

FIDELITY SELECT FUNDRANKER™

Volume 7 Issue 2

The Right Funds at the Right Time

February 2012

January Performance Impresses

The broad market rose 14 of 20 sessions in January, pushing the S&P 500 and Nasdaq Composite Indexes and the *Top Eight Model Portfolio* to significant monthly gains, the best since October.

Six *Top Eight Model Portfolio* funds gained ground in January. Biotechnology paced the *Top Eight* with a one-month gain of 12.58%. Construction & Housing, Health Care, Leisure, Defense & Aerospace, and Pharmaceuticals followed with one-month gains of 7.71%, 6.18%, 5.76%, 5.44%, and 1.18%. Consumer Staples and Utilities trailed with one-month losses of 0.88% and 3.96%. During January, the *Top Eight Model Portfolio* gained 4.477%. The S&P 500 Index gained 4.473%, and the Nasdaq Composite Index gained 8.037%.

Final Performance of Funds Sold on January 3

Fundranker exchanged two funds on January 3. Here are the returns they contributed to the *Top Eight Model Portfolio*:

Fund	Bought	Sold	Return
IT Services (FBSOX)	11/7/2011	1/3/2012	(0.87)%
Medical Delivery (FSHCX)	11/7/2011	1/3/2012	1.60%

Health Care Funds Performance

Fundranker's Top Eight Model Portfolio has been in and out of a number of health care funds beginning in April of 2011, when we purchased Medical Delivery (FSHCX). Here is a table of the performances they contributed to the *Top Eight Model Portfolio*:

Fund	Bought	Sold (or Held)	Return
Medical Delivery (FSHCX)	4/8/2011	10/6/2011	(14.80)%
Biotechnology (FBIOX)	5/9/2011	to 1/31/12	13.03%
Health Care (FSPHX)	5/9/2011	8/4/2011	(13.03)%
Pharmaceuticals (FPHAX)	5/9/2011	11/7/2011	(5.72)%
Medical Eqpt & Systems (FSMEX)	6/2/2011	7/5/2011	1.06%
Health Care (FSPHX)	10/6/2011	11/7/2011	5.37%
Medical Eqpt & Systems (FSMEX)	10/6/2011	11/7/2011	1.69%
Medical Delivery (FSHCX)	11/7/2011	1/3/2012	1.60%
Pharmaceuticals (FPHAX)	12/7/2011	to 1/31/12	4.05%
Health Care (FSPHX)	1/3/2012	to 1/31/12	5.22%
Average Monthly Loss			(0.27)%

As you can see, we had some sizeable losses in health care funds in the early months of this time period, which we have not quite made up. Of course, during five months of this period, May through September, the overall market suffered a severe correction.

We will be selling Pharmaceuticals on February 2, but *Fundranker* will continue to hold Biotechnology and Health Care. Biotechnology gained 28.67% since September 30, which more than made up for its losses during the correction. Health Care gained 16.40% since September 30. We held Health Care the first and fourth months of that time period and reaped nearly two-thirds of that gain. Perhaps our health care funds still will make up the lost ground.

Fundranker Increases Cyclical Weighting

Fidelity Investments categorizes 10 of their 39 Select funds as cyclicals. *Fundranker* bought Construction & Housing on November 7 and Defense & Aerospace on December 7. Although we are selling Defense & Aerospace on February 2, we're buying three other cyclicals, Air Transportation, Chemicals, and Industrial Equipment, which brings our cyclical weighting to 50%.

Holding Period Alert

If you purchased shares after January 3 of any funds which are being exchanged on February 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 Pharmaceuticals on January 4, you should wait a full thirty days and exchange Pharmaceuticals on February 3 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 February 2012

Fund Name (Symbol)	Purchase	Return to 1/31
1. Biotechnology (FBIOX)	5/9/2011	13.03%
2. Chemicals (FSCHX)	2/2/2012	
3. Construction & Housing (FSHOX)	11/7/2011	14.04%
4. Air Transportation (FSAIX)	2/2/2012	
5. Leisure (FDLSX)	1/3/2012	5.73%
6. Electronics (FSELX)	2/2/2012	
7. Industrial Equipment (FSCGX)	2/2/2012	
8. Health Care (FSPHX)	1/3/2012	5.22%
Funds to be sold on February 2:		
13. Defense & Aerospace (FSDAX)	12/7/2011	4.91%
17. Pharmaceuticals (FPHAX)	12/7/2011	4.05%
21. Consumer Staples (FDFAI)	12/7/2011	0.67%
28. Utilities (FSUTX)	9/6/2011	6.01%

Fundranker Exchanges for February 2

Sell Utilities (FSUTX), buy Chemicals (FSCHX)
 Sell Pharmaceuticals (FPHAX), buy Air Transportation (FSAIX)
 Sell Consumer Staples (FDFAI), buy Electronics (FSELX)
 Sell Defense & Aerospace (FSDAX), buy Industrial Eqpt (FSCGX)

Fundranker Invest New Money Date

Invest new money on February 2.

Optional Rebalancing Exchange Dates

Method 1: none; Method 2: None; Method 3: February 2 (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 March 2; otherwise, *Fundranker* will exchange on March 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. © 2012 Fidelity Select Fundranker

<i>Fundranker</i> Ratings for 1/31/12	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)	2.36	10.11*	9.96*	9.82*	11.063	4
Automotive (FSAVX)	(19.06)	(10.36)	3.70	13.35*	(2.093)	33
Banking (FSRBX)	(8.91)	(0.11)	10.00*	6.32	2.825	25
Biotechnology (FBIOX)	32.21*	13.61*	18.71*	12.58*	23.278	1
Brokerage & Investment Mgmt (FSLBX)	(14.24)	(4.19)	4.83	12.34*	0.685	29
Chemicals (FSCHX)	11.91*	3.33*	14.64*	13.61*	14.873	2
Communications Equipment (FSDCX)	(15.23)	(4.48)	1.73	6.35	(2.908)	36
Computers (FDCPX)	3.96	3.98*	6.39	11.47*	8.450	10
Construction & Housing (FSHOX)	6.53	11.77*	16.43*	7.71	12.610	3
Consumer Discretionary (FSCPX)	6.78	1.97	4.95	6.98	5.170	19
Consumer Finance (FSVLX)	2.40	2.09	5.61	6.43	4.133	22
Consumer Staples (FDFAX)	10.80*	2.31	2.48	(0.88)	4.678	21
Defense & Aerospace (FSDAX)	7.77*	4.75*	6.81	5.44	8.193	13
Electronics (FSELX)	(2.15)	5.21*	8.43*	15.06*	9.638	6
Energy (FSENX)	(6.87)	(10.44)	1.59	5.49	(2.558)	35
Energy Service (FSESX)	(13.01)	(20.66)	1.63	6.74	(6.325)	39
Environment & Alternative Energy (FSLEX)	(13.19)	(7.60)	1.71	5.91	(3.293)	37
Financial Services (FIDSX)	(11.05)	(2.25)	5.41	12.02*	2.033	27
Gold (FSAGX)	4.58	(3.30)	(2.54)	10.77*	3.378	24
Health Care (FSPHX)	10.62*	2.17	9.46*	6.18	9.108	8
Industrial Equipment (FSCGX)	(1.44)	5.17*	9.99*	11.49*	9.303	7
Industrials (FCYIX)	(0.33)	3.36*	9.51*	8.99*	8.383	11
Insurance (FSPCX)	(2.07)	1.89	4.21	4.33	2.090	26
IT Services (FBSOX)	6.56	2.53	3.75	6.58	4.855	20
Leisure (FDLSX)	15.21*	4.62*	6.50	5.76	10.023	5
Materials (FSDPX)	2.22	(1.24)	9.97*	11.64*	7.648	15
Medical Delivery (FSHCX)	11.56*	0.45	7.87	6.63	7.628	16
Medical Equipment & Systems (FSMEX)	2.67	(3.22)	5.70	8.65	3.450	23
Multimedia (FBMPX)	7.29*	1.13	8.16*	6.23	7.703	14
Natural Gas (FSNGX)	(9.10)	(11.09)	1.01	3.12	(4.015)	38
Natural Resources (FNARX)	(6.90)	(10.25)	1.87	7.86	(1.855)	32
Pharmaceuticals (FPHAX)	14.02*	1.24	6.43	1.18	6.718	17
Retailing (FSRPX)	12.77*	1.62	1.36	6.19	6.485	18
Software & Computer Services (FSCSX)	7.69*	5.27*	4.45	7.90	8.328	12
Technology (FSPTX)	(6.05)	(2.82)	0.83	8.30	0.065	30
Telecommunications (FSTCX)	(3.32)	(6.92)	1.14	(0.41)	(2.378)	34
Transportation (FSRFX)	2.74	5.61*	9.38*	8.22	8.488	9
Utilities (FSUTX)	7.00*	0.24	(0.73)	(3.96)	1.638	28
Wireless (FWRLX)	(3.54)	(1.84)	2.96	2.21	(0.053)	31

*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

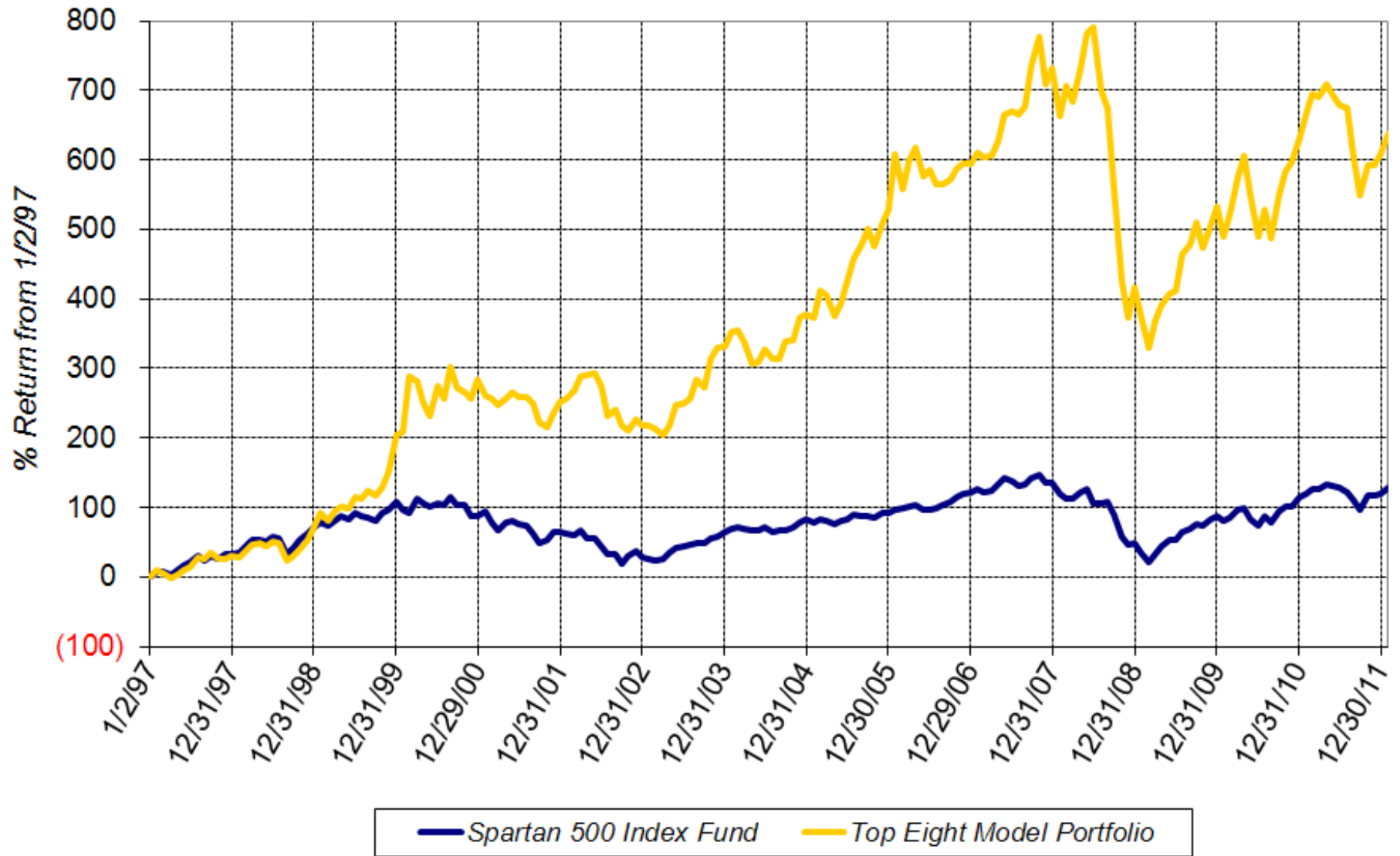
Sell on February 2, 2012

Buy on February 2, 2012

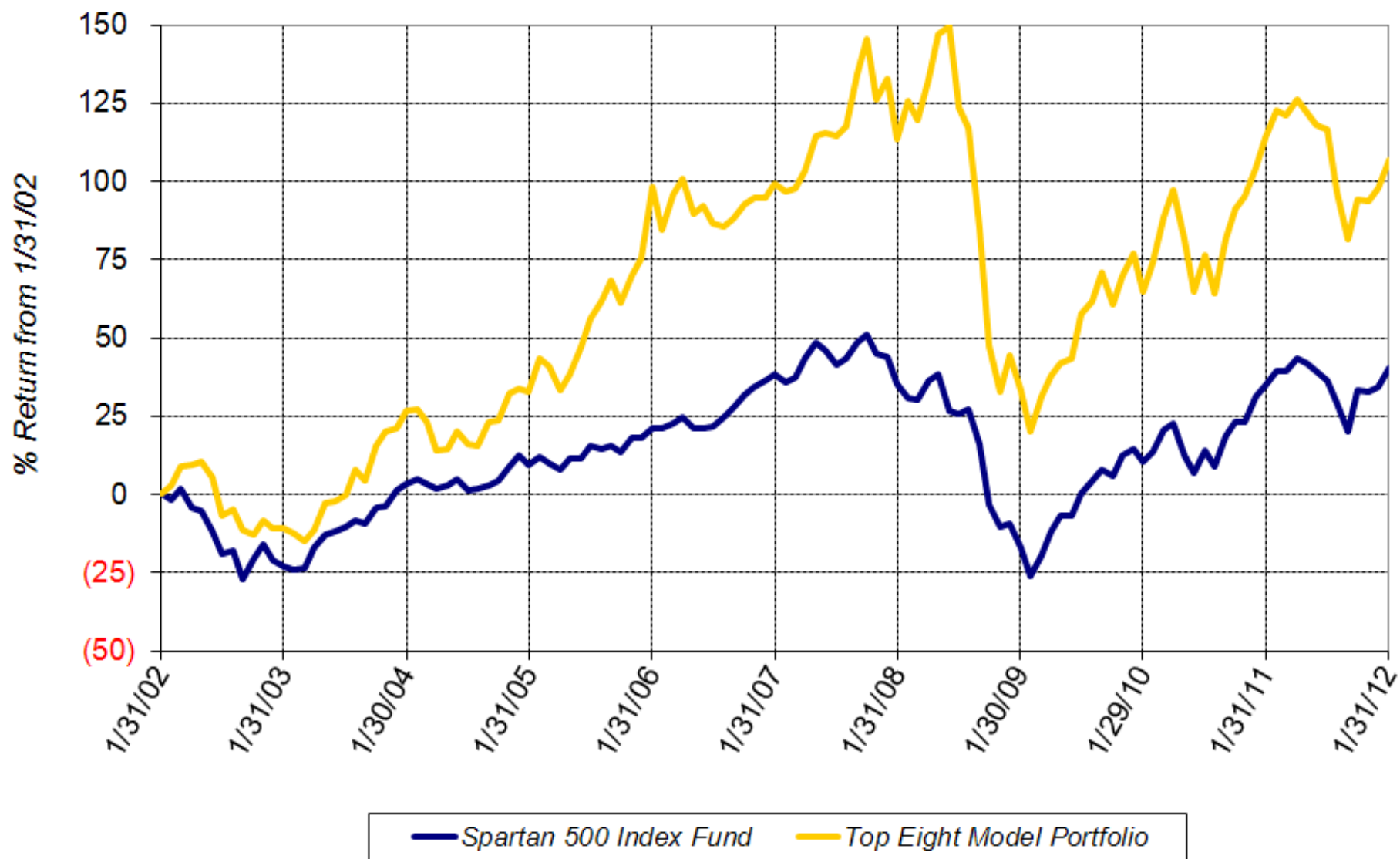
Hold

Fundranker Performance for January 2012												
12/30 Funds	12/30 Shares	12/30 Amount	<=1/3 Div Shrs	1/3 Shares	1/3 Amount	1/3 Funds	1/3 Shares	1/3 Amount	>1/3 Div Shrs	1/31 Shares	1/31 Amount	Jan Return
FBIOX	252.111	21,706.76	none	252.111	21,779.87	FSHOX	590.256	21,367.27	none	590.256	22,772.08	
FSUTX	404.418	21,648.50	none	404.418	21,329.01	FBIOX	247.335	21,367.27	none	247.335	23,974.18	
FSHOX	593.626	21,263.68	none	593.626	21,489.26	FSUTX	405.144	21,367.27	none	405.144	20,828.45	
FSHCX	381.122	20,870.24	none	381.122	21,243.74	FPHAX	1,556.247	21,367.27	none	1,556.247	21,382.83	
FSDAX	270.493	21,087.63	none	270.493	21,401.41	FDLSX	221.629	21,367.27	none	221.629	22,590.64	
FPHAX	1,588.175	21,567.42	none	1,588.175	21,805.64	FDFAV	297.222	21,367.27	none	297.222	21,052.23	
FDFAV	298.094	21,301.80	none	298.094	21,429.98	FSDAX	270.062	21,367.27	none	270.062	22,199.10	
FBSOX	951.594	20,240.40	none	951.594	20,459.27	FSPHX	173.056	21,367.27	none	173.056	22,483.44	
Top Eight		169,686.43			170,938.18			170,938.20			177,282.95	4.477
FNCMX	1,565.201	54,140.30	none						none	1,565.201	58,491.56	8.037
FUSEX	1,180.325	52,512.66	none						none	1,180.325	54,861.51	4.473
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				
				Return %	Return %	Return %	Return %	Return %				
<i>Top Eight Model Portfolio</i>				19.463	(37.882)	22.518	15.464	(3.133)				
Nasdaq Composite Index Fund				10.497	(40.041)	44.959	17.811	(0.957)				
Spartan 500 Index Fund - Investor Class				5.426	(37.047)	26.502	14.842	2.036				
Yearly Summaries				2012 YTD								
				Return %								
<i>Top Eight Model Portfolio</i>				4.477								
Nasdaq Composite Index Fund				8.037								
Spartan 500 Index Fund - Investor Class				4.473								
Lifetime Summary				1/2/97 to 1/31/12	1/2/97 to 1/31/12							
				Total Return %	Average Annual Return %							
<i>Top Eight Model Portfolio</i>				638.679	14.177							
Nasdaq Composite Index Fund				N/A	N/A							
Spartan 500 Index Fund - Investor Class				128.590	5.634							
10-Year Summary				1/31/02 to 1/31/12	1/31/02 to 1/31/12							
				Total Return %	Average Annual Return %							
<i>Top Eight Model Portfolio</i>				106.801	7.536							
Nasdaq Composite Index Fund				N/A	N/A							
Spartan 500 Index Fund - Investor Class				40.134	3.432							
5-Year Summary				1/31/07 to 1/31/12	1/31/07 to 1/31/12							
				Total Return %	Average Annual Return %							
<i>Top Eight Model Portfolio</i>				3.912	0.770							
Nasdaq Composite Index Fund				18.618	3.474							
Spartan 500 Index Fund - Investor Class				1.254	0.250							
3-Year Summary				1/30/09 to 1/31/12	1/30/09 to 1/31/12							
				Total Return %	Average Annual Return %							
<i>Top Eight Model Portfolio</i>				55.314	15.808							
Nasdaq Composite Index Fund				95.189	24.974							
Spartan 500 Index Fund - Investor Class				69.106	19.139							
1-Year Summary				1/31/11 to 1/31/12								
				Total Return %								
<i>Top Eight Model Portfolio</i>				(3.370)								
Nasdaq Composite Index Fund				5.151								
Spartan 500 Index Fund - Investor Class				4.119								

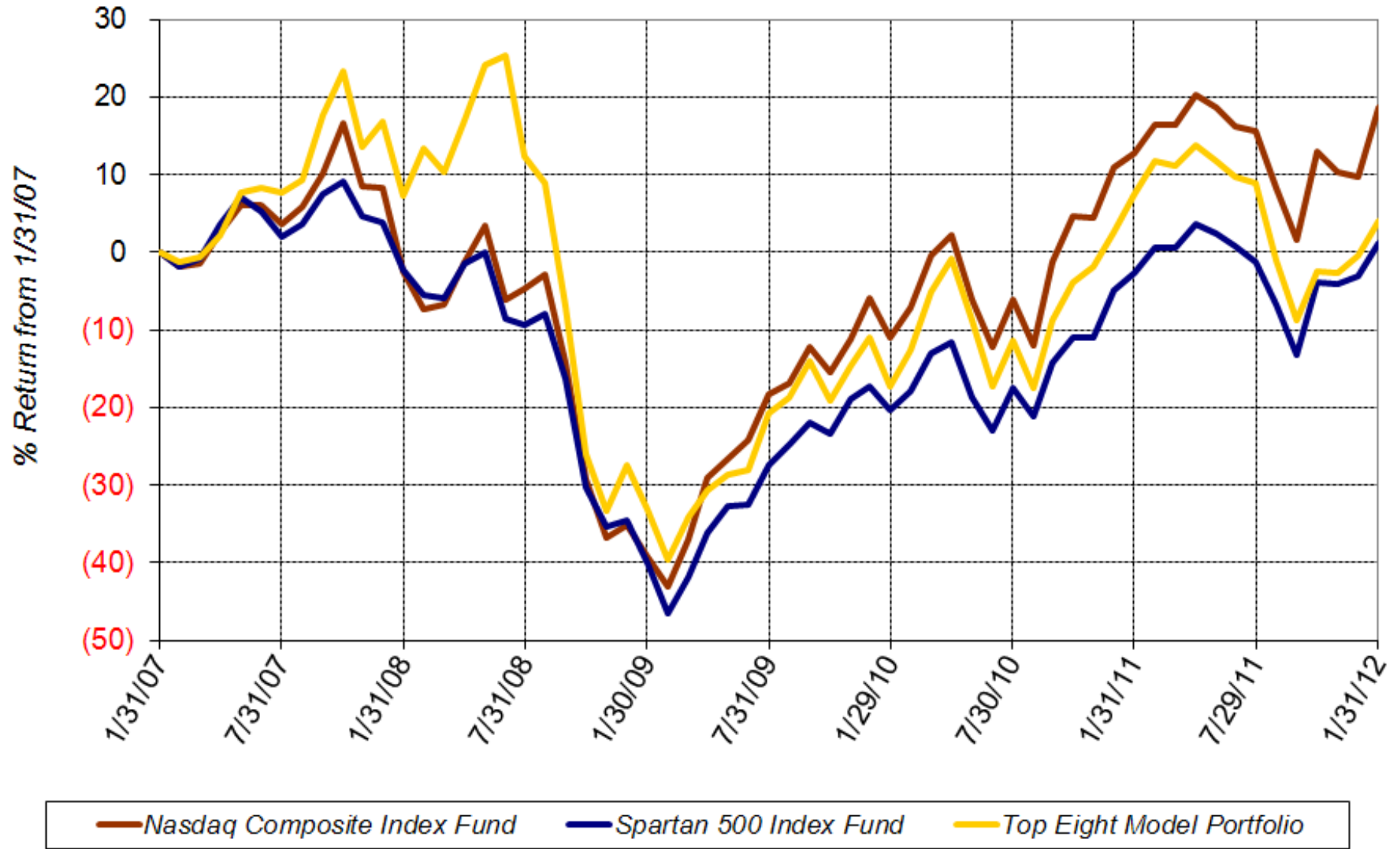
Lifetime Chart



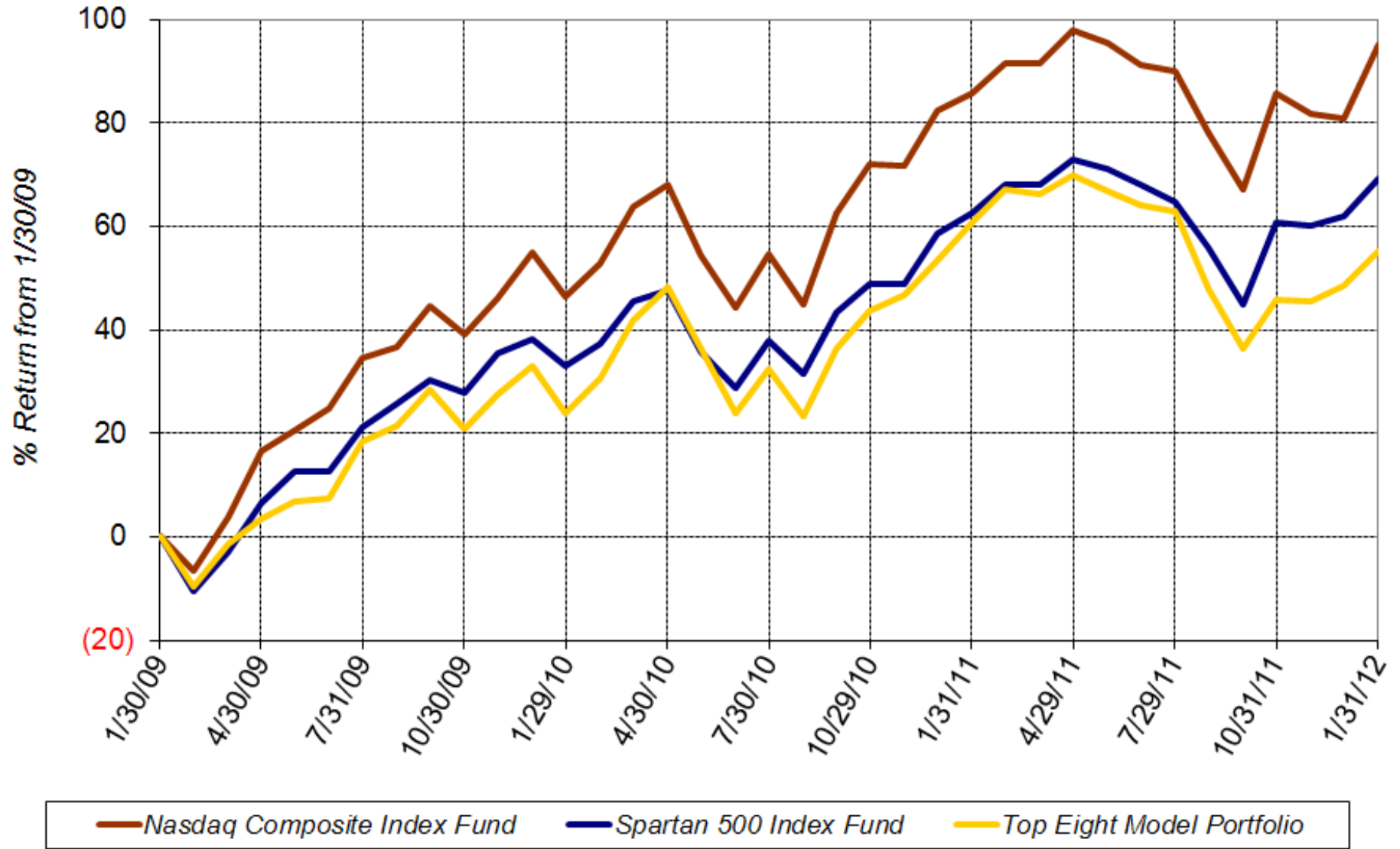
10-Year Chart



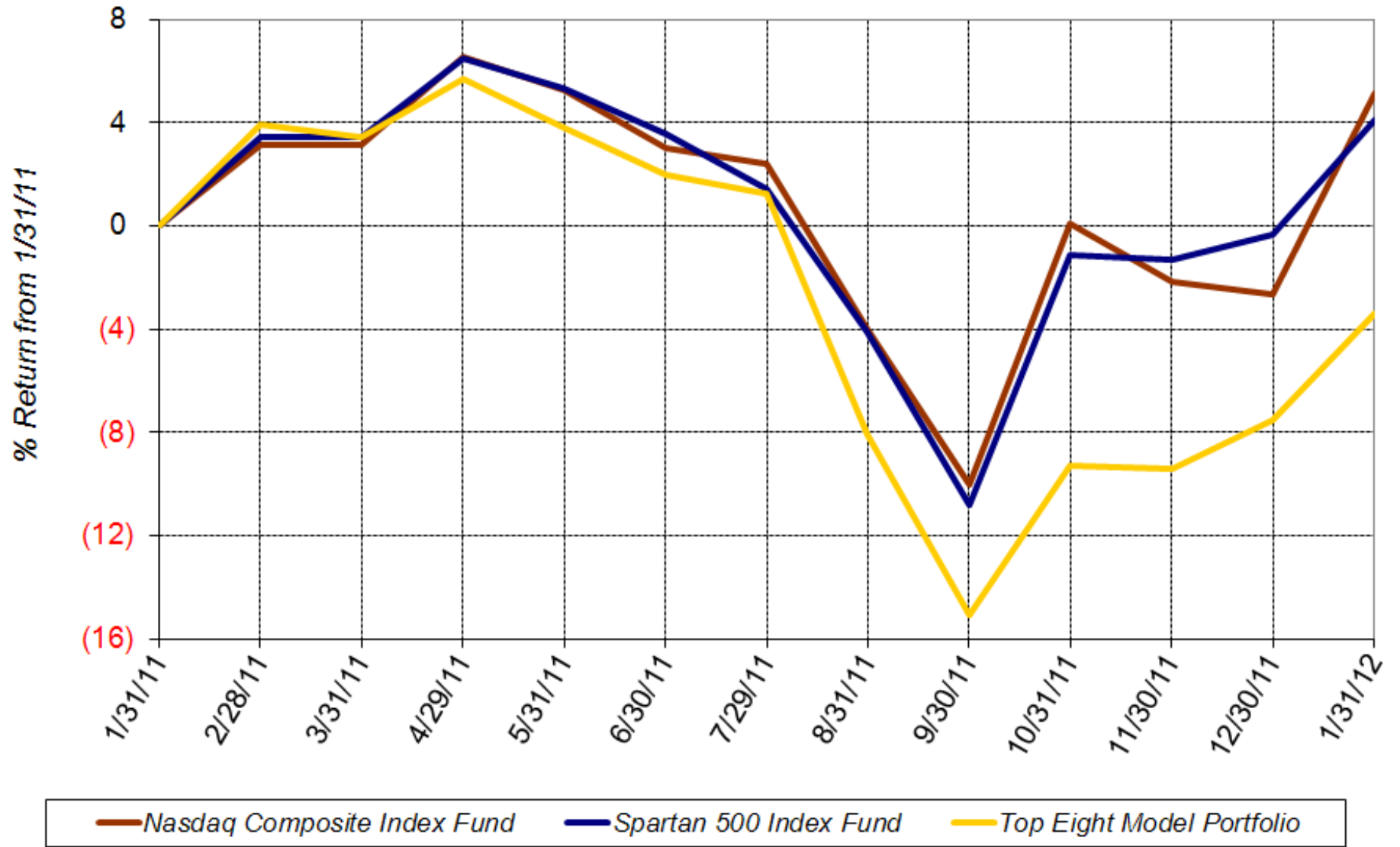
5-Year Chart



3-Year Chart



1-Year Chart



Daily Chart January 2012

