

FIDELITY SELECT FUNDRAKER™

Volume 6 Issue 7

The Right Funds at the Right Time

July 2011

June Performance Disappoints

June's performance was more-or-less a repeat of May's performance. *Fundranker's Top Eight Model Portfolio*, the Nasdaq Composite Index, and the S&P 500 Index improved from losses in the 6% to 7% range at their June lows to losses of around 2% at month's end. As happened in May, most of the recovery occurred in the last four trading days of June.

Top Eight Model Portfolio funds performed in a narrow range in June. Energy Service led *Top Eight Model Portfolio* funds with a one-month loss of 0.60%. Medical Delivery, Health Care, Chemicals, and Pharmaceuticals followed with losses of 1.04%, 1.22%, 1.30%, and 1.56%. Medical Equipment & Systems, Biotechnology, and Energy, had one-month losses of 2.02%, 2.43%, and 2.73%. The *Top Eight Model Portfolio* lost 1.776% for June, nearly identical to its May loss.

The *Top Eight Model Portfolio* continued to outpace the S&P 500 and Nasdaq Composite Indexes for 2011 YTD total returns at the end of June. The three measures had YTD gains of 6.810%, 5.995%, and 4.801%, respectively.

Final Performance of Fund Sold on June 2

Fundranker exchanged one fund on June 2. Here is the return it contributed to the *Top Eight Model Portfolio*:

Fund	Bought	Sold	Return
Natural Resources (FNARX)	1/7/2011	6/2/2011	8.54%

Health Care Overweighting

Fundranker's Top Eight Model Portfolio significantly increased its exposure to the health care sector over the last three months. We purchased Medical Delivery in April, Health Care, Pharmaceuticals, and Biotechnology in May, and Medical Equipment & Systems in June. For June, *Fundranker* held all five of Fidelity's health care funds, and they accounted for over half of our *Top Eight Model Portfolio*.

Most of Fidelity's Select funds lost ground in June, including our health care funds, but only eight Select funds performed better than all five of our health care funds in June. For second quarter performance, only six Select funds performed better than even our lowest gaining health care fund, Medical Delivery, and our top two health care funds, Biotechnology and Pharmaceuticals, led all other Select funds. For first half 2011 performance, our five health care funds led all but one Select fund, Defense & Aerospace.

So how will this overweighting in health care play out in coming months? For July, we still are heavily weighted in health care with four funds, but our newest health care fund, Medical Equipment & Systems, fell out of the *Top Eight Model Portfolio* in favor of the aforementioned Defense & Aerospace.

While our politicians argue endlessly over how and even whether the Affordable Care Act (health care reform), passed and signed into law over a year ago, should be implemented and funded, it seems that the market is placing a vote of confidence in the outcome. We look for these funds to perform well for *Fundranker*.

Energy Weighting

Fundranker bought Energy Service last December and Energy and Natural Resources last January. We sold Natural Resources in June, but our 25% weighting in energy funds persists for July. The worldwide release oil reserves beginning late June have buoyed energy funds, so we look for our energy funds to perform well for *Fundranker*.

Holding Period Alert

If you purchased shares after June 3 of any funds which are being exchanged on July 5, 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 Med Eqpt & Systems on June 6, you should wait a full thirty days and exchange Med Eqpt & Systems on July 6 to avoid a roundtrip transaction.

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 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 *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 July 2011

Fund Name (Symbol)	Purchase	Return to 6/30
1. Chemicals (FSCHX)	4/8/2011	0.80%
2. Biotechnology (FBIOX)	5/9/2011	0.66%
3. Energy Service (FSESX)	12/8/2010	15.80%
4. Medical Delivery (FSHCX)	4/8/2011	4.30%
5. Defense & Aerospace (FSDAX)	7/5/2011	
6. Health Care (FSPHX)	5/9/2011	(0.73)%
7. Pharmaceuticals (FPHAX)	5/9/2011	0.36%
8. Energy (FSENX)	1/7/2011	9.83%

Funds to be sold on July 5:

10. Medical Eqpt & Systems (FSMEX)	6/2/2011	(0.35)%
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Fundranker Exchange for July 5

Sell Medical Eqpt & Systems (FSMEX), buy Def & Aerospace (FSDAX)

Fundranker Invest New Money Date

Invest new money on July 5.

Optional Rebalancing Exchange Dates

Method 1: none; Method 2: none; Method 3: July 5 (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 August 2; otherwise, *Fundranker* will exchange on August 4.

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<i>Fundranker Ratings for 6/30/11</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)	27.21	2.21	0.06	(0.77)	7.178	32
Automotive (FSAVX)	54.32*	(0.15)	0.12	0.00	14.573	13
Banking (FSRBX)	9.70	(5.29)	(5.55)	(2.77)	(0.978)	36
Biotechnology (FBIOX)	42.77*	18.49*	10.17*	(2.43)	20.250	2
Brokerage & Investment Mgmt (FSLBX)	14.77	(7.05)	(7.81)	(4.64)	(1.183)	37
Chemicals (FSCHX)	66.10*	12.34*	3.02*	(1.30)	23.040	1
Communications Equipment (FSDCX)	38.21	3.70	(4.45)	(5.63)	7.958	28
Computers (FDCPX)	36.80	5.35	(0.12)	(1.93)	10.025	24
Construction & Housing (FSHOX)	30.79	2.42	(3.83)	(3.55)	6.458	33
Consumer Discretionary (FSCPX)	37.70	4.19	2.23	(0.53)	10.898	22
Consumer Finance (FSVLX)	15.71	7.17	1.29	(0.41)	5.940	34
Consumer Staples (FDFAX)	29.74	6.60	5.49*	(2.39)	10.860	23
Defense & Aerospace (FSDAX)	37.27	13.12*	4.04*	1.62*	17.013	5
Electronics (FSELX)	35.11	3.87	(0.73)	(7.10)	7.788	29
Energy (FSENX)	55.42*	10.59*	(6.28)	(2.73)	16.250	8
Energy Service (FSESX)	68.08*	11.04*	(6.47)	(0.60)	20.013	3
Environment & Alternative Energy (FSLEX)	33.70	8.85	(0.49)	(2.42)	9.910	25
Financial Services (FIDSX)	8.15	(5.31)	(5.23)	(3.94)	(1.583)	38
Gold (FSAGX)	11.42	(8.44)	(6.66)	(5.21)	(2.223)	39
Health Care (FSPHX)	39.75	15.23*	4.35*	(1.22)	16.528	6
Industrial Equipment (FSCGX)	42.25*	4.89	(3.11)	(2.61)	11.355	21
Industrials (FCYIX)	41.37*	7.01	(1.45)	(1.15)	12.445	19
Insurance (FSPCX)	18.83	1.25	(2.67)	(2.43)	3.745	35
IT Services (FBSOX)	40.40	8.89*	0.82	(0.66)	13.363	15
Leisure (FDLSX)	38.74	6.53	5.54*	0.81*	14.905	12
Materials (FSDPX)	52.70*	5.46	0.22	(1.05)	15.333	10
Medical Delivery (FSHCX)	43.90*	20.15*	3.86*	(1.04)	19.718	4
Medical Equipment & Systems (FSMEX)	32.08	13.02*	4.04*	(2.02)	13.780	14
Multimedia (FBMPX)	43.05*	12.53*	2.06	(1.88)	15.940	9
Natural Gas (FSNGX)	35.76	3.90	(6.83)	(3.52)	7.328	31
Natural Resources (FNARX)	51.03*	7.51	(6.58)	(3.06)	13.225	16
Pharmaceuticals (FPHAX)	37.40	14.54*	7.39*	(1.56)	16.443	7
Retailing (FSRPX)	40.43	7.06	4.65*	0.35*	15.123	11
Software & Computer Services (FSCSX)	41.78*	6.42	0.70	(1.35)	12.888	17
Technology (FSPTX)	39.72	2.97	(2.97)	(3.23)	9.123	26
Telecommunications (FSTCX)	36.55	8.69	4.64*	(2.59)	12.823	18
Transportation (FSRFX)	30.72	4.17	0.46	(1.42)	8.483	27
Utilities (FSUTX)	28.17	9.12*	4.83*	(0.34)	12.445	19
Wireless (FWRLX)	30.04	6.23	(0.85)	(4.55)	7.718	30

*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

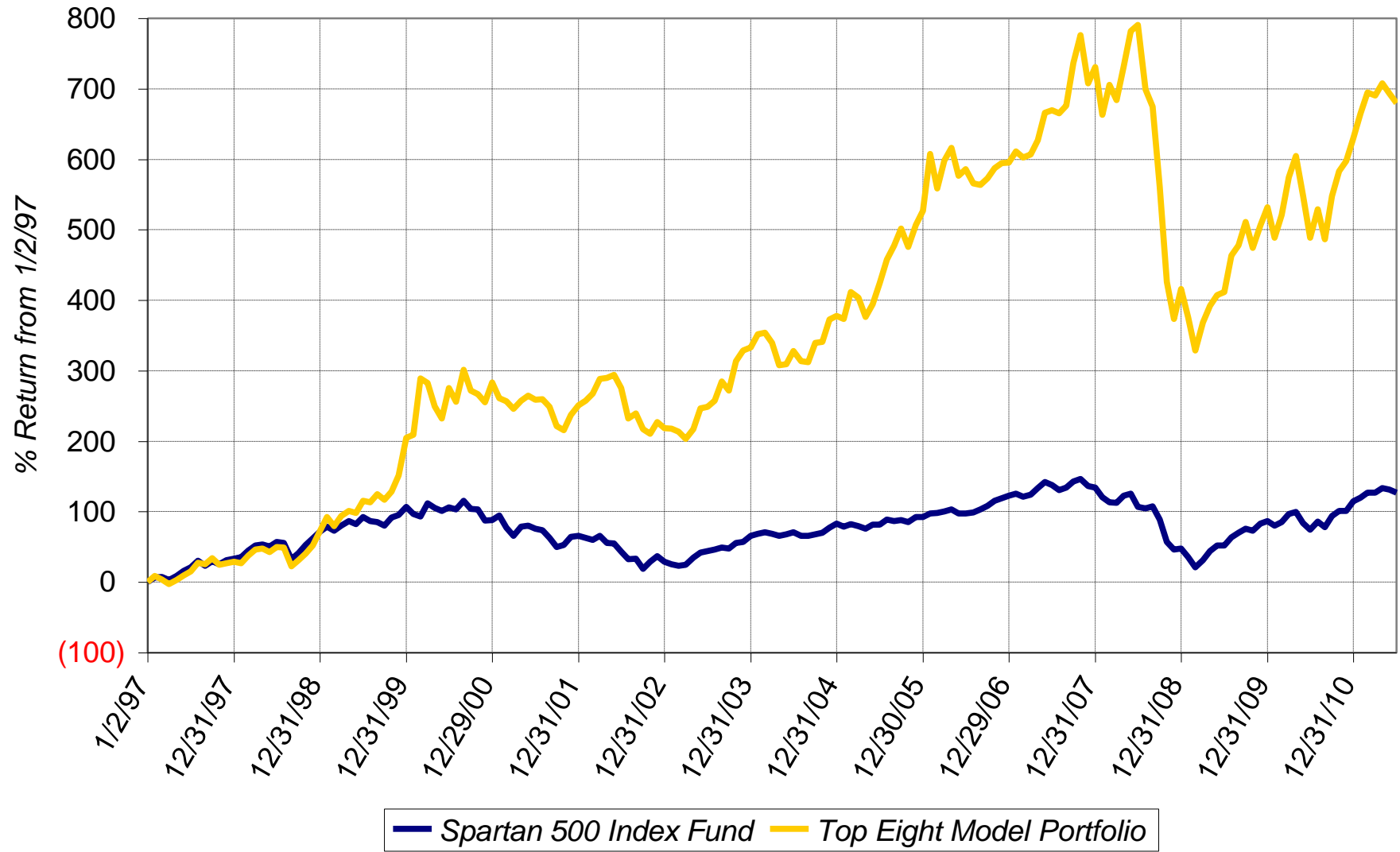
Sell on July 5, 2011

Buy on July 5, 2011

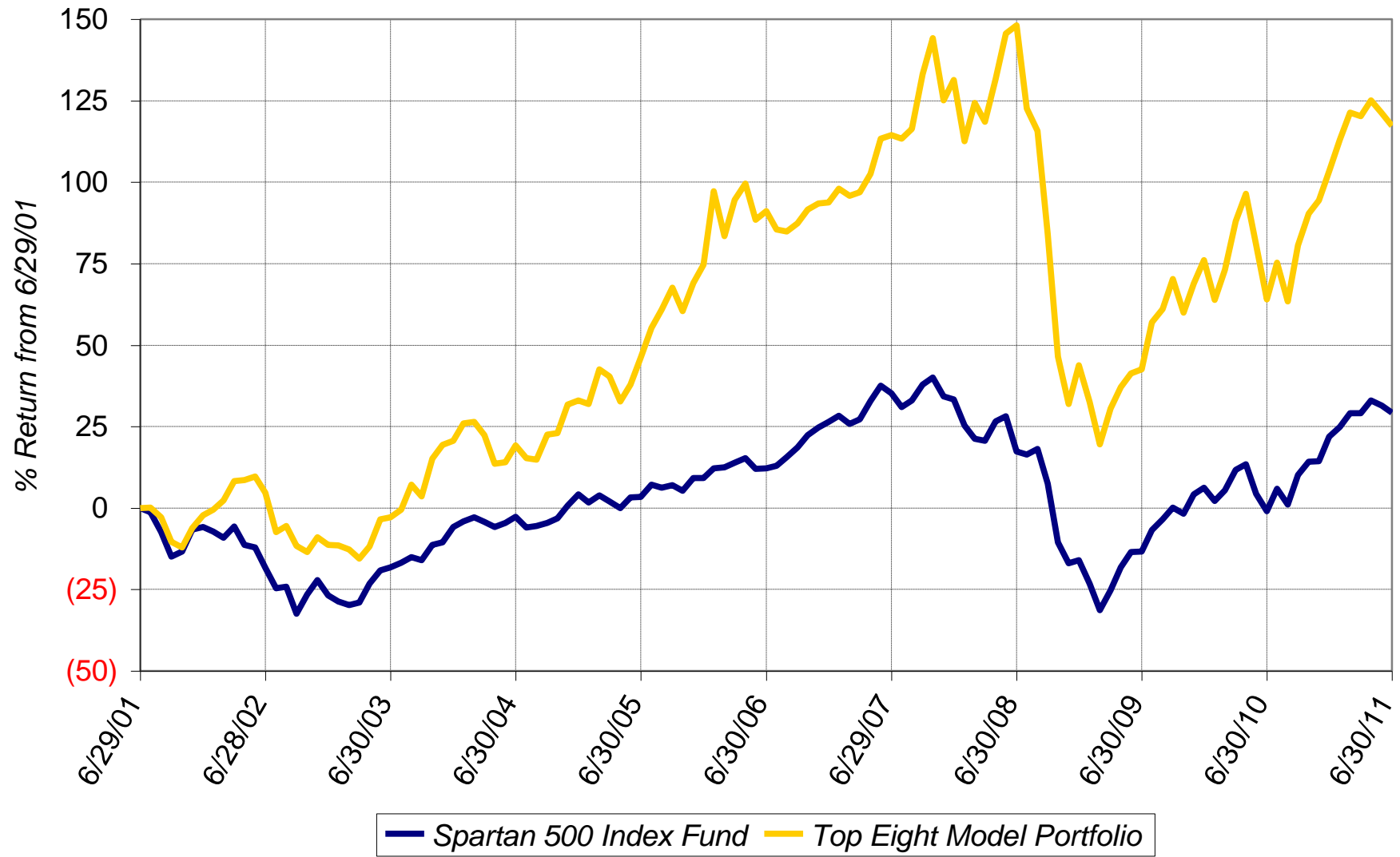
Hold

Fundranker Performance for June 2011													
5/31 Funds	5/31 Shares	5/31 Amount	<=6/2 Div Shrs	6/2 Shares	6/2 Amount	6/2 Funds	6/2 Shares	6/2 Amount	>6/2 Div Shrs	6/30 Shares	6/30 Amount	Jun Return	
FSCHX	217.829	23,671.48	none	217.829	23,044.13	FBIOX	267.058	23,354.24	none	267.058	23,087.16		
FSENX	402.028	23,864.38	none	402.028	23,172.89	FSCHX	220.760	23,354.24	none	220.760	23,678.72		
FNARX	618.643	23,842.50	none	618.643	23,131.06	FPHAX	1,685.010	23,354.24	none	1,685.010	23,337.39		
FSESX	288.984	24,008.79	none	288.984	23,601.32	FSHCX	390.735	23,354.24	none	390.735	23,322.97		
FSHCX	385.170	23,233.45	none	385.170	23,021.61	FSPHX	162.940	23,354.24	none	162.940	23,396.55		
FSPHX	162.573	23,631.61	none	162.573	23,301.59	FSESX	285.959	23,354.24	none	285.959	23,614.49		
FPHAX	1,703.957	23,974.67	none	1,703.957	23,616.84	FSENX	405.174	23,354.24	none	405.174	23,394.75		
FBIOX	273.808	24,259.39	none	273.808	23,944.51	FSMEX	750.699	23,354.24	none	750.699	23,271.67		
Top Eight		190,486.27			186,833.95			186,833.90			187,103.70	(1.776)	
FNCMX	1,552.931	58,545.50	none						none	1,552.931	57,287.62	(2.149)	
FUSEX	1,161.631	55,479.50	none						none	1,161.631	54,550.19	(1.675)	
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	6.810					
Nasdaq Composite Index Fund				10.497	(40.041)	44.959	17.811	4.801					
Spartan 500 Index Fund - Investor Class				5.426	(37.047)	26.502	14.842	5.995					
Lifetime Summary				1/2/97 to 6/30/11		1/2/97 to 6/30/11							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				679.599		15.215							
Nasdaq Composite Index Fund				N/A		N/A							
Spartan 500 Index Fund - Investor Class				127.292		5.826							
10-Year Summary				6/29/01 to 6/30/11		6/29/01 to 6/30/11							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				117.214		8.066							
Nasdaq Composite Index Fund				N/A		N/A							
Spartan 500 Index Fund - Investor Class				29.227		2.597							
5-Year Summary				6/30/06 to 6/30/11		6/30/06 to 6/30/11							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				13.658		2.594							
Nasdaq Composite Index Fund				32.214		5.744							
Spartan 500 Index Fund - Investor Class				15.172		2.865							
3-Year Summary				6/30/08 to 6/30/11		6/30/08 to 6/30/11							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				(12.441)		(4.332)							
Nasdaq Composite Index Fund				23.696		7.346							
Spartan 500 Index Fund - Investor Class				10.090		3.256							
1-Year Summary				6/30/10 to 6/30/11		6/30/10 to 6/30/11							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				32.492		32.406							
Nasdaq Composite Index Fund				32.406		30.590							
Spartan 500 Index Fund - Investor Class				30.590									

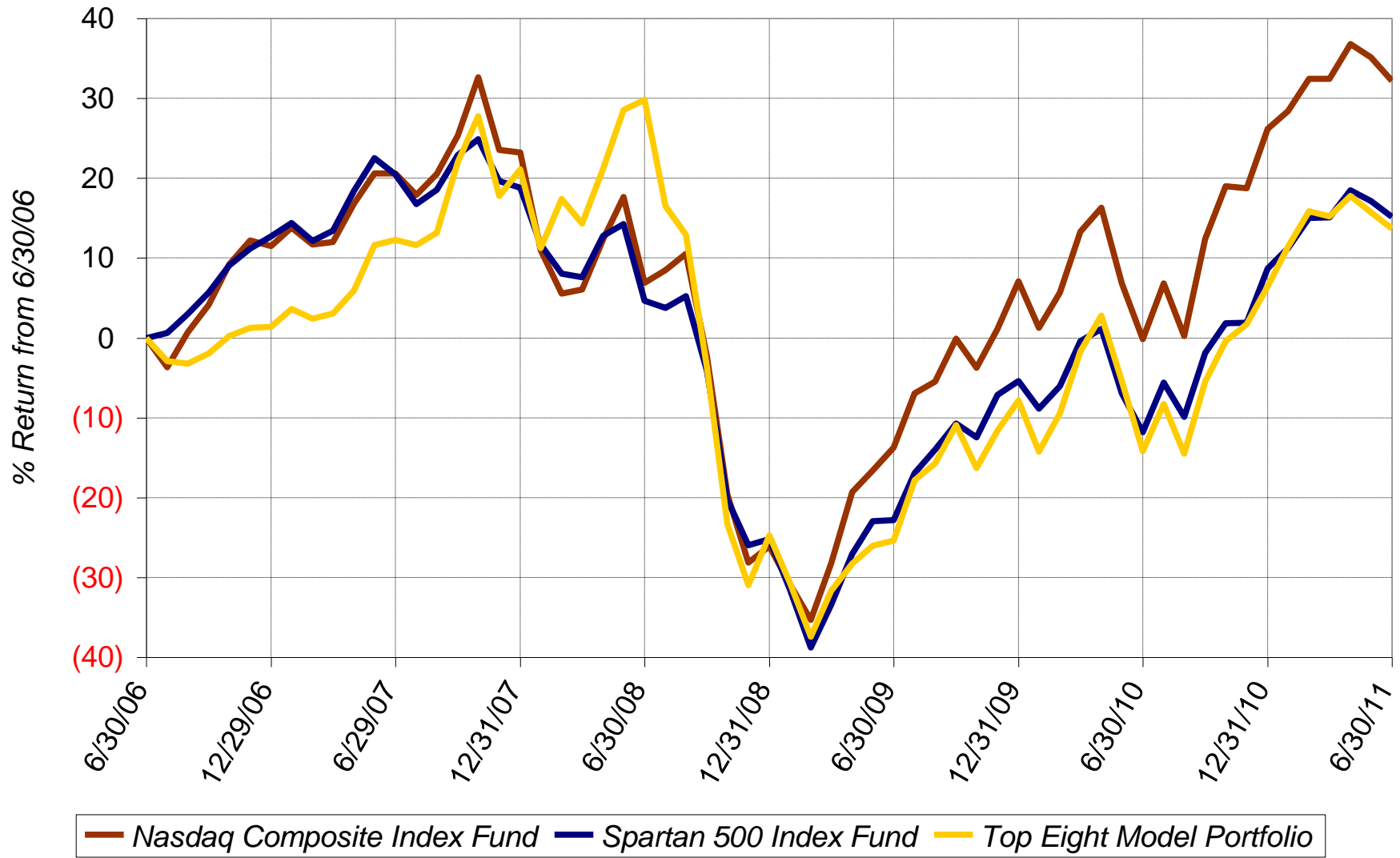
Lifetime Chart



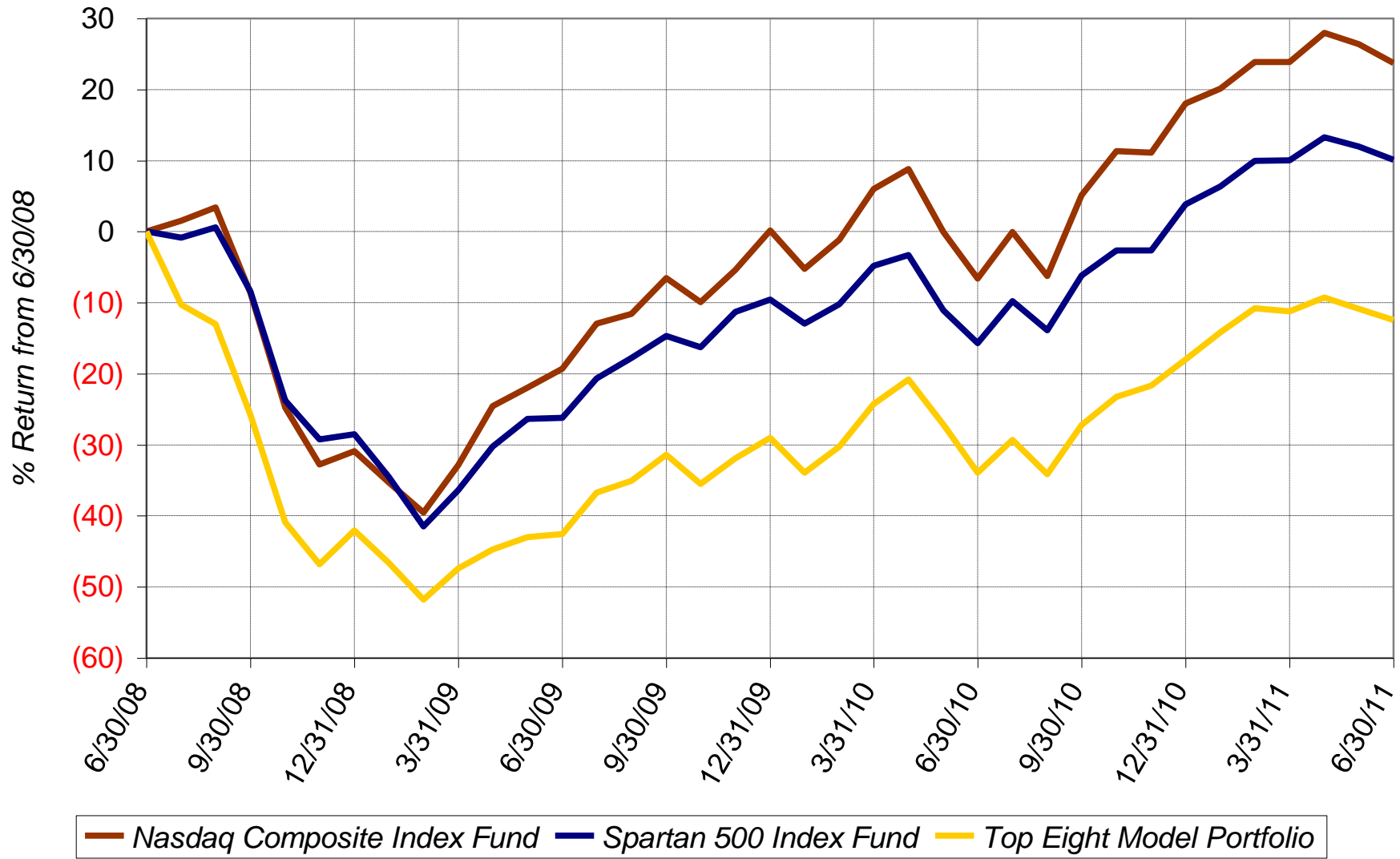
10-Year Chart



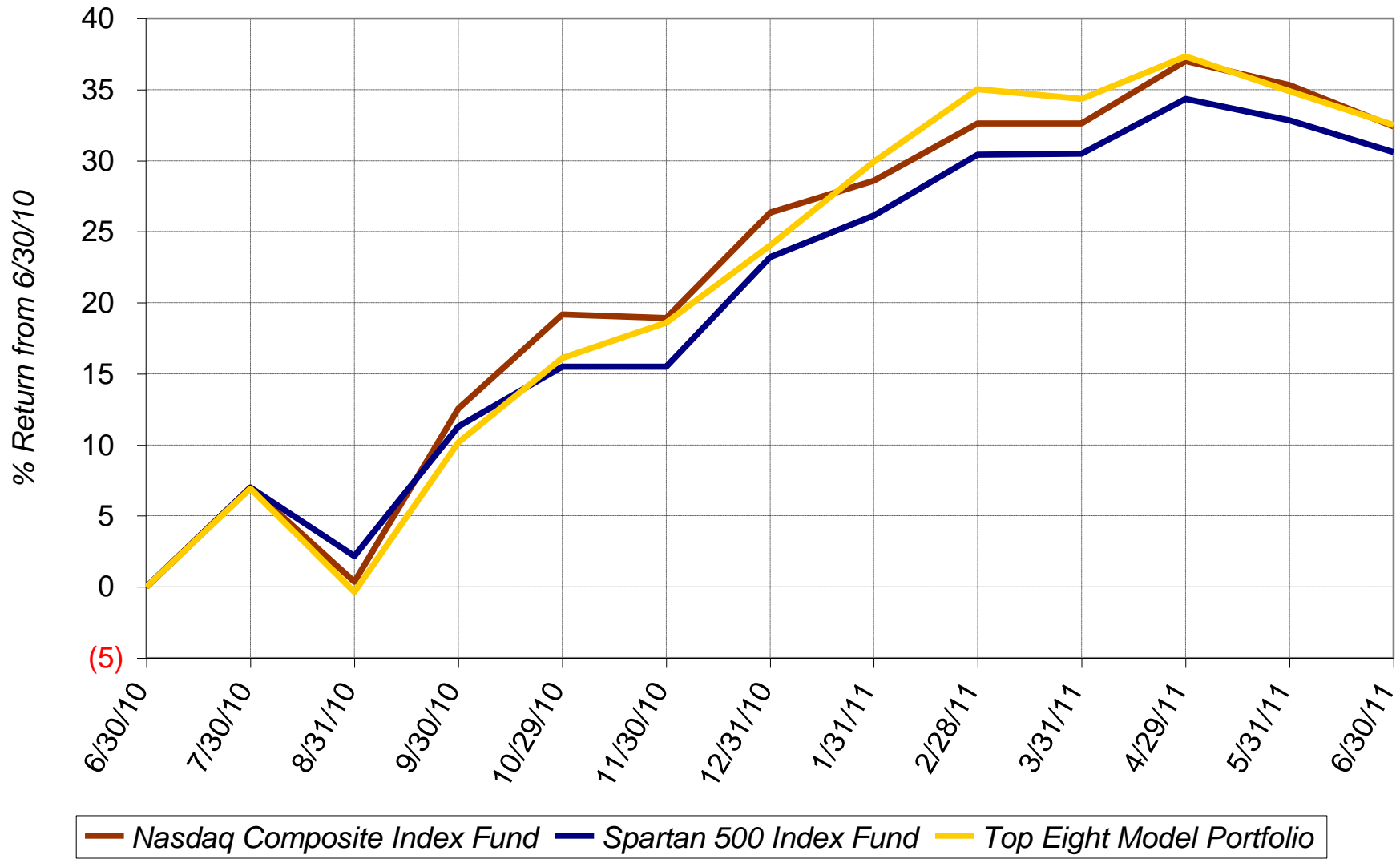
5-Year Chart



3-Year Chart



1-Year Chart



Daily Chart June 2011

