

FIDELITY SELECT FUNDRANKER™

Volume 6 Issue 8

The Right Funds at the Right Time

August 2011

July Performance Disappoints

July's performance looked promising until the last week of the month, when the debt limit stalemate in Congress completely overshadowed upbeat second quarter earnings reports.

Energy Service and Energy led *Top Eight Model Portfolio* funds with one-month gains of 5.93% and 1.35%. Pharmaceuticals, Biotechnology, and Chemicals had one-month losses of 0.79%, 1.17%, and 1.85%. Medical Delivery, Health Care, and Defense & Aerospace trailed with losses of 2.61%, 2.76%, and 4.50%. The *Top Eight Model Portfolio* lost 0.727% for July, its third monthly loss in a row.

The *Top Eight Model Portfolio* continued to outpace the Nasdaq Composite and S&P 500 Indexes for 2011 YTD total returns at the end of July, however. The three measures had YTD gains of 6.033%, 4.205%, and 3.838%, respectively.

Final Performance of Fund Sold on July 5

Fundranker exchanged one fund on July 5. Here is the return it contributed to the *Top Eight Model Portfolio*:

Fund	Bought	Sold	Return
Medical Eqpt & Systems (FSMEX)	6/2/2011	7/5/2011	1.06%

Debt Limit, Deficit Reduction Standoff

Politicians on both the left and right played chicken throughout July in their talks on raising the United States' debt limit and reducing its budget deficit. On the last day of July, they finally announced a compromise deal to avoid the first ever default on U.S. debt. The House of Representatives and the Senate still need to pass the legislation, and President Obama still needs to sign it into law before the August 2 deadline beyond which the Treasury Department would not be able to meet United States' obligations.

The compromise calls for spending cuts and raising the debt limit in two stages. In the first stage, \$900 billion of spending cuts over 10 years would be matched with a \$900 billion increase in the government's borrowing authority. The \$900 billion increase would consist of an immediate \$400 billion increase and a \$500 billion increase that would take effect after Congress has a chance to review and block it.

The second stage calls for a newly created joint bipartisan committee of Congress to find and recommend \$1.5 trillion in additional spending cuts. If Congress enacts the cuts by the end of 2011, a corresponding increase in the debt limit would be triggered. If the joint committee fails its mission, or Congress fails to enact the cuts by the end of 2011, then \$1.2 trillion of automatic spending cuts would be triggered along with a corresponding increase in the debt limit.

Both Democrats and Republicans can claim that they achieved key objectives. President Obama won his demand that the debt limit be increased enough to last through the 2012 elections. Congressional Democrats won their demand that Social Security and Medicare not be cut. Republicans won spending cuts of slightly more than the debt limit increase, as they demanded. Also, tax increases, anathema to Republicans, will be off limits, unless recommended by the bipartisan committee, which is expected to consist of six Democrats and six Republicans.

Holding Period Alert

If you purchased shares after July 5 of any funds which are being exchanged on August 4, 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 Defense & Aerospace on July 6, you should wait a full thirty days and exchange Defense & Aerospace on August 5 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 August 2011

Fund Name (Symbol)	Purchase	Return to 7/29
1. Energy Service (FSESX)	12/8/2010	22.68%
2. Retailing (FSRPX)	8/4/2011	
3. Medical Delivery (FSHCX)	4/8/2011	1.57%
4. Biotechnology (FBIOX)	5/9/2011	(0.51)%
5. Leisure (FDLSX)	8/4/2011	
6. Energy (FSENX)	1/7/2011	11.31%
7. Pharmaceuticals (FPHAX)	5/9/2011	(0.43)%
8. Natural Resources (FNARX)	8/4/2011	
Funds to be sold on August 4:		
9. Chemicals (FSCHX)	4/8/2011	(1.06)%
10. Health Care (FSPHX)	5/9/2011	(3.47)%
22. Defense & Aerospace (FSDAX)	7/5/2011	(5.23)%

Fundranker Exchanges for August 4

Sell Chemicals (FSCHX), buy Retailing (FSRPX)
Sell Defense & Aerospace (FSDAX), buy Leisure (FDLSX)
Sell Health Care (FSPHX), buy Natural Resources (FNARX)

Fundranker Invest New Money Date

Invest new money on August 2.

Optional Rebalancing Exchange Dates

Method 1: none; Method 2: August 2; Method 3: August 4 (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 September 2; otherwise, *Fundranker* will exchange on September 6.

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<i>Fundranker Ratings for 7/29/11</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)	4.61	(7.04)	(10.71)	(8.34)	(5.370)	36
Automotive (FSAVX)	24.18	(9.70)	(7.63)	(6.49)	0.090	28
Banking (FSRBX)	0.89	(8.81)	(7.38)	(2.57)	(4.468)	35
Biotechnology (FBIOX)	33.25*	16.37*	(0.93)	(1.17)	13.880	4
Brokerage & Investment Mgmt (FSLBX)	2.23	(10.49)	(11.18)	(2.67)	(5.528)	37
Chemicals (FSCHX)	40.91*	8.30*	(5.19)	(1.85)	12.543	9
Communications Equipment (FSDCX)	12.23	(11.26)	(18.58)	(10.55)	(7.040)	39
Computers (FDCPX)	25.78	(0.02)	(7.03)	(2.81)	3.980	21
Construction & Housing (FSHOX)	20.00	(4.69)	(7.97)	(3.20)	1.035	27
Consumer Discretionary (FSCPX)	26.27	4.71	(2.84)	(0.98)	6.790	17
Consumer Finance (FSVLX)	4.24	0.30	(5.02)	(3.70)	(1.045)	30
Consumer Staples (FDFAX)	19.00	8.31*	(1.69)	(1.08)	7.135	16
Defense & Aerospace (FSDAX)	20.96	2.88	(4.05)	(4.50)	3.823	22
Electronics (FSELX)	26.25	(6.99)	(10.65)	(3.64)	1.243	26
Energy (FSENX)	45.64*	3.99	(5.45)	1.35*	13.383	6
Energy Service (FSESX)	59.32*	9.64*	0.13*	5.93*	22.755	1
Environment & Alternative Energy (FSLEX)	11.81	(6.05)	(13.55)	(9.76)	(4.388)	34
Financial Services (FIDSX)	(2.79)	(9.00)	(10.18)	(3.60)	(6.393)	38
Gold (FSAGX)	23.30	8.15*	(7.06)	4.66*	9.263	12
Health Care (FSPHX)	34.79*	8.27*	(3.02)	(2.76)	11.320	10
Industrial Equipment (FSCGX)	20.23	(6.28)	(12.01)	(6.69)	(1.188)	31
Industrials (FCYIX)	20.14	(3.57)	(10.68)	(6.27)	(0.095)	29
Insurance (FSPCX)	8.28	(3.89)	(9.81)	(4.08)	(2.375)	33
IT Services (FBSOX)	28.21	3.93	(5.07)	(2.38)	6.173	19
Leisure (FDLSX)	28.51	10.13*	2.79*	0.44*	13.468	5
Materials (FSDPX)	33.34*	3.50	(5.52)	(1.61)	8.428	13
Medical Delivery (FSHCX)	43.46*	11.06*	(2.24)	(2.61)	14.418	3
Medical Equipment & Systems (FSMEX)	28.68	6.08	(5.44)	(4.06)	6.315	18
Multimedia (FBMPX)	24.17	6.09*	(7.42)	(4.95)	5.473	20
Natural Gas (FSNGX)	28.83*	2.23	(4.20)	3.07*	9.483	11
Natural Resources (FNARX)	43.21*	3.73	(5.79)	1.45*	12.650	8
Pharmaceuticals (FPHAX)	33.63*	12.62*	(0.51)	(0.79)	13.238	7
Retailing (FSRPX)	36.06*	10.97*	0.31*	0.88*	16.055	2
Software & Computer Services (FSCSX)	29.95*	2.30	(4.44)	(1.58)	7.558	15
Technology (FSPTX)	27.20	(3.32)	(8.11)	(2.11)	3.415	23
Telecommunications (FSTCX)	18.78	3.87	(5.28)	(5.73)	2.910	24
Transportation (FSRFX)	10.83	(2.71)	(8.74)	(6.83)	(1.863)	32
Utilities (FSUTX)	18.14	6.75*	0.04*	(0.70)	8.058	14
Wireless (FWRLX)	16.51	(1.73)	(6.81)	(2.93)	1.260	25

*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

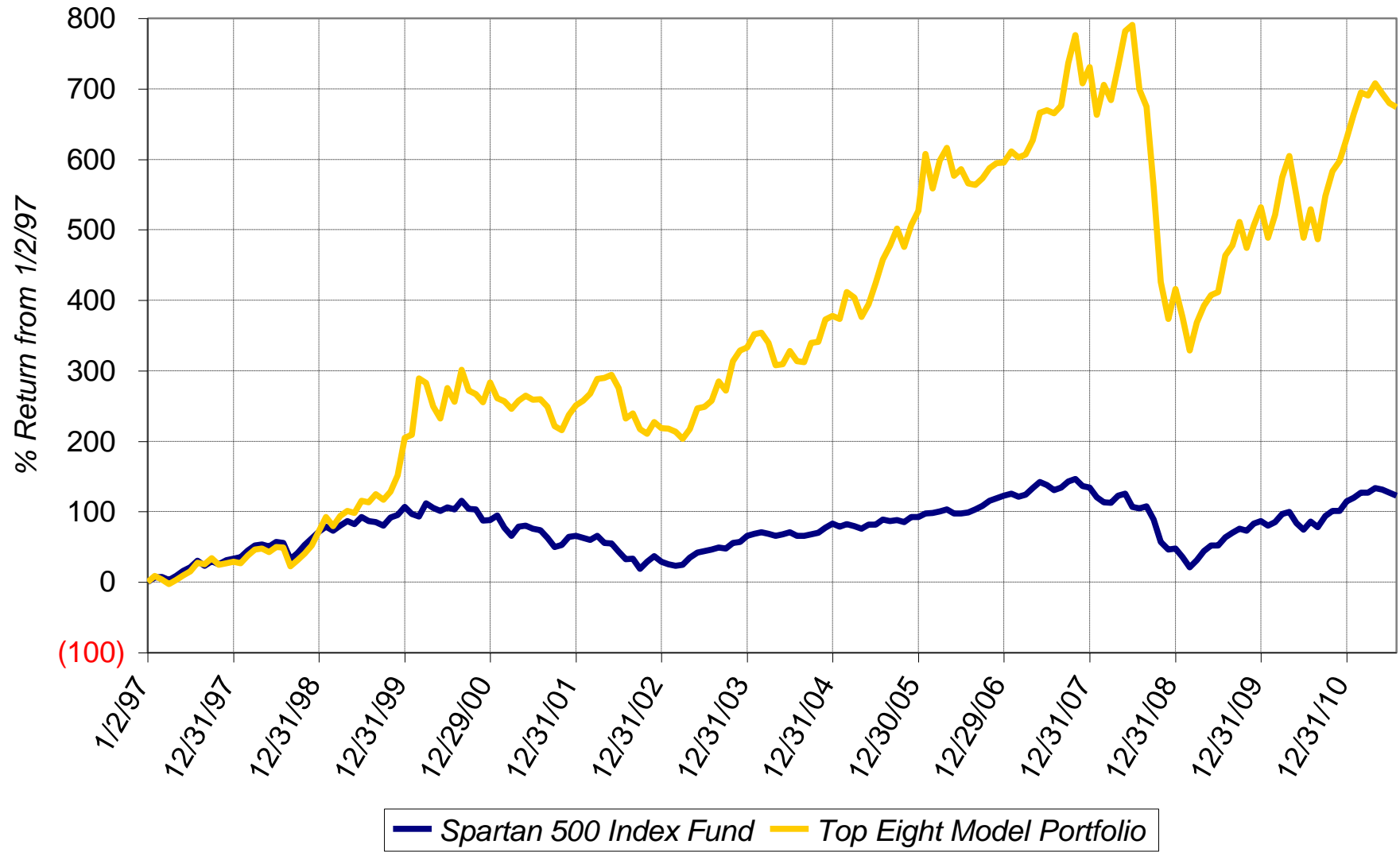
Sell on August 4, 2011

Buy on August 4, 2011

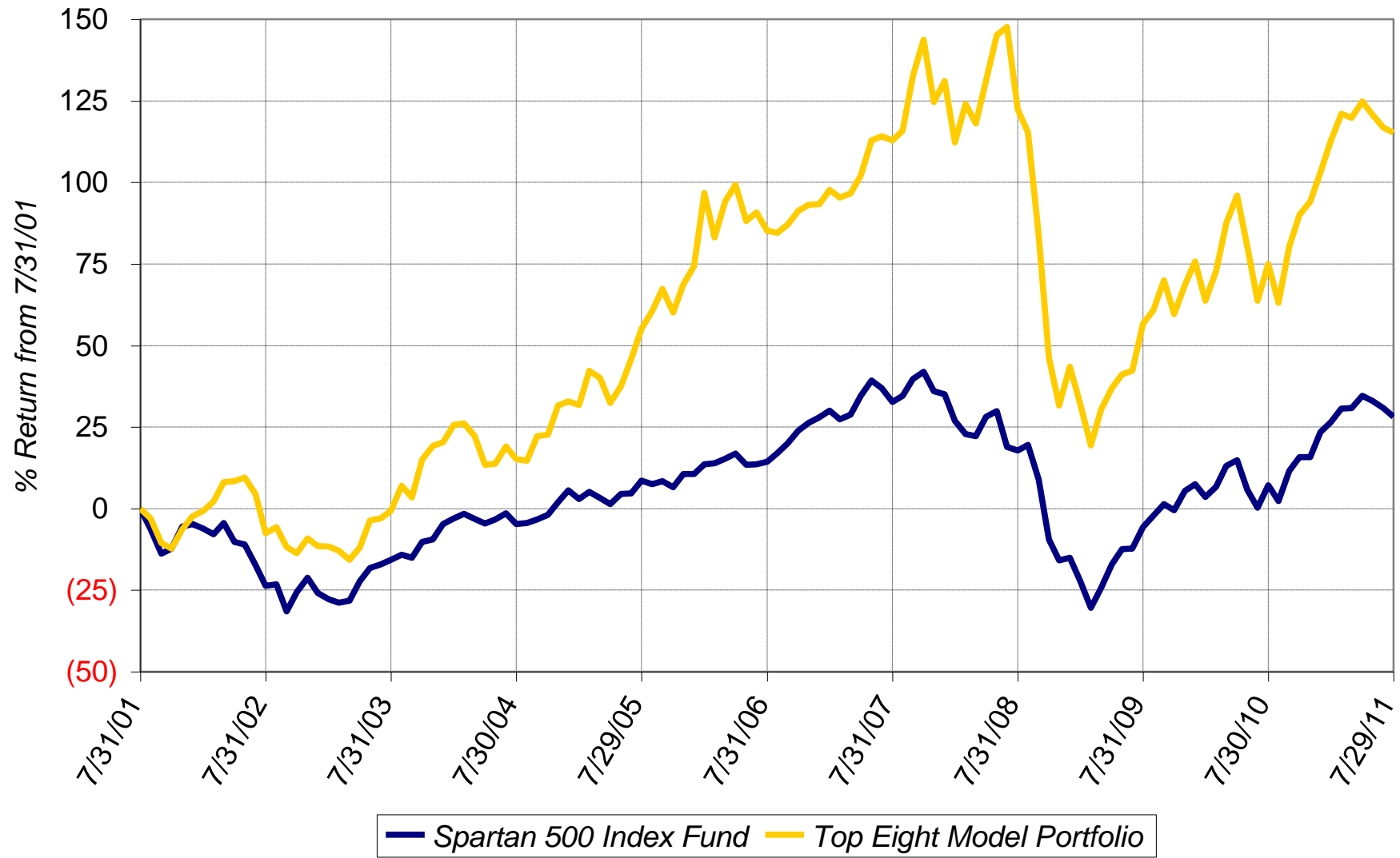
Hold

Fundranker Performance for July 2011													
6/30 Funds	6/30 Shares	6/30 Amount	<=7/5 Div Shrs	7/5 Shares	7/5 Amount	7/5 Funds	7/5 Shares	7/5 Amount	>7/5 Div Shrs	7/29 Shares	7/29 Amount	Jul Return	
FBIOX	267.058	23,087.16	none	267.058	23,319.50	FSCHX	218.368	23,721.33	none	218.368	22,989.78		
FSCHX	220.760	23,678.72	none	220.760	23,981.16	FBIOX	271.660	23,721.33	none	271.660	23,210.63		
FPHAX	1,685.010	23,337.39	none	1,685.010	23,623.84	FSESX	282.095	23,721.33	none	282.095	24,677.67		
FSHCX	390.735	23,322.97	none	390.735	23,682.45	FSHCX	391.377	23,721.33	none	391.377	22,750.75		
FSPHX	162.940	23,396.55	none	162.940	23,650.74	FSDAX	284.633	23,721.33	none	284.633	22,480.31		
FSESX	285.959	23,614.49	none	285.959	24,046.29	FSPHX	163.426	23,721.33	none	163.426	22,817.54		
FSENX	405.174	23,394.75	none	405.174	23,864.75	FPHAX	1,691.964	23,721.33	none	1,691.964	23,247.59		
FSMEX	750.699	23,271.67	none	750.699	23,601.98	FSENX	402.739	23,721.33	none	402.739	23,568.29		
Top Eight		187,103.70			189,770.71			189,770.60			185,742.56	(0.727)	
FNCMX	1,552.931	57,287.62	none						none	1,552.931	56,961.51	(0.569)	
FUSEX	1,161.631	54,550.19	none						5.689	1,167.320	53,439.91	(2.035)	
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	6.033					
Nasdaq Composite Index Fund				10.497	(40.041)	44.959	17.811	4.205					
Spartan 500 Index Fund - Investor Class				5.426	(37.047)	26.502	14.842	3.838					
Lifetime Summary				1/2/97 to 7/29/11		1/2/97 to 7/29/11							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				673.927		15.064							
Nasdaq Composite Index Fund				N/A		N/A							
Spartan 500 Index Fund - Investor Class				122.666		5.643							
10-Year Summary				7/31/01 to 7/29/11		7/31/01 to 7/29/11							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				115.233		7.967							
Nasdaq Composite Index Fund				N/A		N/A							
Spartan 500 Index Fund - Investor Class				28.189		2.514							
5-Year Summary				7/31/06 to 7/29/11		7/31/06 to 7/29/11							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				16.236		3.055							
Nasdaq Composite Index Fund				36.532		6.426							
Spartan 500 Index Fund - Investor Class				12.139		2.318							
3-Year Summary				7/31/08 to 7/29/11		7/31/08 to 7/29/11							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				(3.146)		(1.060)							
Nasdaq Composite Index Fund				21.162		6.608							
Spartan 500 Index Fund - Investor Class				8.769		2.841							
1-Year Summary				7/30/10 to 7/29/11		7/30/10 to 7/29/11							
				Total Return %		Total Return %							
<i>Top Eight Model Portfolio</i>				23.007		23.007							
Nasdaq Composite Index Fund				23.051		23.051							
Spartan 500 Index Fund - Investor Class				19.567		19.567							

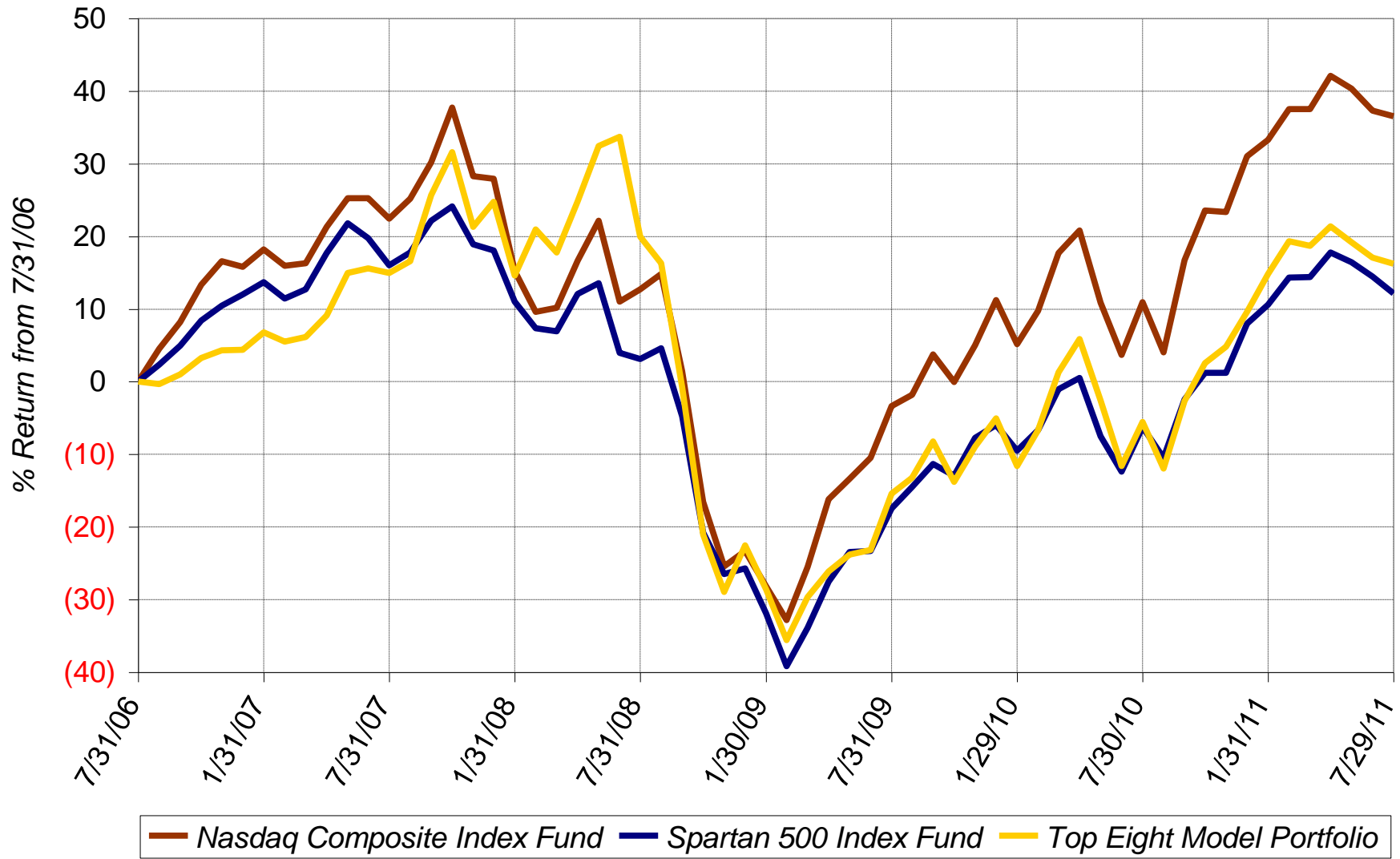
Lifetime Chart



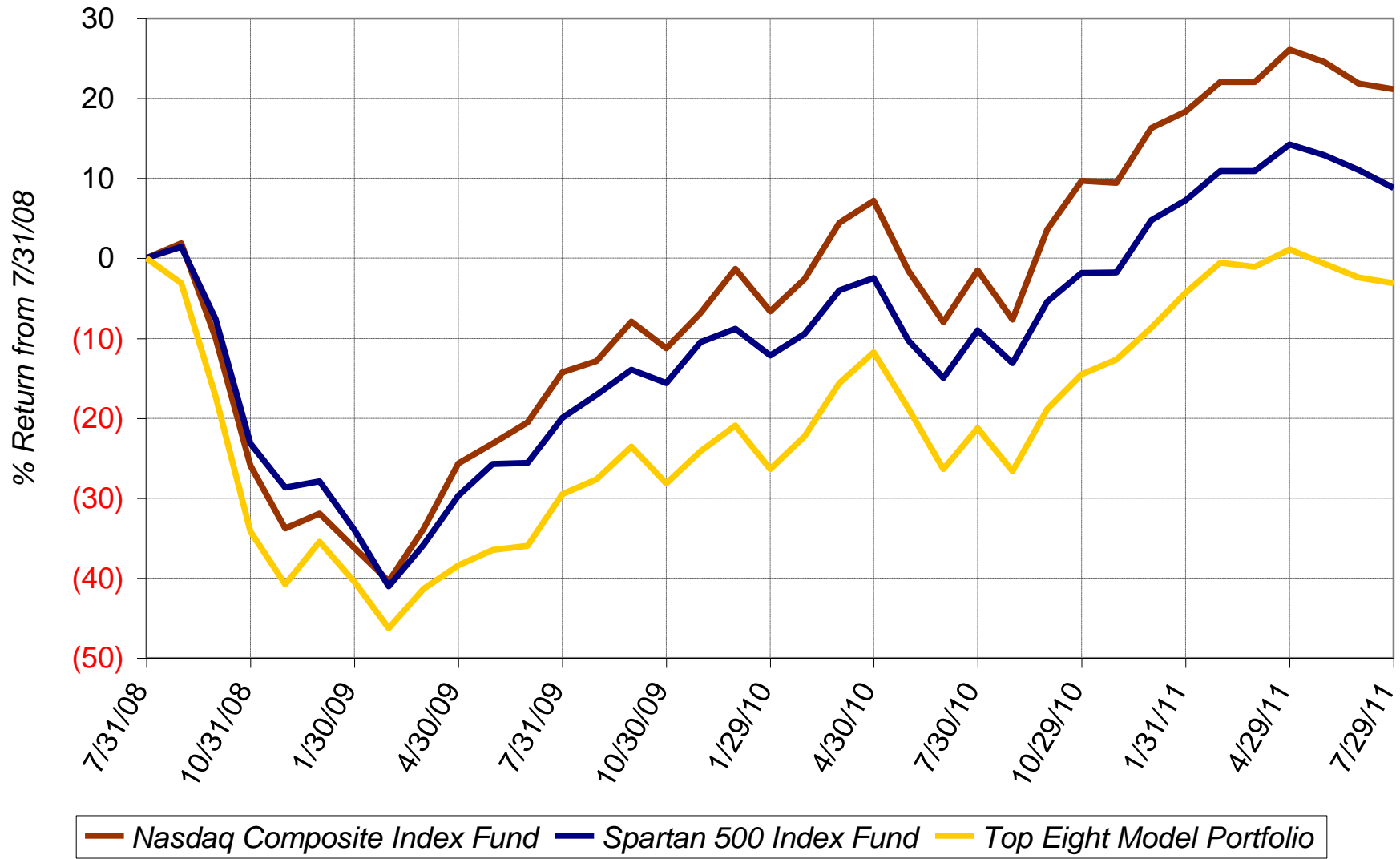
10-Year Chart



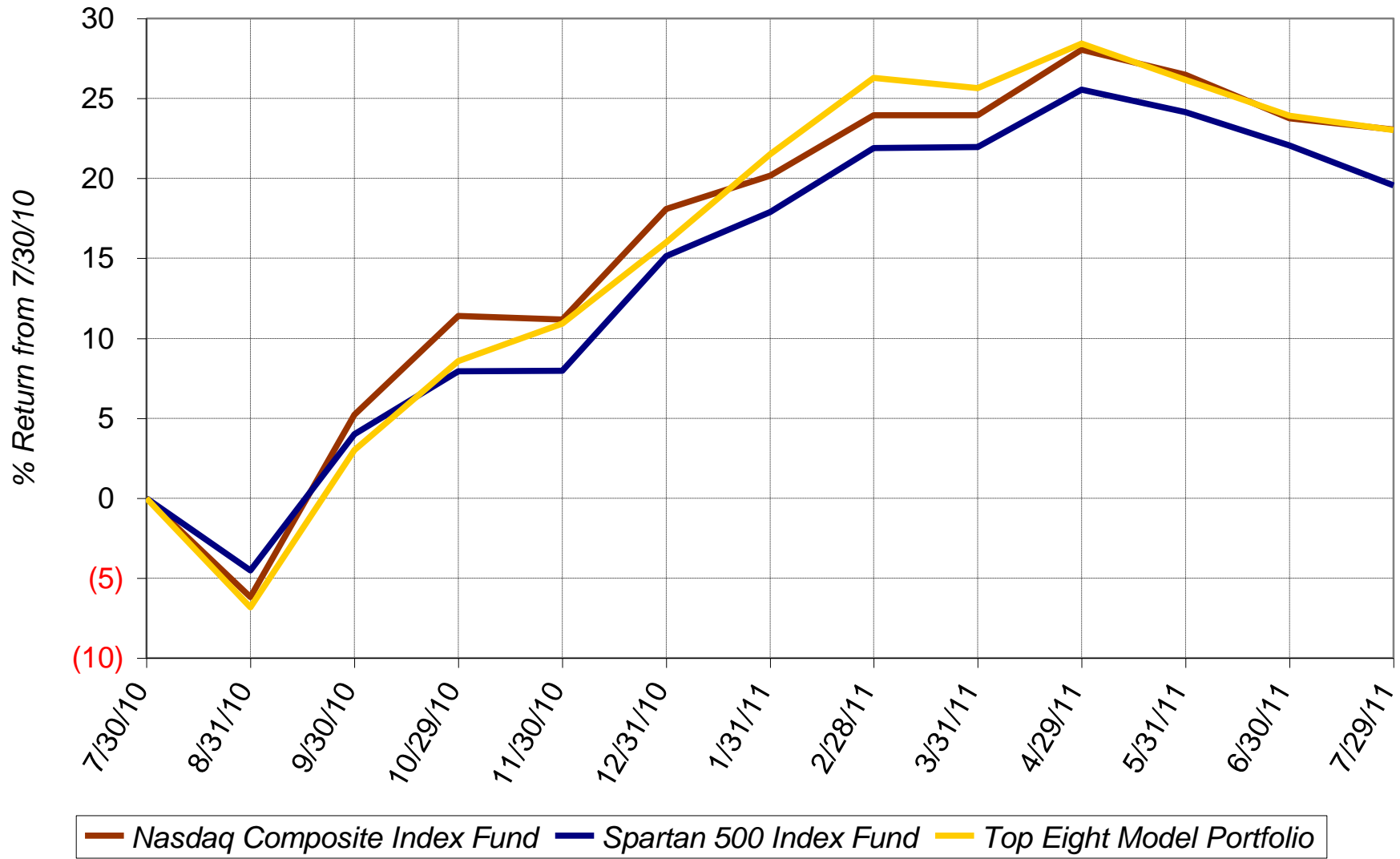
5-Year Chart



3-Year Chart



1-Year Chart



Daily Chart July 2011

