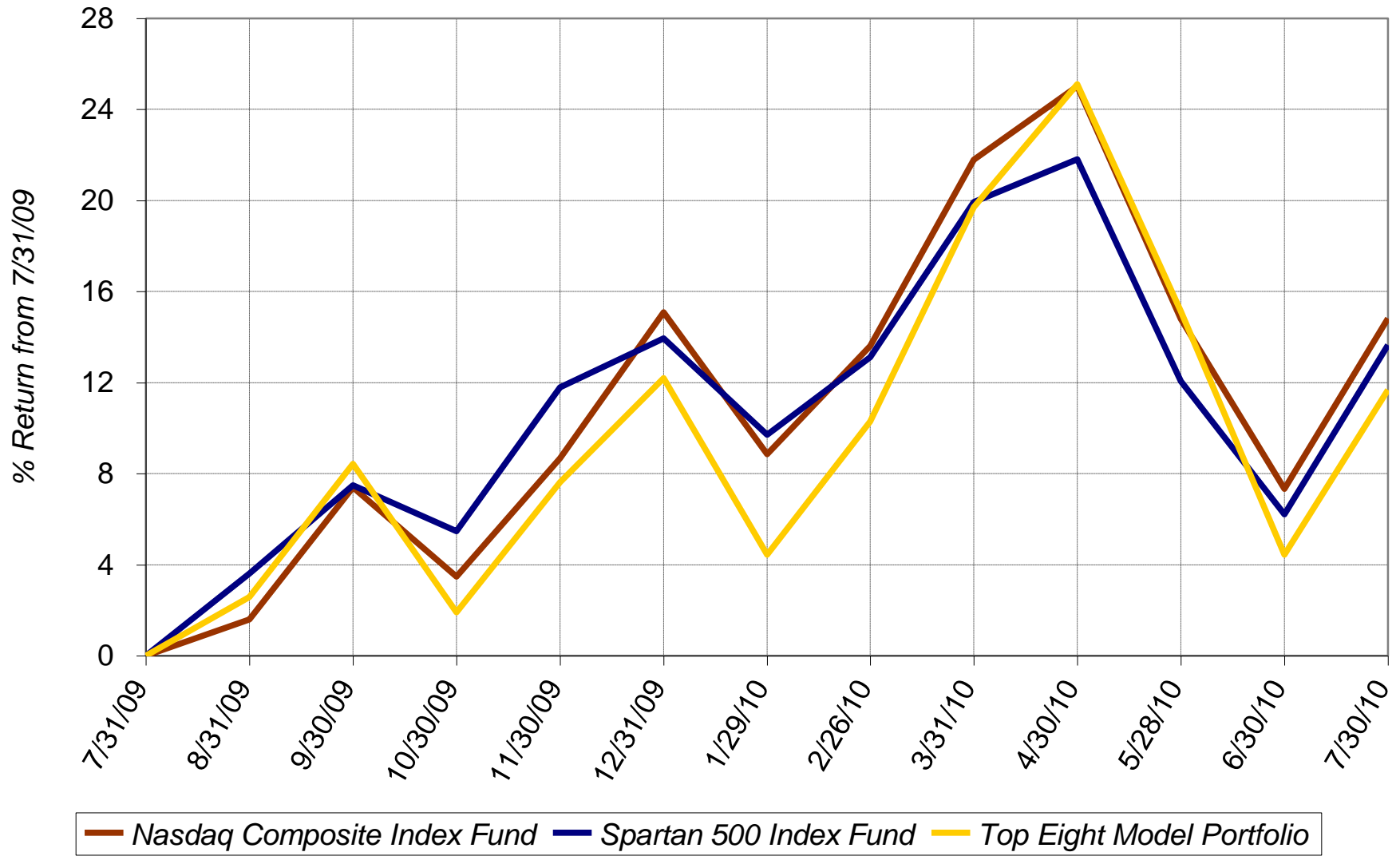
5-Year Chart



3-Year Chart



1-Year Chart



Daily Chart July 2010

