

# FIDELITY SELECT FUNDRANKER™

Volume 7 Issue 12

The Right Funds at the Right Time

December 2012

## November Performance Recovers

The broad market fell significantly through mid-November but recovered and turned positive by month end, giving the S&P 500 its fifth monthly gain in six months.

Five funds in the *Top Eight Model Portfolio* gained value in November. Biotechnology and Construction & Housing led the way with one-month gains of 3.97% and 3.08%. Health Care, Multimedia, and Insurance gained 1.69%, 0.55%, and 0.31%. Consumer Finance, Telecommunications, and Brokerage & Investment Management trailed with fractional losses of 0.55%, 0.55%, and 0.26%.

During November, the Nasdaq Composite Index gained 1.380%, the *Top Eight Model Portfolio* gained 1.277%, and the S&P 500 Index gained 0.559%. For 2012 YTD through November, the Nasdaq Composite Index gained 16.826%, the *Top Eight Model Portfolio* gained 15.172%, and the S&P 500 Index gained 14.876%.

## Fiscal Performance of Funds Sold on November 5

*Fundranker* exchanged two funds on November 5. Here are the returns they contributed to the *Top Eight Model Portfolio*:

Fund	Bought	Sold	Return
Banking (FSRBX)	8/2/2012	11/5/2012	4.96%
Materials (FSDPX)	10/4/2011	11/5/2012	(1.26)%

## Fiscal Cliff Dominates Media and Markets

Fiscal cliff doom and gloom has been dominating the news and market movements since the November 6 election. Political posturing by both Republicans and the Obama administration since then appears to be leading nowhere, and there is not much time left for the lame duck congress to find a compromise before the end of the year.

As we have learned from past debt ceiling and debt reduction negotiations, politicians these days have a penchant for brinkmanship. So will they be able to compromise?

Despite the posturing and brinkmanship, we expect that the fiscal cliff will be avoided, not necessarily with a grand compromise, but at least by kicking the ball into 2013 for the new congress.

## Should You Realize a Long-Term Capital Gain?

As part of the fiscal cliff negotiations, the long-term capital gains tax rate very well could be significantly higher beginning in 2013. If the Bush era tax cuts expire as of January 1, the capital gain tax rate would rise to 20% for everyone. For 2012, the capital gain tax rate tops out at 15% and can be as low as 0% for people in the lowest tax bracket.

*Fundranker's Top Eight Model Portfolio* has held Biotechnology since 5/9/2011, much longer than one year, so a gain from its sale would qualify as a long-term capital gain, and, as you can see at right, Biotechnology has gained significantly in that time. If you hold Biotechnology in a taxable account, and you are concerned that you may have to pay a higher tax rate on your gain when *Fundranker* eventually sells Biotechnology, you may want to realize your capital gain in 2012 and pay the 2012 tax rate on it.

Please note that the ex-date for Biotechnology's December dividend is Friday, December 7. If you do decide to realize your capital gain in 2012, sell your shares no later than December 6. Since Biotechnology remains in the *Top Eight Model Portfolio* for December, you then should buy it back on December 10 or later. Just make sure you don't own it on December 7, so you won't receive the dividend.

## Holding Period Alert

If you purchased shares after November 5 of any funds which are being exchanged on December 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 Insurance on November 6, you should wait a full 30 days and exchange Insurance on December 6 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 December 2012

Fund Name (Symbol)	Purchase	Return to 11/30
1. Construction & Housing (FSHOX)	9/4/2012	10.12%
2. Biotechnology (FBIOX)	5/9/2011	38.07%
3. Multimedia (FBMPX)	7/2/2012	9.78%
4. Consumer Finance (FSVLX)	3/5/2012	15.56%
5. Retailing (FSRPX)	12/5/2012	
6. Brokerage & Invest Mgmt (FSLBX)	11/5/2012	(0.43)%
7. Health Care (FSPHX)	9/4/2012	3.43%
8. Consumer Staples (FDFAF)	12/5/2012	
Funds to be sold on December 5:		
12. Insurance (FSPCX)	11/5/2012	1.57%
17. Telecommunications (FSTCX)	10/4/2012	(3.56)%

## Fundranker Exchanges for December 5

Sell Insurance (FSPCX), buy Retailing (FSRPX)  
Sell Telecommunications (FSTCX), buy Consumer Staples (FDFAF)

## Fundranker Invest New Money Date

Invest new money on December 3.

## Optional Rebalancing Exchange Dates

Method 1: none; Method 2: December 3; Method 3: December 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 January 2. Otherwise, *Fundranker* will exchange on January 4.

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<i>Fundranker</i> Ratings for 11/30/12 Fund (Symbol)	12-Month Return %	6-Month Return %	3-Month Return %	1-Month Return %	<i>Fundranker</i> Rating**	<i>Fundranker</i> Ranking
Air Transportation (FSAIX)	14.46	4.17	7.34*	3.41*	9.345	15
Automotive (FSAVX)	16.42	8.50	7.91*	5.92*	11.688	11
Banking (FSRBX)	24.11*	6.10	(0.67)	(1.70)	7.960	19
Biotechnology (FBIOX)	42.05*	15.36*	3.33	3.97*	19.178	2
Brokerage & Investment Mgmt (FSLBX)	21.34*	16.93*	6.75*	(0.26)	14.190	6
Chemicals (FSCHX)	23.66*	11.82	3.49	2.53*	12.375	10
Communications Equipment (FSDCX)	(1.25)	10.89	3.01	9.34*	6.498	25
Computers (FDCPX)	9.14	1.09	(6.21)	1.45	1.368	35
Construction & Housing (FSHOX)	40.76*	22.30*	10.42*	3.08*	23.140	1
Consumer Discretionary (FSCPX)	22.24*	8.65	3.99*	2.74*	12.405	9
Consumer Finance (FSVLX)	33.55*	16.18*	5.27*	(0.55)	16.613	4
Consumer Staples (FDFAX)	19.84*	13.32*	3.87	3.15*	13.045	8
Defense & Aerospace (FSDAX)	10.92	8.16	3.94	2.51	6.383	26
Electronics (FSELX)	(2.32)	(2.89)	(6.36)	3.67*	(0.975)	38
Energy (FSENX)	(0.61)	13.00*	(0.33)	(1.69)	3.593	30
Energy Service (FSESX)	(5.41)	9.55	(3.28)	1.07	0.483	36
Environment & Alternative Energy (FSLEX)	6.58	10.17	3.98	3.00*	6.933	24
Financial Services (FIDSX)	23.19*	11.43	3.86	(0.48)	10.500	14
Gold (FSAGX)	(22.27)	7.77	(0.26)	(8.58)	(5.835)	39
Health Care (FSPHX)	24.33*	12.82*	4.54*	1.69	13.845	7
Industrial Equipment (FSCGX)	14.85	9.26	3.89	2.40	7.600	22
Industrials (FCYIX)	16.35	9.66	4.00*	2.40	9.103	16
Insurance (FSPCX)	19.03	13.55*	4.93*	0.31	11.455	12
IT Services (FBSOX)	16.37	10.58	3.45	1.26	7.915	20
Leisure (FDLSX)	9.13	(0.83)	2.36	3.03*	4.423	29
Materials (FSDPX)	13.23	13.02*	3.88	1.08	8.803	18
Medical Delivery (FSHCX)	8.60	1.52	(0.18)	(1.69)	2.063	33
Medical Equipment & Systems (FSMEX)	15.86	7.49	3.33	1.93	7.153	23
Multimedia (FBMPX)	33.84*	19.03*	5.09*	0.55	17.628	3
Natural Gas (FSNGX)	(2.61)	7.34	(1.74)	(1.10)	0.473	37
Natural Resources (FNARX)	(3.63)	12.54	0.31	(2.30)	1.730	34
Pharmaceuticals (FPHAX)	17.95	10.50	2.20	0.59	7.810	21
Retailing (FSRPX)	25.22*	12.33	5.19*	5.92*	15.165	5
Software & Computer Services (FSCSX)	14.67	7.26	(1.40)	0.92	5.363	27
Technology (FSPTX)	12.76	6.67	(2.45)	1.95	4.733	28
Telecommunications (FSTCX)	18.27	13.01*	1.53	(0.55)	9.065	17
Transportation (FSRFX)	7.97	1.19	2.95	1.42	3.383	31
Utilities (FSUTX)	9.02	2.89	0.60	(2.41)	2.525	32
Wireless (FWRLX)	13.70	17.28*	4.55*	2.10	11.408	13

\*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

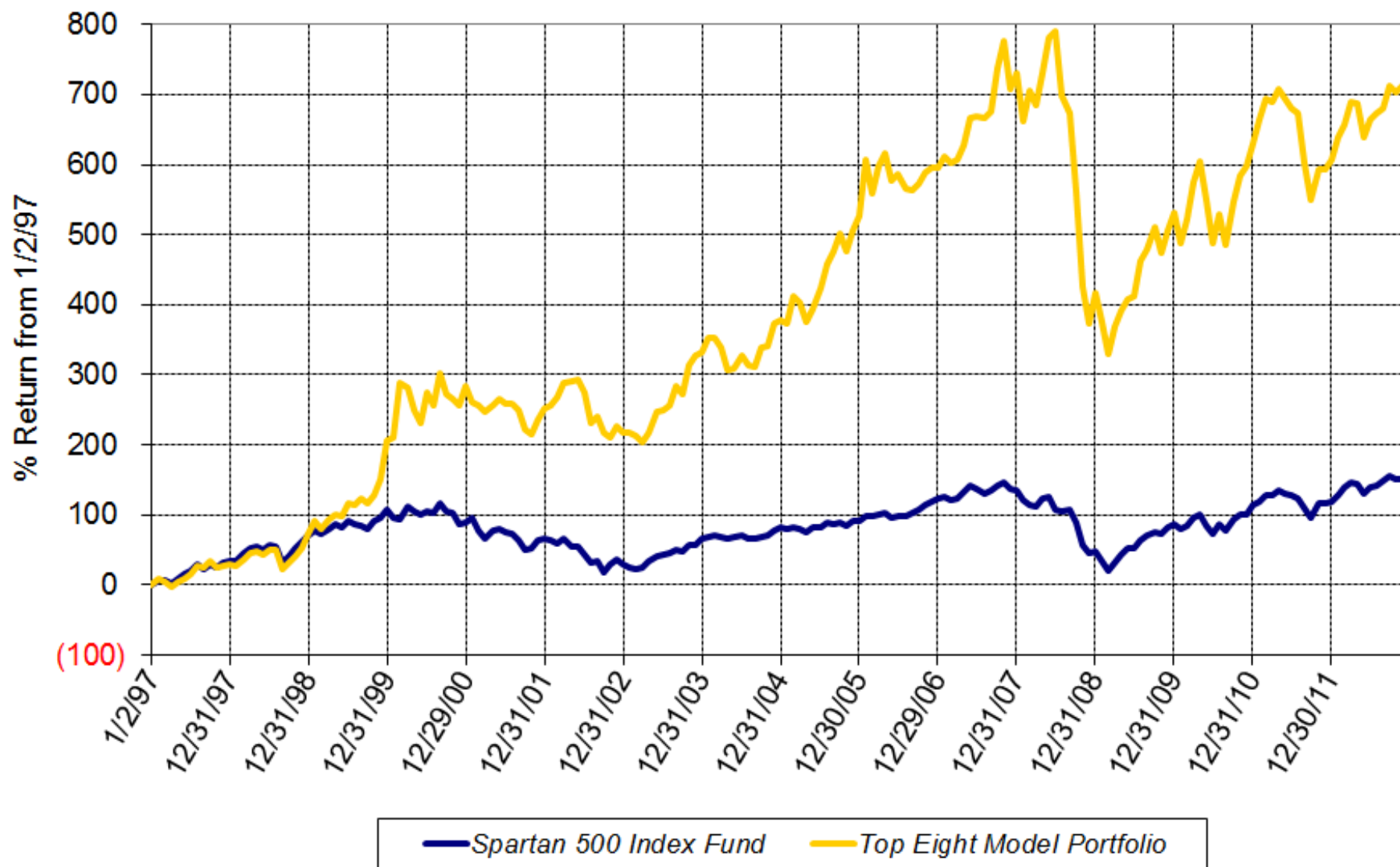
Sell on December 5, 2012

Buy on December 5, 2012

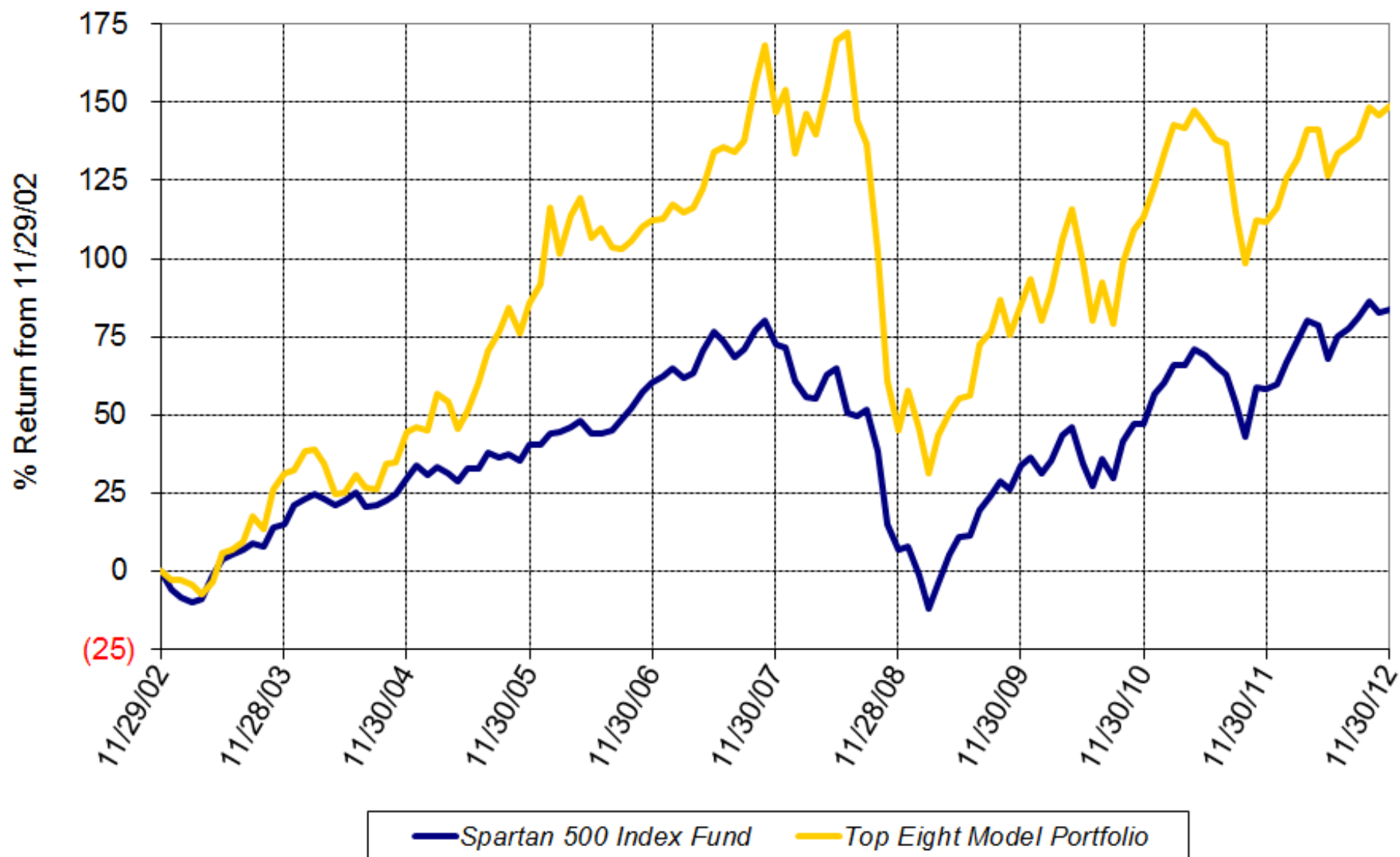
Hold

Fundranker Performance for November 2012													
10/31 Funds	10/31 Shares	10/31 Amount	<=11/5 Div Shrs	11/5 Shares	11/5 Amount	11/5 Funds	11/5 Shares	11/5 Amount	>11/5 Div Shrs	11/30 Shares	11/30 Amount	Nov Return	
FBIOX	212.385	22,854.75	none	212.385	22,914.22	FSHOX	505.757	24,190.35	none	505.757	24,544.39		
FSHOX	532.458	25,068.12	none	532.458	25,467.47	FSVLX	1,656.873	24,190.35	none	1,656.873	24,157.21		
FBMPX	434.955	24,374.88	none	434.955	24,231.34	FBMPX	434.219	24,190.35	none	434.219	24,468.24		
FSPHX	166.369	23,755.83	none	166.369	23,948.82	FBIOX	224.213	24,190.35	none	224.213	25,084.95		
FSVLX	1,666.020	24,423.85	none	1,666.020	24,323.89	FSPCX	467.446	24,190.35	none	467.446	24,568.96		
FSTCX	471.818	24,185.39	none	471.818	24,124.05	FSLBX	491.175	24,190.35	none	491.175	24,087.22		
FSRBX	1,226.171	23,861.29	none	1,226.171	23,885.81	FSPHX	168.047	24,190.35	none	168.047	24,400.42		
FSDPX	347.891	24,442.82	none	347.891	24,627.20	FSTCX	473.115	24,190.35	none	473.115	24,119.40		
<b>Top Eight</b>		<b>192,966.93</b>			<b>193,522.80</b>			<b>193,522.80</b>			<b>195,430.79</b>	<b>1.277</b>	
FNCMX1	565.201	62,388.91	none						none	1,565.201	63,249.77	1.380	
FUSEX1	1,197.631	59,989.34	none						none	1,197.631	60,324.67	0.559	
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>				15.172									
Nasdaq Composite Index Fund				16.826									
Spartan 500 Index Fund - Investor Class				14.876									
Lifetime Summary				1/2/97 to 11/30/12	1/2/97 to 11/30/12								
				Total Return %	Average Annual Return %								
<i>Top Eight Model Portfolio</i>				714.295	14.083								
Nasdaq Composite Index Fund				N/A	N/A								
Spartan 500 Index Fund - Investor Class				151.353	5.962								
10-Year Summary				11/29/02 to 11/30/12	11/29/02 to 11/30/12								
				Total Return %	Average Annual Return %								
<i>Top Eight Model Portfolio</i>				149.075	9.555								
Nasdaq Composite Index Fund				N/A	N/A								
Spartan 500 Index Fund - Investor Class				83.620	6.265								
5-Year Summary				11/30/07 to 11/30/12	11/30/07 to 11/30/12								
				Total Return %	Average Annual Return %								
<i>Top Eight Model Portfolio</i>				0.801	0.160								
Nasdaq Composite Index Fund				18.150	3.392								
Spartan 500 Index Fund - Investor Class				6.451	1.258								
3-Year Summary				11/30/09 to 11/30/12	11/30/09 to 11/30/12								
				Total Return %	Average Annual Return %								
<i>Top Eight Model Portfolio</i>				34.293	10.328								
Nasdaq Composite Index Fund				44.360	13.018								
Spartan 500 Index Fund - Investor Class				37.205	11.119								
1-Year Summary				11/30/11 to 11/30/12									
				Total Return %									
<i>Top Eight Model Portfolio</i>				17.609									
Nasdaq Composite Index Fund				16.237									
Spartan 500 Index Fund - Investor Class				16.045									

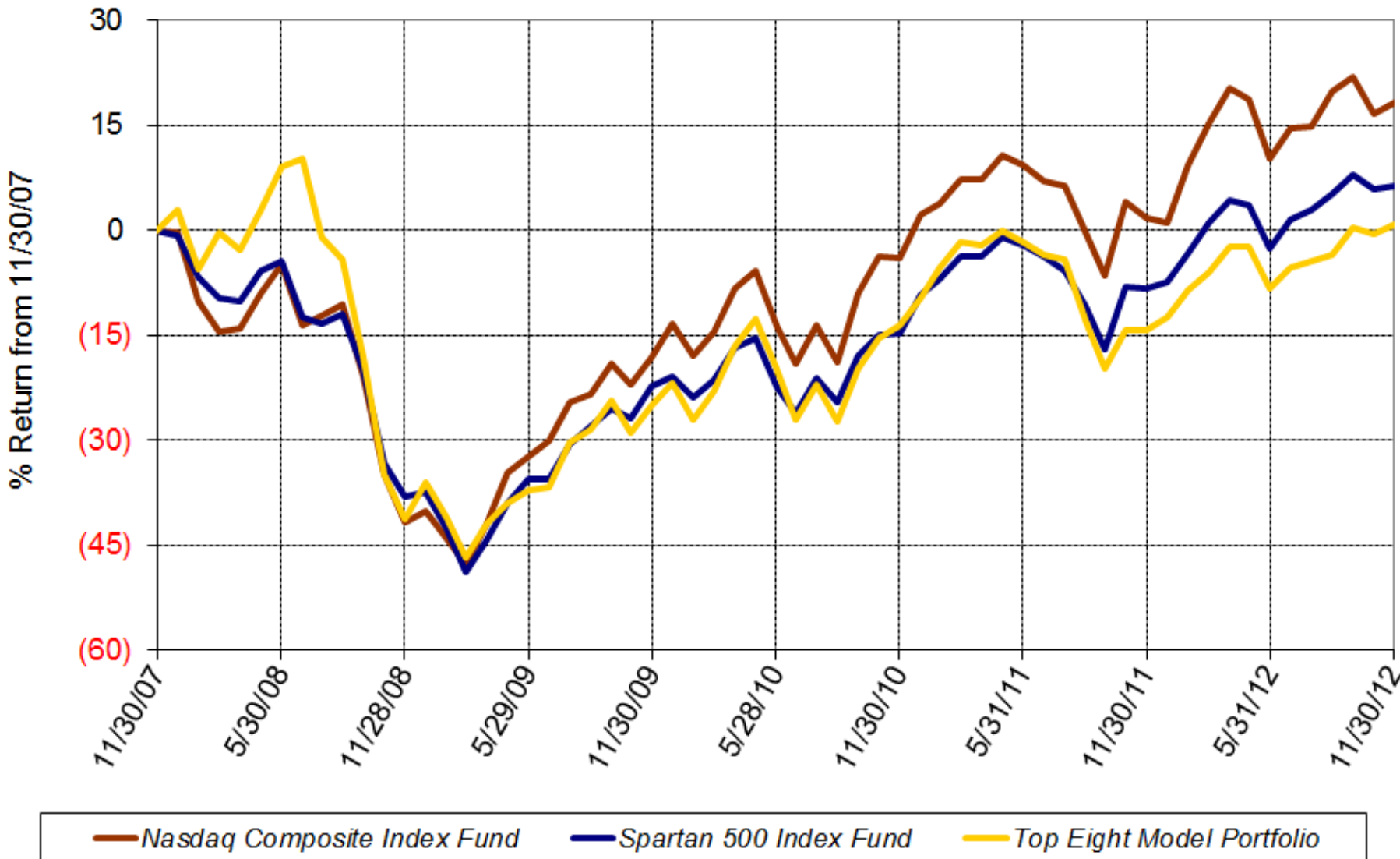
### Lifetime Chart



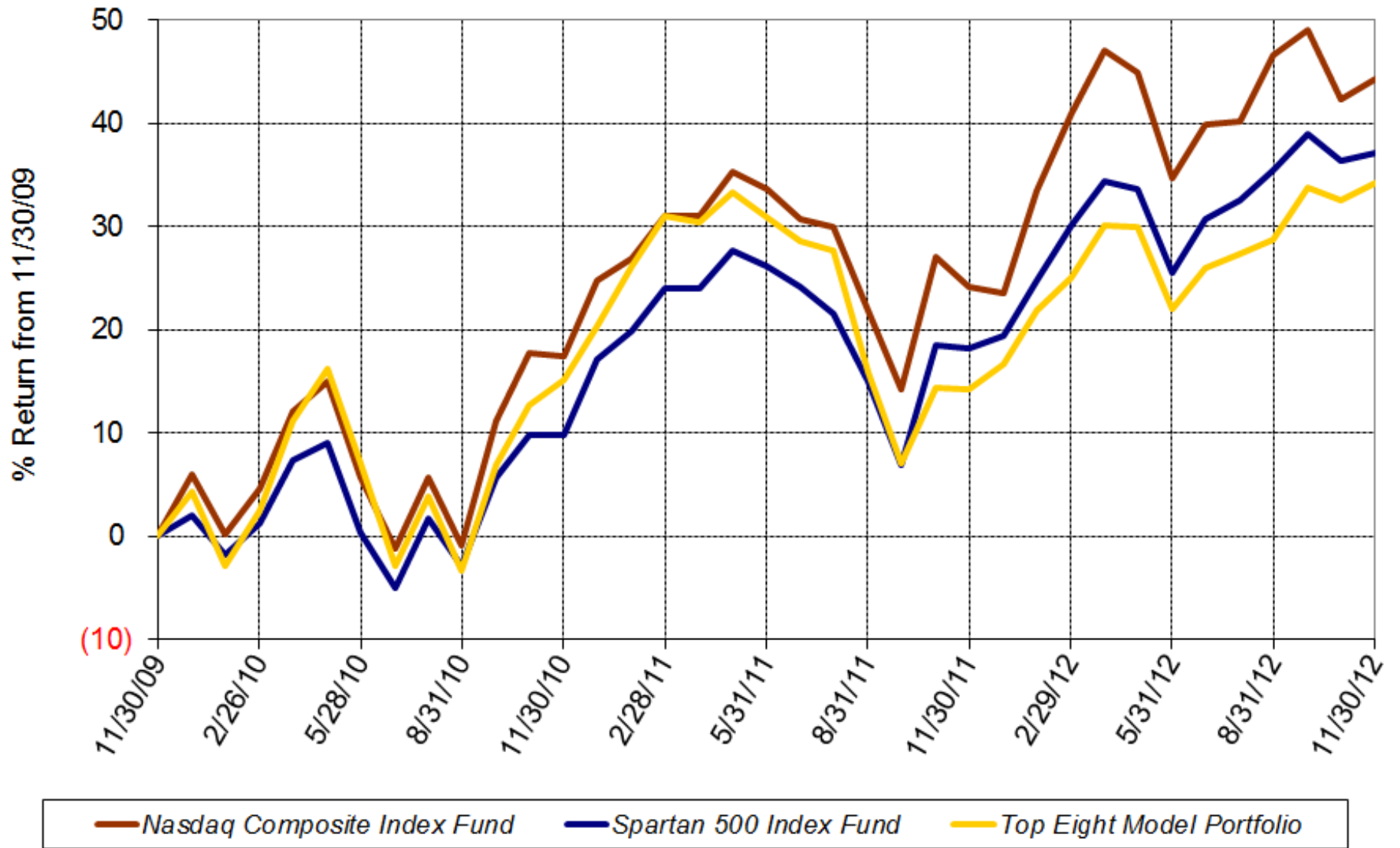
### 10-Year Chart



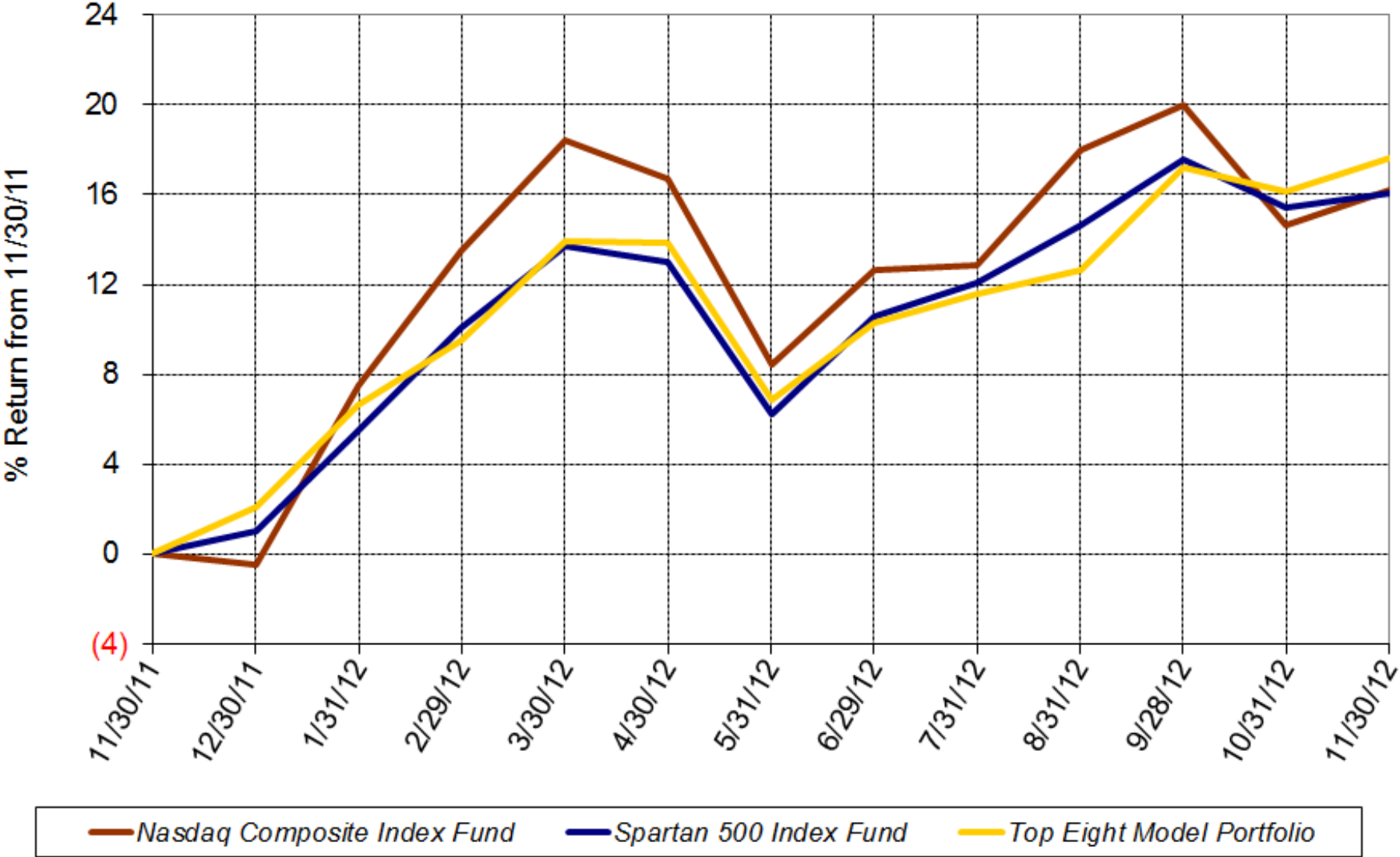
### 5-Year Chart



### 3-Year Chart



### 1-Year Chart





### Daily Chart November 2012

