

FSUTX - Dangerous Rating

Fidelity Select Portfolios: Utilities Portfolio



Predictive Rating

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

Dangerous



Total Annual Costs

Neutral

Investment Recommendation

- We recommend investors avoid FSUTX.
- We expect the fund to continue underperforming the market.
- FSUTX's Portfolio Management rating does not justify its high Total Annual Costs.

Portfolio Management Rating Details

- FSUTX receives our Dangerous rating because it overweights Dangerous-or-worse-rated stocks.
- XLU, FSUTX's benchmark, receives our 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

- 41st percentile of the 7000+ equity funds we cover.
- 4 out of 39 Utilities funds.
- 1 of 9 ETFs in the same category ranks 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)

4.81%

Valuation



Free Cash Flow Yield

0.77%



Price to Economic Book Value

1.42



Market-Implied Duration of Growth

10 year(s)

Fund Asset Allocation



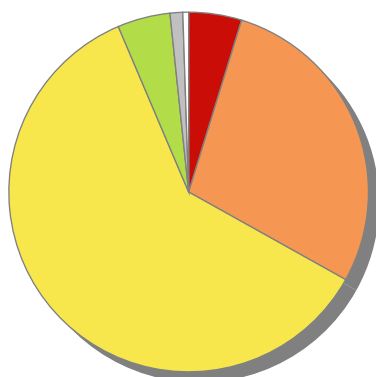
Cash Allocation

0.52% cash

Stock and Cash Rating Allocations vs Benchmark - Utilities Select Sector SPDR (XLU)

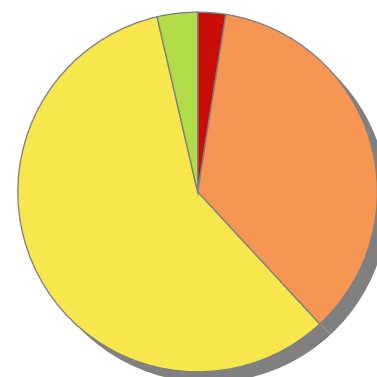
FSUTX Allocations

XLU Allocations



4.76%	Very Dangerous ★☆☆☆	2.51%
28.34%	Dangerous ★★☆☆	35.62%
60.50%	Neutral ★★★☆☆	58.25%
4.74%	Attractive ★★★★☆	3.62%
0.00%	Very Attractive ★★★★★	0.00%
1.14%	Unrated	0.00%
0.52%	Cash	--

Holdings as of 11/30/11.
Ratings as of 01/31/12.



Active Management Commentary

- FSUTX allocates 33.10% of its value to Dangerous-or-worse-rated stocks while XLU allocates 38.13%.
- FSUTX allocates 4.74% of its value to Attractive-or-better-rated stocks while XLU allocates 3.62%.
- 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 FSUTX adds value versus its ETF benchmark XLU.

Return - Annual

Year to Date	-3.96%
1 Year	7.00%
3 Year	11.61%
5 Year	0.82%
Inception	10.93%

Top 5 Holdings

Exelon Corp
Duke Energy Corp
Dominion Resources Inc
Firstenergy Corp
Edison International

EXC
DUK
D
FE
EIX

Key Mutual Fund Statistics

Net Assets(mm)	\$599.60	Category	Utilities
NAV	\$51.41	Mgmt Co	Fidelity
Benchmark	XLU	Manager	Douglas Simmons
# of Holdings	23	Tenure	2006
Initial Min	\$2,500	Inception	12/10/81

Total Annual Costs Rating and Ranking

Rating	Total Annual Costs	Fund Universe % Rank	Category Rank
★★★★☆	1.21%	79.00%	10 of 39

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	
	FSUTX	Benchmark: XLU
Front-End Load	0.00%	--
Expense Ratio	1.00%	0.22%
Back-End Load	0.00%	--
Redemption Fee	0.00%	--
Transaction Costs	0.21%	--
Total Annual Costs	1.21%	0.22%

- To justify its higher Total Annual Costs, FSUTX must outperform its ETF benchmark by 1.01% annually over any holding period.
- 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 111%.

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

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.

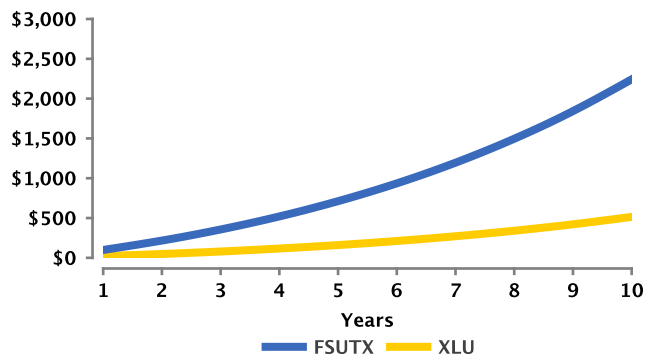
Predictive Rating	Portfolio Management Rating						Total Annual Costs Rating
	Business Strength		Valuation			Asset Allocation	
	Quality of Earnings	Return on Invested Capital	FCF Yield	Price to Econ Book Value	Mkt-Imp Duration of Growth	Cash %	
Very Dangerous ★☆☆☆☆	Misleading Trend	Bottom Quintile	< -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%

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

	FSUTX	Benchmark: XLU
Front-End Load	0.00%	--
Expense Ratio	0.90%	0.20%
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 \$356.15 for FSUTX and \$79.70 for XLU. 10-year Accumulated Total Costs are \$2,242.06 for FSUTX and \$514.10 for XLU.

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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1. **Superior Recommendations** - Our [stock-picks](#) consistently outperform. See our track record in our [stock-picking accolades](#) and [Proof Is In Performance](#) reports.
2. **More Accurate Research** - Our [patented Research Platform](#) for [reversing accounting distortions](#) and [discounted cash flow analysis](#) leverages better data to deliver smarter research.
3. **Time Savings** - We check the fine print in thousands of corporate filings so you don't have to. As reported by [Barron's](#), our expertise in analyzing SEC filings delivers [Hidden Gems and Red Flags](#) that drive long-term stock-picking success.
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5. **Objectivity** - New Constructs is an independent research firm, not tied to Wall Street or investment banking services. See our [presentation to the Senate Banking Committee](#), the SEC and many others in DC.

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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