

# FIDELITY SELECT FUNDRANKER™

Volume 6 Issue 9

The Right Funds at the Right Time

September 2011

## August Performance

Stocks dropped rapidly during the first six trading days of August but recovered half of those losses by month's end.

All eight *Top Eight Model Portfolio* funds fell in August. Retailing, Pharmaceuticals, Leisure, Medical Delivery, and Biotechnology had one-month losses ranging from 4.69% to 8.36%. Natural Resources, Energy, and Energy Service pulled the *Top Eight Model Portfolio* down even farther with one-month losses of 10.24%, 11.88%, and 16.18%. The *Top Eight Model Portfolio* lost 9.185% in August, which unfortunately hit number 9 on its Ten Worst Months list at right.

With that loss, the *Top Eight Model Portfolio* fell behind both the Nasdaq Composite Index and the S&P 500 Index for 2011 YTD total returns at the end of August. The three measures now sport YTD losses of 3.705%, 2.330%, and 1.810%, respectively.

## Final Performance of Funds Sold on August 4

*Fundranker* exchanged three funds on August 4. Here are the returns they contributed to the *Top Eight Model Portfolio*:

Fund	Bought	Sold	Return
Chemicals (FSCHX)	4/8/2011	8/4/2011	(11.20)%
Defense & Aerospace (FSDAX)	7/5/2011	8/4/2011	(14.18)%
Health Care (FSPHX)	5/9/2011	8/4/2011	(13.03)%

## S&P Downgrade of US Credit

The market swooned during the last week of July and the first week of August, and then to top that off, Standard and Poor's announced a downgrade of the US long-term credit rating from AAA to AA+ on the evening of Friday, August 5. How did the market react? It dropped steeply on Monday, August 8, and then began an unsteady rise through the remainder of August. Apparently, the market took the surprise downgrade in hand and ran with it.

We blame the two-week market swoon on Congress' seeming inability to compromise on deficit reduction and raising the debt limit in a timely manner. In a word, the brinkmanship displayed by both parties does not inspire confidence in our legislators.

S&P was clear about their rationale for the downgrade. They felt that the negotiated agreement fell short of what was needed to bring US debt under control. In addition, S&P pointed to the contentious nature of the negotiations as indicator that policy makers will have still more trouble in the future as they continue trying to rein in US debt.

## Holding Period Alert

If you purchased shares after August 5 of any funds which are being exchanged on September 6, 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 August 8, you should wait a full thirty days and exchange Natural Resources on September 7 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 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 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](http://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](http://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](http://www.fundranker.com). We welcome your input.

## Top Eight Model Portfolio Best and Worst Months

1. 2/2000	25.635%	1. 10/2008	(20.429)%
2. 12/1999	21.159%	2. 8/1998	(17.961)%
3. 12/1998	13.445%	3. 9/2008	(14.663)%
4. 6/2000	13.011%	4. 7/2002	(11.551)%
5. 1/2006	12.835%	5. 7/2008	(10.255)%
6. 8/2000	12.601%	6. 11/2008	(9.982)%
7. 1/1999	11.490%	7. 2/2009	(9.776)%
8. 10/2003	11.191%	8. 6/2010	(9.280)%
9. 7/1997	10.606%	9. 8/2011	(9.185)%
10. 9/2010	10.554%	10. 4/2000	(8.140)%

## Top Eight Model Portfolio for September 2011

Fund Name (Symbol)	Purchase	Return to 8/31
1. Gold (FSAGX)	9/6/2011	
2. Retailing (FSRPX)	8/4/2011	4.25%
3. Consumer Staples (FDFAX)	9/6/2011	
4. Leisure (FDLSX)	8/4/2011	1.85%
5. Pharmaceuticals (FPHAX)	5/9/2011	(5.94)%
6. Biotechnology (FBIOX)	5/9/2011	(8.83)%
7. Medical Delivery (FSHCX)	4/8/2011	(6.40)%
8. Utilities (FSUTX)	9/6/2011	
Funds to be sold on September 6:		
12. Energy Service (FSESX)	12/8/2010	2.83%
13. Natural Resources (FNARX)	8/4/2011	0.89%
17. Energy (FSENX)	1/7/2011	(1.91)%

## Fundranker Exchanges for September 6

Sell Energy Service (FSESX), buy Gold (FSAGX)  
 Sell Energy (FSENX), buy Consumer Staples (FDFAX)  
 Sell Natural Resources (FNARX), buy Utilities (FSUTX)

## Fundranker Invest New Money Date

Invest new money on September 2.

## Optional Rebalancing Exchange Dates

Method 1: none; Method 2: September 2; Method 3: September 6 (see the rebalancing FAQ at [www.fundranker.com](http://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 October 3; otherwise, *Fundranker* will exchange on October 6.

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<i>Fundranker</i> Ratings for 8/31/11	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)	6.61	(12.43)	(13.57)	(4.97)	(6.090)	32
Automotive (FSAVX)	12.91	(23.81)	(20.88)	(15.39)	(11.793)	38
Banking (FSRBX)	1.82	(20.35)	(16.42)	(11.77)	(11.680)	37
Biotechnology (FBIOX)	26.33*	5.80*	(11.63)	(8.36)	5.035	6
Brokerage & Investment Mgmt (FSLBX)	(1.57)	(22.01)	(17.45)	(11.06)	(13.023)	39
Chemicals (FSCHX)	33.00*	(3.44)	(10.41)	(7.52)	3.908	9
Communications Equipment (FSDCX)	9.28	(23.58)	(22.35)	(8.01)	(11.165)	35
Computers (FDCPX)	20.08	(13.31)	(14.45)	(10.25)	(4.483)	28
Construction & Housing (FSHOX)	16.98	(12.85)	(12.38)	(6.16)	(3.603)	26
Consumer Discretionary (FSCPX)	22.77	(5.97)	(8.51)	(7.11)	0.295	15
Consumer Finance (FSVLX)	12.86	(6.14)	(8.10)	(4.18)	(1.390)	22
Consumer Staples (FDFAX)	21.59	6.03*	(3.45)	0.00	7.043	3
Defense & Aerospace (FSDAX)	21.91	(5.61)	(9.42)	(6.67)	0.053	18
Electronics (FSELX)	26.06*	(18.31)	(19.40)	(9.96)	(4.403)	27
Energy (FSENX)	35.48*	(14.25)	(13.12)	(11.88)	0.057	17
Energy Service (FSESX)	43.87*	(14.60)	(11.74)	(16.18)	1.338	12
Environment & Alternative Energy (FSLEX)	7.57	(15.98)	(18.79)	(7.78)	(8.745)	34
Financial Services (FIDSX)	(1.25)	(19.13)	(16.32)	(9.64)	(11.585)	36
Gold (FSAGX)	20.09	6.56*	6.85*	7.70*	13.300	1
Health Care (FSPHX)	29.57*	(2.90)	(10.53)	(6.85)	3.323	11
Industrial Equipment (FSCGX)	19.91	(15.42)	(16.28)	(7.87)	(4.915)	30
Industrials (FCYIX)	18.44	(14.00)	(15.25)	(8.53)	(4.835)	29
Insurance (FSPCX)	4.17	(15.72)	(13.86)	(7.95)	(8.340)	33
IT Services (FBSOX)	23.90	(6.98)	(10.35)	(7.55)	(0.245)	20
Leisure (FDLSX)	26.40*	0.84*	(4.45)	(5.63)	6.290	4
Materials (FSDPX)	25.51	(7.99)	(10.86)	(8.44)	(0.445)	21
Medical Delivery (FSHCX)	36.94*	(3.16)	(11.19)	(7.84)	4.688	7
Medical Equipment & Systems (FSMEX)	29.64*	(3.70)	(10.56)	(4.84)	3.635	10
Multimedia (FBMPX)	20.29	(11.93)	(14.29)	(8.10)	(3.508)	24
Natural Gas (FSNGX)	20.27	(12.84)	(11.13)	(10.63)	(3.583)	25
Natural Resources (FNARX)	34.45*	(12.77)	(11.73)	(10.24)	0.928	13
Pharmaceuticals (FPHAX)	25.53*	3.89*	(7.75)	(5.53)	6.035	5
Retailing (FSRPX)	33.19*	2.56*	(3.51)	(4.69)	8.888	2
Software & Computer Services (FSCSX)	24.92	(6.50)	(9.19)	(6.47)	0.690	14
Technology (FSPTX)	21.34	(13.24)	(12.70)	(7.83)	(3.108)	23
Telecommunications (FSTCX)	16.62	(2.35)	(11.30)	(3.41)	(0.110)	19
Transportation (FSRFX)	11.64	(10.75)	(14.26)	(6.65)	(5.005)	31
Utilities (FSUTX)	14.22	2.47*	(2.74)	(1.72)	4.058	8
Wireless (FWRLX)	17.18	(5.91)	(8.98)	(1.76)	0.133	16

\*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

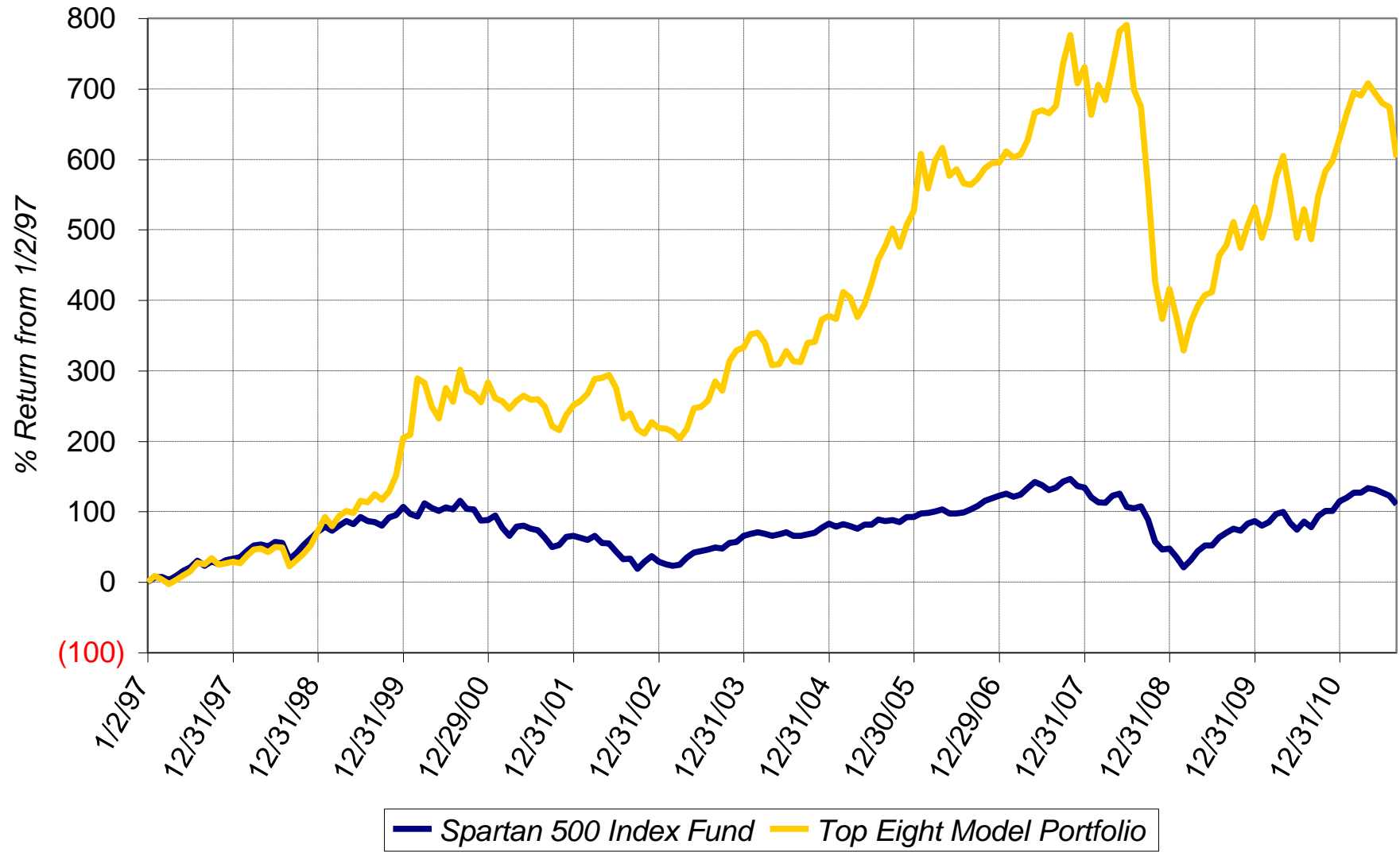
Sell on September 6, 2011

Buy on September 6, 2011

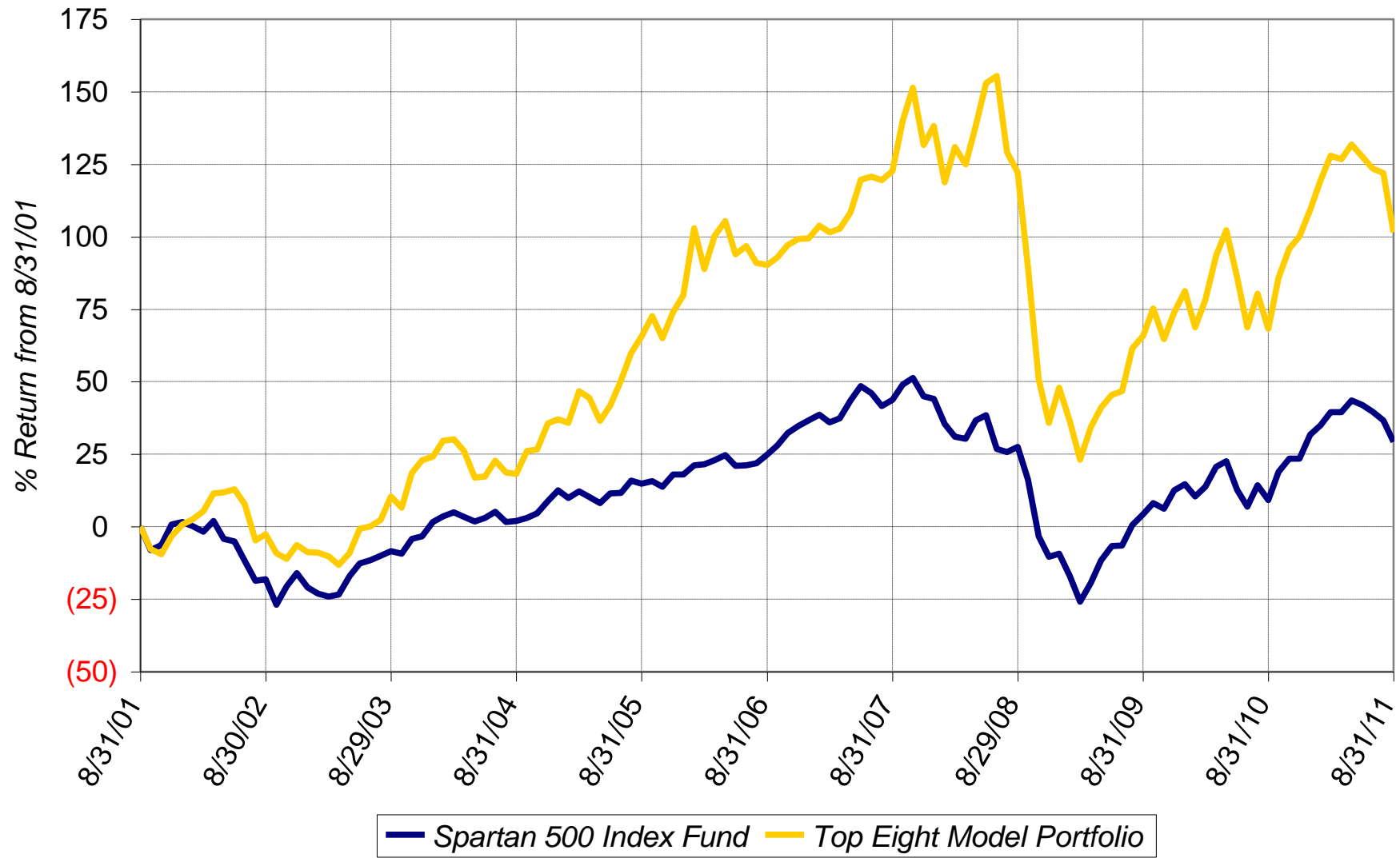
Hold

Fundranker Performance for August 2011												
7/29 Funds	7/29 Shares	7/29 Amount	<=8/4 Div Shrs	8/4 Shares	8/4 Amount	8/4 Funds	8/4 Shares	8/4 Amount	>8/4 Div Shrs	8/31 Shares	8/31 Amount	Aug Return
FSCHX	218.368	22,989.78	none	218.368	20,633.59	FSESX	273.274	20,722.37	none	273.274	20,039.18	
FBIOX	271.660	23,210.63	none	271.660	20,290.29	FSRPX	413.785	20,722.37	none	413.785	21,603.71	
FSESX	282.095	24,677.67	none	282.095	21,391.26	FSHCX	393.961	20,722.37	none	393.961	21,104.49	
FSHCX	391.377	22,750.75	none	391.377	20,586.43	FBIOX	277.445	20,722.37	none	277.445	21,723.94	
FSDAX	284.633	22,480.31	none	284.633	20,356.95	FDLSX	229.560	20,722.37	none	229.560	21,105.75	
FSPHX	163.426	22,817.54	none	163.426	20,558.99	FSENX	400.355	20,722.37	none	400.355	20,646.31	
FPHAX	1,691.964	23,247.59	none	1,691.964	21,115.71	FPHAX	1,660.446	20,722.37	none	1,660.446	21,552.59	
FSENX	402.739	23,568.29	none	402.739	20,845.77	FNARX	614.542	20,722.37	none	614.542	20,906.72	
<b>Top Eight</b>		<b>185,742.56</b>			<b>165,778.99</b>			<b>165,779.00</b>			<b>168,682.69</b>	<b>(9.185)</b>
FNCMX	1,552.931	56,961.51	none						none	1,552.931	53,389.77	<b>(6.270)</b>
FUSEX	1,167.320	53,439.91	none						none	1,167.320	50,533.28	<b>(5.439)</b>
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	<b>(8.468)</b>				
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	<b>(9.132)</b>	<b>(12.054)</b>				
Yearly Summaries				2002	2003	2004	2005	2006				
				Return %	Return %	Return %	Return %	Return %				
<i>Top Eight Model Portfolio</i>				<b>(9.333)</b>	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				<b>(22.173)</b>	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	<b>(37.882)</b>	22.518	15.464	<b>(3.705)</b>				
Nasdaq Composite Index Fund				10.497	<b>(40.041)</b>	44.959	17.811	<b>(2.330)</b>				
Spartan 500 Index Fund - Investor Class				5.426	<b>(37.047)</b>	26.502	14.842	<b>(1.810)</b>				
Lifetime Summary				1/2/97 to 8/31/11		1/2/97 to 8/31/11						
				Total Return %		Average Annual Return %						
<i>Top Eight Model Portfolio</i>				602.845		14.220						
Nasdaq Composite Index Fund				N/A		N/A						
Spartan 500 Index Fund - Investor Class				110.555		5.208						
10-Year Summary				8/31/01 to 8/31/11		8/31/01 to 8/31/11						
				Total Return %		Average Annual Return %						
<i>Top Eight Model Portfolio</i>				101.584		7.262						
Nasdaq Composite Index Fund				N/A		N/A						
Spartan 500 Index Fund - Investor Class				29.334		2.606						
5-Year Summary				8/31/06 to 8/31/11		8/31/06 to 8/31/11						
				Total Return %		Average Annual Return %						
<i>Top Eight Model Portfolio</i>				5.917		1.156						
Nasdaq Composite Index Fund				22.426		4.130						
Spartan 500 Index Fund - Investor Class				3.580		0.706						
3-Year Summary				8/29/08 to 8/31/11		8/29/08 to 8/31/11						
				Total Return %		Average Annual Return %						
<i>Top Eight Model Portfolio</i>				<b>(9.242)</b>		<b>(3.181)</b>						
Nasdaq Composite Index Fund				11.473		3.687						
Spartan 500 Index Fund - Investor Class				1.389		0.461						
1-Year Summary				8/31/10 to 8/31/11		8/31/10 to 8/31/11						
				Total Return %		Average Annual Return %						
<i>Top Eight Model Portfolio</i>				19.884		19.884						
Nasdaq Composite Index Fund				22.959		22.959						
Spartan 500 Index Fund - Investor Class				18.403		18.403						

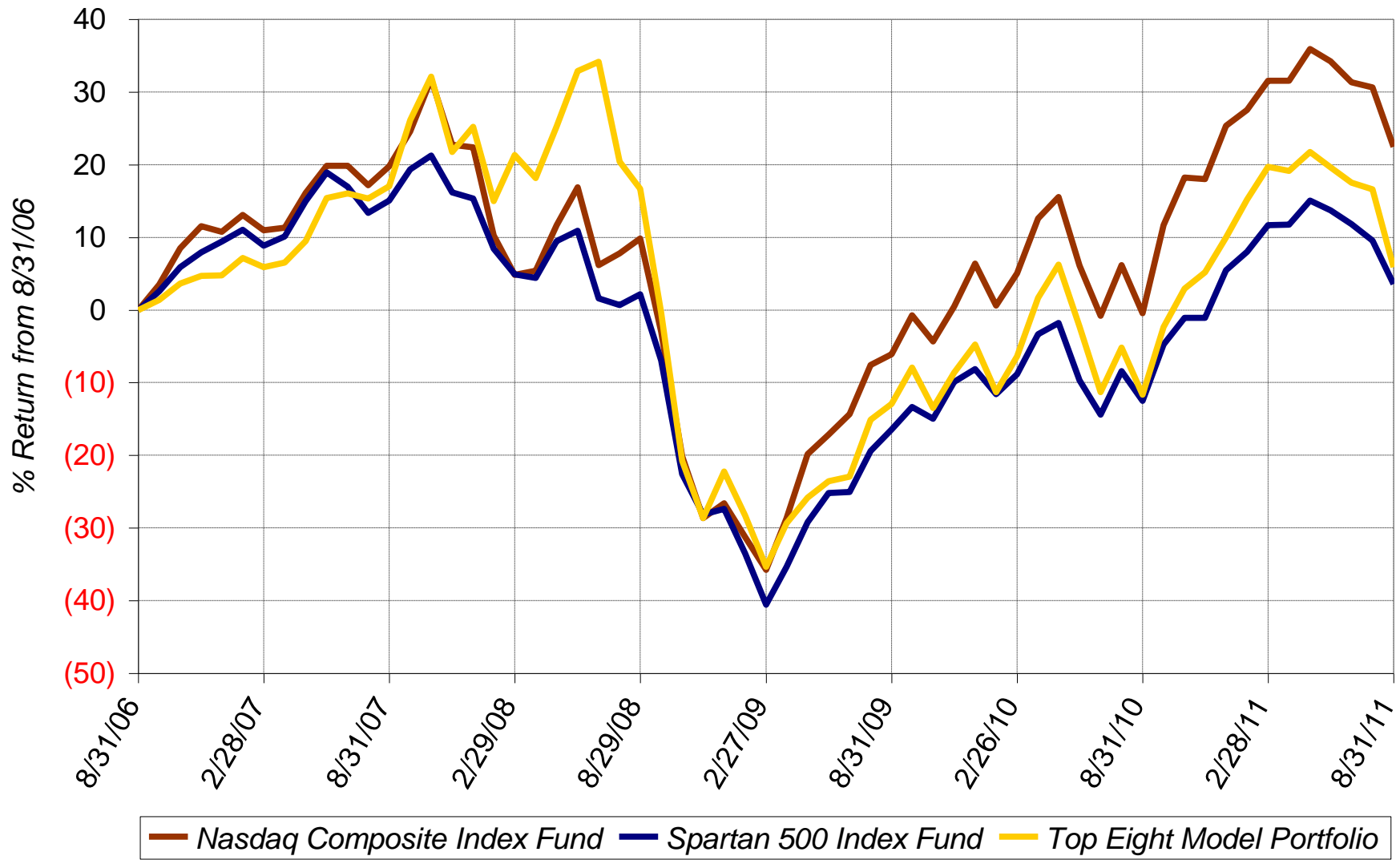
### Lifetime Chart



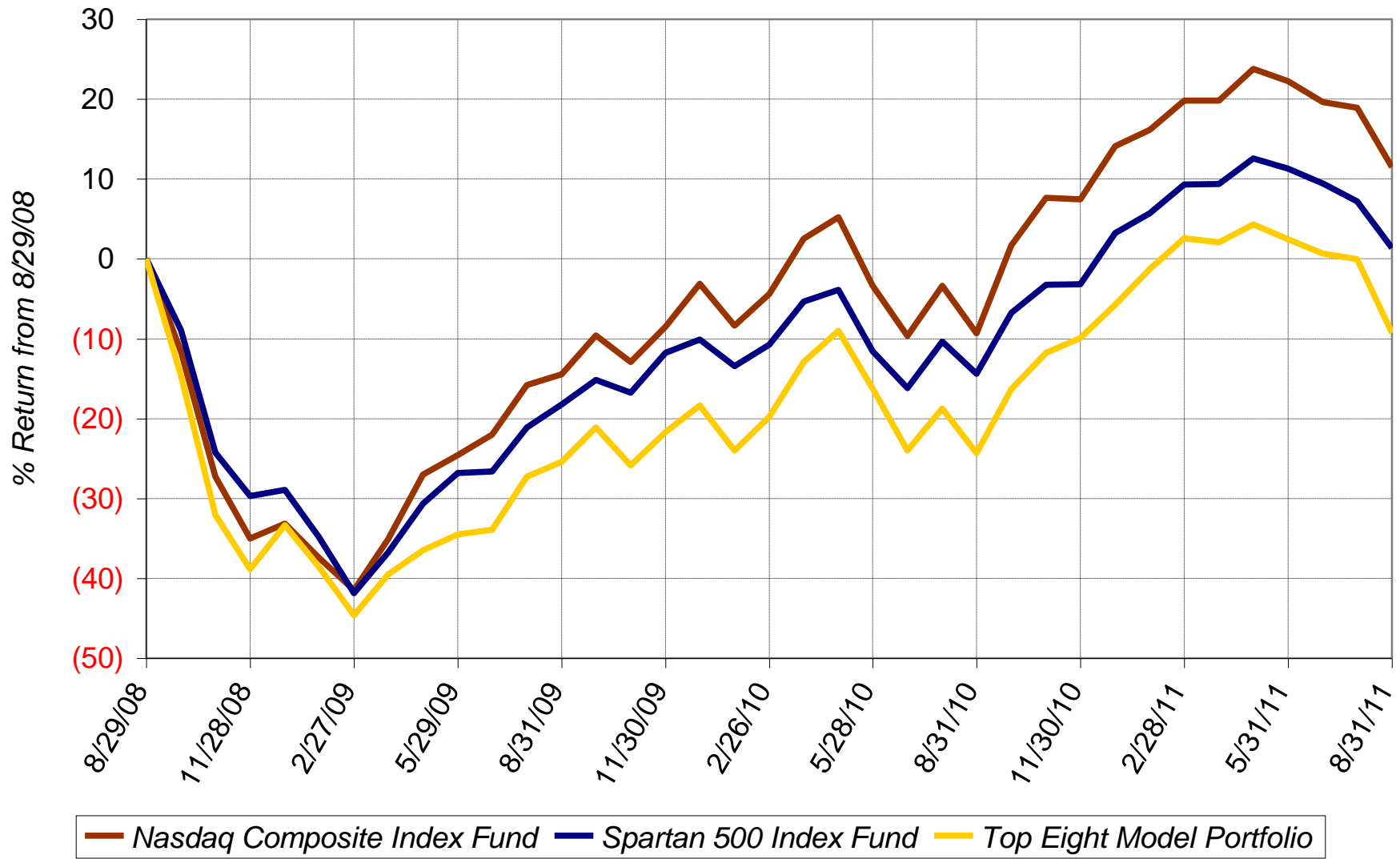
### 10-Year Chart



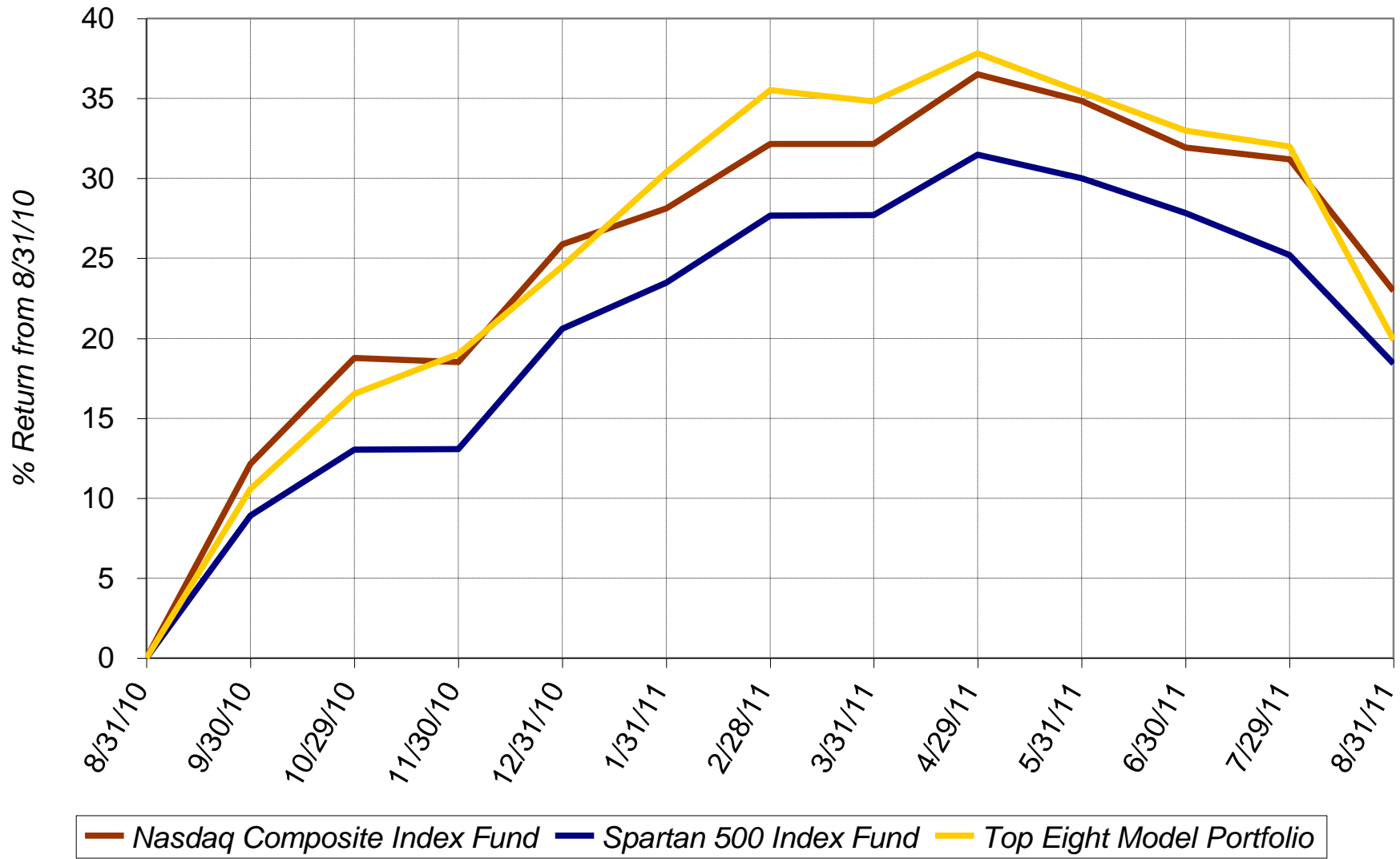
### 5-Year Chart



### 3-Year Chart



1-Year Chart





### Daily Chart August 2011

