

# FIDELITY SELECT FUNDRANKER™

Volume 7 Issue 3

The Right Funds at the Right Time

March 2012

## February Performance Continues Uptrend

The broad market rose 14 of 20 sessions again in February, pushing the S&P 500 and Nasdaq Composite Indexes to new bull market highs.

All the funds in the *Top Eight Model Portfolio* gained ground in February. Industrial Equipment, Electronics, and Leisure paced the *Top Eight* with one-month gains of 5.30%, 4.76%, and 4.51%. Construction & Housing, Health Care, and Chemicals followed with one-month gains of 3.71%, 2.42%, and 2.24%. Biotechnology and Air Transportation trailed with one-month gains of 0.91% and 0.93%.

During February, the Nasdaq Composite Index gained 8.037%, the S&P 500 Index gained 4.324%, and the *Top Eight Model Portfolio* gained 2.650%. For 2012 YTD through February 29, the Nasdaq Composite Index gained 14.079%, the S&P 500 Index gained 8.991%, and the *Top Eight Model Portfolio* gained 7.246%.

## Final Performance of Funds Sold on February 2

*Fundranker* exchanged four funds on February 2. Here are the returns they contributed to the *Top Eight Model Portfolio*:

Fund	Bought	Sold	Return
Consumer Staples (FDFAX)	12/7/2011	2/2/2012	2.14%
Defense & Aerospace (FSDAX)	12/7/2011	2/2/2012	8.05%
Pharmaceuticals (FPHAX)	12/7/2011	2/2/2012	5.26%
Utilities (FSUTX)	9/6/2011	2/2/2012	5.61%

## New Bull Market Highs

The bull market that started in March, 2009, nearly three years old now, is still alive. The S&P 500 and Nasdaq Composite Indexes hit new bull market highs on a number of days in February, most recently on February 28. From March 9, 2009, through the end of February, the Nasdaq Composite Index gained 139.333%, the S&P 500 Index gained 114.325%, and the *Top Eight Model Portfolio* gained 88.553%.

## Fundranker Increases Technology Weighting

Fidelity Investments categorizes 4 of their 39 Select funds as technology funds. *Fundranker* bought Electronics on February 2, and on March 5, we will buy Computers and Software & Computer Services. Even though Fidelity Investments categorizes Biotechnology as a health fund, we think it also qualifies as a technology fund. We have held Biotechnology since May 9, 2011. Our March 5 technology fund purchases will bring our technology weighting to 50%. The technology heavy Nasdaq Composite Index has been outperforming, so this shift makes sense.

## Construction & Housing Builds Big Gains

*Fundranker* purchased Construction & Housing on November 7, 2011, and in the four months we have held it, it gained 18.26%. It is evident that this sector is finally beginning to turn the corner.

*Fundranker's* editor is visiting in Albuquerque as this issue goes to press, and he got to see dramatic evidence of this turnaround. Near his sister-in-law's home in southeast Albuquerque, there used to be blocks and blocks of empty lots. Roads were paved a number of years ago, and lots were marked out, but then the Great Recession intervened, and the lots sat undeveloped. Just in the last few months, dozens of expensive homes have been completed, and people have moved in. There were at least ten homes in various stages of completion with crews working on them. Think of all those jobs!

## Holding Period Alert

If you purchased shares after February 3 of any funds which are being exchanged on March 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 Chemicals on

February 6, you should wait a full thirty days and exchange Chemicals on March 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 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](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 for March 2012

Fund Name (Symbol)	Purchase	Return to 2/29
1. Biotechnology (FBIOX)	5/9/2011	14.06%
2. Computers (FDCPX)	3/5/2012	
3. Software & Comp Svcs (FSCSX)	3/5/2012	
4. Construction & Housing (FSHOX)	11/7/2011	18.26%
5. Industrial Equipment (FSCGX)	2/2/2012	2.83%
6. Electronics (FSELX)	2/2/2012	1.29%
7. Leisure (FDLSX)	1/3/2012	10.50%
8. Consumer Finance (FSVLX)	3/5/2012	
Funds to be sold on March 5:		
12. Chemicals (FSCHX)	2/2/2012	0.89%
22. Health Care (FSPHX)	1/3/2012	7.78%
23. Air Transportation (FSAIX)	2/2/2012	(0.91)%

## Fundranker Exchanges for March 5

Sell Chemicals (FSCHX), buy Computers (FDCPX)  
Sell Air Transportation (FSAIX), buy Soft & Comp Svcs (FSCSX)  
Sell Health Care (FSPHX), buy Consumer Finance (FSVLX)

## Fundranker Invest New Money Date

Invest new money on March 2.

## Optional Rebalancing Exchange Dates

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

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<i>Fundranker Ratings for 2/29/12</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)	2.01	16.49*	10.54	0.53	8.393	23
Automotive (FSAVX)	(13.05)	14.13	22.50*	7.73*	9.828	19
Banking (FSRBX)	(5.31)	18.87*	15.58*	5.01	10.538	17
Biotechnology (FBIOX)	32.35*	25.10*	17.35*	0.91	21.928	1
Brokerage & Investment Mgmt (FSLBX)	(11.53)	13.44	16.97*	5.30*	8.045	25
Chemicals (FSCHX)	10.31*	14.24	16.13*	2.24	12.730	12
Communications Equipment (FSDCX)	(17.09)	8.49	7.07	4.48	0.738	36
Computers (FDCPX)	8.49*	25.15*	17.72*	8.02*	18.845	2
Construction & Housing (FSHOX)	7.65	23.52*	16.05*	3.71	14.733	4
Consumer Discretionary (FSCPX)	8.67*	15.57	12.77	5.27	11.570	13
Consumer Finance (FSVLX)	7.41	14.44	15.57*	7.40*	13.205	8
Consumer Staples (FDFAX)	15.30*	8.75	7.43	6.30*	11.445	14
Defense & Aerospace (FSDAX)	10.87*	17.46*	10.78	4.65	12.940	10
Electronics (FSELX)	(0.01)	22.40*	18.25*	4.76	13.350	6
Energy (FSENX)	(7.67)	7.68	8.02	5.96*	4.498	31
Energy Service (FSESX)	(14.98)	(0.44)	5.66	5.19	(1.143)	38
Environment & Alternative Energy (FSLEX)	(13.97)	2.39	5.53	2.19	(0.965)	37
Financial Services (FIDSX)	(8.09)	13.66	17.69*	5.07	8.083	24
Gold (FSAGX)	(6.00)	(11.78)	(6.65)	(1.75)	(6.545)	39
Health Care (FSPHX)	9.10*	12.35	10.90	2.42	9.693	22
Industrial Equipment (FSCGX)	1.66	20.19*	14.73*	5.30*	13.470	5
Industrials (FCYIX)	0.94	17.38*	13.08	3.87	9.818	20
Insurance (FSPCX)	(4.13)	13.75	7.62	2.77	5.003	27
IT Services (FBSOX)	8.18	16.29*	9.84	4.85	10.790	16
Leisure (FDLSX)	16.84*	15.87	12.13	4.51	13.338	7
Materials (FSDPX)	0.49	9.21	9.99	1.24	5.233	26
Medical Delivery (FSHCX)	10.74*	14.36	10.92	4.92	11.235	15
Medical Equipment & Systems (FSMEX)	0.23	4.08	11.49	2.34	4.535	30
Multimedia (FBMPX)	2.75	16.66*	15.15*	6.01*	13.143	9
Natural Gas (FSNGX)	(9.03)	4.37	4.57	4.91	1.205	35
Natural Resources (FNARX)	(8.63)	4.75	6.99	4.77	1.970	34
Pharmaceuticals (FPHAX)	14.34*	10.06	7.73	2.69	9.705	21
Retailing (FSRPX)	15.66*	12.77	9.32	5.77*	12.880	11
Software & Computer Services (FSCSX)	13.08*	20.94*	14.60	7.45*	17.018	3
Technology (FSPTX)	(0.78)	14.35	13.66	8.46*	9.923	18
Telecommunications (FSTCX)	(0.23)	2.17	7.09	6.03*	4.765	29
Transportation (FSRFX)	0.16	12.23	7.74	(0.80)	4.833	28
Utilities (FSUTX)	6.85	4.28	0.79	2.24	3.540	32
Wireless (FWRLX)	(2.55)	3.57	5.46	3.64	2.530	33

\*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

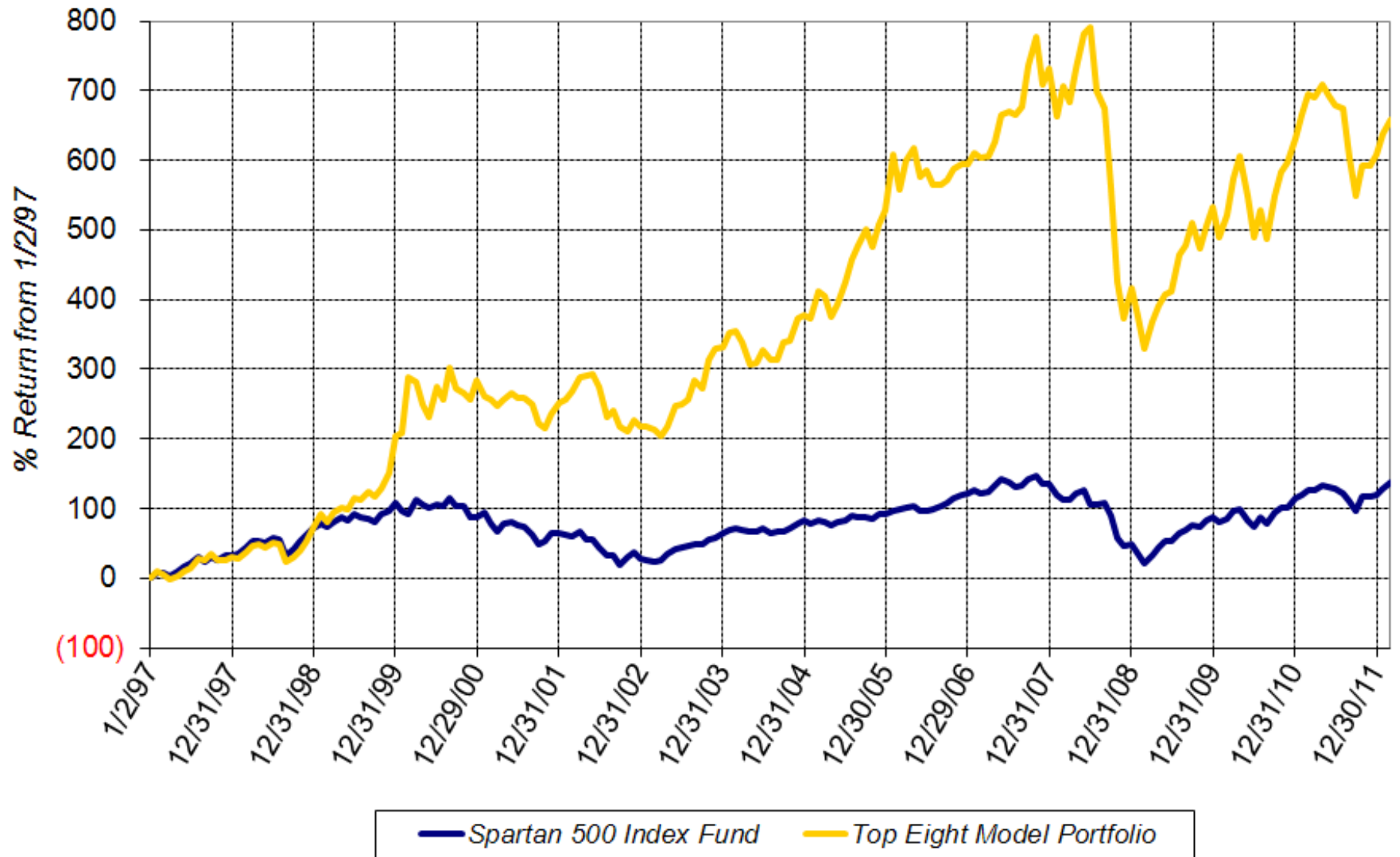
Sell on March 5, 2012

Buy on March 5, 2012

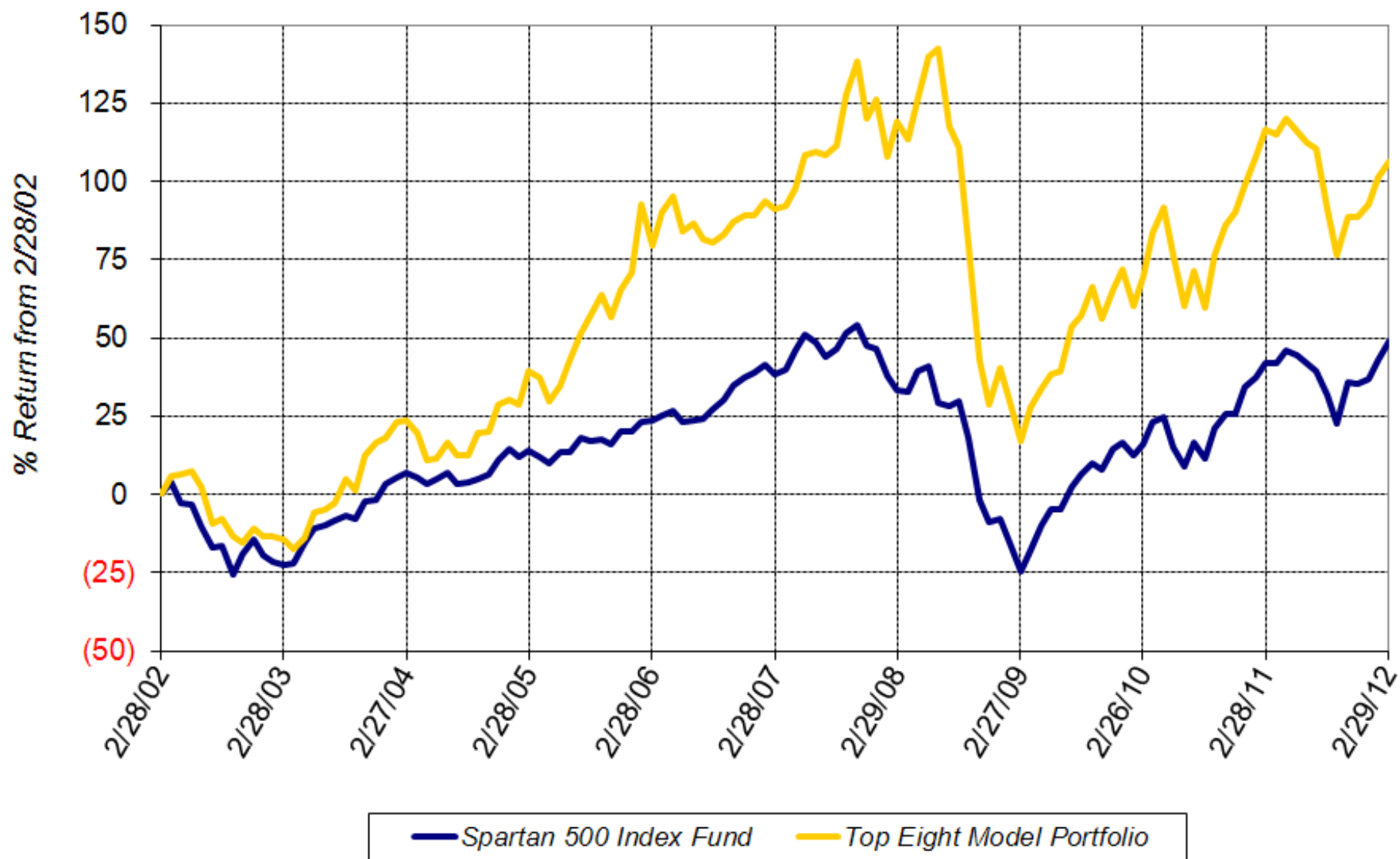
Hold

Fundranker Performance for February 2012													
1/31 Funds	1/31 Shares	1/31 Amount	<=2/2 Div Shrs	2/2 Shares	2/2 Amount	2/2 Funds	2/2 Shares	2/2 Amount	>2/2 Div Shrs	2/29 Shares	2/29 Amount	Feb Return	
FSHOX	590.256	22,772.08	none	590.256	23,084.91	FBIOX	224.600	22,520.63	none	224.600	21,968.13		
FBIOX	247.335	23,974.18	none	247.335	24,800.28	FSCHX	205.574	22,520.63	none	205.574	22,720.04		
FSUTX	405.144	20,828.45	none	405.144	20,966.20	FSHOX	575.828	22,520.63	none	575.828	23,038.88		
FPHAX	1,556.247	21,382.83	none	1,556.247	21,631.83	FSAIX	585.408	22,520.63	none	585.408	22,315.75		
FDLSX	221.629	22,590.64	none	221.629	22,814.49	FDLSX	218.774	22,520.63	none	218.774	23,305.99		
FDFAX	297.222	21,052.23	none	297.222	21,358.37	FSELX	428.067	22,520.63	none	428.067	22,811.69		
FSDAX	270.062	22,199.10	none	270.062	22,625.79	FSCGX	636.716	22,520.63	none	636.716	23,157.36		
FSPHX	173.056	22,483.44	none	173.056	22,883.19	FSPHX	170.314	22,520.63	none	170.314	22,663.68		
<b>Top Eight</b>		<b>177,282.95</b>			<b>180,165.06</b>			<b>180,165.00</b>			<b>181,981.52</b>	<b>2.650</b>	
FNCMX	1,565.201	58,491.56	none						none	1,565.201	61,762.83	5.593	
FUSEX	1,180.325	54,861.51	none						none	1,180.325	57,233.96	4.324	
<b>Yearly Summaries</b>				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)					
<b>Yearly Summaries</b>				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					
<b>Yearly Summaries</b>				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					
<b>Yearly Summaries</b>				2012 YTD									
				Return %									
<i>Top Eight Model Portfolio</i>				7.246									
Nasdaq Composite Index Fund				14.079									
Spartan 500 Index Fund - Investor Class				8.991									
<b>Lifetime Summary</b>				1/2/97 to 2/29/12	1/2/97 to 2/29/12								
				Total Return %	Average Annual Return %								
<i>Top Eight Model Portfolio</i>				658.256	14.290								
Nasdaq Composite Index Fund				N/A	N/A								
Spartan 500 Index Fund - Investor Class				138.475	5.898								
<b>10-Year Summary</b>				2/28/02 to 2/29/12	2/28/02 to 2/29/12								
				Total Return %	Average Annual Return %								
<i>Top Eight Model Portfolio</i>				106.391	7.580								
Nasdaq Composite Index Fund				N/A	N/A								
Spartan 500 Index Fund - Investor Class				49.090	4.110								
<b>5-Year Summary</b>				2/28/07 to 2/29/12	2/28/07 to 2/29/12								
				Total Return %	Average Annual Return %								
<i>Top Eight Model Portfolio</i>				7.936	1.565								
Nasdaq Composite Index Fund				27.647	5.090								
Spartan 500 Index Fund - Investor Class				7.756	1.531								
<b>3-Year Summary</b>				2/27/09 to 2/29/12	2/27/09 to 2/29/12								
				Total Return %	Average Annual Return %								
<i>Top Eight Model Portfolio</i>				76.729	21.560								
Nasdaq Composite Index Fund				120.449	31.131								
Spartan 500 Index Fund - Investor Class				97.456	26.271								
<b>1-Year Summary</b>				2/28/11 to 2/29/12									
				Total Return %									
<i>Top Eight Model Portfolio</i>				(4.561)									
Nasdaq Composite Index Fund				7.637									
Spartan 500 Index Fund - Investor Class				5.046									

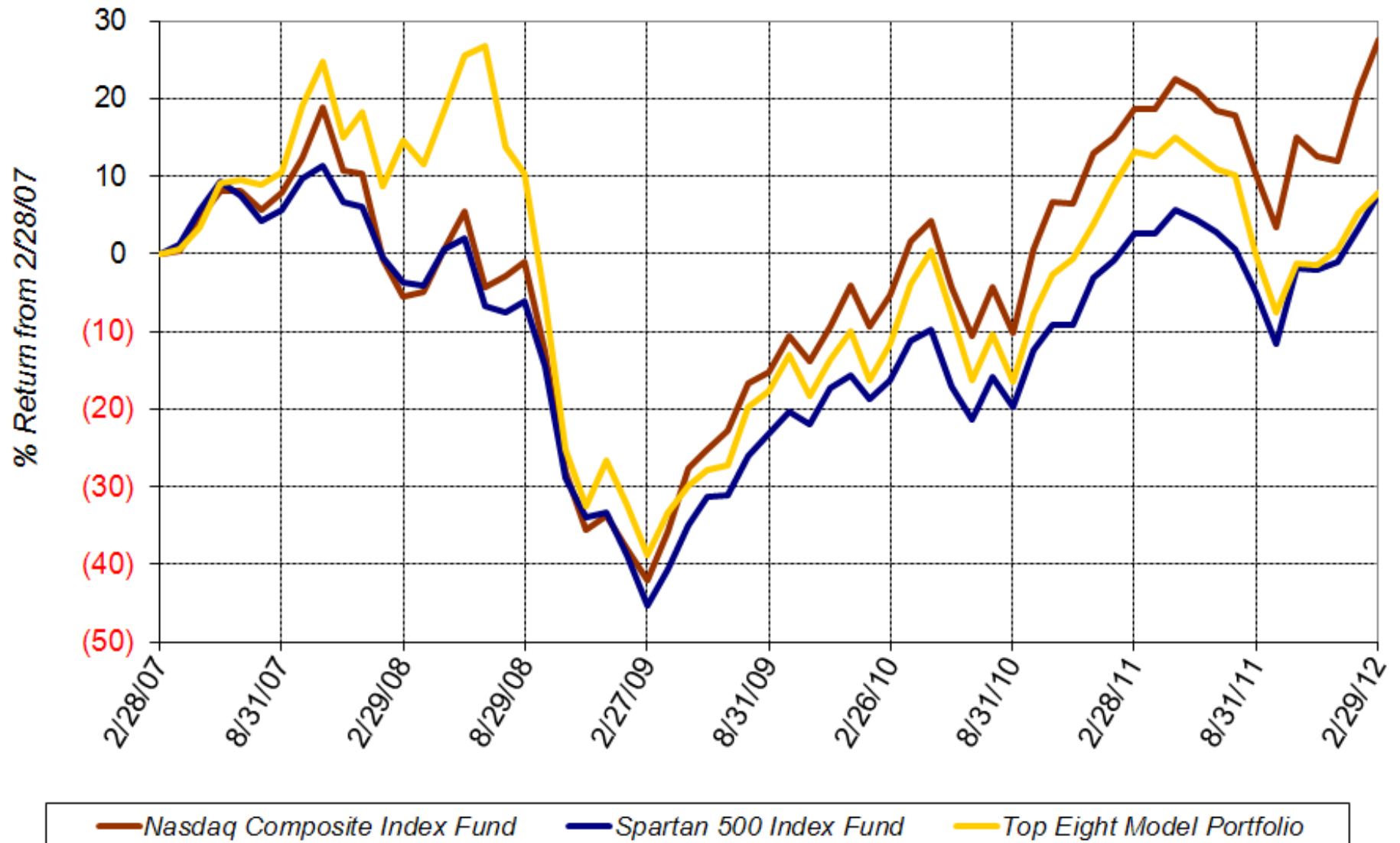
### Lifetime Chart



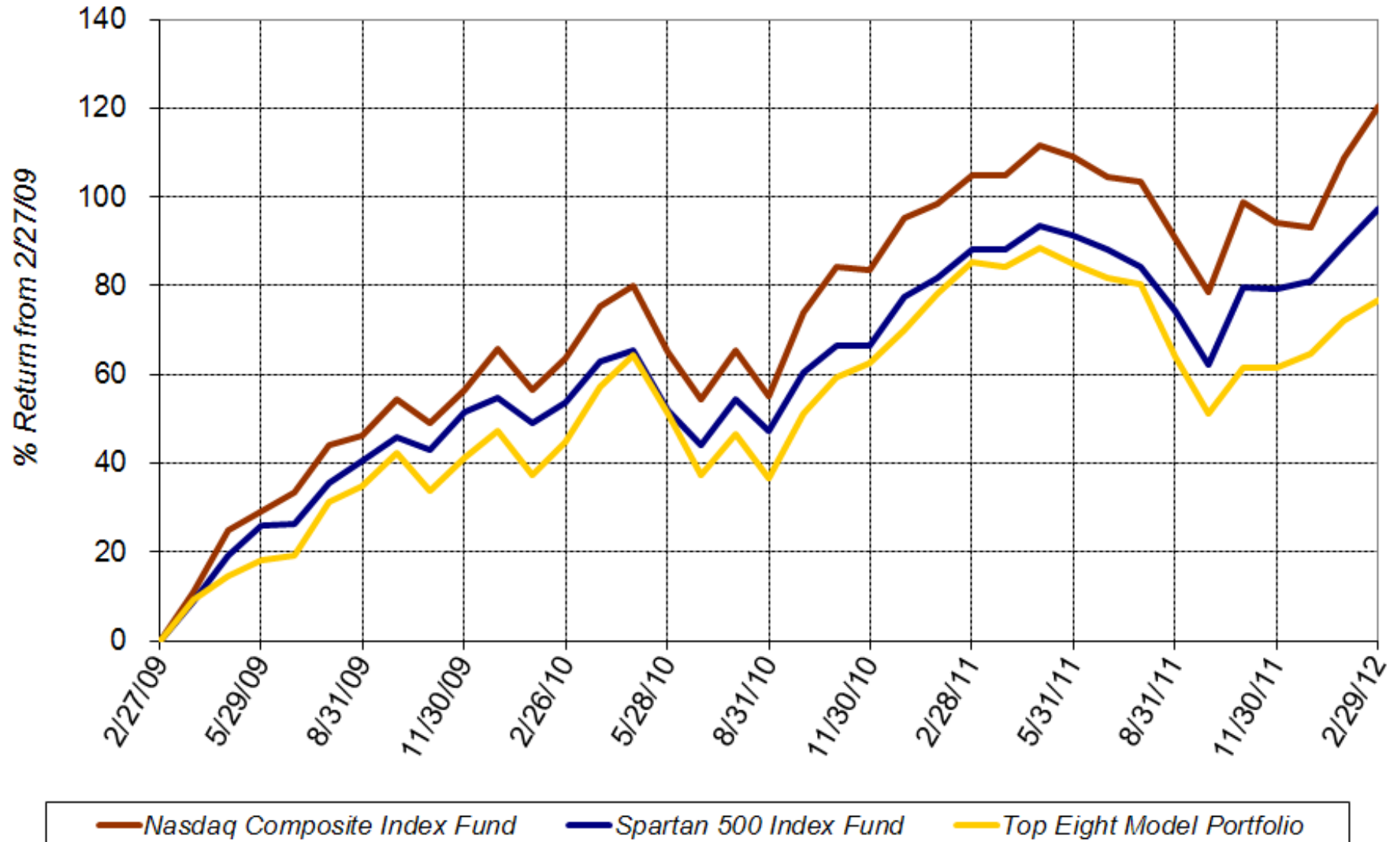
### 10-Year Chart



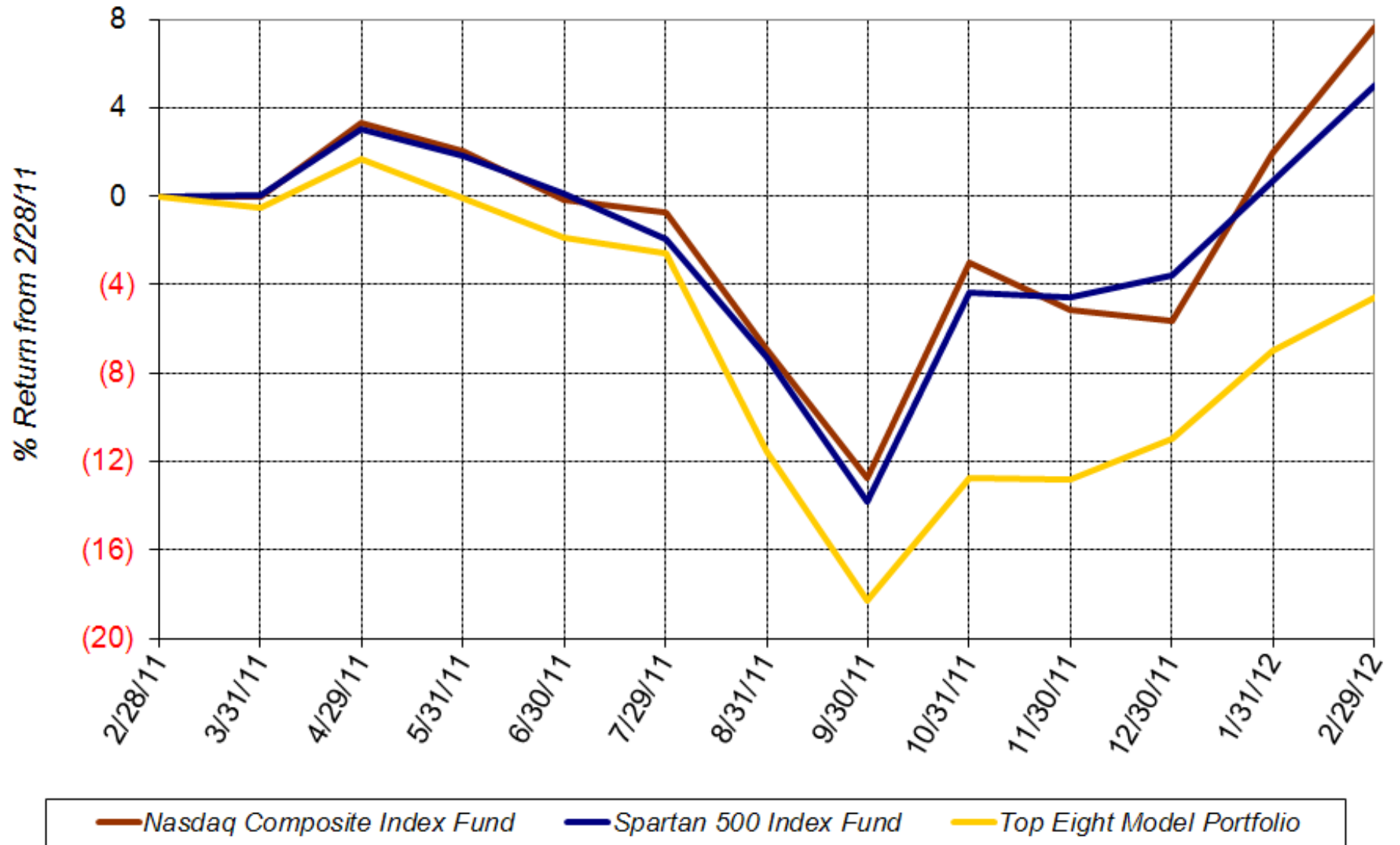
### 5-Year Chart



### 3-Year Chart



### 1-Year Chart





### Daily Chart February 2012

