

FIDELITY SELECT FUNDRANKER™

Volume 6 Issue 1

The Right Funds at the Right Time

January 2011

December Performance

The market set new bull market highs again in December. Automotive and Energy Service led *Top Eight Model Portfolio* funds with one-month gains of 10.17% and 8.98%, respectively. Technology, Consumer Discretionary, Transportation, and Retailing followed with one-month gains ranging from 5.96% to 3.06%. Leisure and Air Transportation trailed with one-month gains of 1.48% and 1.19%, respectively. The *Top Eight Model Portfolio* ended December with a one-month gain of 4.606%, giving it a four-month winning streak.

Nasdaq Composite tracking portfolio, *Top Eight Model Portfolio*, and S&P 500 tracking portfolio 2010 returns were 17.811%, 15.464%, and 14.842%, respectively.

Final Performance of Funds Sold on December 8

Fundranker exchanged three funds on December 8. Here are the returns they contributed to the *Top Eight Model Portfolio*:

Fund	Bought	Sold	Return
Chemicals (FSCHX)	11/8/2010	12/8/2010	1.57%
Gold (FSAGX)	9/7/2010	12/8/2010	13.04%
Materials (FSDPX)	11/8/2010	12/8/2010	1.78%

Qualified Dividends

A number of *Top Eight Model Portfolio* funds paid dividends in April and December, 2010. If Fidelity reports any of those dividends as potentially qualified on your Form 1099-DIV, *Fundranker* held three of them, Automotive (April), Multimedia (April), and Transportation (April and December), the required 61 days, so as long as you bought and sold them on *Fundranker* exchange dates, you can report them as qualified dividends. For other April dividends, *Fundranker* did not hold Banking, Defense & Aerospace, Industrial Equipment, or Industrials long enough. For other December dividends, *Fundranker* will not hold Air Transportation, Consumer Discretionary, or Leisure long enough.

Transportation Gains Are Almost Long-Term

Thanks to the Tax Hike Prevention Act of 2010, in 2011, tax filers in the 10% and 15% brackets will continue to enjoy a 0% tax rate on long-term capital gains, while tax filers in higher tax brackets will continue to be taxed at just 15% on long-term capital gains.

Fundranker's Top Eight Model Portfolio has held Transportation, which is up 27.46% as of December 31, since March 5, 2010, which lacks just two months of being considered long-term for income tax purposes. If you own Transportation in a taxable account and exchange your shares on January 7, you could be looking at some serious short-term capital gains, which are taxed as ordinary income. You may want to consider holding it until March 7, convert that capital gain to long-term status, and take advantage of the lower tax rate mentioned above.

Holding Period Alert

If you purchased shares after December 8 of any funds which are being exchanged on January 7, to avoid roundtrip transactions under Fidelity's frequent trading policy for Select funds, you should wait at least 30 days after purchase before exchanging them.

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 minimize exposure to roundtrip transactions, on the next *Invest New Money Date* (see box at right), 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 a wealth of 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, peruse the *Fundranker Blog*, or use the *Contact Us* form at www.fundranker.com. We welcome your input.

Top Eight Model Portfolio for January 2011

Fund Name (Symbol)	Purchase	Return to 12/31
1. Automotive (FSAVX)	10/7/2010	23.20%
2. Energy Service (FSESX)	12/8/2010	4.29%
3. Materials (FSDPX)	1/7/2011	
4. Chemicals (FSCHX)	1/7/2011	
5. Industrial Equipment (FSCGX)	1/7/2011	
6. Natural Resources (FNARX)	1/7/2011	
7. Energy (FSENX)	1/7/2011	
8. Industrials (FCYIX)	1/7/2011	

Funds to be sold on January 7:

9. Consumer Discretionary (FSCPX)	12/8/2010	(0.37)%
10. Leisure (FDLSX)	11/8/2010	0.64%
11. Transportation (FSRFX)	3/5/2010	27.46%
12. Technology (FSPTX)	10/7/2010	14.54%
16. Retailing (FSRPX)	12/8/2010	(0.19)%
21. Air Transportation (FSAIX)	11/8/2010	(0.79)%

Fundranker Exchanges for January 7

Sell Leisure (FDLSX), buy Materials (FSDPX)
Sell Air Transportation (FSAIX), buy Chemicals (FSCHX)
Sell Consumer Discretionary (FSCPX), buy Industrial Eqpt (FSCGX)
Sell Technology (FSPTX), buy Natural Resources (FNARX)
Sell Transportation (FSRFX), buy Energy (FSENX)
Sell Retailing (FSRPX), buy Industrials (FCYIX)

Fundranker Invest New Money Date

Invest new money on January 3.

Optional Rebalancing Exchange Dates

Method 1: none; Method 2: January 3; Method 3: January 7 (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 February 2; otherwise *Fundranker* will exchange on February 7.

Fidelity Select Fundranker is published via email on the first day of each month and is edited by Harvey J. Poorbaugh. Subscriptions are available at \$49/first year, \$99/year thereafter. *Fidelity Select Fundranker* is not affiliated with Fidelity Investments. All facts and figures are obtained from reliable sources but are subject to revision. Past results are never an assurance of future performance. The information in this newsletter is not intended as individualized investment advice. For more information, go to www.fundranker.com. © 2011 Fidelity Select Fundranker

<i>Fundranker Ratings for 12/31/10</i>	12-Month	6-Month	3-Month	1-Month	<i>Fundranker</i>	<i>Fundranker</i>
<i>Fund (Symbol)</i>	Return %	Return %	Return %	Return %	Rating**	Ranking
Air Transportation (FSAIX)	33.37*	24.46	8.28	1.19	17.825	21
Automotive (FSAVX)	46.18*	54.55*	25.56*	10.17*	38.115	1
Banking (FSRBX)	21.44	15.83	15.69*	15.76*	19.180	17
Biotechnology (FBIOX)	11.41	20.50	6.82	7.17	11.475	37
Brokerage & Investment Mgmt (FSLBX)	11.20	23.48	12.35	12.40*	15.858	25
Chemicals (FSCHX)	30.73*	47.86*	20.49*	8.19	29.818	4
Communications Equipment (FSDCX)	27.70	33.28*	11.06	8.25	21.073	15
Computers (FDCPX)	23.76	29.85	13.59	5.01	18.053	20
Construction & Housing (FSHOX)	21.54	27.69	14.93*	12.55*	21.178	14
Consumer Discretionary (FSCPX)	31.24*	32.16*	13.74	3.61	22.188	9
Consumer Finance (FSVLX)	5.93	7.96	6.77	8.26	7.230	39
Consumer Staples (FDFAX)	15.20	21.70	7.05	5.08	12.258	35
Defense & Aerospace (FSDAX)	21.88	21.35	9.98	4.33	14.385	26
Electronics (FSELX)	16.84	30.08	21.19*	9.32*	21.358	13
Energy (FSENX)	18.99	40.54*	24.43*	9.70*	26.415	7
Energy Service (FSESX)	27.92*	51.37*	26.52*	8.98*	32.698	2
Environment & Alternative Energy (FSLEX)	14.93	22.83	8.18	6.82	13.190	31
Financial Services (FIDSX)	6.48	14.21	9.40	15.64*	12.433	32
Gold (FSAGX)	35.25*	21.69	8.98	3.93	18.463	19
Health Care (FSPHX)	16.96	21.28	11.61	7.03	14.220	28
Industrial Equipment (FSCGX)	33.90*	35.63*	17.96*	9.85*	28.335	5
Industrials (FCYIX)	31.08*	32.12*	15.14*	8.21	24.638	8
Insurance (FSPCX)	20.13	17.36	8.20	7.32	13.253	30
IT Services (FBSOX)	18.45	28.94	10.29	5.81	15.873	24
Leisure (FDLSX)	37.88*	30.24	13.30	1.48	21.725	10
Materials (FSDPX)	28.09*	44.78*	20.90*	9.81*	29.895	3
Medical Delivery (FSHCX)	15.43	19.77	12.91	6.24	13.588	29
Medical Equipment & Systems (FSMEX)	12.71	16.86	12.21	7.95	12.433	32
Multimedia (FBMPX)	25.80	27.13	11.68	5.43	17.510	22
Natural Gas (FSNGX)	6.43	30.66	15.45*	9.13*	17.418	23
Natural Resources (FNARX)	23.09	40.47*	24.75*	10.64*	27.738	6
Pharmaceuticals (FPHAX)	16.36	19.96	6.64	5.74	12.175	36
Retailing (FSRPX)	28.06*	31.17	12.04	3.06	19.583	16
Software & Computer Services (FSCSX)	18.94	33.23*	13.21	6.39	18.943	18
Technology (FSPTX)	26.69	35.69*	13.61	5.96	21.488	12
Telecommunications (FSTCX)	18.32	25.63	6.84	6.60	14.348	27
Transportation (FSRFX)	41.30*	25.48	11.91	3.51	21.550	11
Utilities (FSUTX)	10.94	17.45	3.81	4.35	9.138	38
Wireless (FWRLX)	15.17	22.41	5.63	6.21	12.355	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

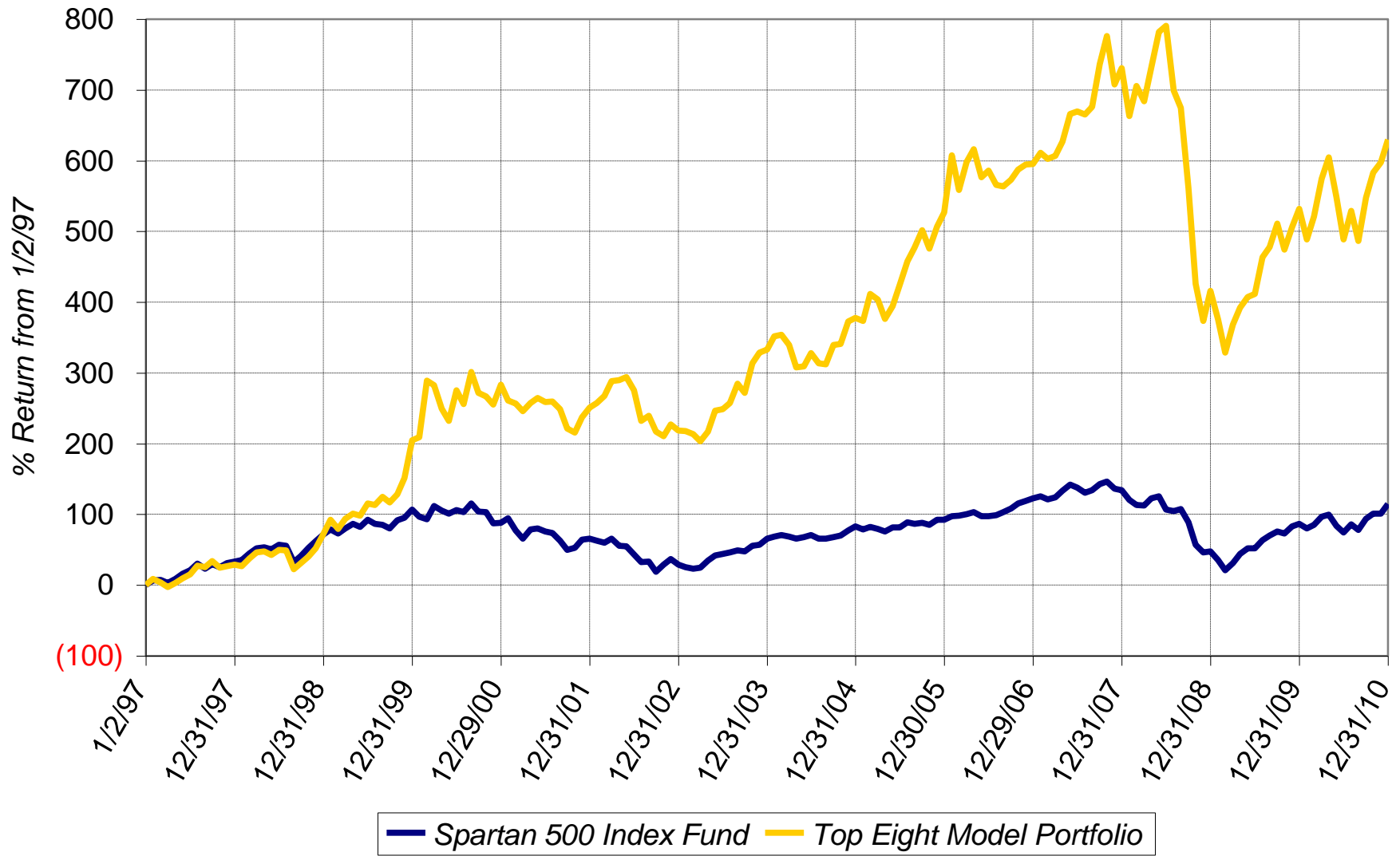
Sell on January 7, 2011

Buy on January 7, 2011

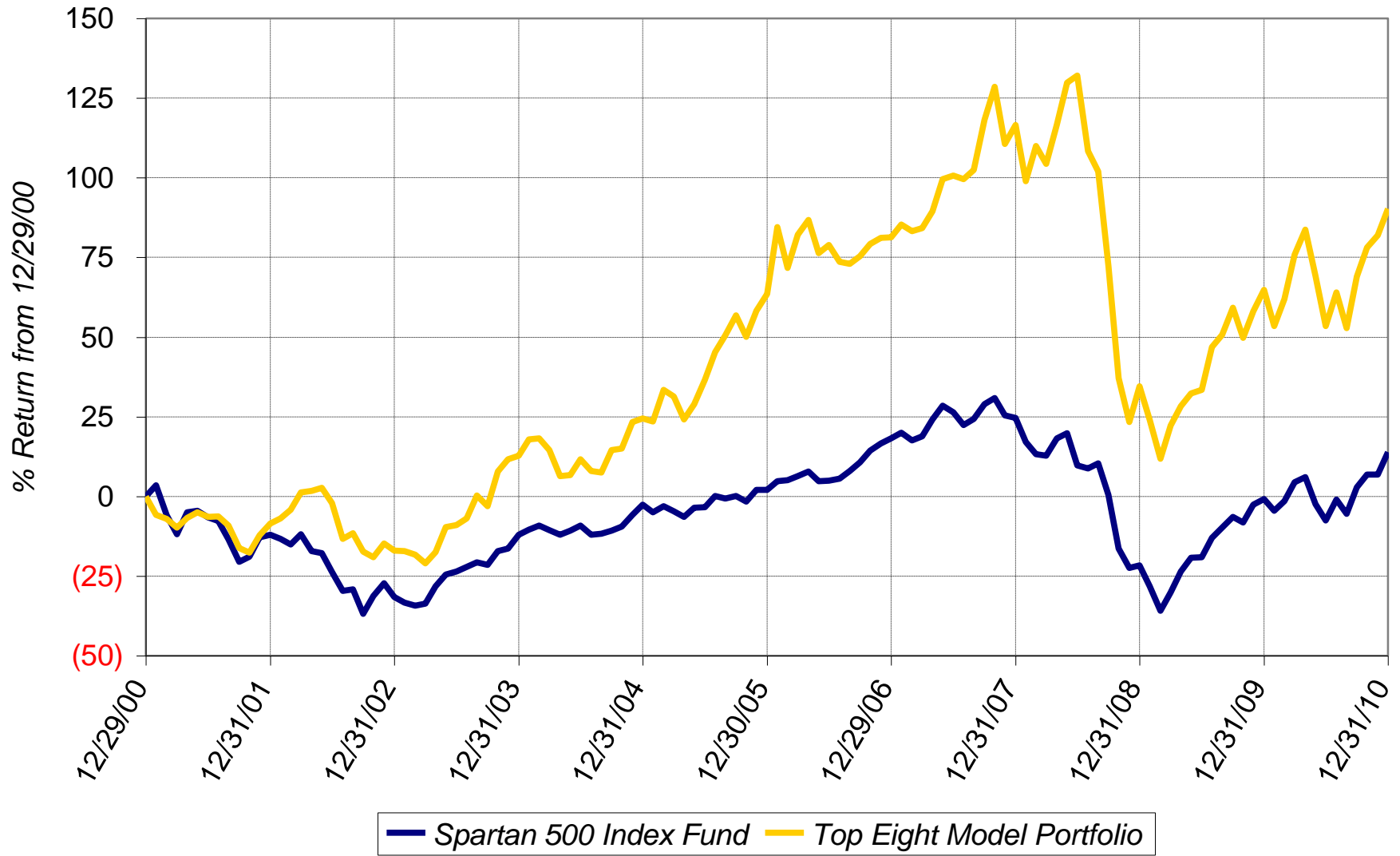
Hold

Fundranker Performance for December 2010													
11/30 Funds	11/30 Shares	11/30 Amount	<=12/8 Div Shrs	12/8 Shares	12/8 Amount	12/8 Funds	12/8 Shares	12/8 Amount	>12/8 Div Shrs	12/31 Shares	12/31 Amount	Dec Return	
FSAIX	499.630	20,974.47	none	499.630	21,144.34	FSAVX	494.568	21,686.80	none	494.568	22,349.53		
FSAVX	511.577	20,984.89	none	511.577	22,432.65	FSEX	304.120	21,686.80	none	304.120	22,617.40		
FSRFX	393.275	21,114.93	none	393.275	21,582.93	FDLSX	234.629	21,686.80	0.954	235.583	21,473.39		
FSAGX	370.590	20,475.10	none	370.590	21,045.81	FSAIX	512.448	21,686.80	1.569	514.017	21,768.62		
FSCHX	236.556	21,001.44	none	236.556	21,730.03	FSCPX	876.589	21,686.80	4.941	881.530	21,606.30		
FDLSX	235.256	21,217.74	none	235.256	21,744.71	FSPTX	227.492	21,686.80	none	227.492	21,750.51		
FSPTX	231.188	20,860.09	none	231.188	22,039.15	FSRFX	395.168	21,686.80	1.109	396.277	21,961.67		
FSDPX	331.025	20,831.40	none	331.025	21,774.82	FSRPX	404.680	21,686.80	none	404.680	21,646.33		
Top Eight		167,460.06			173,494.44			173,494.40			175,173.75		4.606
FNCMX	1,543.031	51,460.08	none						9.900	1,552.931	54,663.17		6.224
FUSEX	1,150.490	48,251.55	none						6.541	1,157.031	51,464.74		6.659
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 - Investor Class				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 - Investor Class				(22.173)	28.487	10.733	4.858	15.712					
Yearly Summaries				2007	2008	2009	2010						
				Return %	Return %	Return %	Return %						
<i>Top Eight Model Portfolio</i>				19.463	(37.882)	22.518	15.464						
Nasdaq Composite Index Fund				10.497	(40.041)	44.959	17.811						
Spartan 500 Index Fund - Investor Class				5.426	(37.047)	26.502	14.842						
Lifetime Summary				1/2/97 to 12/31/10		1/2/97 to 12/31/10							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				629.891		15.255							
Nasdaq Composite Index Fund				N/A		N/A							
Spartan 500 Index Fund - Investor Class				114.436		5.600							
10-Year Summary				12/29/00 to 12/31/10		12/29/00 to 12/31/10							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				90.293		6.645							
Nasdaq Composite Index Fund				N/A		N/A							
Spartan 500 Index Fund - Investor Class				13.927		1.312							
5-Year Summary				12/30/05 to 12/31/10		12/30/05 to 12/31/10							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				16.381		3.080							
Nasdaq Composite Index Fund				24.496		4.479							
Spartan 500 Index Fund - Investor Class				11.569		2.214							
3-Year Summary				12/31/07 to 12/31/10		12/31/07 to 12/31/10							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				(12.126)		(4.217)							
Nasdaq Composite Index Fund				2.397		0.793							
Spartan 500 Index Fund - Investor Class				(8.543)		(2.933)							
1-Year Summary				12/31/09 to 12/31/10		12/31/09 to 12/31/10							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				15.464		15.464							
Nasdaq Composite Index Fund				17.811		17.811							
Spartan 500 Index Fund - Investor Class				14.842		14.842							

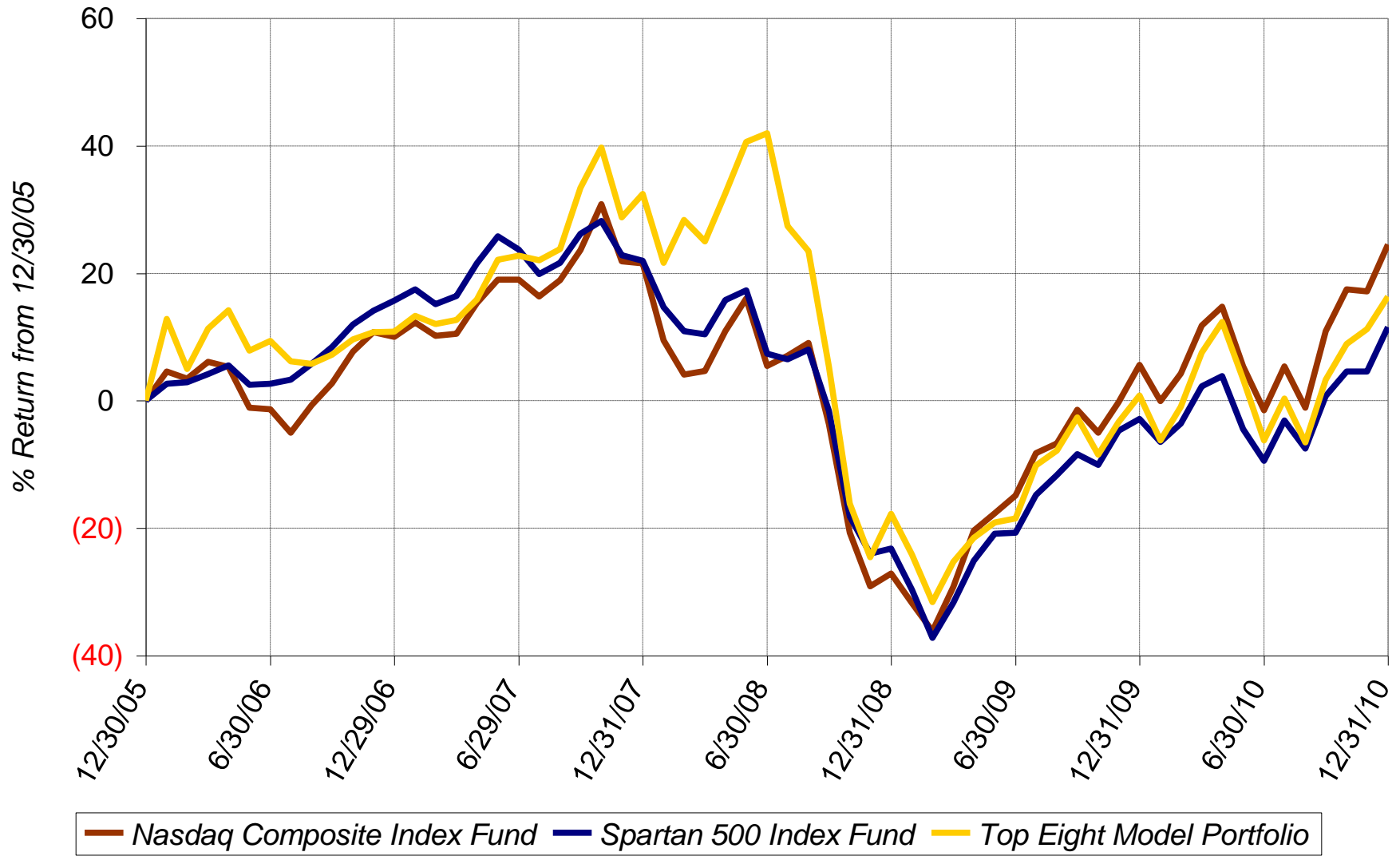
Lifetime Chart



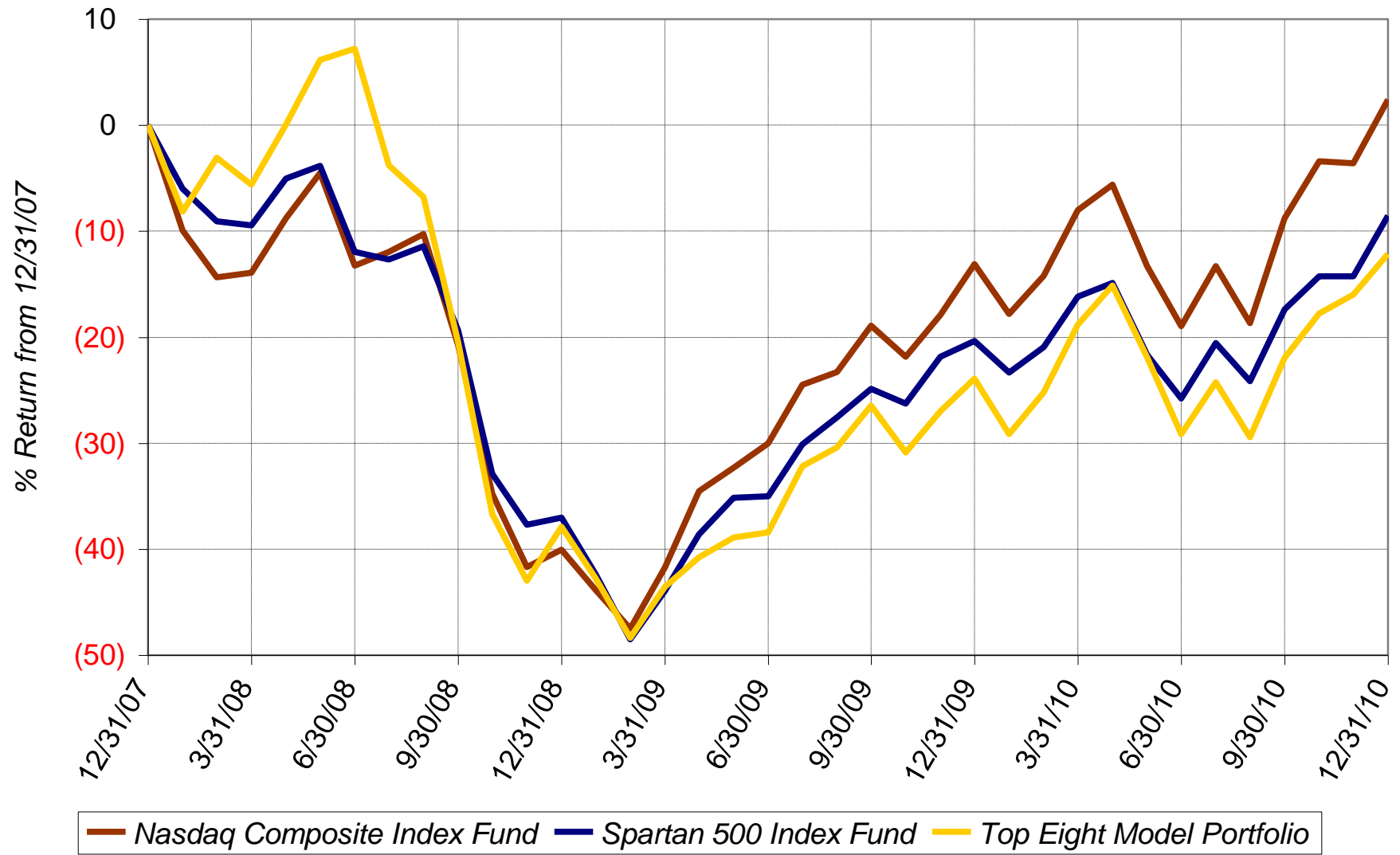
10-Year Chart



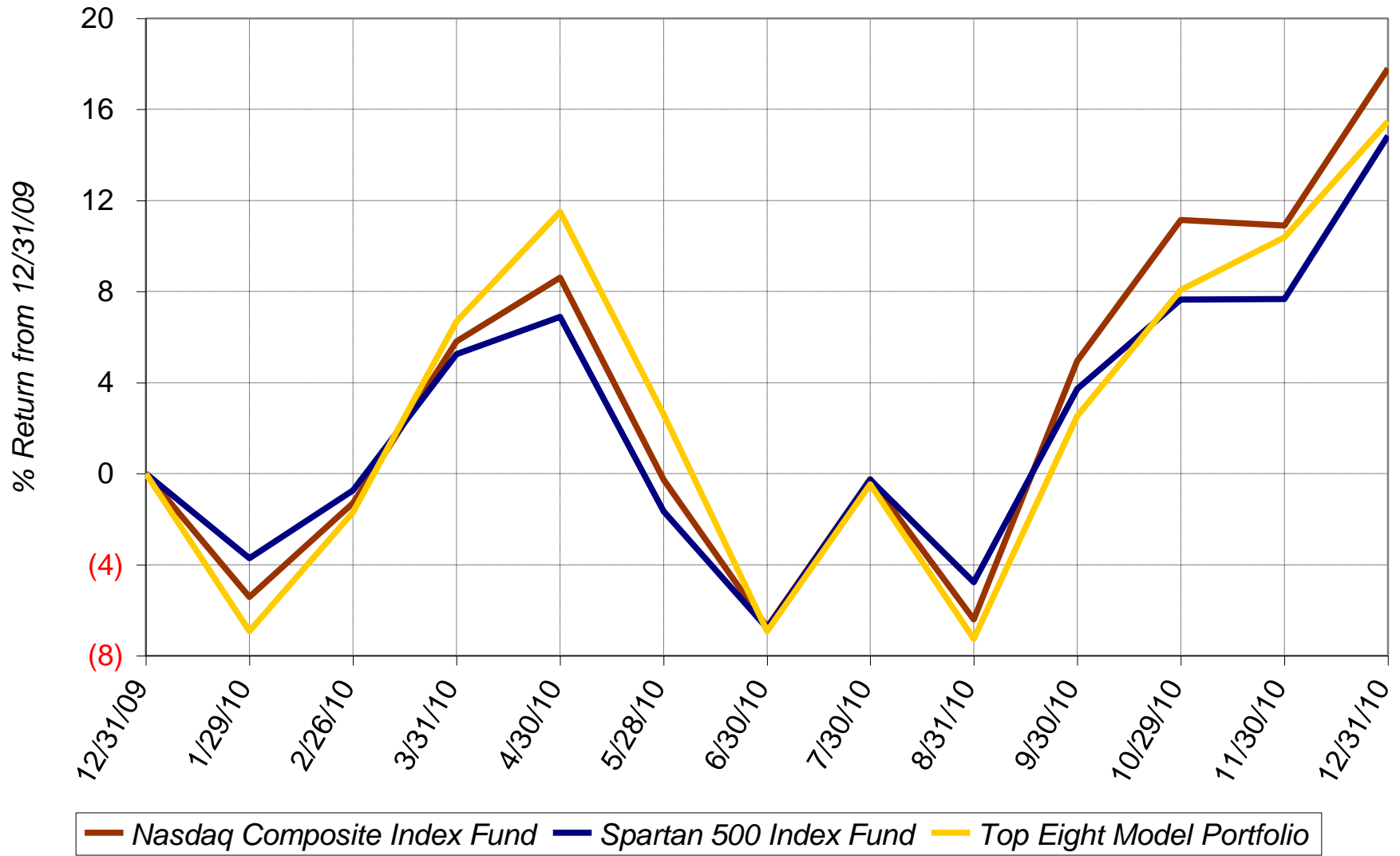
5-Year Chart



3-Year Chart



1-Year Chart



Daily Chart December 2010

