

FTUTX - Very Dangerous Rating



Fidelity Select Portfolios: Fidelity Advisor Telecommunications Fund



Predictive Rating

Very Dangerous

• [Predictive Ratings](#) are based on aggregating our stock ratings on each of the fund's holdings and all of the fund's expenses.

• Stock-picking ([Portfolio Management](#)) and fund expenses ([Total Annual Costs](#)) drive fund performance.



Portfolio Management

Very Dangerous



Total Annual Costs

Dangerous

Investment Recommendation

- We strongly recommend investors avoid FTUTX.
- Despite mediocre past performance, we expect the fund to significantly underperform the market.
- FTUTX's Portfolio Management rating does not justify its high Total Annual Costs.

Portfolio Management Rating Details

- FTUTX receives our Very Dangerous rating because it overweights Dangerous-or-worse-rated stocks.
- IYZ, FTUTX's benchmark, receives our Very Dangerous rating.
- Our fund analytics are based on aggregating our models and ratings for each fund's holdings.
- Our [top-ranked](#) stock ratings leverage key data from the financial footnotes for unrivaled research quality.

Fund Rankings

- 3rd percentile of the 7000+ equity funds we cover.
- 10 out of 12 Telecom Services funds.
- All 5 ETFs in the same category rank better.
- See rankings for all US equity funds on our free [fund screener](#).

Portfolio Management Rating Breakdown

Business Strength



Quality of Earnings

Dangerous



Return on Invested Capital (ROIC)

6.49%

Valuation



Free Cash Flow Yield

4.52%



Price to Economic Book Value

5.88



Market-Implied Duration of Growth

40 year(s)

Fund Asset Allocation



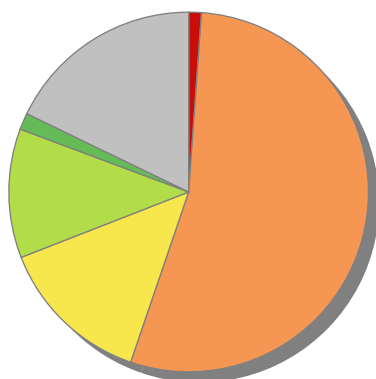
Cash Allocation

0.00% cash

Stock and Cash Rating Allocations vs Benchmark - iShares Dow Jones U.S. Telecommunications Index Fund (IYZ)

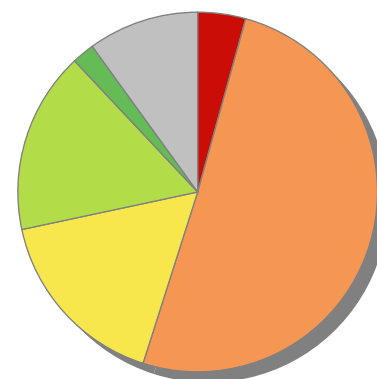
FTUTX Allocations

IYZ Allocations



1.14%	Very Dangerous ★☆☆☆	4.31%
54.09%	Dangerous ★☆☆☆	50.60%
13.85%	Neutral ★☆☆☆	16.74%
11.60%	Attractive ★★★★	16.35%
1.49%	Very Attractive ★★★★★	2.03%
17.83%	Unrated	9.97%
0.00%	Cash	--

Holdings as of 11/30/11.
Ratings as of 02/01/12.



Active Management Commentary

- FTUTX allocates 55.23% of its value to Dangerous-or-worse-rated stocks while IYZ allocates 54.91%.
- FTUTX allocates 13.09% of its value to Attractive-or-better-rated stocks while IYZ allocates 18.38%.
- Investors should expect funds with higher Total Annual Costs to allocate more value to Attractive and Very Attractive Stocks and less to Dangerous and Very Dangerous stocks than alternative funds with lower costs.
- Active portfolio management of FTUTX adds value versus its ETF benchmark IYZ.

Return - Annual

Year to Date	0.76%
1 Year	-4.03%
3 Year	20.53%
5 Year	-2.05%
Inception	-0.59%

Top 5 Holdings

AT&T Inc	T
CenturyLink Inc	CTL
Verizon Communications Inc	VZ
American Tower Corp	AMT
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Key Mutual Fund Statistics

Net Assets(mm)	\$336.30	Category	Telecom Services
NAV	\$43.95	Mgmt Co	Fidelity
Benchmark	IYZ	Manager	Kristina Salen
# of Holdings	40	Tenure	2009
Initial Min	\$2,500	Inception	12/12/06

Total Annual Costs Rating and Ranking

Rating	Total Annual Costs	Fund Universe % Rank	Category Rank
★★★☆☆	3.12%	25.85%	6 of 12

This rating reflects all expenses, loads, fees, and transaction costs in a single value that is comparable across all funds.

Total Annual Costs Breakdown

All Cost Types	Annualized Values	
	FTUTX	Benchmark: IYZ
Front-End Load	1.33%	--
Expense Ratio	1.65%	0.53%
Back-End Load	0.00%	--
Redemption Fee	0.00%	--
Transaction Costs	0.14%	--
Total Annual Costs	3.12%	0.53%

- To justify its higher Total Annual Costs, FTUTX must outperform its ETF benchmark by 2.60% annually over 3 years or 1.67% annually over 10 years.
- This analysis assumes a 3-year holding period, the average for all funds.
- Transaction costs are estimated using the fund's annual portfolio turnover ratio of 72%.

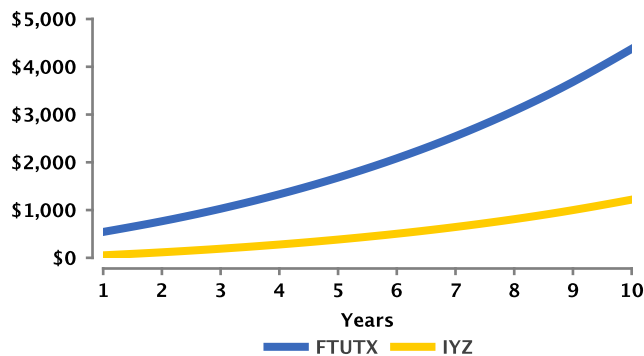
Data from Lipper, a Thomson Reuters Company, and New Constructs, LLC.

Reported Costs vs Benchmark: as of 04/29/11

	FTUTX	Benchmark: IYZ
Front-End Load	3.50%	--
Expense Ratio	1.48%	0.48%
Back-End Load	0.00%	--
Redemption Fee	0.00%	--

Accumulated Total Costs vs Benchmark

Accumulated Total Costs represent the dollar value of costs investors incur during a 10-yr holding period. Assumes a \$10,000 investment and a 10% annual return for the fund and its benchmark.



- 3-year Accumulated Total Costs are \$1,027.73 for FTUTX and \$190.75 for IYZ. 10-year Accumulated Total Costs are \$4,374.97 for FTUTX and \$1,218.45 for IYZ.

Overview of Our Predictive Mutual Fund Rating System

New Constructs' [Predictive Fund Ratings](#) enable smarter investing by assessing the key drivers of future fund performance. We start by analyzing every fund holding based on New Constructs' stock ratings, which are regularly featured as among the [best by Barron's](#). Next, we measure and rank the all-in costs of investing in a fund.

Intuitively, there are two drivers of future fund performance.

- 1) New stock-picking ([Portfolio Management Rating](#)) and
- 2) Fund expenses ([Total Annual Costs Rating](#)) drive investment performance

The figure below details the criteria that drive our Predictive Rating system for funds. The two drivers of our predictive rating system are Portfolio Management and Total Annual Costs. The Portfolio Management Rating (details [here](#)) is the same as our Stock Rating (details [here](#)) except that we incorporate Asset Allocation (details [here](#)) in the Portfolio Management Rating. The Total Annual Costs Rating (details [here](#)) captures the all-in cost of being in a fund over a 3-year holding period, the average period for all mutual fund investors.

Predictive Rating	Portfolio Management Rating						Total Annual Costs Rating
	Business Strength		Valuation			Asset Allocation	
	Quality of Earnings	Return on Invested Capital	FCF Yield	Price to Econ Book Value	Mkt-Imp Duration of Growth	Cash %	
Very Dangerous ★☆☆☆☆	Misleading Trend	Bottom Quintile	< -5%	> 3.5 or -1 < 0	> 50	> 20%	> 4%
Dangerous ★★☆☆☆	False Positive	4th Quintile	-5% < -1%	2.4 < 3.5 or < -1	20 < 50	8% < 20%	2% < 4%
Neutral ★★★☆☆	Neutral EE	3rd Quintile	-1% < 3%	1.6 < 2.4	10 < 20	2.5% < 8%	1% < 2%
Attractive ★★★★☆	Positive EE	2nd Quintile	3% < 10%	1.1 < 1.6	3 < 10	1% < 2.5%	0.5% < 1%
Very Attractive ★★★★★	Rising EE	Top Quintile	> 10%	0 < 1.1	0 < 3	< 1%	< 0.5%

New Constructs® - Profile

Incorporated in July 2002, [New Constructs](#) is an independent publisher of investment research that provides clients with consulting, advisory and research services. We specialize in quality-of-earnings, forensic accounting and discounted cash flow valuation analyses for all U.S. public companies.

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Our Philosophy About Research

Accounting data is not designed for equity investors, but for debt investors. [Accounting data must be translated into economic earnings](#) to understand the profitability and valuation relevant to equity investors. Respected investors (e.g. Adam Smith, Warren Buffett and Ben Graham) have repeatedly emphasized that accounting results should not be used to value stocks. [Economic earnings](#) are what matter because they are:

1. Based on the complete set of financial information available.
2. Standard for all companies.
3. A more accurate representation of the true underlying cash flows of the business.

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