

# FIDELITY SELECT FUNDRAKER™

Volume 1 Issue 11

November 2006

## October Performance

Software & Computer Services and Retailing turned in the best performances of the Top Eight Model Portfolio with returns over 6%. Utilities Growth returned over 4%, while Telecommunications, Brokerage & Investment Mgmt, and Financial Services returned over 2%. Consumer Staples and Banking came in last with 1% returns.

The S&P 500 tracking portfolio, Top Eight Model Portfolio, and Nasdaq Composite tracking portfolio YTD returns are 12.0%, 9.6%, and 7.7%, respectively.

## Performance of Funds Sold Last Month

Three funds fell out of the Top Eight Model Portfolio for October: Gold (FSAGX), Pharmaceuticals (FPHAX), and Materials (FSDPX). Here are the returns they contributed to the Top Eight Model Portfolio:

Fund	Bought	Sold	Return
Gold (FSAGX)	10/3/2005	10/6/2006	28.42%
Materials (FSDPX)	9/5/2006	10/6/2006	(2.92)%
Pharmaceuticals (FPHAX)	8/2/2006	10/6/2006	2.78%

## Long-Term Performance of Top Eight Funds

Five funds recently have been in the Top Eight Model Portfolio for long periods: Natural Gas (FSNGX), Energy Service (FSSEX), Energy (FSENX), Natural Resources (FNARX), and Gold (FSAGX), and they all were excellent performers:

Fund	Bought	Sold	Return
Natural Gas (FSNGX)	7/2/2004	3/3/2006	81.30%
Energy Service (FSSEX)	10/4/2004	3/3/2006	73.23%
Energy (FSENX)	2/2/2005	3/3/2006	55.26%
Natural Resources (FNARX)	2/2/2005	9/5/2006	61.22%
Gold (FSAGX)	10/3/2005	10/6/2006	28.42%

## Analysis of Gold's Performance

Although Gold returned 28.42% for the 12 months it was held in the Top Eight Model Portfolio, it was much higher earlier in that time period. If it had been sold on May 2, 2006, at the best possible price of Fundranker exchange dates this year, it would have returned 54.24%. At that point in time, however, its number 1 rating was 21 points higher than its closest competitor, so it didn't make sense to sell it. In fact, it added 5.7% by May 10 before it started its slide.

A look back at Gold's history in the Top Eight Model Portfolio shows why it hung in there several extra months when it was doing poorly, dropping its total gain to just 28.42%. Back in September, 2005, Gold had a phenomenal 1-month return of 19%, which propelled it into the Top Eight Model Portfolio, despite having a 12-month return of only 21%, just 2% more than that 1-month return. That 19% gain finally rolled off the front end of the 12-month return in September, 2006, and was replaced with a 7% loss, which dropped Gold's 12-month return from 67% to 31%. Gold's September rating also got clobbered by a 9% gain which rolled off the front of the 6-month return, a 2% loss which rolled off the front of the 3-month gain, and the previous 1-month gain of 3.8%, all of which also were replaced by September's 7% loss. Gold's rating dropped from 24 to 5, and its rank dropped from number 1 to 15.

It would be nice to find a way to adjust the Fidelity Select Fundranker system to take account of a one-month phenomenon like happened with Gold and which could have helped it to exit the Top Eight Model Portfolio more gracefully, but it's not clear how to do it. Just because a fund has a particularly good month about to roll off one or more of the returns used to calculate its rating doesn't

mean it won't have another good month to replace them, especially in comparison to other funds. In a technical system like Fidelity Select Fundranker, we just have to chalk performance like Gold showed over the last year up to an unusual anomaly and be satisfied that the system garnered a 28% gain on it in a year.

## Holding Period Alert

If you made any exchanges or additional purchases in your funds after last month's October 6 exchange date, and any of those funds are being exchanged this month, then to avoid a roundtrip transaction under Fidelity's new frequent trading policy for Select funds, which became effective October 1, 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.

## 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 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. 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. 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](http://www.fundranker.com).

## Top Eight Model Portfolio for November, 2006

1. Software & Computer Services (FSCSX)
2. Retailing (FSRPX)
3. Utilities Growth (FSUTX)
4. Telecommunications (FSTCX)
5. Consumer Discretionary (FSCPX)
6. Biotechnology (FBIOX)
7. Automotive (FSAVX)
8. Multimedia (FBMPX)

## Exchanges for November 6, 2006

Sell Brokerage & Investment Mgmt (FSLBX),  
buy Consumer Discretionary (FSCPX)  
Sell Financial Services (FIDSX), buy Biotechnology (FBIOX)  
Sell Consumer Staples (FDFAX), buy Automotive (FSAVX)  
Sell Banking (FSRBX), buy Multimedia (FBMPX)

## Upcoming Exchange Date

If all funds to be sold have been held longer than one month, the next exchange date will be Monday, December 4.

If any of the funds to be sold have been held only one month, the next exchange date will be Thursday, December 7.

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<i>Fundranker</i> Ratings for 10/31/06	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)	28.70*	0.98	7.61	6.86*	13.038	9
Automotive (FSAVX)	16.59	4.95*	13.41*	7.62*	13.643	7
Banking (FSRBX)	13.14	1.91	3.12	0.84	4.753	31
Biotechnology (FBIOX)	14.60	6.94*	11.31*	9.76*	13.653	6
Brokerage & Investment Mgmt (FSLBX)	26.51*	2.95	11.12*	2.33	12.728	10
Chemicals (FSCHX)	17.72	0.93	9.23	3.52	7.850	22
Communications Equipment (FSDCX)	5.55	(11.72)	10.28	(1.43)	0.670	38
Computers (FDCPX)	11.24	(0.63)	16.96*	3.87	8.860	17
Construction & Housing (FSHOX)	6.09	(6.37)	9.49	4.34	3.388	35
Consumer Discretionary (FSCPX)	18.69	7.42*	13.21*	5.92*	14.310	5
Consumer Staples (FDFAX)	18.29	8.82*	5.34	1.06	9.378	14
Defense & Aerospace (FSDAX)	20.75*	(1.19)	4.87	2.76	7.798	23
Electronics (FSELX)	10.17	(9.76)	9.00	1.91	2.830	36
Energy (FSENX)	13.91	(8.23)	(6.25)	4.18	0.903	37
Energy Service (FSSEX)	13.16	(13.12)	(7.86)	3.91	(0.978)	41
Environmental (FSLEX)	15.91	(6.90)	6.29	5.90*	6.300	26
Financial Services (FIDSX)	18.14	3.78*	8.21	2.15	9.070	16
Gold (FSAGX)	44.07*	(10.23)	0.58	3.74	10.540	12
Health Care (FSPHX)	8.68	5.49*	4.64	0.91	5.930	28
Home Finance (FSVLX)	13.39	2.14	5.91	1.53	5.743	29
Industrial Equipment (FSCGX)	21.12*	(3.40)	6.38	2.75	7.713	24
Industrials (FCYIX)	19.99	(2.61)	7.00	3.31	6.923	25
Insurance (FSPCX)	10.92	3.60	8.40	1.52	6.110	27
IT Services (FBSOX)	15.16	0.12	8.63	5.38*	8.323	18
Leisure (FDLSX)	18.48	(1.03)	12.90*	6.02*	11.093	11
Materials (FSDPX)	24.07*	(2.30)	4.64	5.76*	10.043	13
Medical Delivery (FSHCX)	(1.00)	1.38	3.14	(1.85)	0.418	39
Medical Equipment & Systems (FSMEX)	6.08	3.76	6.33	3.35	4.880	30
Multimedia (FBMPX)	15.28	5.86*	12.69*	7.87*	13.425	8
Natural Gas (FSNGX)	7.42	(7.12)	(6.31)	5.23	(0.195)	40
Natural Resources (FNARX)	20.69*	(7.61)	(3.91)	5.31	4.620	32
Networking & Infrastructure (FNINX)	5.31	(12.50)	16.67*	2.15	3.908	33
Paper & Forest Products (FSPFX)	21.04*	(0.26)	7.73	3.96	9.118	15
Pharmaceuticals (FPHAX)	17.22	4.32*	4.52	1.68	7.935	21
Retailing (FSRPX)	22.91*	7.23*	16.66*	6.11*	17.228	2
Software & Computer Services (FSCSX)	22.80*	13.56*	16.93*	6.67*	18.990	1
Technology (FSPTX)	10.44	(0.85)	14.60*	5.01	8.300	19
Telecommunications (FSTCX)	26.61*	7.42*	12.63*	2.49	15.288	4
Transportation (FSRFX)	18.02	(2.26)	7.13	6.22*	8.278	20
Utilities Growth (FSUTX)	26.84*	15.36*	7.97	4.40	15.643	3
Wireless (FWRLX)	9.12	(4.29)	6.69	2.29	3.453	34

\*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

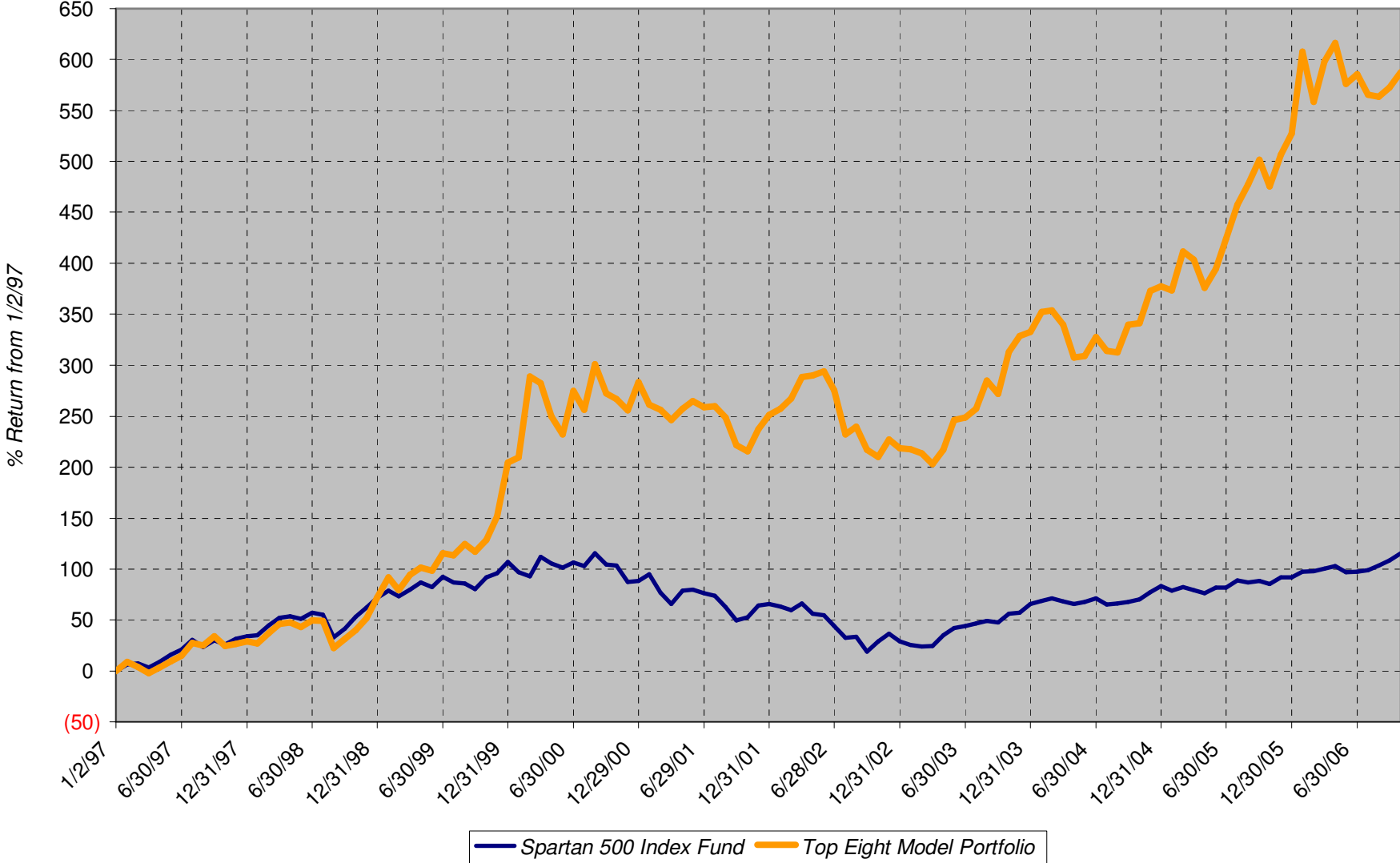
Sell on November 6, 2006

Buy on November 6, 2006

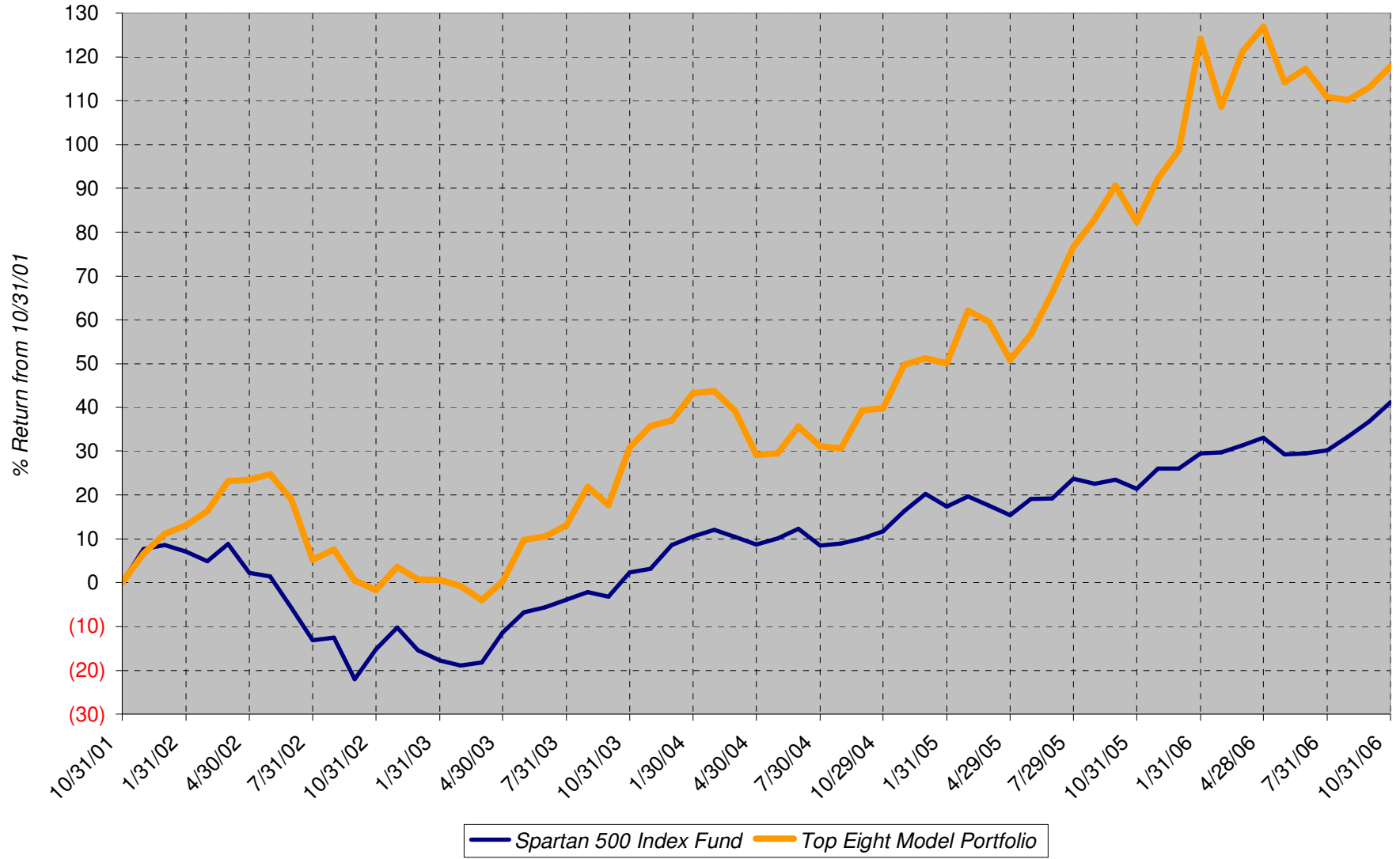
Hold

Fundranker Performance for October 2006												
9/29 Funds	9/29 Shares	9/29 Amount	<=10/6 Div Shrs	10/6 Shares	10/6 Amount	10/6 Funds	10/6 Shares	10/6 Amount	>10/6 Div Shrs	10/31 Shares	10/31 Amount	Oct Return
FSAGX	544.383	18,187.84	none	544.383	17,545.46	FSLBX	261.854	20,173.21	none	261.854	20,222.98	
FSCSX	345.057	20,800.04	none	345.057	21,155.44	FSTCX	440.848	20,173.21	none	440.848	20,684.59	
FSUTX	398.499	20,466.91	none	398.499	20,411.12	FSCSX	329.036	20,173.21	none	329.036	21,157.01	
FSTCX	456.108	20,880.62	none	456.108	20,871.50	FIDSX	162.792	20,173.21	none	162.792	20,288.77	
FDFAX	355.240	20,376.57	none	355.240	20,269.99	FSUTX	393.854	20,173.21	none	393.854	21,118.45	
FPHAX	1,893.615	20,242.74	none	1,893.615	20,299.55	FDFAX	353.544	20,173.21	none	353.544	20,494.95	
FSDPX	427.565	19,612.41	none	427.565	19,633.78	FSRPX	378.626	20,173.21	none	378.626	20,835.79	
FIDSX	171.069	20,872.13	none	171.069	21,198.87	FSRBX	526.991	20,173.21	none	526.991	20,204.83	
<b>Top Eight</b>		<b>161,439.26</b>			<b>161,385.71</b>			<b>161,385.70</b>			<b>165,007.37</b>	<b>2.210</b>
FNCMX	1,476.297	45,130.40	none						none	1,476.297	47,300.56	4.809
FSMKX	538.900	50,036.87	none						none	538.900	51,664.34	3.253
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				33.628	28.498	20.633	(9.132)	(12.054)				
Yearly Summaries				2002 Return %	2003 Return %	2004 Return %	2005 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 10/31/06 Total Return %		1/2/97 to 10/31/06 Average Annual Return %						
<i>Top Eight Model Portfolio</i>				587.531		21.660						
Nasdaq Composite Index Fund				N/A		N/A						
Spartan 500 Index Fund				115.268		8.109						
5-Year Summary				10/31/01 to 10/31/06 Total Return %		10/31/01 to 10/31/06 Average Annual Return %						
<i>Top Eight Model Portfolio</i>				117.775		16.843						
Nasdaq Composite Index Fund				N/A		N/A						
Spartan 500 Index Fund				41.216		7.146						
3-Year Summary				10/31/03 to 10/31/06 Total Return %		10/31/03 to 10/31/06 Average Annual Return %						
<i>Top Eight Model Portfolio</i>				66.347		18.487						
Nasdaq Composite Index Fund				23.458		7.277						
Spartan 500 Index Fund				38.033		11.342						
2-Year Summary				10/29/04 to 10/31/06 Total Return %		10/29/04 to 10/31/06 Average Annual Return %						
<i>Top Eight Model Portfolio</i>				55.799		24.819						
Nasdaq Composite Index Fund				20.773		9.897						
Spartan 500 Index Fund				26.329		12.396						
1-Year Summary				10/31/05 to 10/31/06 Total Return %								
<i>Top Eight Model Portfolio</i>				19.457								
Nasdaq Composite Index Fund				12.171								
Spartan 500 Index Fund				16.261								
YTD Summary				12/30/05 to 10/31/06 Total Return %								
<i>Top Eight Model Portfolio</i>				9.626								
Nasdaq Composite Index Fund				7.727								
Spartan 500 Index Fund				12.002								

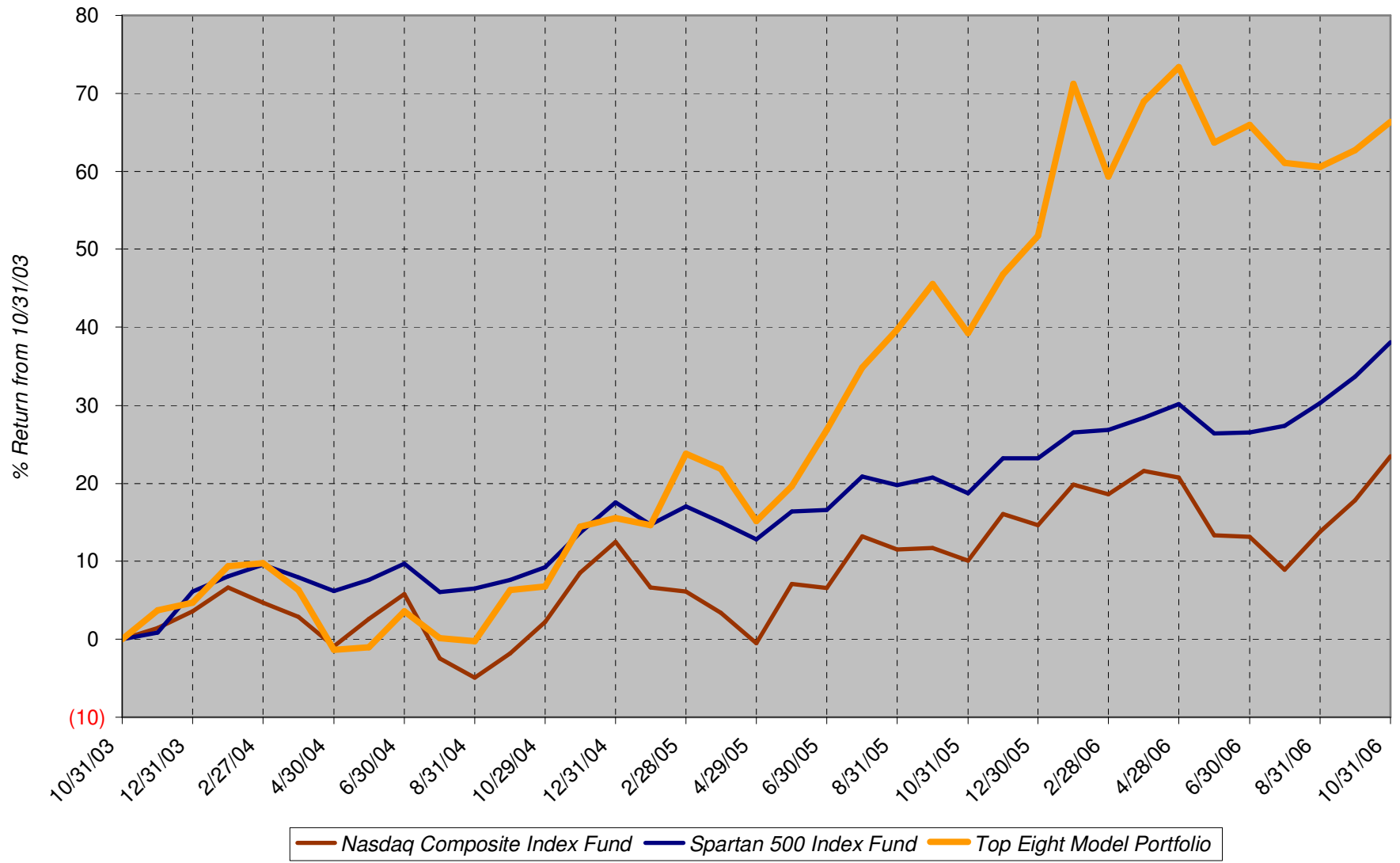
### Lifetime Chart



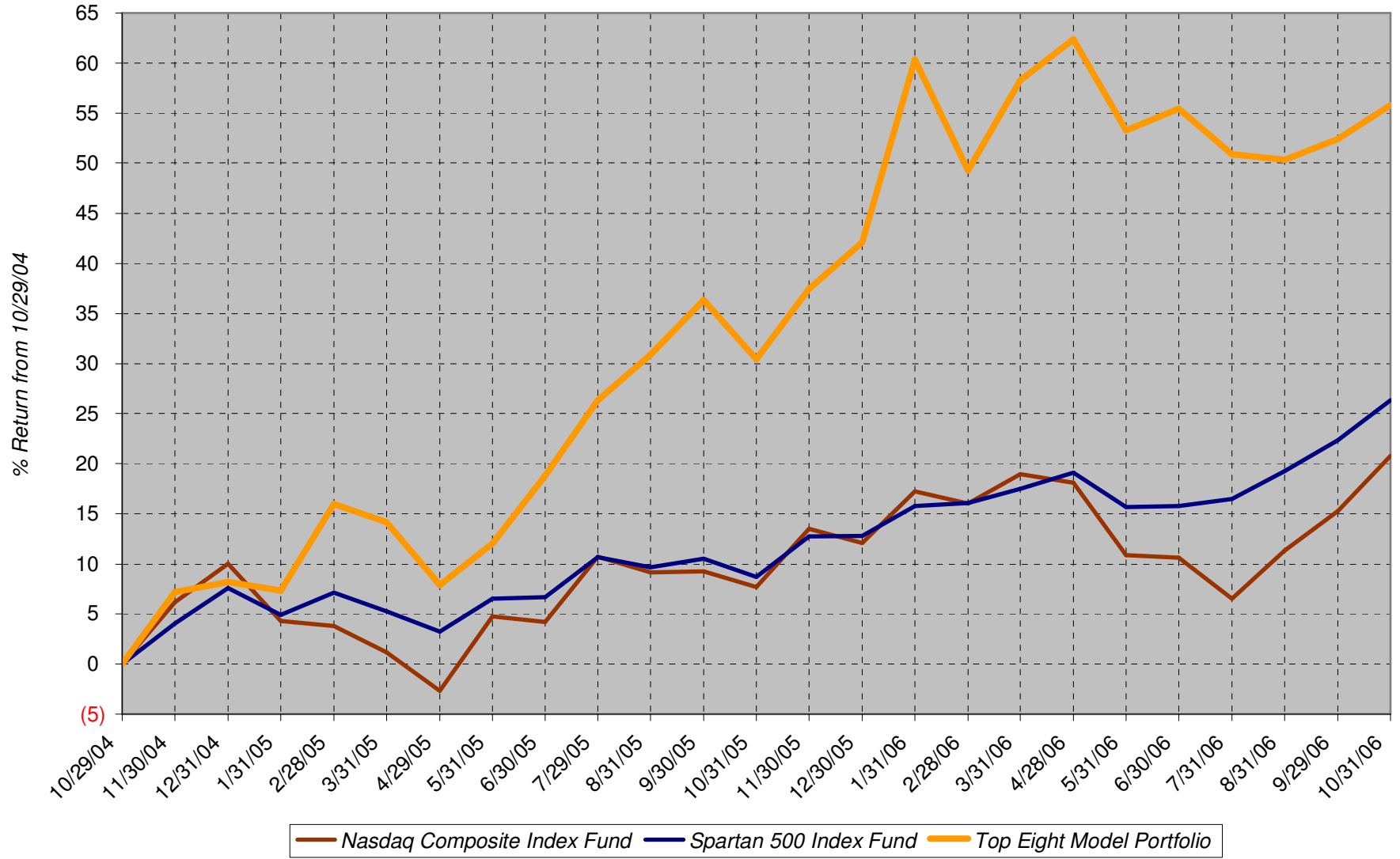
### 5-Year Chart



### 3-Year Chart



### 2-Year Chart



1-Year Chart

