

FIDELITY SELECT FUNDRANKER™

Volume 6 Issue 6

The Right Funds at the Right Time

June 2011

May Performance Disappoints

After April's new bull market highs, May performance was disappointing; that is, until the last few trading days: *Fundranker's Top Eight Model Portfolio* improved from a loss of 5.424% at its May low to a much smaller loss of 1.771% at month's end; the Nasdaq Composite Index improved from a loss of 4.375% at its May low to a loss of 1.231% at month's end; and the S&P 500 Index improved from a loss of 3.229% at its May low to a loss of 1.138% at month's end.

Biotechnology led *Top Eight Model Portfolio Funds* with a one-month gain of 2.74%. Our three health care related funds, Pharmaceuticals, Medical Delivery, and Health Care followed with gains of 1.88%, 1.45%, and 0.97%. Dragging *Fundranker* down to a one-month loss of 1.771%, Chemicals, Energy, Natural Resources, and Energy Services had one-month losses ranging from 2.13% to 4.91%.

The *Top Eight Model Portfolio* continued to outpace S&P 500 and Nasdaq Composite Indexes for 2011 YTD total returns at the end of May—the three measures had gains of 8.741%, 7.801%, and 7.102%, respectively.

Final Performance of Funds Sold on May 9

Fundranker exchanged three funds on May 9. Here are the returns they contributed to the *Top Eight Model Portfolio*:

Fund	Bought	Sold	Return
Industrial Equipment (FSCGX)	1/7/2011	5/9/2011	8.54%
Industrials (FCYIX)	4/8/2011	5/9/2011	1.92%
Materials (FSDPX)	4/8/2011	5/9/2011	(0.59)%

Insider Behavior

Mark Hulbert's recent article (<http://on.mktw.net/jZ98wk>) about insider trading is a must read for an insight into how insiders currently feel about the market. Here is a review of his article:

According to the Vickers Weekly Insider Report, published by Argus Research, business insiders are somewhat more bullish now than they were a month ago, when the market hit new bull market highs.

One measure that shows this trend is the ratio of the number of shares insiders have sold to the number they have bought. A month ago the ratio was 5.64-to-1; that is, they sold 5.64 shares for each share they bought. Now the ratio has dropped to 3.28-to-1, definitely an encouraging trend.

It still may sound like insiders are selling way more than they are buying, but consider that over the last four decades, insiders have sold way more shares than they have bought due to the number of shares they get as part of their compensation, and which do not show up in the buy side of the ratio. In fact, this sell-to-buy ratio has become more and more skewed toward selling in recent years as an increasingly large portion of insider pay has come as shares and especially options. Professor Najat Seyhun of the University of Michigan, one of academia's leading experts on insider behavior, contends that the "normal" level of the insider sell-to-buy ratio now may be as high as 6-to-1.

Greece Debt Crisis, Round Two

Greece's sovereign debt problems weighed heavily on world markets again in May. Hopes for a new European Union aid package for Greece buoyed markets across Europe and the United States on May 31. Without restructuring or rescheduling Greece's debt, however, and possibly Ireland's and Portugal's as well, the general feeling is that this European debt crisis will rear its ugly head still again.

Holding Period Alert

If you purchased shares after May 3 of any funds which are being exchanged on June 2, to avoid roundtrip transactions under Fidelity's frequent trading policy for Select funds, you should wait at least 30 days

after your purchase before exchanging them.

For example, if you purchased shares of Natural Resources on May 4, you should wait a full thirty days and exchange Natural Resources on June 3 to avoid roundtrip transactions.

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 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 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 June 2011

Fund Name (Symbol)	Purchase	Return to 5/31
1. Biotechnology (FBIOX)	5/9/2011	3.17%
2. Chemicals (FSCHX)	4/8/2011	2.12%
3. Pharmaceuticals (FPHAX)	5/9/2011	1.96%
4. Medical Delivery (FSHCX)	4/8/2011	5.40%
5. Health Care (FSPHX)	5/9/2011	0.50%
6. Energy Service (FSESX)	12/8/2010	16.51%
7. Energy (FSENX)	1/7/2011	12.91%
8. Medical Eqpt & Systems (FSMEX)	6/2/2011	
Funds to be sold on June 2:		
10. Natural Resources (FNARX)	1/7/2011	2.46%

Fundranker Exchange for June 2

Sell Natural Resources (FNARX), buy Med Eqpt & Systems (FSMEX)

Fundranker Invest New Money Date

Invest new money on June 2.

Optional Rebalancing Exchange Dates

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

Upcoming Fundranker Exchange Date

Because the July 4 holiday falls on a Monday, *Fundranker* will exchange on July 5.

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 5/31/11</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)	18.86	4.23	1.32	(1.83)	5.645	35
Automotive (FSAVX)	41.63*	10.00	(3.71)	(1.22)	12.675	22
Banking (FSRBX)	2.04	12.76	(4.70)	(2.22)	1.970	38
Biotechnology (FBIOX)	39.00*	30.14*	19.71*	2.74*	26.898	1
Brokerage & Investment Mgmt (FSLBX)	7.75	9.55	(5.53)	(4.31)	1.865	39
Chemicals (FSCHX)	54.32*	23.13*	7.77*	(2.13)	23.773	2
Communications Equipment (FSDCX)	36.50*	18.95	(1.59)	(3.54)	13.580	17
Computers (FDCPX)	31.88	12.80	1.34	(2.46)	10.890	27
Construction & Housing (FSHOX)	15.54	19.51*	(0.53)	(1.43)	9.273	30
Consumer Discretionary (FSCPX)	24.72	8.52	2.77	(1.36)	8.663	32
Consumer Finance (FSVLX)	5.92	16.51	2.13	(0.97)	5.898	34
Consumer Staples (FDFAX)	29.65	14.77	9.81*	1.82*	16.013	11
Defense & Aerospace (FSDAX)	26.90	16.13	4.21*	(1.13)	12.528	23
Electronics (FSELX)	33.17	22.22*	1.35	(0.18)	15.140	14
Energy (FSENX)	51.20*	24.71*	(1.30)	(4.09)	19.630	7
Energy Service (FSESX)	62.77*	21.75*	(3.25)	(4.91)	21.090	6
Environment & Alternative Energy (FSLEX)	33.08	19.16	3.47	(1.83)	13.470	18
Financial Services (FIDSX)	2.76	13.99	(3.36)	(3.00)	2.598	37
Gold (FSAGX)	22.39	0.39	(0.27)	(6.32)	4.048	36
Health Care (FSPHX)	36.36*	24.85*	8.53*	0.97*	21.678	5
Industrial Equipment (FSCGX)	35.04	18.31	1.03	(3.17)	12.803	21
Industrials (FCYIX)	33.23	17.14	1.48	(3.60)	12.063	25
Insurance (FSPCX)	19.46	11.36	(2.16)	(3.62)	6.260	33
IT Services (FBSOX)	34.83	15.98	3.76	(2.10)	13.118	19
Leisure (FDLSX)	25.09	7.23	5.53*	1.51*	11.840	26
Materials (FSDPX)	41.81*	17.04	3.22	(2.96)	15.778	12
Medical Delivery (FSHCX)	37.91*	29.00*	9.04*	1.45*	23.350	4
Medical Equipment & Systems (FSMEX)	31.63	24.52*	7.66*	0.60*	19.103	8
Multimedia (FBMPX)	35.75	20.91*	2.76	(0.73)	15.673	13
Natural Gas (FSNGX)	30.40	17.53	(1.92)	(3.66)	10.588	28
Natural Resources (FNARX)	48.58*	22.71*	(1.18)	(4.20)	18.478	10
Pharmaceuticals (FPHAX)	40.11*	23.04*	12.61*	1.88*	23.410	3
Retailing (FSRPX)	22.54	9.95	6.29*	(0.92)	10.465	29
Software & Computer Services (FSCSX)	36.20	14.77	2.96	(1.57)	13.090	20
Technology (FSPTX)	36.75*	12.76	(0.62)	(2.99)	12.475	24
Telecommunications (FSTCX)	35.69	18.95	10.09*	3.15*	18.970	9
Transportation (FSRFX)	24.16	9.38	4.10	(0.64)	9.250	31
Utilities (FSUTX)	26.89	14.26	5.36*	1.09*	13.900	16
Wireless (FWRLX)	31.48	18.21	3.38	0.59*	14.415	15

*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

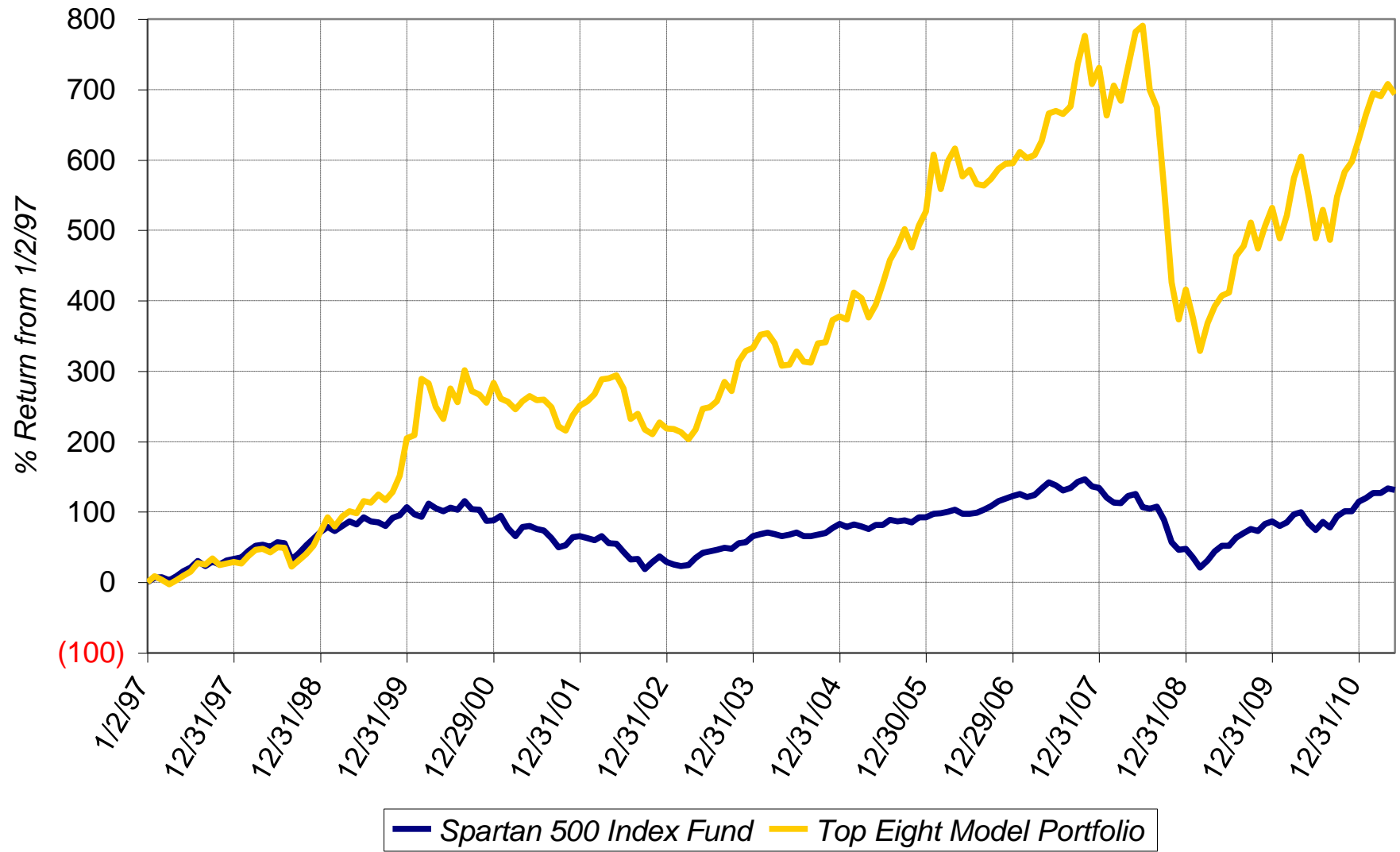
Sell on June 2, 2011

Buy on June 2, 2011

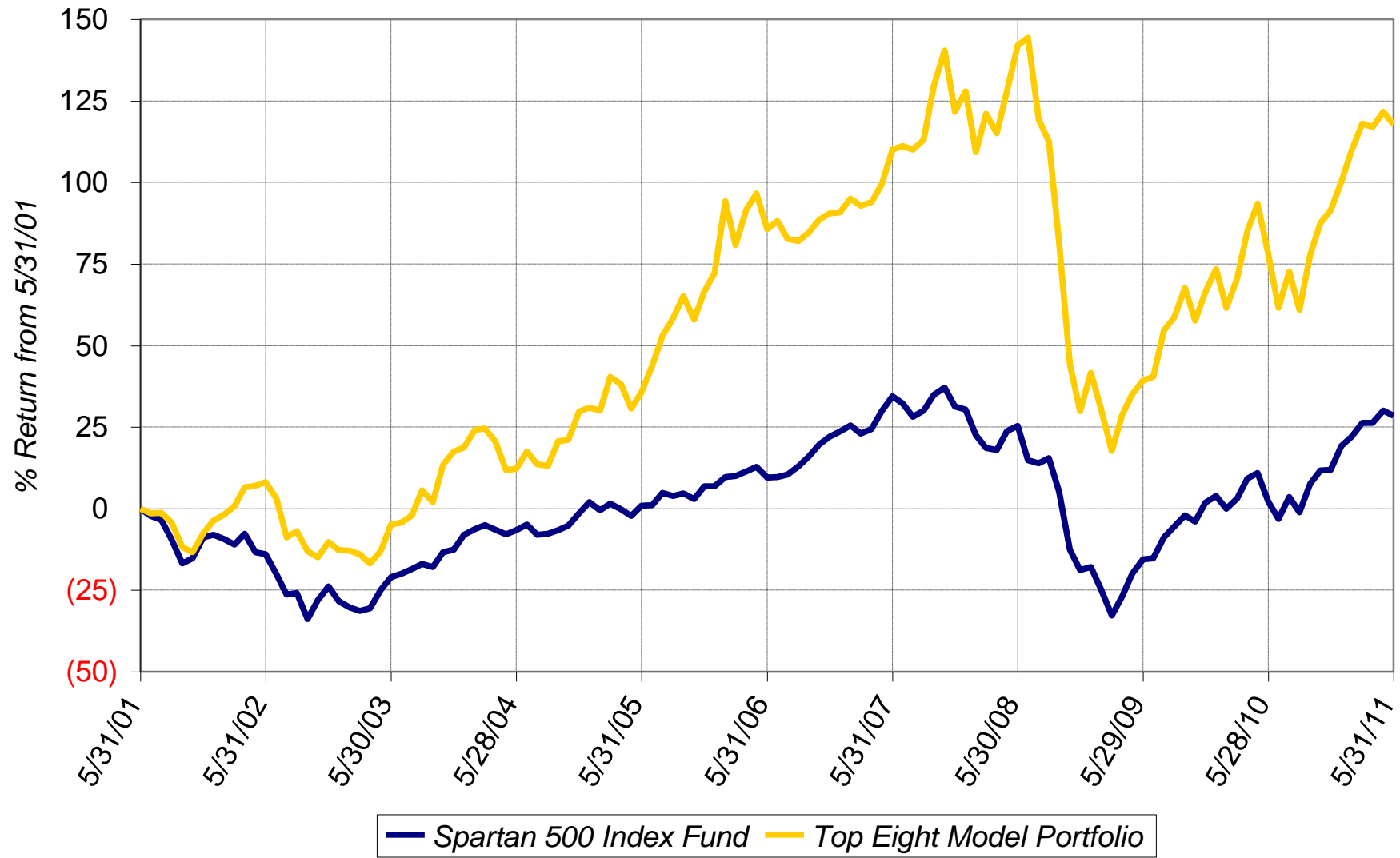
Hold

Fundranker Performance for May 2011													
4/29 Funds	4/29 Shares	4/29 Amount	<=5/9 Div Shrs	5/9 Shares	5/9 Amount	5/9 Funds	5/9 Shares	5/9 Amount	>5/9 Div Shrs	5/31 Shares	5/31 Amount	May Return	
FSESX	272.756	23,830.69	none	272.756	22,194.16	FSCHX	217.829	23,514.61	none	217.829	23,671.48		
FSENX	384.862	23,819.11	none	384.862	22,510.58	FSENX	402.028	23,514.61	none	402.028	23,864.38		
FNARX	588.814	23,687.99	none	588.814	22,380.82	FNARX	618.643	23,514.61	none	618.643	23,842.50		
FSCHX	222.722	24,731.05	none	222.722	24,042.84	FSESX	288.984	23,514.61	none	288.984	24,008.79		
FSHCX	414.115	24,623.28	none	414.115	25,281.72	FSHCX	385.170	23,514.61	none	385.170	23,233.45		
FCYIX	940.942	24,577.41	none	940.942	24,153.98	FSPHX	162.573	23,514.61	none	162.573	23,631.61		
FSCGX	648.811	24,369.34	none	648.811	23,993.03	FPHAX	1,703.957	23,514.61	none	1,703.957	23,974.67		
FSDPX	325.591	24,282.58	none	325.591	23,559.76	FBIOX	273.808	23,514.61	none	273.808	24,259.39		
Top Eight		193,921.45			188,116.89			188,116.90			190,486.27	(1.771)	
FNCMX	1,552.931	59,275.38	none						none	1,552.931	58,545.50	(1.231)	
FUSEX	1,161.631	56,118.39	none						none	1,161.631	55,479.50	(1.138)	
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	2011 YTD					
				Return %	Return %	Return %	Return %	Return %					
<i>Top Eight Model Portfolio</i>				19.463	(37.882)	22.518	15.464	8.741					
Nasdaq Composite Index Fund				10.497	(40.041)	44.959	17.811	7.102					
Spartan 500 Index Fund - Investor Class				5.426	(37.047)	26.502	14.842	7.801					
Lifetime Summary				1/2/97 to 5/31/11		1/2/97 to 5/31/11							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				693.693		15.453							
Nasdaq Composite Index Fund				N/A		N/A							
Spartan 500 Index Fund - Investor Class				131.165		5.985							
10-Year Summary				5/31/01 to 5/31/11		5/31/01 to 5/31/11							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				117.779		8.094							
Nasdaq Composite Index Fund				N/A		N/A							
Spartan 500 Index Fund - Investor Class				28.536		2.542							
5-Year Summary				5/31/06 to 5/31/11		5/31/06 to 5/31/11							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				17.346		3.251							
Nasdaq Composite Index Fund				34.842		6.161							
Spartan 500 Index Fund - Investor Class				17.286		3.240							
3-Year Summary				5/30/08 to 5/31/11		5/30/08 to 5/31/11							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				(9.987)		(3.446)							
Nasdaq Composite Index Fund				14.872		4.730							
Spartan 500 Index Fund - Investor Class				2.518		0.832							
1-Year Summary				5/28/10 to 5/31/11		5/28/10 to 5/31/11							
				Total Return %		Total Return %							
<i>Top Eight Model Portfolio</i>				22.370		22.370							
Nasdaq Composite Index Fund				26.515		26.515							
Spartan 500 Index Fund - Investor Class				25.877		25.877							

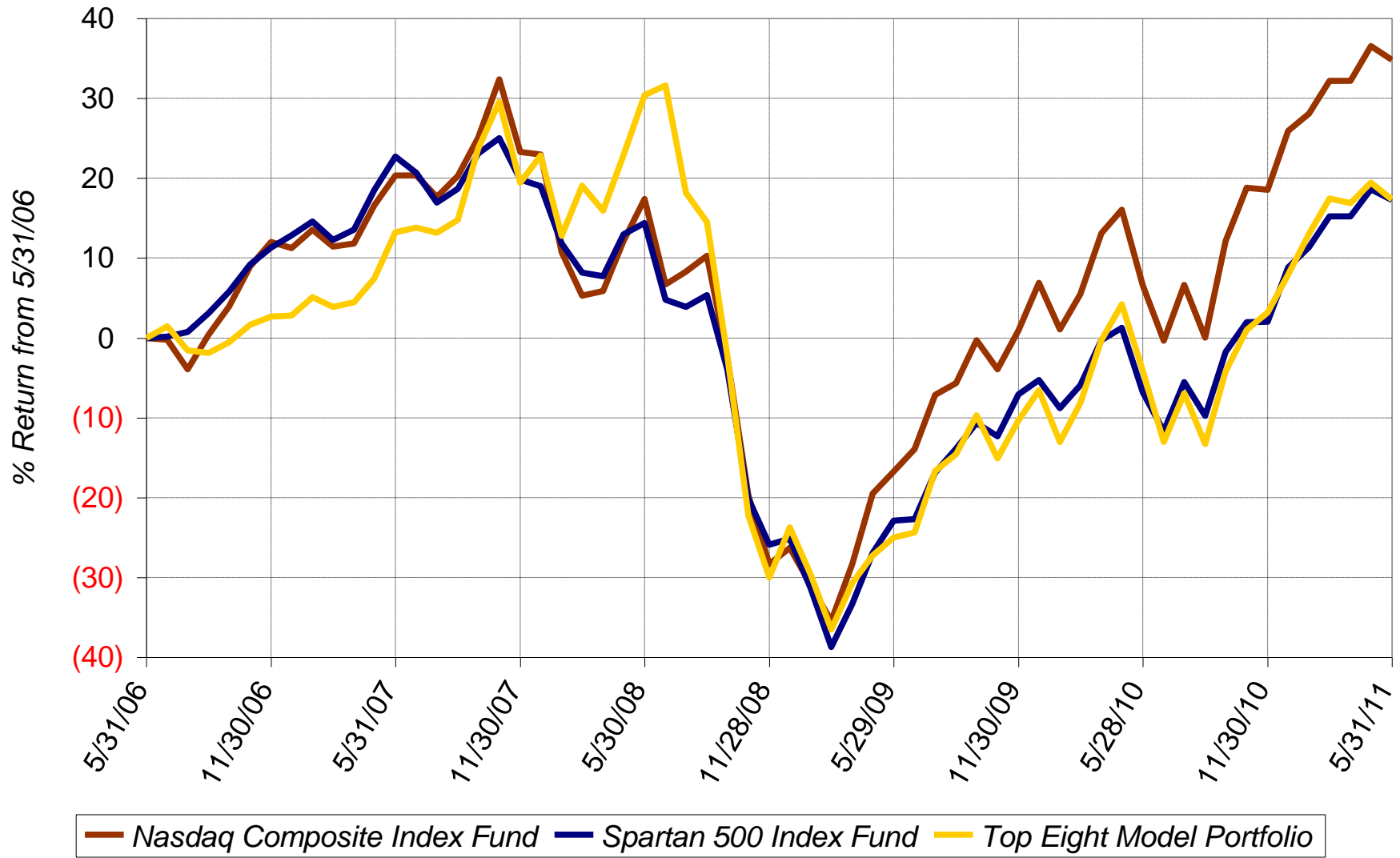
Lifetime Chart



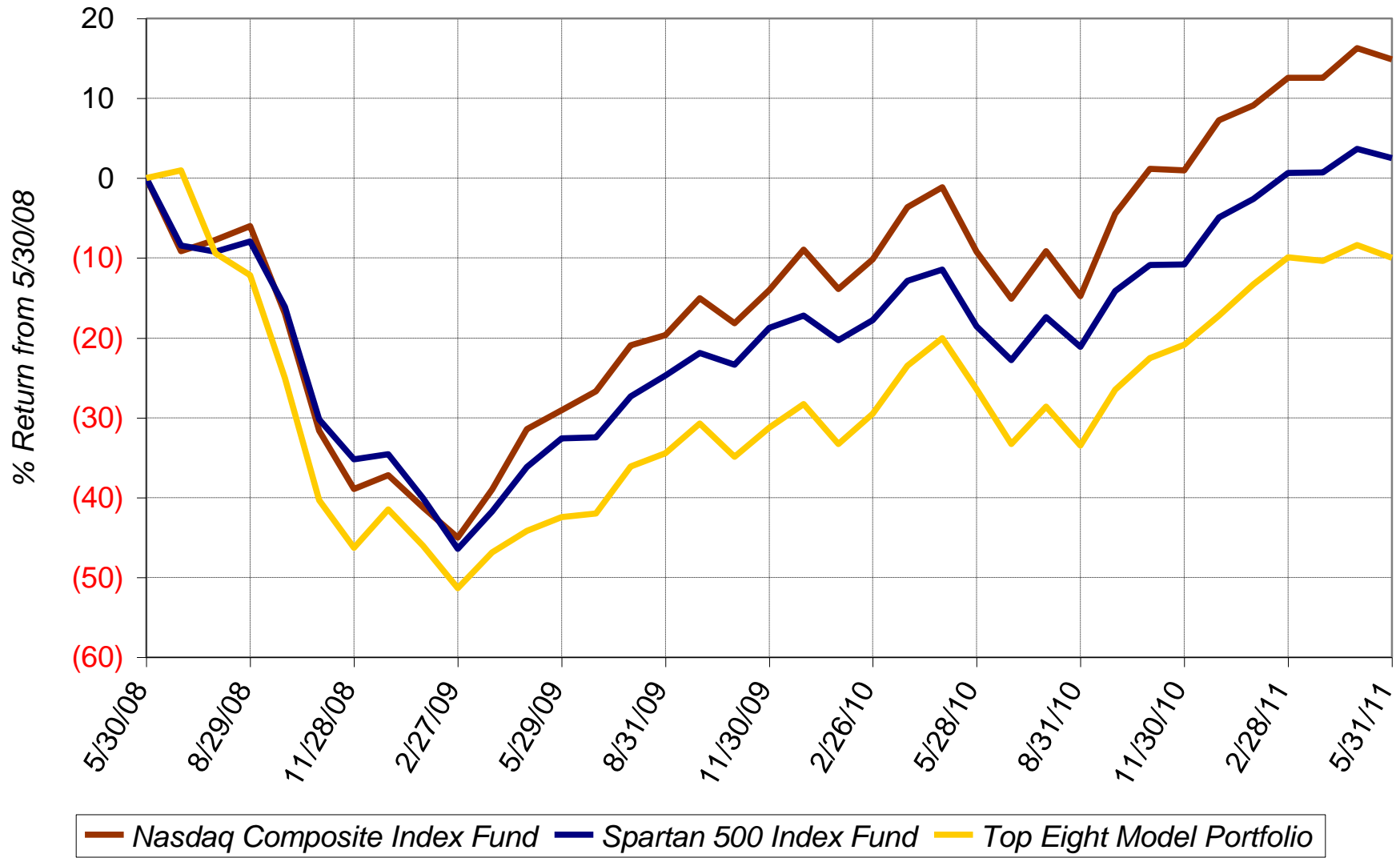
10-Year Chart



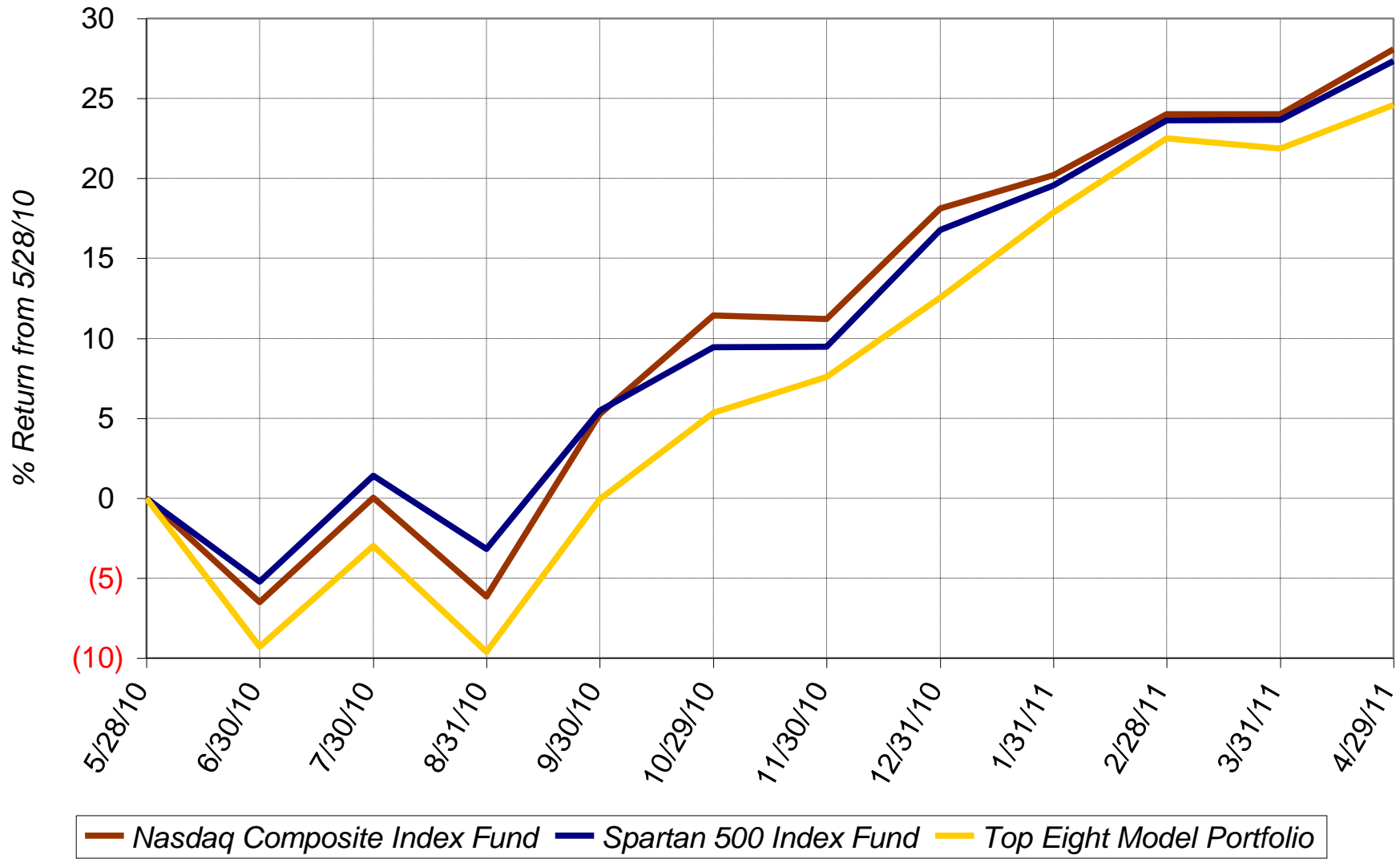
5-Year Chart



3-Year Chart



1-Year Chart



Daily Chart May 2011

