

FIDELITY *Sector* INVESTOR

Thursday, October 30, 2008

Annual Service Fee: \$799

FSI Market Monitor

As yesterday's rate cut announcement (really a *pronouncement* on the persistence of tough times), today's GDP contraction for the 3rd quarter, and the jobless claims recessionary march show, the ground remains uneven at best, with a slope toward recession's slips and falls. But, while such slips and falls will characterize the landscape on a going forward basis, it is more probable today than 3 months prior that a modicum of stabilization in the global financial system has been achieved. True, you can't see it in the mortgage rates, yet— they rose again last week. You can't see it in the earnings or forecasts. You can't see it in home sales, mortgage applications, or consumer confidence. But, it's starting to be seen in the credit market which is where it has to start.

You know that I think that curing the credit market (the absence of lenders) is only as much as ½ the battle (and that battle has yet to be won). If we're going to climb out of this hole, the housing market has to find, maintain and comport a firmer foundation than the current quick sand on which it's built. So, too, does employment (not just here, but abroad as well). Anything less won't reverse the course of the absence of buyers' recession we're in – and that absence of buyers overhangs everything from Wal-Mart to Wall Street.

We're well positioned to continue to ride through the troughs and take advantage of the crests. Moreover, all the fears that have been haunting this tricky market have at least a ghost of a chance of dissipating a bit in November – that would be a treat!

-Jim Lowell

FSI Aggressive Growth Action

Recommendations

There is a trade recommended in FSI Aggressive Growth this week. In the Telecom group we are exchanging from **Comm Equipment** into **Cash Reserves**. For the year-to-date, the NASDAQ Composite is down 35.6%. FSI Aggressive Growth is down 39.1%.

FSI Growth Action Recommendations

There are trades recommended in FSI Growth this week. In the Cyclical group we are exchanging from **Paper & Forest** into **Air Transport**. In the Finance group we are exchanging from **Banking** into **Cash Reserves**. In the Utilities group we are exchanging from **Inflation-Protected Bond** into **Cash Reserves**. For the year-to-date, the S&P 500 is down 33.9%. FSI Growth is down 33.2%.

Trades are announced in the last issue of each month and executed based on closing prices of the first trading day of the new month. Trades are made when our proprietary FSI or Aggressive Growth Rating is higher for the newly purchased fund than for the fund we are selling, counting Hold Handicaps favoring existing positions. Note: when making a trade, be sure to "exchange" one fund for another.

Total Returns (%)

Index / Portfolio	2008/ YTD	7- Days	50 Days	2007	2006	2005	2004	Since Inception
FSI Aggressive Gr.	-39.1%	-0.4%	-29.2%	16.8%	9.6%	7.1%	17.8%	-29.0%
Nasdaq Comp.	-35.6	0.1	-28.9	10.6	10.4	2.1	9.2	-56.4
FSI Growth	-33.2	-2.0	-24.0	8.7	6.6	14.7	19.9	11.1
S&P 500	-33.9	-0.1	-25.1	5.5	15.8	4.9	10.9	-24.6
Wilshire 5000	-34.3	-0.7	-26.4	5.7	15.9	6.3	12.6	-20.4

For transmission problems, please contact members@fidelityinvestor.com or call 800-572-7907. Copyright FundWorks, Inc. 2008. All rights reserved. Use and/or reliance on this service is strictly at the subscriber's own risk. Fidelity Sector Investor or FundWorks will not be liable for the acts or omissions of any third party with regards to delay or non-delivery of the "Fidelity Sector Investor" notifications. We shall not be liable for incidental, indirect, special or consequential damages or for lost profits, savings or revenues of any kind, whether or not Fidelity Sector Investor or FundWorks has been advised of the possibility for such damages.

FSI Aggressive Growth Portfolio Performance Review

	FAST	Symbol	Price (NAV)	Action	% Total Returns			Handi- cap	FSI Rating*	36-mo Risk
					7-day	50-day	YTD			
Service	Group average:				-3.0	-30.4	-39.1			
Multimedia	503	fbmpx	22.83		-1.8	-29.9	-37.7		-33.5	1.29
Brokerage	68	fslbx	33.84		-7.4	-32.0	-47.3		-46.7	1.62
IT Services	353	fbsox	11.24	Buy	-2.1	-32.1	-32.7	18.0	-18.3	1.49
Software	28	fscsx	49.85		-0.7	-27.7	-38.6		-29.2	1.81
Technology	Group average:				-0.1	-30.3	-34.4			
Biotechnology	42	fbiox	58.74	Buy	0.3	-18.7	-11.9	16.0	-2.0	1.44
Medical Equipment	354	fsmex	19.89		-5.4	-24.5	-17.4		-35.2	0.80
Computers	7	fdcpx	28.86		2.9	-31.1	-40.3		-25.3	1.94
Electronics	8	fselx	25.58		3.0	-33.1	-43.9		-27.0	1.97
Networking	912	fninx	1.33		0.0	-37.6	-46.4		-37.6	2.24
Technology	64	fsptx	43.55		-1.4	-37.2	-46.4		-40.1	2.06
Telecommunications	Group average:				-0.3	-32.9	-43.7			
Communications Equip	518	fsdcx	13.23	Sell	0.0	-36.9	-41.1	15.0	-21.9	2.05
Telecommunications	96	fstcx	25.59		-4.8	-36.1	-50.7		-45.8	1.68
Utilities Growth	65	fsutx	41.15		2.4	-23.6	-36.0		-18.9	1.43
Wireless	963	fwrlx	4.57		1.1	-34.7	-47.1		-32.5	1.80
Cash Reserves	55	fdrxx	1.00	Buy	0.0	0.4	2.5		0.4	0.01

* The FSI Rating equals twice the 7-day return, plus the 50-day return, plus the FSI Hold Handicap

FSI Aggressive Growth Portfolio Positions

Fund Name	Current Percent Portfolio	Purchase Date	Adjusted Purchase Price	Current Price	7-Day Group Return	50-Day Group Return	YTD Group Return
1 IT Services	26.5%	7/1/08	16.22	11.24	-2.1	-32.1	-51.6
2 Biotechnology	40.1%	8/1/08	72.77	58.74	0.3	-18.7	-26.8
3 SELL Comm Equip BUY Cash Res	33.4%	4/1/08	19.84	13.23	0.0	-36.9	-39.1
Portfolio Total	100.0%				-0.4	-29.2	-39.1

FSI Growth Portfolio Positions

Fund Name	Current Percent Portfolio	Purchase Date	Adjusted Purchase Price	Current Price	7-Day Group Return	50-Day Group Return	YTD Group Return
1 Cons Staples	16.1%	8/10/07	66.56	49.97	-1.2	-19.9	-24.9
2 SELL Paper & For BUY Air Trans	11.0%	9/2/08	27.88	17.05	-7.2	-39.0	-48.6
3 SELL Banking BUY Cash Reserves	13.5%	9/2/08	19.75	17.19	-0.9	-13.1	-36.8
4 Biotechnology	18.2%	8/1/08	72.77	58.74	0.3	-18.7	-15.1
5 Networking	11.5%	7/1/08	2.11	1.33	0.0	-37.6	-46.1
6 SELL Infl-Prot Bond BUY Cash Res	17.9%	8/1/08	11.15	10.02	-4.4	-11.5	-16.1
7 Europe	11.8%	10/19/07	42.16	23.35	-0.8	-30.1	-44.6
Portfolio Total	100.0%				-2.0	-24.0	-33.2

FSI Growth Portfolio Performance Review

	FAST	Symbol	Price (NAV)	Action	% Total Returns			Handi-cap	FSI Rating*	36-mo Risk		
					7-day	50-day	YTD					
Consumer	Group average:				1.3	-24.5	-31.9					
Consumer Discretionary	517	fscpx	13.99	Buy	0.6	-25.9	-33.4	15.0	-24.6	1.19		
Consumer Staples	9	fdfax	49.97		-1.2	-19.9	-24.9		-7.2	0.79		
Leisure	62	fdlsx	51.28		5.0	-21.8	-33.1		-11.8	1.39		
Multimedia	503	fbmpx	22.83		-1.8	-29.9	-37.7		-33.5	1.29		
Retailing	46	fsrpx	28.56		3.7	-25.0	-30.2		-17.5	1.28		
Cyclicals	Group average:				-1.6	-31.2	-38.9					
Air Transport	34	fsaix	24.71	Buy	0.4	-13.7	-36.0	11.0	-12.9	1.74		
Automotive	502	fsavx	15.53		-7.0	-45.8	-58.5		-59.8	1.82		
Chemicals	69	fschx	55.15		0.6	-34.0	-33.3		-32.7	1.36		
Construction & Housing	511	fshox	22.33		-1.1	-28.6	-32.2		-30.8	1.54		
Defense & Aerospace	67	fsdax	50.88		4.5	-25.9	-38.7		-17.0	1.60		
Environmental Services	516	fslex	13.12		-2.0	-27.1	-32.2		-31.1	1.32		
Industrial Equipment	510	fscgx	19.24		-3.8	-37.6	-45.5		-45.2	1.42		
Industrials	515	fcyix	13.40		-1.8	-34.2	-39.6		-37.7	1.33		
Materials	509	fsdpv	32.12		-2.4	-41.8	-45.1		-46.6	1.65		
Paper & Forest	506	fspfx	17.05		Sell	-7.2	-36.5		-45.6	-39.9	1.63	
Transportation	512	fsrfx	35.19	2.0		-18.6	-20.8	-14.6	1.46			
Financial Services	Group average:				-3.0	-23.7	-46.2					
Banking	507	fsrbx	17.19	Sell	-0.9	-6.6	-29.3	4.0	-4.3	1.57		
Brokerage	68	fslbx	33.84		-7.4	-32.0	-47.3		-46.7	1.62		
Financial Services	66	fidsx	52.08		-3.9	-22.7	-45.5		-30.5	1.42		
Home Finance	98	fsvlx	12.23		-0.1	-26.0	-56.9		-26.1	1.97		
Insurance	45	fspcx	30.04		-2.9	-31.0	-52.3		-36.8	1.32		
Real Estate	303	fresx	16.61		-4.0	-35.4	-35.4		-43.5	1.51		
Cash Reserves	55	fdrxx	1.00		Buy	0.0	0.4		2.5	0.4	0.01	
Inflation-Protected Bond	794	finpx	10.02			-4.4	-11.4		-7.3	-20.1	0.46	
Intermediate Bond	32	fthrx	9.06			-1.9	-7.6		-7.4	-11.5	0.24	
Short-Term Bond	450	fshbx	8.12	-0.5		-1.8	-2.3	-2.8	0.15			
Health Care	Group average:				-5.4	-25.2	-27.3					
Biotechnology	42	fbiox	58.74	Buy	0.3	-18.7	-11.9	16.0	-2.0	1.44		
Health Care	63	fsphx	80.50		-5.4	-25.4	-33.1		-36.2	0.99		
Medical Delivery	505	fshcx	27.68		-11.1	-32.3	-46.9		-54.5	1.44		
Medical Equipment	354	fmex	19.89		-5.4	-24.5	-17.4		-35.2	0.80		
Pharmaceuticals	580	fphax	8.66		-1.9	-17.0	-25.0		-20.9	1.02		
Technology	Group average:				-1.1	-33.7	-41.0					
Computers	7	fdcpv	28.86	Buy	2.9	-31.1	-40.3	13.0	-25.3	1.94		
Communications Equip	518	fsdcx	13.23		0.0	-36.9	-41.1		-36.9	2.05		
Electronics	8	fselx	25.58		3.0	-33.1	-43.9		-27.0	1.97		
IT Services	353	fbsox	11.24		-2.1	-32.1	-32.7		-36.3	1.49		
Networking	912	fninx	1.33		0.0	-37.6	-46.4		-24.6	2.24		
Software	28	fsctx	49.85		-0.7	-27.7	-38.6		-29.2	1.81		
Technology	64	fsptx	43.55		-1.4	-37.2	-46.4		-40.1	2.06		
Utilities	Group average:				-0.5	-34.8	-45.6					
Natural Gas	513	fsngx	23.87	Buy	-0.7	-44.7	-48.7	18.0	-46.2	2.65		
Telecommunications	96	fstcx	25.59		-4.8	-36.1	-50.7		-45.8	1.68		
Utilities Growth	65	fsutx	41.15		2.4	-23.6	-36.0		-18.9	1.43		
Wireless	963	fwrlx	4.57		1.1	-34.7	-47.1		-32.5	1.80		
Cash Reserves	55	fdrxx	1.00		0.0	0.4	2.5		0.4	0.01		
Inflation-Protected Bond	794	finpx	10.02		Sell	-4.4	-11.4		-7.3	-2.1	0.46	
Intermediate Bond	32	fthrx	9.06			-1.9	-7.6		-7.4	-11.5	0.24	
Short-Term Bond	450	fshbx	8.12			-0.5	-1.8		-2.3	-2.8	0.15	
International	Group average:						-2.7		-30.6	-46.0		
Europe	301	fioux	23.35		Buy	-0.8	-30.1		-44.6	20.0	-11.6	1.48
Europe Cap App	341	fecax	14.17	-1.3		-32.5	-46.7	-35.1	1.51			
Japan	350	fjpnx	8.99	-1.2		-23.8	-37.3	-26.2	1.46			
Japan Sm Cos **	360	fjscx	6.98	-0.9		-20.0	-36.7	-21.8	1.57			
International Real Estate	1368	firex	6.66	-7.5		-31.9	-50.3	-46.9	1.62			
International Small Cap **	818	fismx	12.06	-3.1		-35.9	-47.8	-42.0	1.75			
Pacific Basin	302	fpbfx	12.52	-4.5		-39.8	-58.5	-48.8	1.87			

** Closed - Int'l Small Cap may be substituted with Int'l Small Cap Opps; Japan Sm Cos may be substituted with Japan