

FIDELITY SELECT FUNDRANKER™

Volume 7 Issue 10

The Right Funds at the Right Time

October 2012

September Performance Similar to August

The broad market showed steady gains in the first half of September, slowed in the second half of the month, and gave the S&P 500 Index its fourth monthly gain in a row.

All eight funds in the *Top Eight Model Portfolio* gained value in September. Biotechnology and Health Care led with one-month gains of 5.91% and 5.54%. Multimedia, Construction & Housing, Consumer Finance, Banking, and Insurance followed with one-month gains ranging from 4.83% to 2.60%. Retailing trailed with a one-month gain of 1.50%.

During September, the *Top Eight Model Portfolio* gained 4.016%, the S&P 500 Index gained 2.579%, and the Nasdaq Composite Index gained 1.682%. For 2012 YTD through September, the Nasdaq Composite Index gained 20.584%, the S&P 500 Index gained 16.386%, and the *Top Eight Model Portfolio* gained 14.774%.

Final Performance of Funds Sold on September 4

Fundranker exchanged four funds on September 4. Here are the returns they contributed to the *Top Eight Model Portfolio*:

Fund	Bought	Sold	Return
Consumer Staples (FDFAX)	7/2/2012	9/4/2012	2.61%
Pharmaceuticals (FPHAX)	7/2/2012	9/4/2012	2.49%
Telecommunications (FSTCX)	8/2/2011	9/4/2012	1.57%
Utilities (FSUTX)	6/4/2012	9/4/2012	3.52%

More Bull Market Highs in September

The broad market set new bull market highs four times in the first half of September, but then sort of muddled through the remainder of the month.

Since the current bull market began in early March, 2009, it now has continued for 3 ½ years, despite corrections in mid-2010 and mid-2011, as well as a near correction in early 2012.

We probably can expect some volatility late this year as the lame duck Congress wrestles with the "fiscal cliff" after the November election.

Fed Follows Through on Jackson Hole Pledge

Last month, we talked about the Fed's Jackson Hole Economic Policy Symposium and the pledge Ben Bernanke made there. When the Fed next met on September 12 and 13, they indeed followed through with aggressive action:

The Federal Open Market Committee of the Federal Reserve System showed that its considerable concern over the struggling U.S. jobs situation outweighs political concerns by announcing another aggressive economic stimulus program despite how close we are to the presidential election. The Federal Reserve will buy \$40 billion of mortgage-related debt per month until the jobs outlook improves significantly as long as inflation remains in check.

The FOMC tied the Fed's new stimulus program directly to economic conditions, stating "If the outlook for the labor market does not improve substantially, the Committee will continue its purchase of agency mortgage-backed securities, undertake additional asset purchases, and employ its other policy tools as appropriate until such improvement is achieved in a context of price stability."

In another show of concern over the health of the economy, the FOMC said "the Committee also decided ... to keep the target range for the federal funds rate at 0 to 1/4 percent and currently anticipates that exceptionally low levels for the federal funds rate are likely to be warranted at least through mid-2015." That extends from late 2014 their earlier low federal funds rate guidance.

Holding Period Alert

If you purchased shares after September 4 of any funds which are being exchanged on October 4, 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 Insurance on September 5, you should wait a full 30 days and exchange Insurance on October 5 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 October 2012

Fund Name (Symbol)	Purchase	Return to 9/28
1. Biotechnology (FBIOX)	5/9/2011	41.51%
2. Construction & Housing (FSHOX)	9/4/2012	4.06%
3. Multimedia (FBMPX)	7/2/2012	9.51%
4. Health Care (FSPHX)	9/4/2012	4.42%
5. Consumer Finance (FSVLX)	3/5/2012	13.66%
6. Telecommunications (FSTCX)	10/4/2012	
7. Banking (FSRBX)	8/2/2012	6.90%
8. Materials (FSDPX)	10/4/2011	
Funds to be sold on October 4:		
13. Insurance (FSPCX)	9/4/2011	2.17%
24. Retailing (FSRPX)	9/4/2012	1.39%

Fundranker Exchanges for October 4

Sell Retailing (FSRPX), buy Telecommunications (FSTCX)
Sell Insurance (FSPCX), buy Materials (FSDPX)

Fundranker Invest New Money Date

Invest new money on October 2.

Optional Rebalancing Exchange Dates

Method 1: none; Method 2: October 2; Method 3: October 4 (see the rebalancing FAQ at www.fundranker.com for more information)

Upcoming Fundranker Exchange Date

If all funds to be exchanged were purchased before October 4, *Fundranker* will exchange on November 2. Otherwise, *Fundranker* will exchange on November 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 9/28/12	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)	17.26	(4.75)	(3.29)	0.79	2.503	35
Automotive (FSAVX)	16.35	(12.84)	1.76	0.00	1.318	37
Banking (FSRBX)	46.06*	4.35	6.32	3.01	15.935	7
Biotechnology (FBIOX)	61.09*	17.52*	9.85*	5.91*	27.593	1
Brokerage & Investment Mgmt (FSLBX)	30.83	(1.07)	9.25*	4.94*	12.988	12
Chemicals (FSCHX)	43.09*	2.95	5.46	1.76	14.315	9
Communications Equipment (FSDCX)	7.74	(12.82)	7.37	0.91	0.800	38
Computers (FDCPX)	31.16	(3.94)	6.35	1.12	8.673	28
Construction & Housing (FSHOX)	59.58*	8.11*	8.91*	4.35*	24.238	2
Consumer Discretionary (FSCPX)	32.63	1.88	5.37	2.26	10.535	22
Consumer Finance (FSVLX)	40.72*	7.04*	8.31	3.54	16.903	5
Consumer Staples (FDFAX)	25.03	6.26*	4.93	1.67	10.473	23
Defense & Aerospace (FSDAX)	20.04	(3.54)	1.53	0.23	4.565	33
Electronics (FSELX)	8.01	(17.56)	(3.26)	(4.15)	(4.240)	39
Energy (FSENX)	24.12	0.17	12.45*	3.60	11.085	20
Energy Service (FSESX)	23.32	0.48	15.68*	1.41	11.223	19
Environment & Alternative Energy (FSLEX)	12.07	(3.22)	3.18	0.32	3.088	34
Financial Services (FIDSX)	32.73*	(1.31)	5.65	2.41	10.870	21
Gold (FSAGX)	(3.88)	6.01*	20.32*	12.64*	11.773	16
Health Care (FSPHX)	34.94*	10.18*	8.51*	5.54*	18.793	4
Industrial Equipment (FSCGX)	34.85*	(1.99)	5.58	2.74	11.295	18
Industrials (FCYIX)	30.98	(0.68)	5.10	2.06	9.365	26
Insurance (FSPCX)	31.79	5.32*	7.38	2.60	12.773	13
IT Services (FBSOX)	33.11*	1.74	7.88	5.32*	14.013	10
Leisure (FDLSX)	27.04	(5.19)	2.39	4.53*	8.193	29
Materials (FSDPX)	35.70*	3.31	8.45*	3.96	14.855	8
Medical Delivery (FSHCX)	25.06	(3.89)	0.36	1.98	5.878	32
Medical Equipment & Systems (FSMEX)	19.53	4.07	5.32	6.73*	9.913	25
Multimedia (FBMPX)	48.49*	12.53*	10.89*	4.83*	23.185	3
Natural Gas (FSNGX)	18.94	0.21	6.32	1.16	6.658	31
Natural Resources (FNARX)	20.45	(0.36)	13.47*	4.57*	11.533	17
Pharmaceuticals (FPHAX)	28.66	8.56*	6.11	3.99*	13.830	11
Retailing (FSRPX)	30.13	3.26	6.86	1.50	10.438	24
Software & Computer Services (FSCSX)	34.20*	1.08	7.72	3.46	12.615	14
Technology (FSPTX)	27.25	(0.93)	7.34	1.33	8.748	27
Telecommunications (FSTCX)	27.24	12.71*	9.71*	4.40*	16.515	6
Transportation (FSRFX)	19.28	(5.64)	(5.93)	(1.74)	1.493	36
Utilities (FSUTX)	14.82	7.46*	0.44	1.64	7.090	30
Wireless (FWRLX)	20.40	4.84*	11.07*	3.91	12.055	15

*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

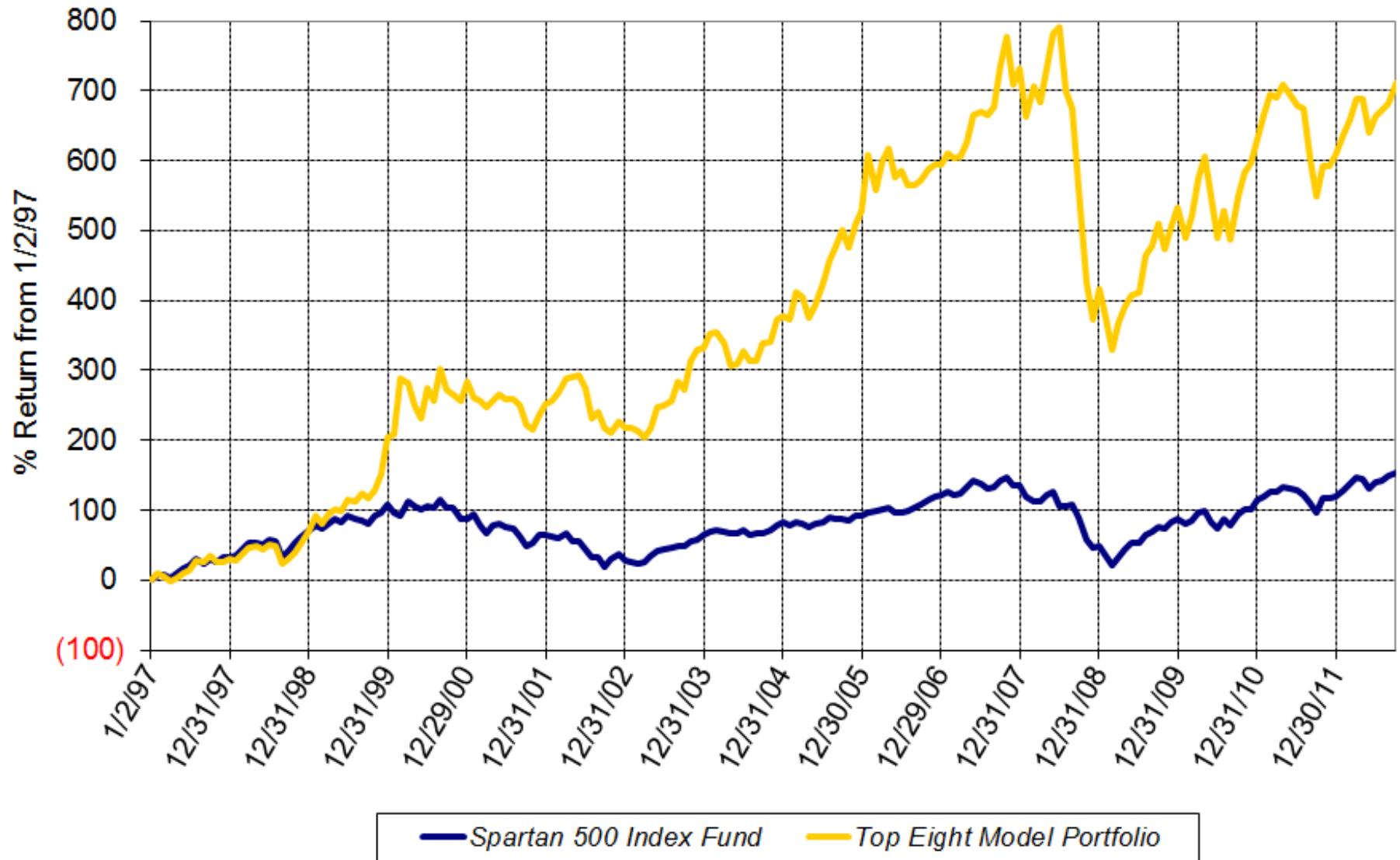
Sell on October 4, 2012

Buy on October 4, 2012

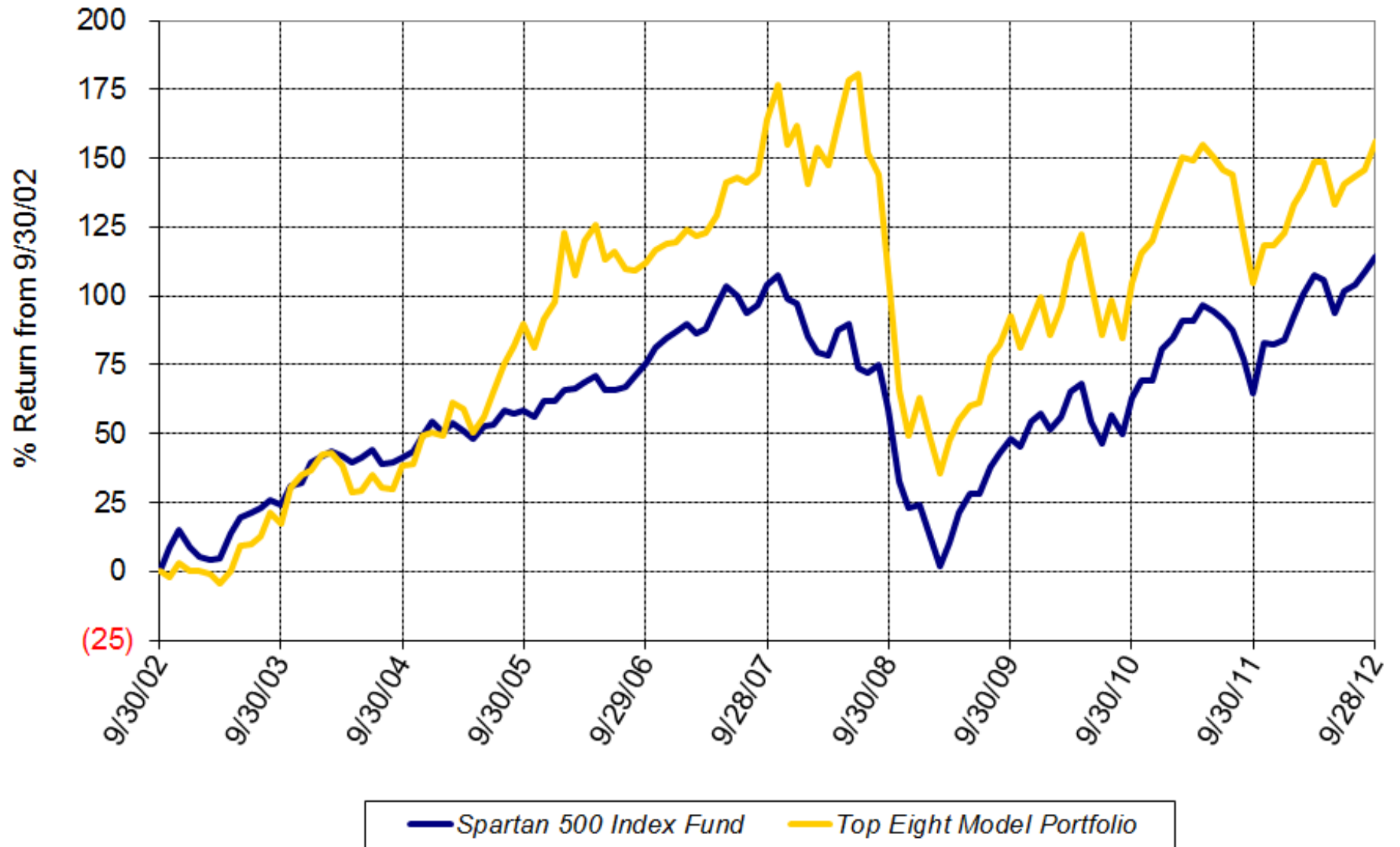
Hold

Fundranker Performance for September 2012													
8/31	8/31	8/31	<=9/4	9/4	9/4	9/4	9/4	9/4	9/4	>9/4	9/28	9/28	Sep
Funds	Shares	Amount	Div Shrs	Shares	Amount	Funds	Shares	Amount	Div Shrs	Shares	Amount	Return	Return
FBIOX	219.718	23,788.87	none	219.718	24,164.59	FBIOX	214.135	23,550.57	none	214.135	24,554.86		
FDFAX	286.888	23,083.01	none	286.888	23,160.47	FSHOX	534.390	23,550.57	none	534.390	24,507.13		
FSVLX	1,723.267	23,867.25	none	1,723.267	23,936.18	FBMPX	438.803	23,550.57	none	438.803	24,665.12		
FSUTX	399.894	22,490.04	none	399.894	22,598.01	FSVLX	1,695.505	23,550.57	none	1,695.505	24,313.54		
FSTCX	461.385	23,166.14	none	461.385	23,313.78	FSRPX	375.787	23,550.57	none	375.787	23,877.51		
FBMPX	442.784	23,742.08	none	442.784	23,764.22	FSRBX	1,218.974	23,550.57	none	1,218.974	24,184.44		
FPHAX	1,548.848	23,279.19	none	1,548.848	23,573.47	FSPCX	468.202	23,550.57	none	468.202	24,060.90		
FSRBX	1,236.741	23,819.63	none	1,236.741	23,893.84	FSPHX	167.763	23,550.57	none	167.763	24,592.38		
Top Eight		187,236.21			188,404.56			188,404.60			194,755.88		4.016
FNCMX	1,565.201	64,204.55	none						none	1,565.201	65,284.53		1.682
FUSEX	1,191.373	59,580.56	none						none	1,191.373	61,117.43		2.579
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>					14.774								
Nasdaq Composite Index Fund					20.584								
Spartan 500 Index Fund - Investor Class					16.386								
Lifetime Summary					1/2/97 to 9/28/12								
					Total Return %								
<i>Top Eight Model Portfolio</i>					711.483								
Nasdaq Composite Index Fund					N/A								
Spartan 500 Index Fund - Investor Class					154.656								
10-Year Summary					9/30/02 to 9/28/12								
					Total Return %								
<i>Top Eight Model Portfolio</i>					155.862								
Nasdaq Composite Index Fund					N/A								
Spartan 500 Index Fund - Investor Class					114.296								
5-Year Summary					9/28/07 to 9/28/12								
					Total Return %								
<i>Top Eight Model Portfolio</i>					(3.012)								
Nasdaq Composite Index Fund					20.209								
Spartan 500 Index Fund - Investor Class					4.968								
3-Year Summary					9/30/09 to 9/28/12								
					Total Return %								
<i>Top Eight Model Portfolio</i>					32.823								
Nasdaq Composite Index Fund					50.801								
Spartan 500 Index Fund - Investor Class					44.584								
1-Year Summary					9/30/11 to 9/28/12								
					Total Return %								
<i>Top Eight Model Portfolio</i>					25.053								
Nasdaq Composite Index Fund					30.436								
Spartan 500 Index Fund - Investor Class					30.112								

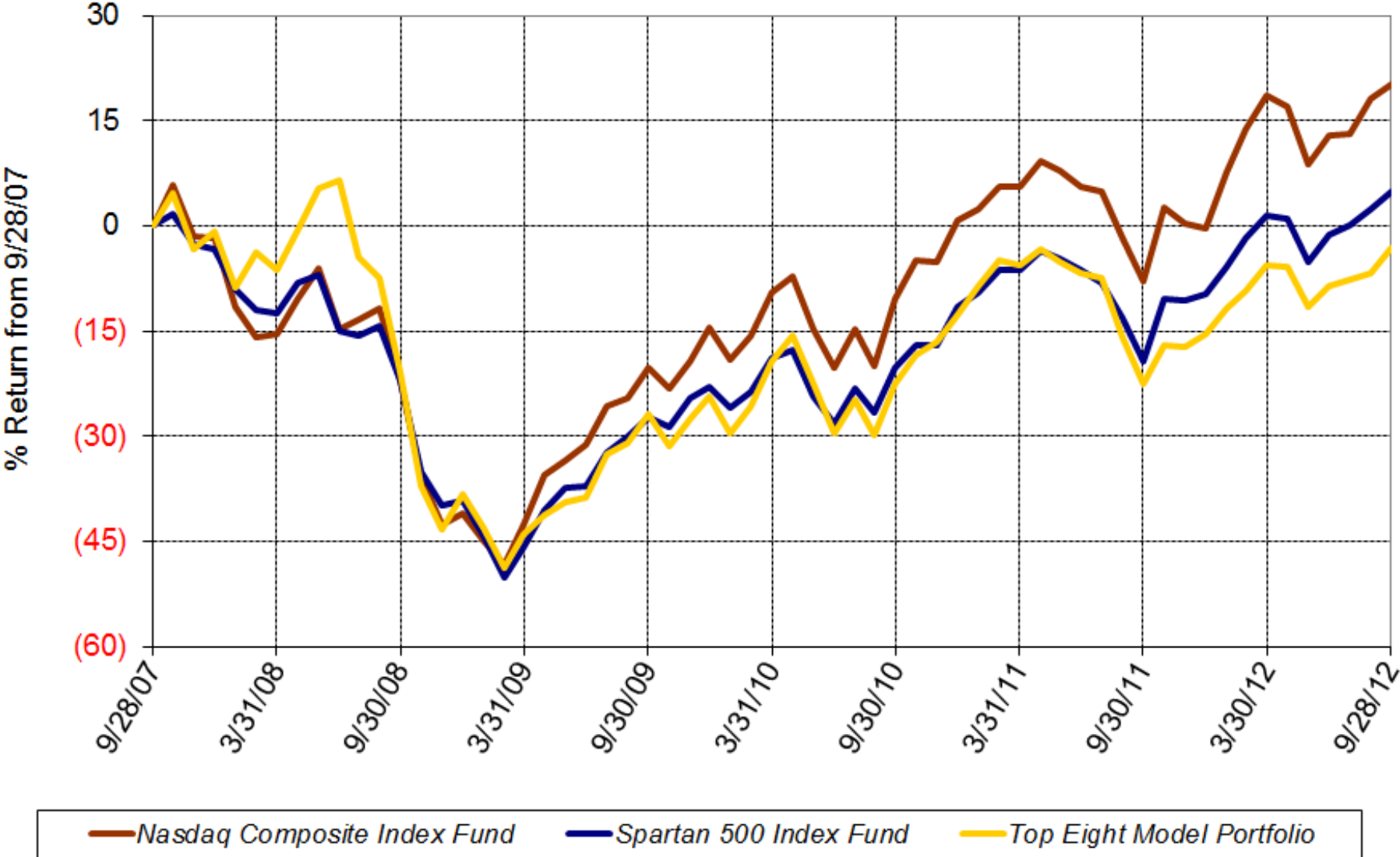
Lifetime Chart



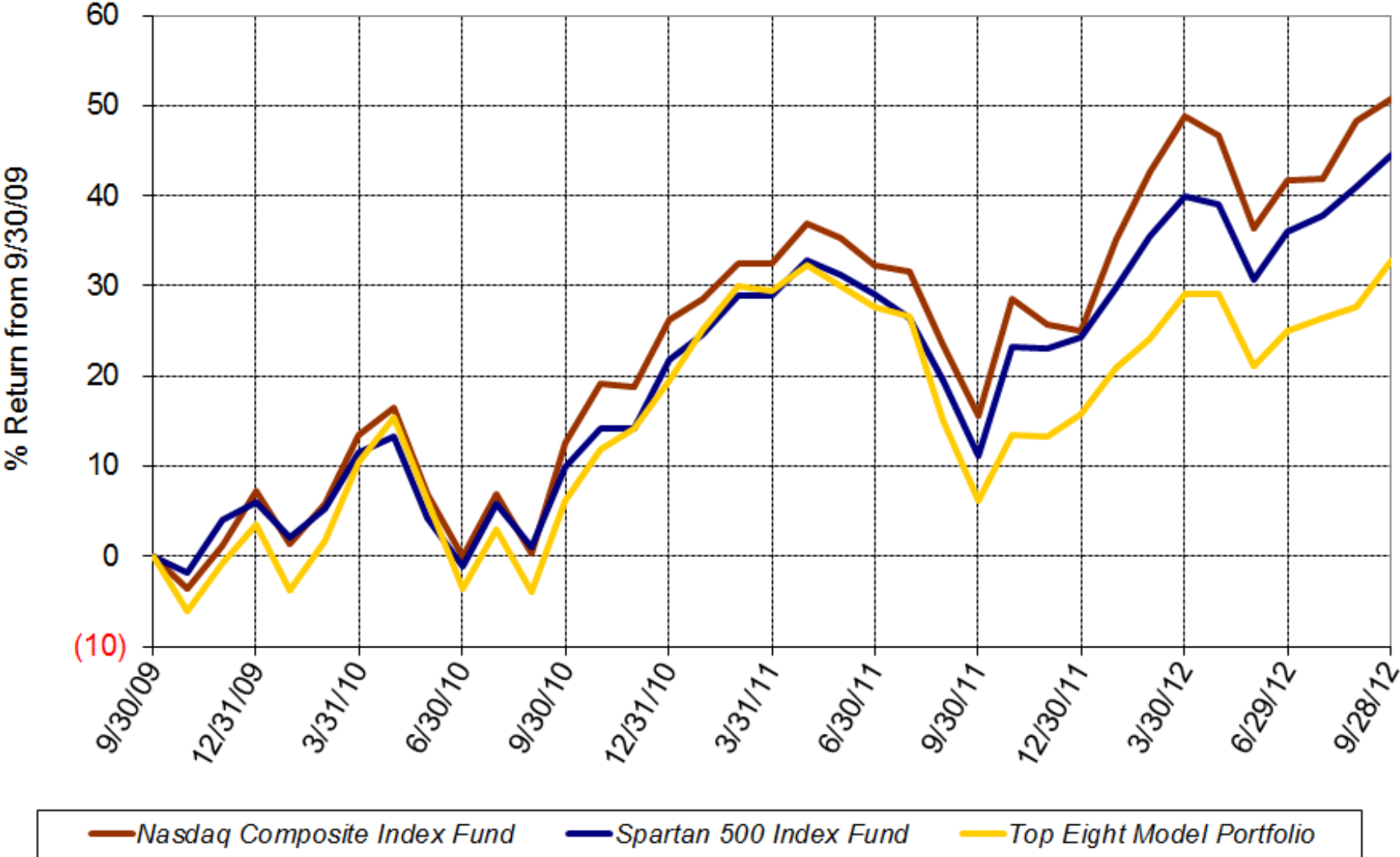
10-Year Chart



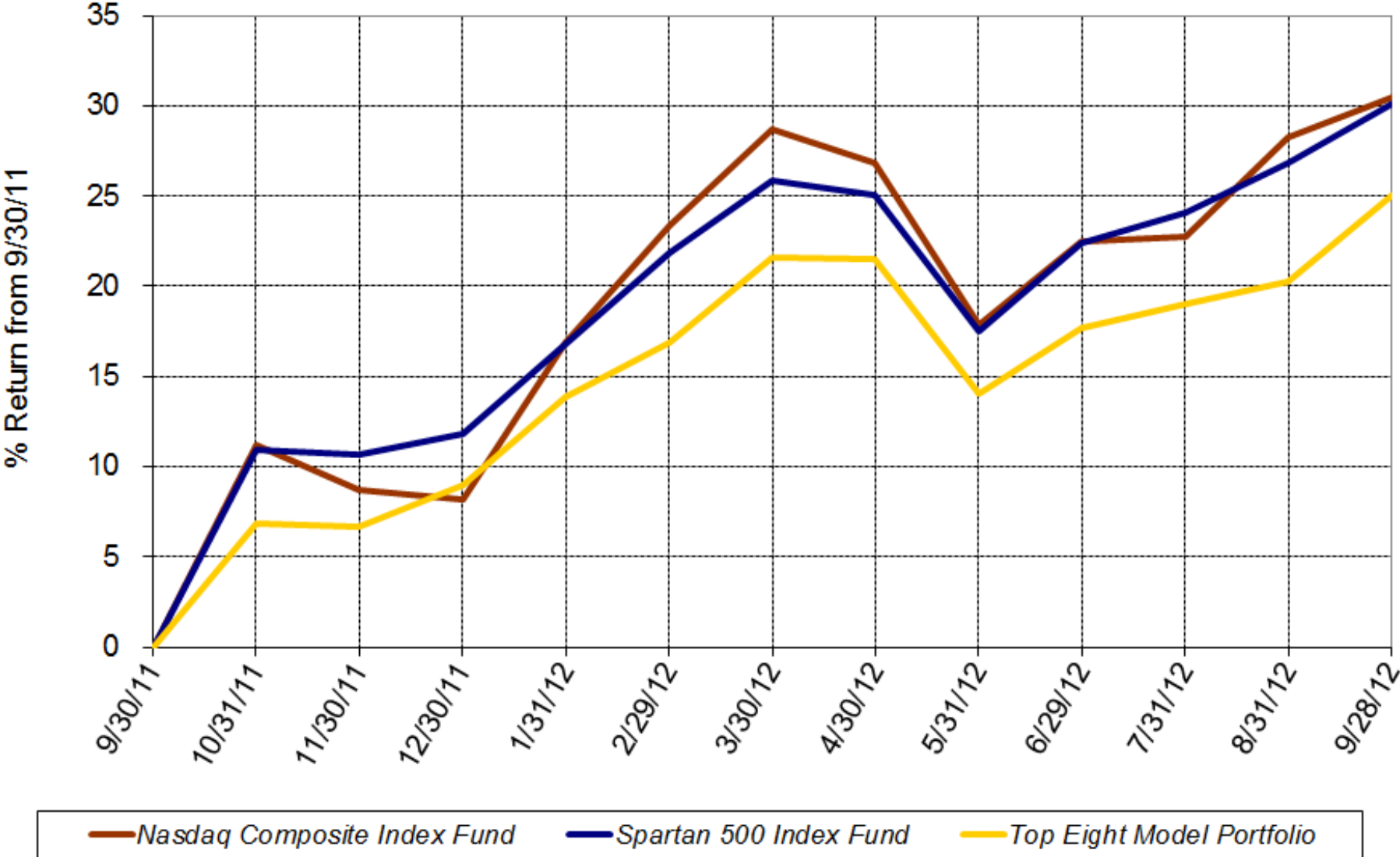
5-Year Chart



3-Year Chart



1-Year Chart



Daily Chart September 2012

