

# FIDELITY SELECT FUNDRAKER™

Volume 1 Issue 3

March 2006

## February Performance

Unfortunately, the *Top Eight Model Portfolio* gave back a good portion of last month's outstanding return. The top five funds returned an average of 17.1% in January, but they dropped an average of 10.6% in February. Only Brokerage & Investment Mgmt managed a positive return this month.

## March Exchanges

February's dismal showing has generated quite a turnover in the *Top Eight Model Portfolio* for March. Despite losing ground in February, Gold managed to hang onto the number one spot. Brokerage & Investment Mgmt, our lone gainer, followed at number two. Natural Resources dropped along with the other energy funds but stayed in the *Top Eight Model Portfolio* at number eight. Energy Service, Energy, Natural Gas, Industrial Materials, and Electronics all dropped out of the *Top Eight Model Portfolio*. Biotechnology, Air Transportation, Environmental, Defense & Aerospace, and Transportation will replace them.

## Taxable Gains

It really is tempting to hold onto Energy Service, Energy, and Natural Gas and hope that they return to the *Top Eight Model Portfolio* shortly. They have been in the *Top Eight Model Portfolio* for over a year, and selling them at this point will realize sizable gains and tax consequences in taxable accounts. Energy funds in general have enjoyed a very long-term upward trend in prices, and this month's drop may just be a blip in that trend. As you are no doubt aware, political unrest in oil producing countries and tension between oil producing and oil consuming countries contribute to volatility in energy stocks and funds on a daily basis. We saw this volatility over the last two months in the soaring and falling prices of our four energy funds.

So is February's downturn in our four energy funds just a one-month blip, a multi-month blip, or an even longer blip? *Fidelity Select Fundranker* does not guess; it employs a purely technical system with clear buy and sell signals, and this month the signal is to sell three of our four energy funds and lock in their gains from the last year. The gains are sizable, but at least they are long-term gains and are taxed at a lower rate than short-term gains.

## Best and Worst Months

Wouldn't you know, after being prompted by last month's exceptional performance to add the Best and Worst Months table at right, this month would make the top ten list of worst months. This month's performance (eighth worst in the table at right), when compared to last month's performance (fifth best), is another good example of how the best months for the *Top Eight Model Portfolio* outshine its worst months. Note in the performance figures on page three that the YTD performance for 2006 of the *Top Eight Model Portfolio* is still better than the Nasdaq and S&P 500 tracking portfolios' YTD performances.

## Holding Period Alert

We bought Electronics on February 2, and we will be selling it on March 3, which just meets Fidelity Investments' 30-day holding period to avoid their 0.75% short-term trading fee. If you enter your exchange on Thursday night, March 2, Electronics (FSELX) will still be shown as being short-term shares. Rest assured that when your trade is processed on Friday, March 3, it will be processed as trading long-term shares, and you will not be charged the short-term trading fee.

If you missed last month's exchange date and bought Electronics after February 2, count the day you bought it 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 March 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](http://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](http://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 March, 2006

1. Gold (FSAGX)
2. Brokerage & Investment Mgmt (FSLBX)
3. Biotechnology (FBIOX)
4. Air Transportation (FSAIX)
5. Environmental (FSLEX)
6. Defense & Aerospace (FSDAX)
7. Transportation (FSRFX)
8. Natural Resources (FNARX)

## Exchanges for March 3, 2006

Sell Energy Service (FSESX), buy Biotechnology (FBIOX)  
Sell Energy (FSENX), buy Air Transportation (FSAIX)  
Sell Natural Gas (FSNGX), buy Environmental (FSLEX)  
Sell Industrial Materials (FSDPX), buy Def & Aerospace (FSDAX)  
Sell Electronics (FSELX), buy Transportation (FSRFX)

## Upcoming Exchange Dates

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

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<i>Fundranker Ratings for 2/28/06</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)	31.37*	20.51*	10.89*	2.64*	20.353	4
Automotive (FSAVX)	0.94	(4.25)	4.34	0.00	0.258	41
Banking (FSRBX)	7.22	6.62	2.55	2.20*	5.648	29
Biotechnology (FBIOX)	38.76*	13.47*	10.98*	4.21*	20.855	3
Brokerage & Investment Mgmt (FSLBX)	45.77*	28.52*	12.28*	2.28*	26.213	2
Business Services & Outsourcing (FBSOX)	17.20	13.33*	6.08	1.93*	11.635	15
Chemicals (FSCHX)	0.50	7.66	7.81	(0.01)	3.990	36
Computers (FDCPX)	8.37	5.48	3.27	(0.61)	4.128	34
Construction & Housing (FSHOX)	8.95	3.41	5.17	(0.88)	4.163	33
Consumer Industries (FSCPX)	7.31	6.00	2.33	0.86	4.125	35
Cyclical Industries (FCYIX)	17.23	13.33*	9.13*	1.45*	13.285	12
Defense & Aerospace (FSDAX)	23.00*	10.51	10.88*	4.64*	15.258	6
Developing Communications (FSDCX)	22.57	14.78*	9.83*	(0.69)	13.623	10
Electronics (FSELX)	19.70	10.90	6.71	(2.67)	8.660	23
Energy (FSENX)	34.42*	8.48	8.02	(10.01)	11.228	17
Energy Service (FSESX)	37.58*	11.05	6.88	(13.44)	11.518	16
Environmental (FSLEX)	25.65*	11.01	12.09*	3.40*	16.038	5
Financial Services (FIDSX)	14.50	13.47*	5.26	1.33	9.640	21
Food & Agriculture (FDFAX)	7.48	5.66	4.10	1.44	4.670	32
Gold (FSAGX)	48.94*	51.43*	17.67*	(6.85)	30.798	1
Health Care (FSPHX)	20.45	5.75	3.24	0.12	7.390	24
Home Finance (FSVLX)	0.99	5.67	2.27	(0.19)	2.185	39
Industrial Equipment (FSCGX)	16.17	13.63*	9.35*	3.04*	13.548	11
Industrial Materials (FSDPX)	17.04	19.27*	9.07*	(1.93)	12.863	13
Insurance (FSPCX)	13.68	9.32	(0.27)	1.07	5.950	27
Leisure (FDLSX)	11.53	10.26	4.05	0.95	6.698	25
Medical Delivery (FSHCX)	24.54*	7.88	2.98	0.81	10.053	19
Medical Equipment & Systems (FSMEX)	7.36	1.29	(0.10)	(1.79)	1.690	40
Multimedia (FBMPX)	10.48	6.03	(1.08)	(2.65)	3.195	37
Natural Gas (FSNGX)	26.31*	3.68	3.81	(13.74)	6.015	26
Natural Resources (FNARX)	34.50*	13.20	10.52*	(8.88)	14.335	8
Networking & Infrastructure (FNINX)	20.56	16.74*	10.73*	(1.15)	13.720	9
Paper & Forest Products (FSPFX)	(2.77)	11.07	3.97	0.03	3.075	38
Pharmaceuticals (FPHAX)	20.68	9.92	7.54	(0.29)	9.463	22
Retailing (FSRPX)	12.77	6.18	3.73	0.95	5.908	28
Software & Computer Services (FSCSX)	13.39	7.17	4.03	(3.47)	5.280	30
Technology (FSPTX)	13.19	6.95	2.34	(2.09)	5.098	31
Telecommunications (FSTCX)	21.51	12.78	7.55	3.50*	12.335	14
Transportation (FSRFX)	22.24	20.11*	8.35	1.50*	15.050	7
Utilities Growth (FSUTX)	18.48	7.21	6.79	3.52*	10.000	20
Wireless (FWRLX)	26.54*	8.11	5.26	(0.55)	10.840	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

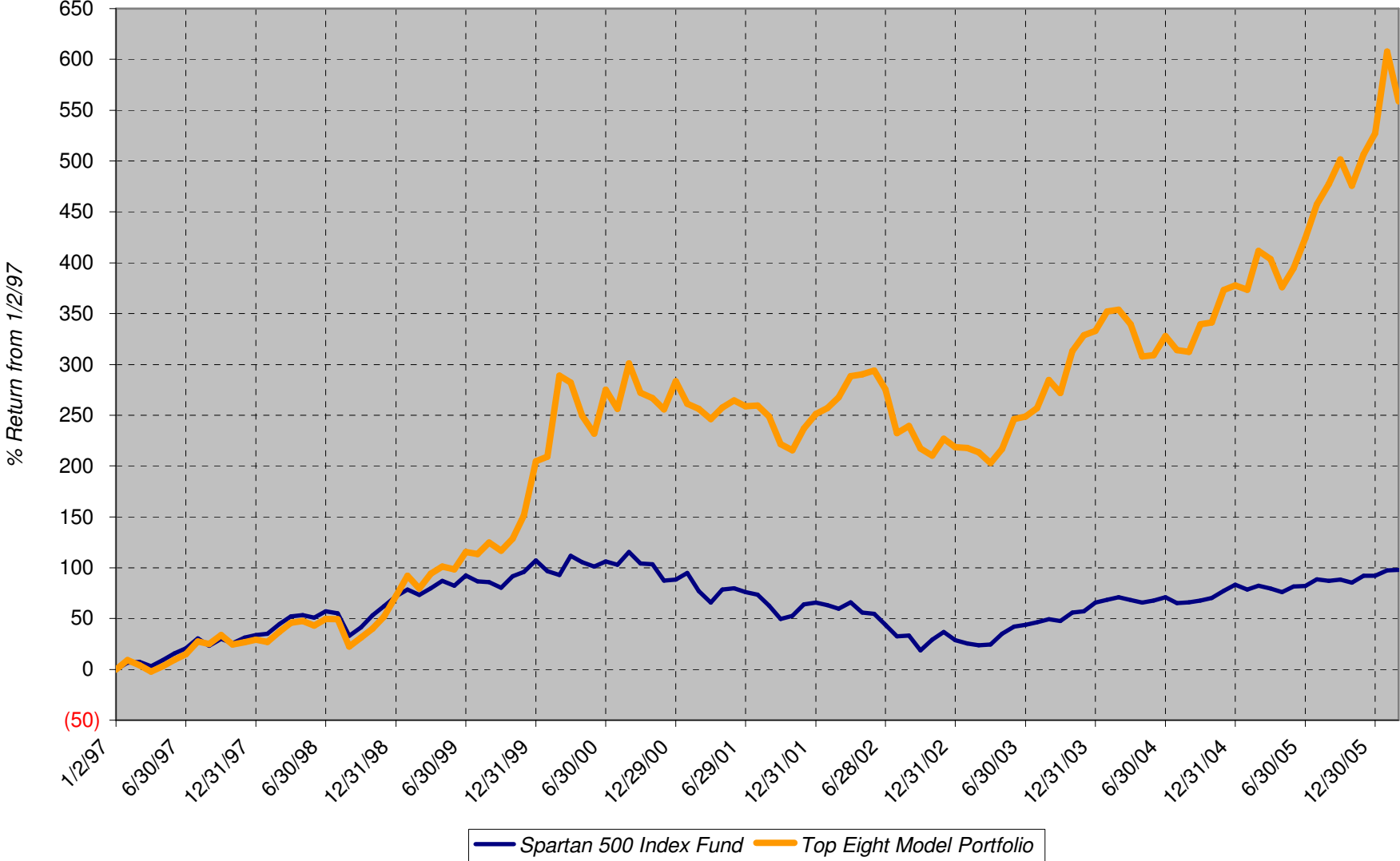
Sell on March 3, 2006

Buy on March 3, 2006

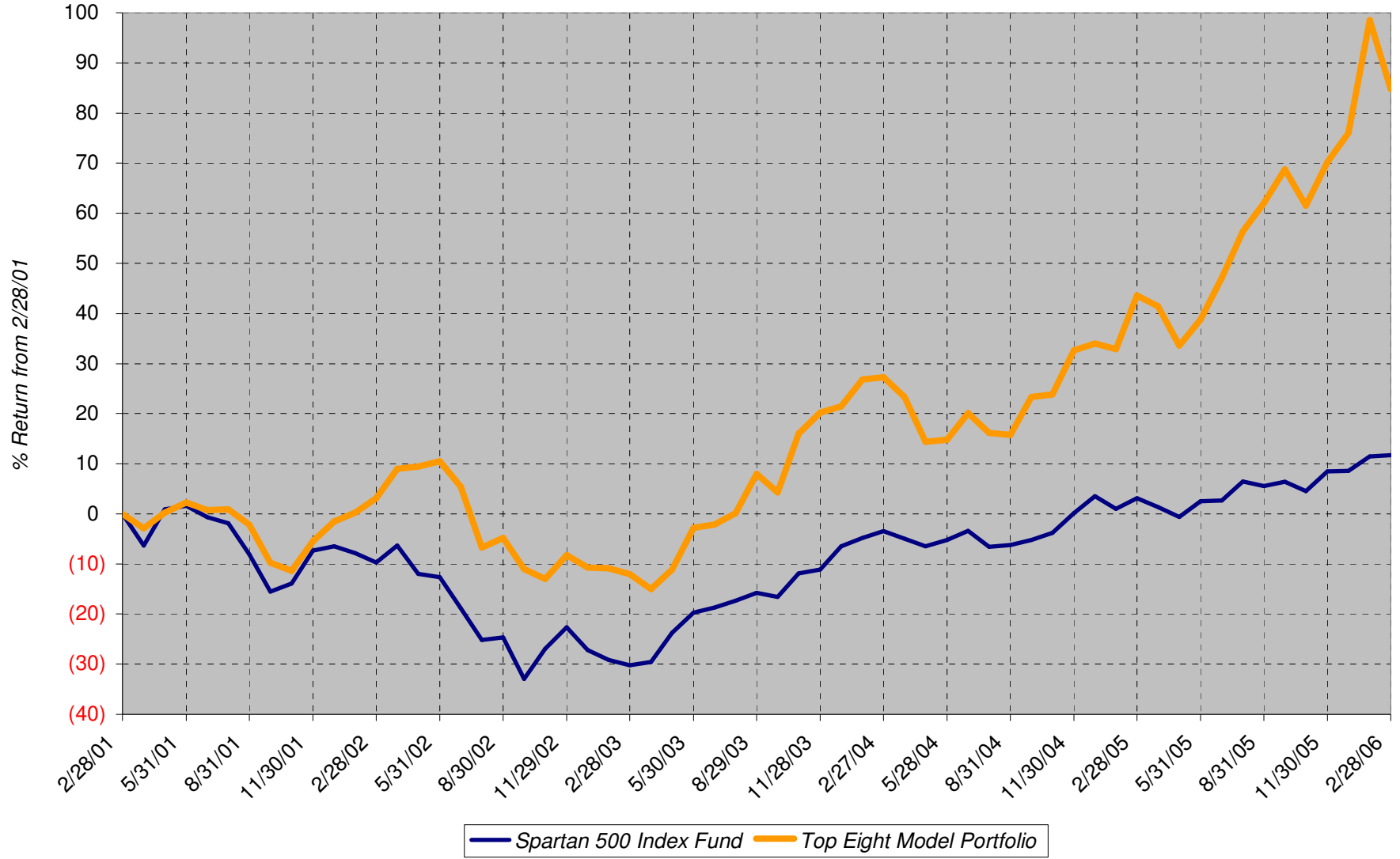
Hold

Fundranker Performance for February 2006													
1/31 Funds	1/31 Shares	1/31 Amount	<=2/2 Div Shrs	2/2 Shares	2/2 Amount	2/2 Funds	2/2 Shares	2/2 Amount	>2/2 Div Shrs	2/28 Shares	2/28 Amount	Feb Return	
FSAGX	560.406	21,603.65	none	560.406	21,446.74	FSAGX	542.452	20,759.65	none	542.452	19,479.45		
FSEX	280.163	22,015.21	none	280.163	21,057.05	FSEX	276.206	20,759.65	none	276.206	18,787.53		
FNARX	765.918	21,744.41	none	765.918	21,108.70	FNARX	753.253	20,759.65	none	753.253	19,486.66		
FSENX	397.131	21,711.15	none	397.131	21,024.12	FSENX	392.135	20,759.65	none	392.135	19,293.04		
FSNGX	479.006	21,579.22	none	479.006	20,764.91	FSNGX	478.885	20,759.65	none	478.885	18,609.47		
FSLBX	276.140	20,550.34	none	276.140	20,381.89	FSLBX	281.258	20,759.65	none	281.258	21,409.36		
FSAIX	479.242	20,137.75	none	479.242	20,132.96	FSDPX	446.540	20,759.65	none	446.540	20,697.13		
FSDPX	433.661	20,494.82	none	433.661	20,160.90	FSELX	435.761	20,759.65	none	435.761	20,306.46		
<b>Top Eight</b>		<b>169,836.55</b>			<b>166,077.27</b>			<b>166,077.20</b>			<b>158,069.10</b>	<b>(6.929)</b>	
FNCMX1	476.297	45,912.84	none						none	1,476.297	45,425.66	<b>(1.061)</b>	
FSMKX	536.250	47,350.88	none						none	536.250	47,479.58	0.272	
<b>Yearly Summaries</b>				1997	1998	1999	2000	2001					
				Return %	Return %	Return %	Return %	Return %					
<i>Top Eight Model Portfolio</i>				29.144	33.441	76.892	25.824	<b>(8.468)</b>					
Nasdaq Composite Index Fund				N/A	N/A	N/A	N/A	N/A					
Spartan 500 Index Fund				33.628	28.498	20.633	<b>(9.132)</b>	<b>(12.054)</b>					
<b>Yearly Summaries</b>				2002	2003	2004	2005						
				Return %	Return %	Return %	Return %						
<i>Top Eight Model Portfolio</i>				<b>(9.333)</b>	35.952	10.340	31.341						
Nasdaq Composite Index Fund				N/A	N/A	8.598	1.902						
Spartan 500 Index Fund				<b>(22.173)</b>	28.487	10.733	4.858						
<b>Lifetime Summary</b>				1/2/97 to 2/28/06		1/2/97 to 2/28/06							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				558.621		22.830							
Nasdaq Composite Index Fund				N/A		N/A							
Spartan 500 Index Fund				97.832		7.727							
<b>5-Year Summary</b>				2/28/01 to 2/28/06		2/28/01 to 2/28/06							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				84.800		13.068							
Nasdaq Composite Index Fund				N/A		N/A							
Spartan 500 Index Fund				11.728		2.243							
<b>3-Year Summary</b>				2/28/03 to 2/28/06		2/28/03 to 2/28/06							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				110.200		28.099							
Nasdaq Composite Index Fund				N/A		N/A							
Spartan 500 Index Fund				60.126		16.991							
<b>2-Year Summary</b>				2/27/04 to 2/28/06		2/27/04 to 2/28/06							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				45.164		20.484							
Nasdaq Composite Index Fund				13.230		6.410							
Spartan 500 Index Fund				15.780		7.601							
<b>1-Year Summary</b>				2/28/05 to 2/28/06		2/28/05 to 2/28/06							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				28.723									
Nasdaq Composite Index Fund				11.726									
Spartan 500 Index Fund				8.359									
<b>YTD Summary</b>				12/30/05 to 2/28/06		12/30/05 to 2/28/06							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				5.017									
Nasdaq Composite Index Fund				3.457									
Spartan 500 Index Fund				2.930									

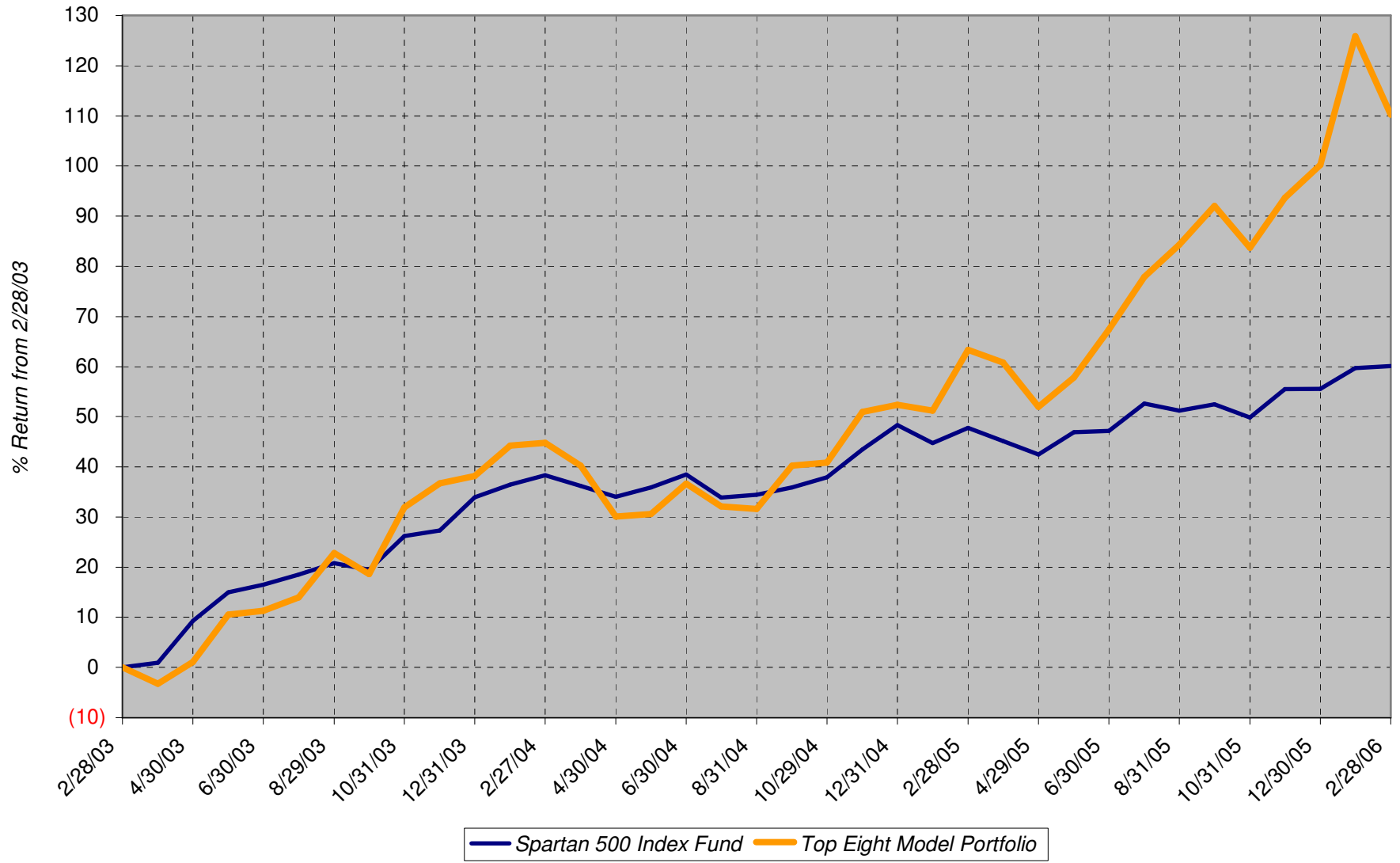
### Lifetime Chart



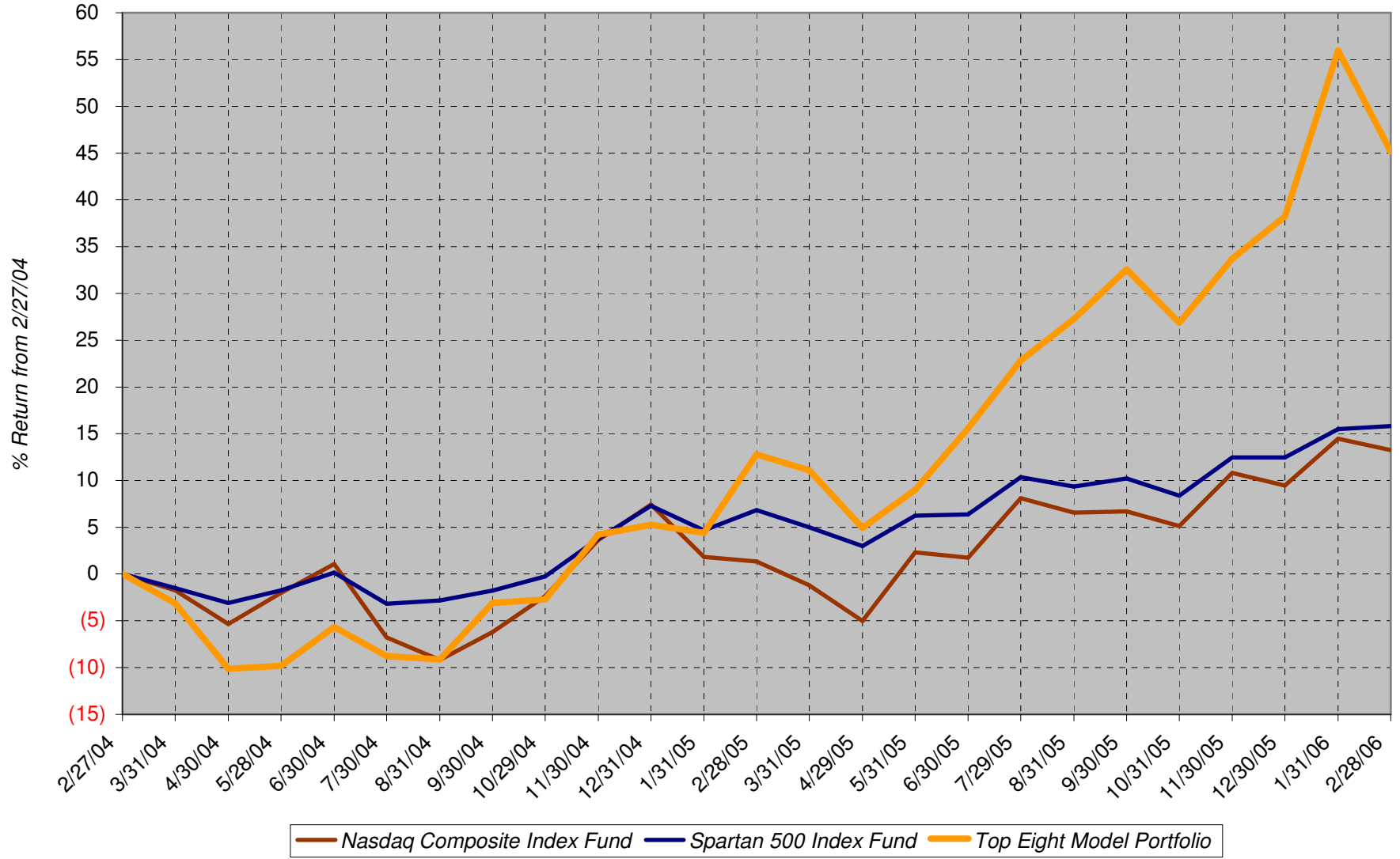
### 5-Year Chart



### 3-Year Chart



2-Year Chart



### 1-Year Chart

