

FIDELITY SELECT FUNDRANKER™

Volume 8 Issue 1

The Right Funds at the Right Time

January 2013

December Performance Erratic

The broad market rose and fell in a fairly narrow range throughout December, mostly in tandem with fiscal cliff negotiations. With word of a possible compromise on the last day of the year, the broad market rose dramatically and pushed into positive territory for the month.

Four funds in the *Top Eight Model Portfolio* gained value in December. Brokerage & Investment Management and Multimedia outperformed with one-month gains of 4.99% and 2.54%. Construction & Housing and Consumer Finance gained 1.86% and 1.79%. Health Care, Biotechnology, Consumer Staples, and Retailing trailed with one-month losses ranging from 0.44% to 2.97%.

During December, the *Top Eight Model Portfolio* gained 0.981%, the S&P 500 Index gained 0.916%, and the Nasdaq Composite Index gained 0.427%. For 2012, the Nasdaq Composite Index gained 17.325%, the *Top Eight Model Portfolio* gained 16.302%, and the S&P 500 Index gained 15.929%.

Final Performance of Funds Sold on December 5

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

Fund	Bought	Sold	Return
Insurance (FSPCX)	11/5/2012	12/5/2012	2.43%
Telecommunications (FSTCX)	10/4/2012	12/5/2012	(3.84)%

Senate Passes Fiscal Cliff Deal

In the wee hours of the New Year, the U.S. Senate passed a compromise on the so called fiscal cliff. President Obama said Monday afternoon that this Congress would use every last second, but he underestimated them—the Senate used a couple hours extra, and the House still must act.

On the revenue side, the deal calls for raising taxes on more than \$400,000 for single taxpayers and \$450,000 for married taxpayers, sets new limits for exemptions and deductions for the wealthiest taxpayers, allows the payroll tax holiday to expire, and raises tax rates on estates greater than \$5 million.

On the spending side, the compromise continues unemployment benefits for about 2 million jobless Americans for 12 months, prevents cuts in Medicare payments to doctors, adjusts the Alternative Minimum Tax so that it will not newly impact tens of millions of middle class Americans, and postpones sequestration, that is, across the board cuts to defense and domestic programs, for two months to allow some time for new deficit reductions talks.

Now the big question is how the U.S. House of Representatives will react. Raising tax rates on anybody is anathema to many Republican Congressmen, just as leaving tax rates low on greater than \$200,000 for single taxpayers and \$250,000 married taxpayers is anathema to many liberal Democrats. Every provision in the compromise is bound to raise the hackles of at least a few Congressmen. When the House meets today at noon, will they pass the compromise? Will they amend it and send it back to the Senate for still another vote?

In the next couple months, Congress must tackle raising the debt limit, as well. Technically, we reached the debt limit at the end of 2012, but the U.S. Treasury is using its usual emergency accounting procedures to postpone that deadline. The new Congress that meets January 3 definitely has its work cut out.

Holding Period Alert

If you purchased shares after December 5 of any funds which are being exchanged on January 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 Biotechnology on December 10, you should wait a full 30 days and exchange

Biotechnology on January 9 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 January 2013

Fund Name (Symbol)	Purchase	Return to 12/31
1. Automotive (FSAVX)	1/4/2013	
2. Construction & Housing (FSHOX)	9/4/2012	12.17%
3. Brokerage & Invest Mgmt (FSLBX)	11/5/2012	4.55%
4. Chemicals (FSCHX)	1/4/2013	
5. Financial Services (FIDSX)	1/4/2013	
6. Multimedia (FBMPX)	7/2/2012	12.57%
7. Consumer Finance (FSVLX)	3/5/2012	17.63%
8. Environment & Alt Energy (FSLEX)	1/4/2013	
Funds to be sold on January 4:		
11. Biotechnology (FBIOX)	5/9/2011	37.14%
18. Retailing (FSRPX)	12/5/2012	(1.28)%
22. Health Care (FSPHX)	9/4/2012	2.97%
27. Consumer Staples (DFAX)	12/5/2012	(1.54)%

Fundranker Exchanges for January 4

Sell Biotechnology (FBIOX), buy Automotive (FSAVX)
Sell Retailing (FSRPX), buy Chemicals (FSCHX)
Sell Health Care (FSPHX), buy Financial Services (FIDSX)
Sell Consumer Staples (DFAX), buy Env & Alt Energy (FSLEX)

Fundranker Invest New Money Date

Invest new money on January 2.

Optional Rebalancing Exchange Dates

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

Upcoming Fundranker Exchange Date

Fundranker will exchange on Monday, February 4, which will avoid roundtrip transactions even on funds purchased January 4.

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. © 2013 Fidelity Select Fundranker

<i>Fundranker Ratings for 12/31/12</i>	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)	19.16	7.37	11.03*	4.25*	12.453	9
Automotive (FSAVX)	26.17*	19.38*	17.32*	8.71*	21.895	1
Banking (FSRBX)	22.42*	4.68	(1.55)	2.11	7.915	20
Biotechnology (FBIOX)	36.59*	6.45	(3.09)	(0.67)	10.820	11
Brokerage & Investment Mgmt (FSLBX)	28.85*	16.68*	6.80*	4.99*	18.330	3
Chemicals (FSCHX)	30.01*	12.73*	6.90*	5.11*	17.688	4
Communications Equipment (FSDCX)	5.97	13.35*	5.56*	3.42*	10.075	14
Computers (FDCPX)	14.26	0.96	(5.06)	2.35	3.128	34
Construction & Housing (FSHOX)	38.01*	17.39*	7.79*	1.86	19.263	2
Consumer Discretionary (FSCPX)	21.12*	6.33	0.91	(0.78)	7.895	21
Consumer Finance (FSVLX)	34.46*	12.09*	3.50	1.79	14.960	7
Consumer Staples (FDFAX)	15.39	5.24	0.30	(1.83)	4.775	27
Defense & Aerospace (FSDAX)	13.51	8.18	6.54*	2.74*	9.743	15
Electronics (FSELX)	3.60	(1.67)	1.65	4.05*	2.908	35
Energy (FSENX)	4.64	10.06	(2.12)	1.74	3.580	32
Energy Service (FSESX)	2.57	12.59*	(2.67)	2.05	4.635	28
Environment & Alternative Energy (FSLEX)	14.15	11.69*	8.24*	4.43*	12.628	8
Financial Services (FIDSX)	27.81*	11.15*	5.20*	3.74*	15.975	5
Gold (FSAGX)	(12.43)	2.95	(14.44)	(3.37)	(6.823)	39
Health Care (FSPHX)	21.39*	7.01	(1.39)	(0.44)	7.643	22
Industrial Equipment (FSCGX)	20.64	9.59	3.79*	2.65	10.168	13
Industrials (FCYIX)	19.60	9.96	4.63*	2.68	10.218	12
Insurance (FSPCX)	19.67	10.83	3.22	0.92	8.660	17
IT Services (FBSOX)	19.82	7.24	(0.59)	1.21	6.920	24
Leisure (FDLSX)	11.40	3.83	1.40	3.55*	6.045	25
Materials (FSDPX)	20.17	11.92*	3.19	3.28*	11.640	10
Medical Delivery (FSHCX)	10.55	(0.86)	(1.22)	0.92	2.348	36
Medical Equipment & Systems (FSMEX)	15.62	2.03	(3.12)	0.07	3.650	31
Multimedia (FBMPX)	34.22*	13.99*	2.80	2.54	15.388	6
Natural Gas (FSNGX)	2.44	5.00	(1.24)	1.67	1.968	37
Natural Resources (FNARX)	3.35	10.52	(2.59)	1.53	3.203	33
Pharmaceuticals (FPHAX)	14.25	4.73	(1.30)	0.44	4.530	30
Retailing (FSRPX)	24.83*	7.46	0.56	(2.97)	8.470	18
Software & Computer Services (FSCSX)	18.06	4.46	(3.03)	1.75	5.310	26
Technology (FSPTX)	17.16	3.91	(3.20)	0.55	4.605	29
Telecommunications (FSTCX)	18.64	8.55	(1.06)	1.74	6.968	23
Transportation (FSRFX)	11.10	1.79	8.21*	3.28*	8.095	19
Utilities (FSUTX)	7.03	0.19	(0.25)	0.78	1.938	38
Wireless (FWRLX)	16.30	13.79*	2.45	1.83	9.593	16

*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

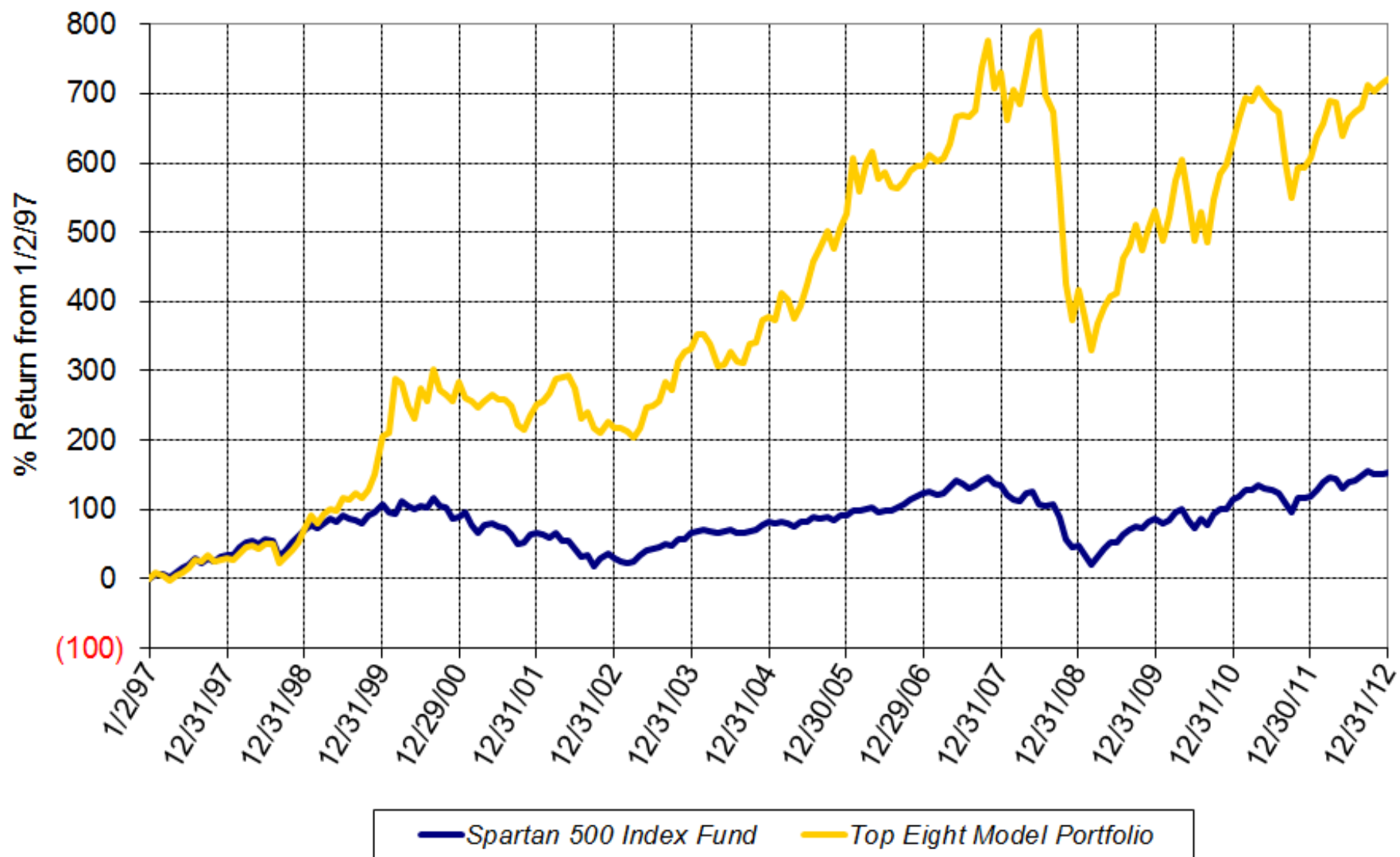
Sell on January 4, 2013

Buy on January 4, 2013

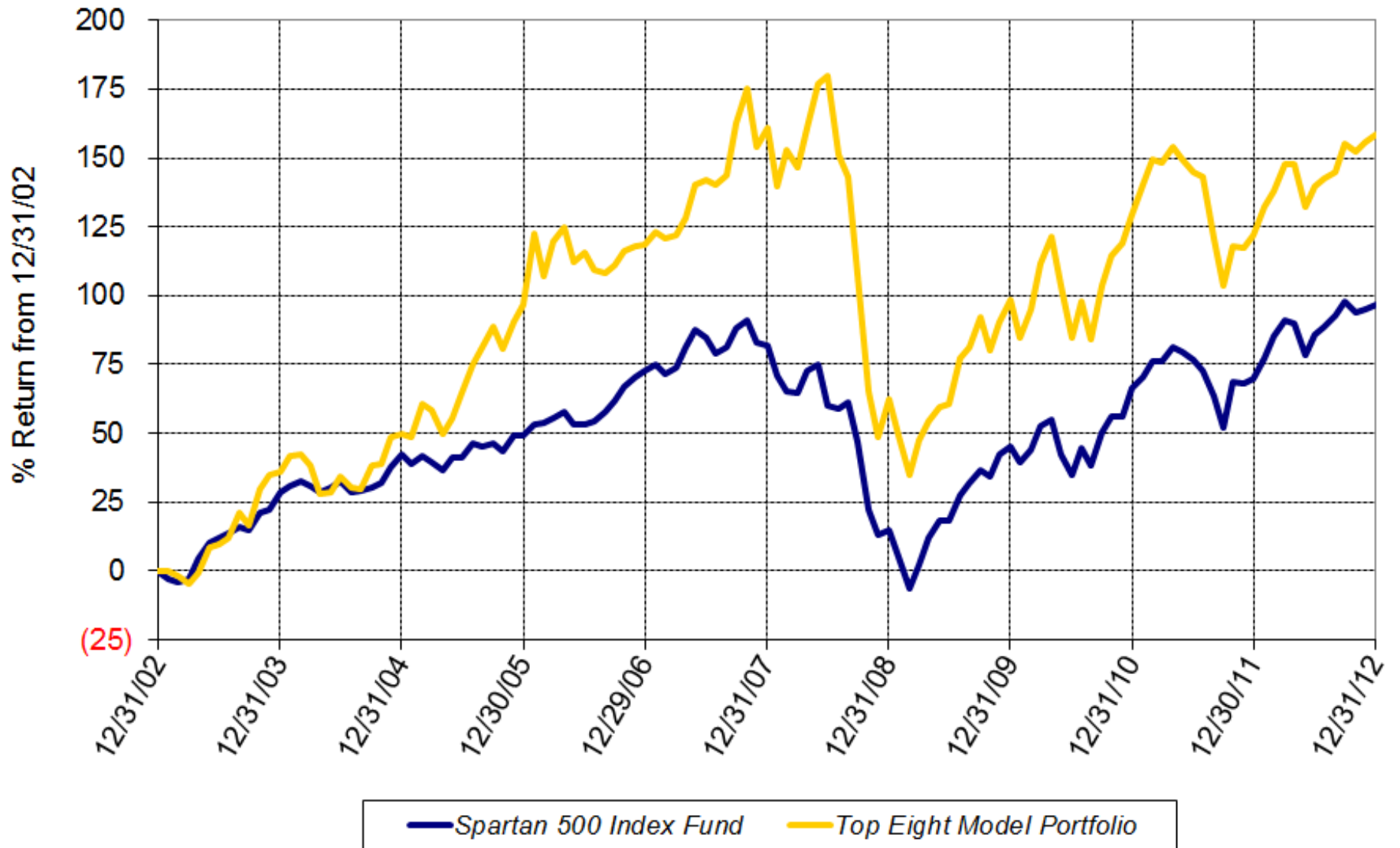
Hold

Fundranker Performance for December 2012													
11/30 Funds	11/30 Shares	11/30 Amount	<=12/5 Div Shrs	12/5 Shares	12/5 Amount	12/5 Funds	12/5 Shares	12/5 Amount	>12/5 Div Shrs	12/31 Shares	12/31 Amount	Dec Return	
FSHOX	505.757	24,544.39	none	505.757	24,220.70	FSHOX	508.573	24,355.56	7.034	515.607	25,141.00		
FSVLX	1,656.873	24,157.21	none	1,656.873	24,041.23	FBIOX	219.104	24,355.56	2.267	221.371	24,348.60		
FBMPX	434.219	24,468.24	none	434.219	24,303.24	FBMPX	435.154	24,355.56	3.274	438.428	25,143.85		
FBIOX	224.213	25,084.95	none	224.213	24,923.52	FSVLX	1,678.536	24,355.56	28.912	1,707.448	24,911.67		
FSPCX	467.446	24,568.96	none	467.446	24,779.31	FSRPX	376.322	24,355.56	10.307	386.629	24,044.46		
FSLBX	491.175	24,087.22	none	491.175	24,082.31	FSLBX	496.748	24,355.56	13.266	510.014	25,577.20		
FSPHX	168.047	24,400.42	none	168.047	24,445.80	FSPHX	167.427	24,355.56	13.121	180.548	24,202.46		
FSTCX	473.115	24,119.40	none	473.115	24,048.44	FDFAF	292.278	24,355.56	7.391	299.669	23,979.51		
Top Eight		195,430.79			194,844.55			194,844.50			197,348.75	0.981	
FNCMX1	565.201	63,249.77	none						18.843	1,584.044	63,520.16	0.427	
FUSEX1	1,197.631	60,324.67	none						8.096	1,205.727	60,877.16	0.916	
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									
				Return %									
<i>Top Eight Model Portfolio</i>				16.302									
Nasdaq Composite Index Fund				17.325									
Spartan 500 Index Fund - Investor Class				15.929									
Lifetime Summary				1/2/97 to 12/31/12		1/2/97 to 12/31/12							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				722.286		14.075							
Nasdaq Composite Index Fund				N/A		N/A							
Spartan 500 Index Fund - Investor Class				153.655		5.990							
10-Year Summary				12/31/02 to 12/31/12		12/31/02 to 12/31/12							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				158.324		9.955							
Nasdaq Composite Index Fund				N/A		N/A							
Spartan 500 Index Fund - Investor Class				96.890		7.009							
5-Year Summary				12/31/07 to 12/31/12		12/31/07 to 12/31/12							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				(1.002)		(0.201)							
Nasdaq Composite Index Fund				18.988		3.538							
Spartan 500 Index Fund - Investor Class				8.184		1.586							
3-Year Summary				12/31/09 to 12/31/12		12/31/09 to 12/31/12							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				30.080		9.162							
Nasdaq Composite Index Fund				36.900		11.037							
Spartan 500 Index Fund - Investor Class				35.846		10.751							
1-Year Summary				12/30/11 to 12/31/12		12/30/11 to 12/31/12							
				Total Return %		Total Return %							
<i>Top Eight Model Portfolio</i>				16.302		16.302							
Nasdaq Composite Index Fund				17.325		17.325							
Spartan 500 Index Fund - Investor Class				15.929		15.929							

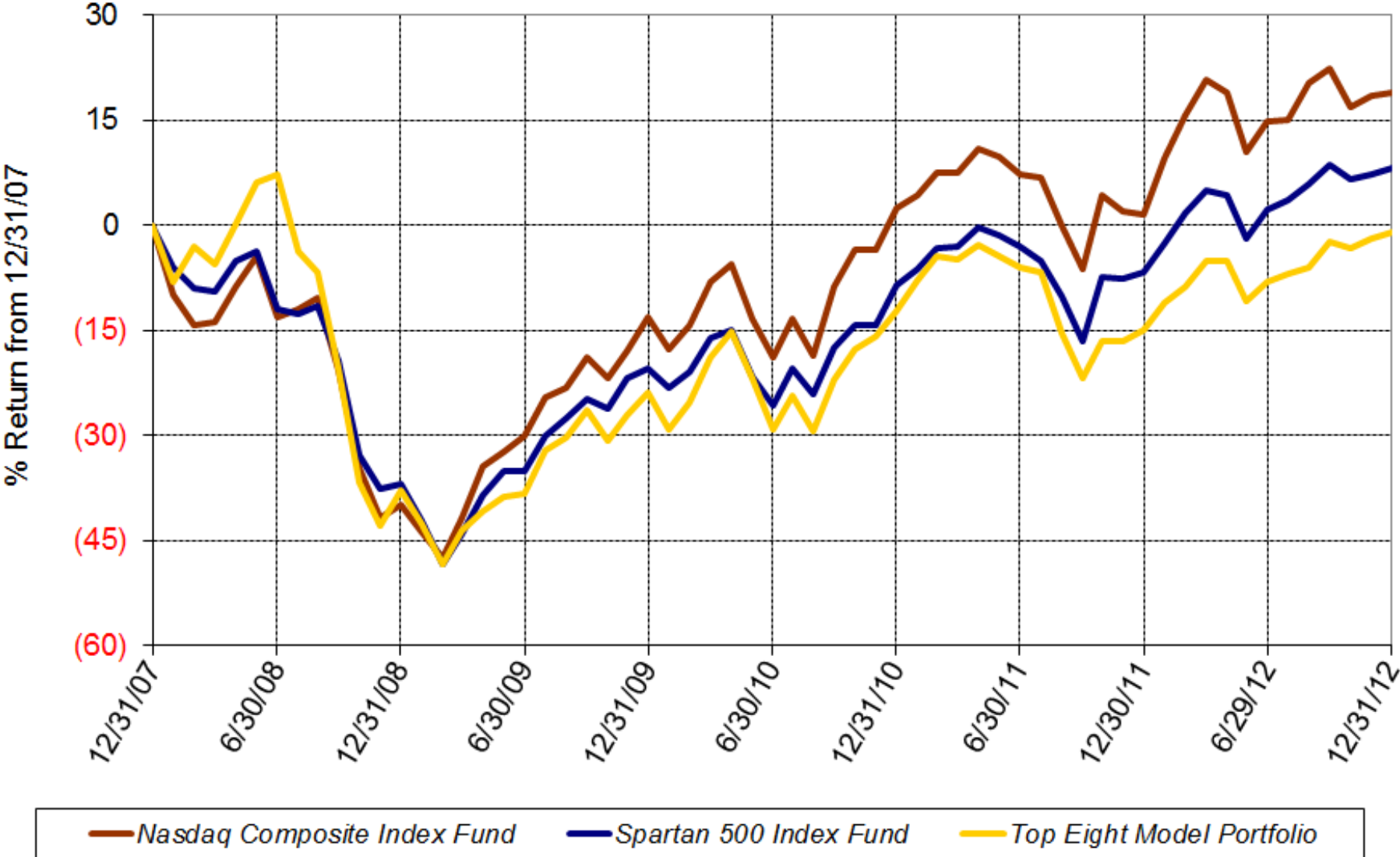
Lifetime Chart



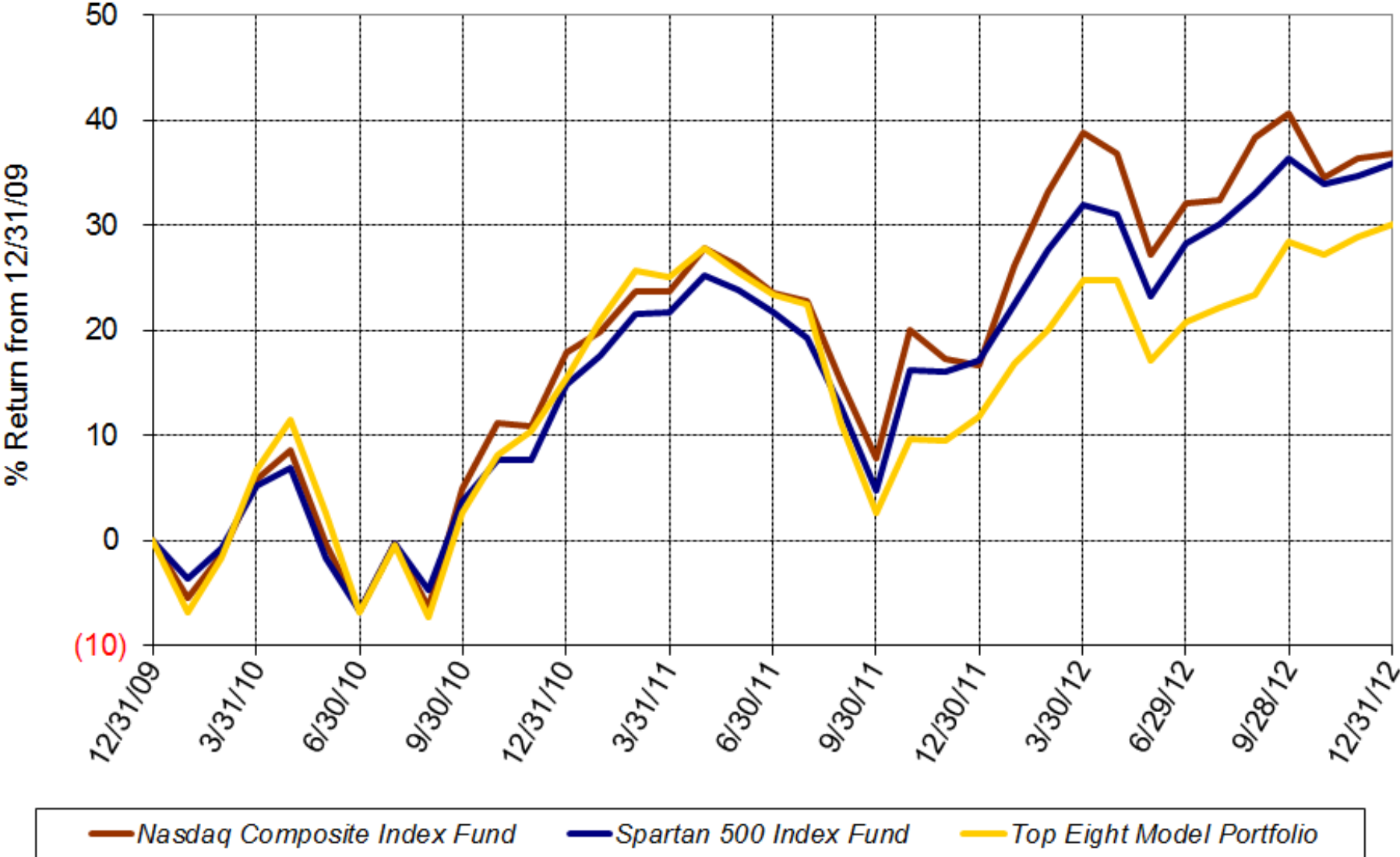
10-Year Chart



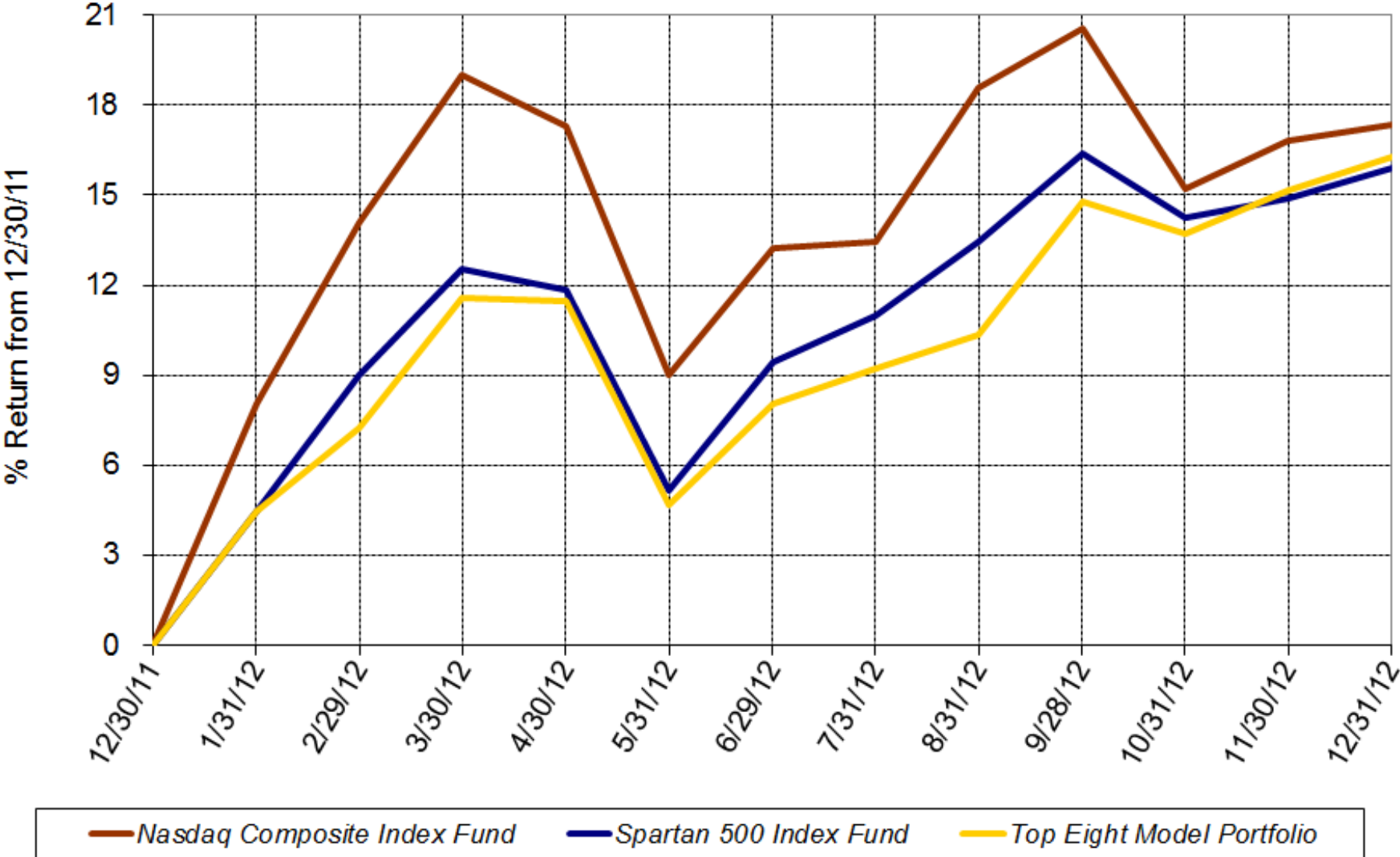
5-Year Chart



3-Year Chart



1-Year Chart



Daily Chart December 2012

