

# FIDELITY SELECT FUNDRANKER™

Volume 2 Issue 9

The Right Funds at the Right Time

September 2007

## August Performance

The stock market was volatile again in August, rising and falling significantly, often in the last hour or half hour of trading, with continued concerns about the subprime lending crisis spreading to higher quality debt, rising oil prices, and the Federal Reserve's moves to reassure businesses and consumers.

Computers and Wireless led the Top Eight Model Portfolio funds with one-month returns of 3.8% and 3.4%, respectively. Energy Service and Chemicals followed with gains of 2.5% and 2.3%, respectively. Industrial Equipment, Technology, and Energy each gained a fraction of a percent, while Natural Resources lost a tiny fraction of a percent.

The Top Eight Model Portfolio, Nasdaq Composite tracking portfolio, and S&P 500 tracking portfolio 2007 YTD returns are 11.655%, 8.090%, and 5.165%, respectively.

## Performance of Funds Sold in August

Two funds fell out of the Top Eight Model Portfolio for August: Automotive (FSAVX) and Telecommunications (FSTCX). Here are the returns they contributed to the Top Eight Model Portfolio:

Fund	Bought	Sold	Return
Automotive (FSAVX)	7/5/2007	8/6/2007	(7.35)%
Telecommunications (FSTCX)	6/4/2007	8/6/2007	(3.42)%

## Consumer Confidence

The Conference Board reported last Tuesday that its Consumer Confidence Index had fallen sharply from July to August. This was one of the main reasons given for the market's sharp drop that day.

Analysis by Mark Hulbert of Hulbert Financial Digest of thirty years of Consumer Confidence Index data and market data show that this index is more of a lagging indicator than a leading indicator, and, in fact, is somewhat of a contrary indicator. For example, the Consumer Confidence Index reached an all-time high in January, 2000, shortly before the Internet bubble popped. The Consumer Confidence Index dropped even more in September, 2005, than this month, and the DJIA has risen some 2,700 points in the 23-month period since that time.

The Consumer Confidence Index is based on a survey of a representative sample of 5,000 U.S. households. It is clear that consumer confidence is affected positively when the stock market has been rising and negatively when the stock market has been falling. The above analysis ferreted out the hidden gem that there is a slight inverse correlation for future stock market moves. Perhaps this month's fall in the Consumer Confidence Index portends good news for the stock market moving forward.

## Holding Period Alert

If you purchased shares after August 6 of any funds which are being exchanged on September 6, 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 September 10, to get back closer in synch with Fundranker exchange dates, consider holding the funds through September and making appropriate exchanges on October 2 to funds in the Top Eight Model Portfolio for October.

## 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 September, 2007

1. Energy Service (FSESX) — 6<sup>th</sup> month
2. Wireless (FWRLX) — 4<sup>th</sup> month
3. Computers (FDCPX) — 2<sup>nd</sup> month
4. Chemicals (FSCHX) — 3<sup>rd</sup> month
5. Energy (FSENX) — 6<sup>th</sup> month
6. Defense & Aerospace (FSDAX) — 1<sup>st</sup> month
7. Natural Resources (FNARX) — 6<sup>th</sup> month
8. Technology (FSPTX) — 3<sup>rd</sup> month

## Portfolio Exchange for September 6, 2007

Sell Industrial Equipment (FSCGX),  
buy Defense & Aerospace (FSDAX)

## Upcoming Portfolio Exchange Date

If all funds to be sold have been held longer than one month, the next exchange date will be Tuesday, October 2.  
If any of the funds to be sold have been held only one month, the next exchange date will be Monday, October 8.

## Invest New Money Date for September

Invest new money on September 4.

## 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 8/31/07</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)	25.53*	3.35	(0.06)	0.31	8.283	16
Automotive (FSAVX)	23.06	3.63	(4.36)	(3.56)	4.693	22
Banking (FSRBX)	(0.33)	(4.55)	(6.68)	4.20*	(0.840)	36
Biotechnology (FBIOX)	9.52	3.52	(1.52)	3.49*	4.753	21
Brokerage & Investment Mgmt (FSLBX)	6.43	(6.70)	(14.62)	(3.76)	(4.663)	40
Chemicals (FSCHX)	34.22*	12.53*	4.57*	2.29*	17.403	4
Communications Equipment (FSDCX)	18.01	12.06*	2.25*	0.48	10.200	13
Computers (FDCPX)	30.23*	17.24*	6.52*	3.76*	18.438	3
Construction & Housing (FSHOX)	11.32	(5.74)	(10.33)	0.30	(1.113)	37
Consumer Discretionary (FSCPX)	10.21	(1.48)	(6.52)	1.16	0.843	33
Consumer Staples (FDFAX)	18.05	9.45	0.90	3.34*	8.935	15
Defense & Aerospace (FSDAX)	30.30*	11.19*	2.53*	2.22*	15.560	6
Electronics (FSELX)	17.04	7.51	3.44*	1.10	8.273	17
Energy (FSENX)	26.63*	22.95*	0.96*	0.49	15.758	5
Energy Service (FSESX)	44.50*	41.63*	12.30*	2.45*	29.220	1
Environmental (FSLEX)	8.91	3.66	(1.76)	1.08	2.973	28
Financial Services (FIDSX)	4.22	(4.21)	(9.85)	1.51	(2.083)	39
Gold (FSAGX)	2.69	(2.29)	(0.79)	(5.02)	(1.353)	38
Health Care (FSPHX)	9.22	4.96	(3.55)	1.84	3.118	25
Home Finance (FSVLX)	(9.57)	(14.62)	(18.22)	(1.37)	(10.945)	41
Industrial Equipment (FSCGX)	26.24*	13.64*	1.67*	0.92	13.618	9
Industrials (FCYIX)	23.76	12.49*	0.67	0.22	10.285	12
Insurance (FSPCX)	7.82	0.10	(7.39)	1.72	0.563	34
IT Services (FBSOX)	17.42	4.77	(7.94)	(6.19)	2.015	30
Leisure (FDLSX)	18.86	2.70	(3.43)	2.09*	6.055	19
Materials (FSDPX)	29.65*	9.73	(0.84)	0.07	10.653	11
Medical Delivery (FSHCX)	10.04	2.27	(6.15)	1.70	1.965	31
Medical Equipment & Systems (FSMEX)	14.71	8.54	3.01*	2.84*	9.275	14
Multimedia (FBMPX)	13.30	(0.57)	(6.63)	(1.95)	1.038	32
Natural Gas (FSNGX)	16.25	10.99	(7.69)	(2.65)	4.225	24
Natural Resources (FNARX)	32.44*	21.02*	0.68	(0.09)	15.513	7
Networking & Infrastructure (FNINX)	16.37	5.62	1.94*	0.77	7.175	18
Paper & Forest Products (FSPFX)	13.63	(2.97)	(8.57)	(1.74)	0.088	35
Pharmaceuticals (FPHAX)	9.40	6.79	(4.92)	2.24*	4.378	23
Retailing (FSRPX)	15.21	(2.11)	(7.14)	2.21*	3.043	27
Software & Computer Services (FSCSX)	20.45	6.63	(1.86)	(1.99)	5.808	20
Technology (FSPTX)	25.92*	11.86*	5.03*	0.64	13.863	8
Telecommunications (FSTCX)	30.22*	11.09*	(1.66)	0.80	12.113	10
Transportation (FSRFX)	17.33	1.48	(6.37)	(2.35)	2.523	29
Utilities Growth (FSUTX)	17.85	1.39	(8.38)	1.48	3.085	26
Wireless (FWRLX)	39.18*	24.54*	7.64*	3.38*	22.685	2

\*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

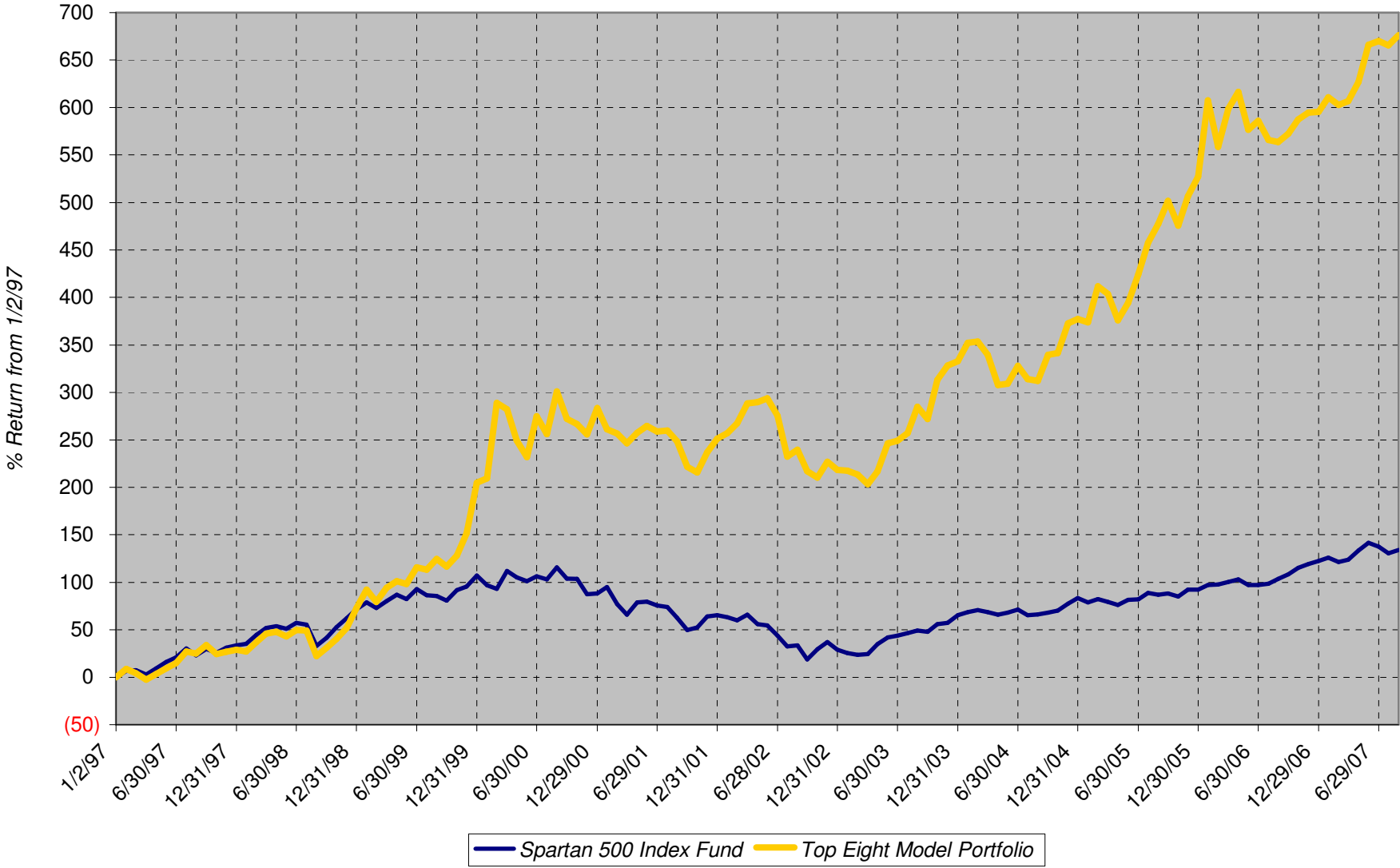
Sell on September 6, 2007

Buy on September 6, 2007

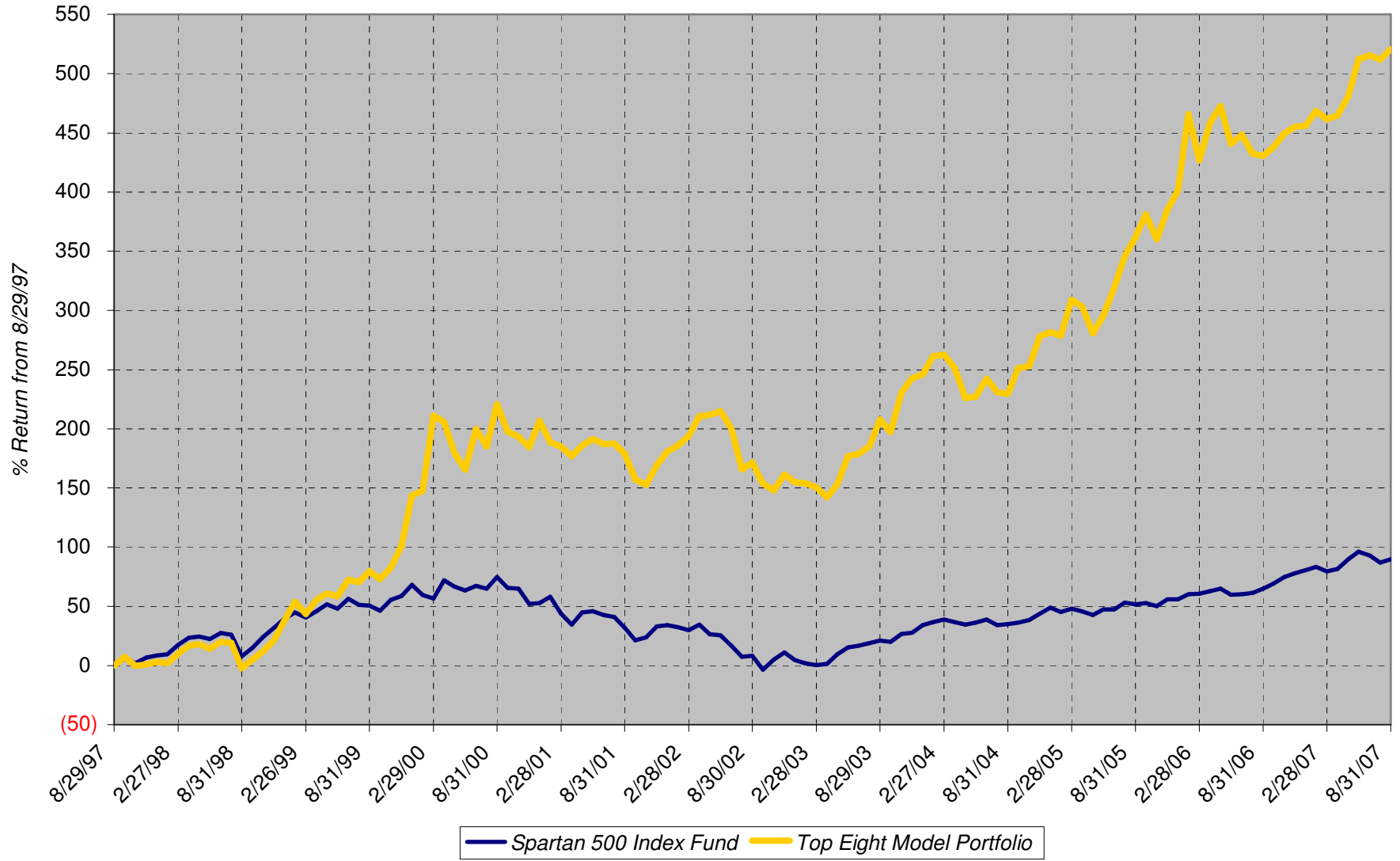
Hold

Fundranker Performance for August 2007													
7/31	7/31	7/31	<=8/6	8/6	8/6	8/6	8/6	8/6	8/6	>8/6	8/31	8/31	Aug
Funds	Shares	Amount	Div Shrs	Shares	Amount	Funds	Shares	Amount	Div Shrs	Shares	Amount	Return	
FWRLX2	671.628	22,949.28	none	2,671.628	23,056.15	FSESX	265.695	22,477.78	none	265.695	24,526.31		
FSESX	267.465	24,098.60	none	267.465	22,627.54	FWRLX2	604.610	22,477.78	none	2,604.610	23,128.94		
FSAVX	510.532	22,075.40	none	510.532	21,881.40	FSPTX	293.367	22,477.78	none	293.367	22,917.83		
FNARX	673.238	22,977.61	none	673.238	22,021.61	FDCPX	505.801	22,477.78	none	505.801	23,292.14		
FSTCX	401.585	22,480.73	none	401.585	22,316.08	FNARX	687.184	22,477.78	none	687.184	23,432.97		
FSCHX	298.046	22,991.27	none	298.046	23,032.99	FSCHX	290.862	22,477.78	none	290.862	22,951.92		
FSENX	391.143	22,991.39	none	391.143	22,021.35	FSENX	399.250	22,477.78	none	399.250	23,583.70		
FSPTX	298.423	23,163.59	none	298.423	22,865.17	FSCGX	638.030	22,477.78	none	638.030	22,484.18		
<b>Top Eight</b>		<b>183,727.87</b>			<b>179,822.29</b>			<b>179,822.20</b>			<b>186,317.99</b>	<b>1.410</b>	
FNCMX1	492.008	51,086.35	none						none	1,492.008	52,220.28	2.220	
FSMKX	547.687	55,305.43	none						none	547.687	56,132.44	1.495	
<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 8/31/07</b>					<b>1/2/97 to 8/31/07</b>			
					Total Return %					Average Annual Return %			
<i>Top Eight Model Portfolio</i>					676.325					21.183			
Nasdaq Composite Index Fund					N/A					N/A			
Spartan 500 Index Fund					133.885					8.291			
<b>10-Year Summary</b>					<b>8/29/97 to 8/31/07</b>					<b>8/29/97 to 8/31/07</b>			
					Total Return %					Average Annual Return %			
<i>Top Eight Model Portfolio</i>					520.609					20.028			
Nasdaq Composite Index Fund					N/A					N/A			
Spartan 500 Index Fund					89.763					6.616			
<b>5-Year Summary</b>					<b>8/30/02 to 8/31/07</b>					<b>8/30/02 to 8/31/07</b>			
					Total Return %					Average Annual Return %			
<i>Top Eight Model Portfolio</i>					128.797					18.002			
Nasdaq Composite Index Fund					N/A					N/A			
Spartan 500 Index Fund					75.394					11.893			
<b>3-Year Summary</b>					<b>8/31/04 to 8/31/07</b>					<b>8/31/04 to 8/31/07</b>			
					Total Return %					Average Annual Return %			
<i>Top Eight Model Portfolio</i>					88.281					23.482			
Nasdaq Composite Index Fund					43.323					12.747			
Spartan 500 Index Fund					40.843					12.093			
<b>1-Year Summary</b>					<b>8/31/06 to 8/31/07</b>					<b>8/31/06 to 8/31/07</b>			
					Total Return %								
<i>Top Eight Model Portfolio</i>					16.990								
Nasdaq Composite Index Fund					19.744								
Spartan 500 Index Fund					15.057								
<b>YTD Summary</b>					<b>12/29/06 to 8/31/07</b>					<b>12/29/06 to 8/31/07</b>			
					Total Return %								
<i>Top Eight Model Portfolio</i>					11.656								
Nasdaq Composite Index Fund					8.090								
Spartan 500 Index Fund					5.165								

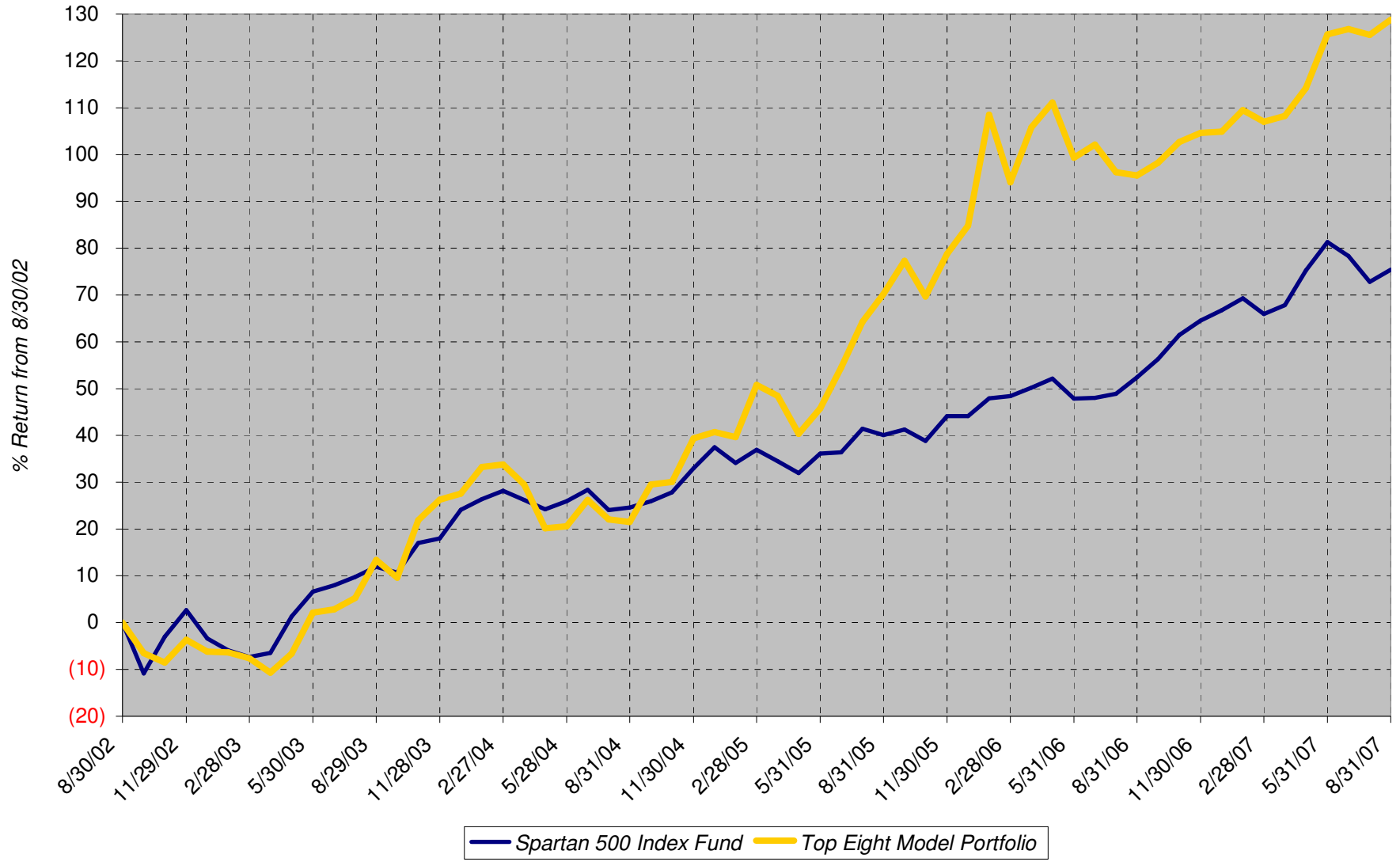
### Lifetime Chart



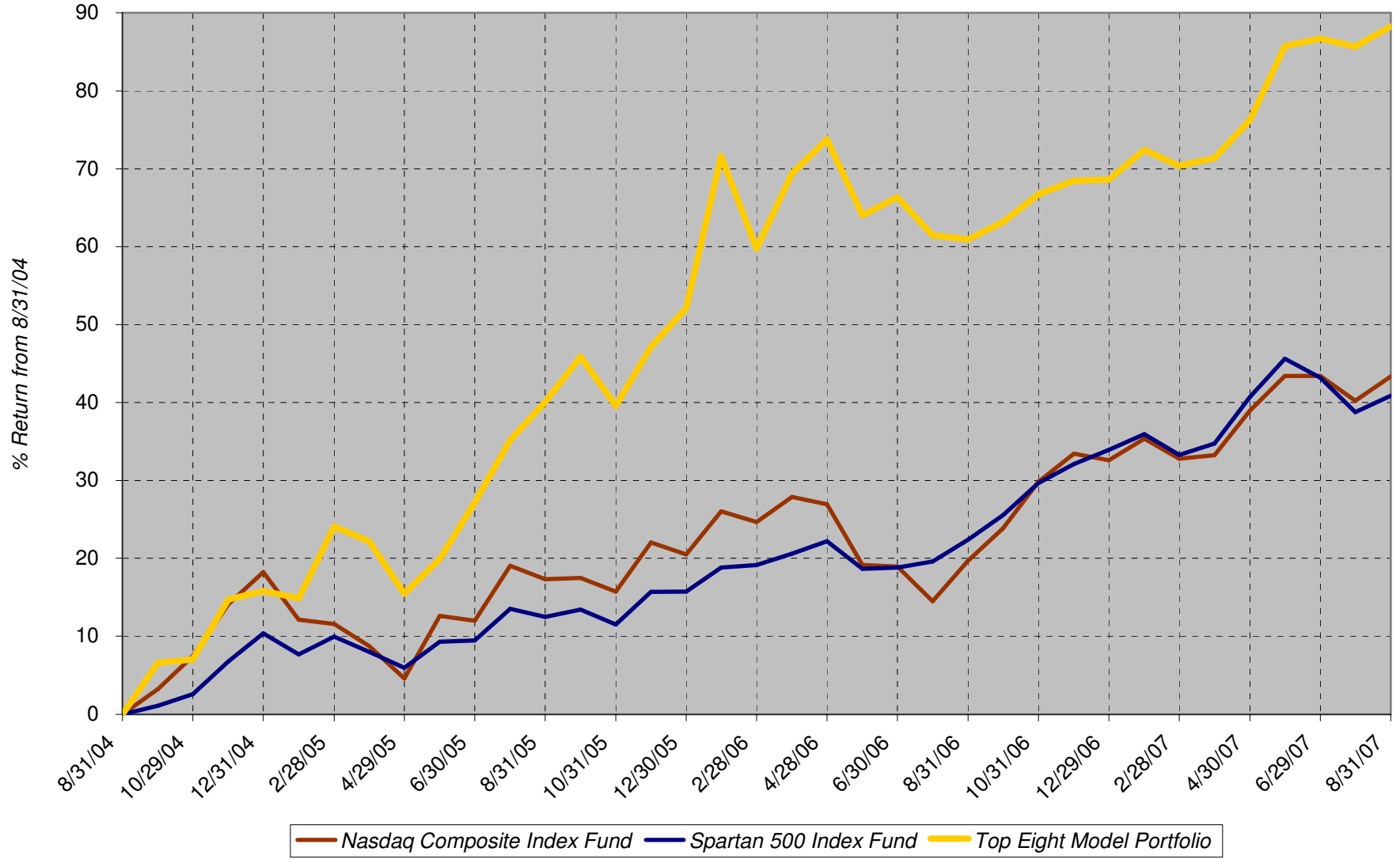
### 10-Year Chart



### 5-Year Chart



3-Year Chart



1-Year Chart

