

FIDELITY SELECT FUNDRANKER™

Volume 8 Issue 7

The Right Funds at the Right Time

July 2013

Broad Market Struggles in June

The broad market moved sideways during the first 12 trading sessions of June, fell dramatically for several sessions after Federal Reserve Chairman Ben Bernanke commented on tapering and ending the Fed's quantitative easing program, but struggled back to the bottom of its early range by the end of June. The S&P 500 ended a seven-month run of gains with a narrow loss in June.

Four funds in the *Top Eight Model Portfolio* gained value in June. Automotive and Multimedia were our best performers with one-month gains of 1.89% and 1.67%. Insurance and IT Services tacked on fractional one-month gains of 0.75% and 0.17%. Health Care, Biotechnology, Construction & Housing, and Brokerage & Investment Management had one-month losses ranging from 1.62% to 3.56%.

During June, the *Top Eight Model Portfolio* lost 0.507%, the S&P 500 Index lost 1.346%, and the Nasdaq Composite Index lost 1.432%. For 2013 YTD through June, the *Top Eight Model Portfolio* gained 16.824%, the S&P 500 Index gained 13.763%, and the Nasdaq Composite Index gained 13.267%.

Final Performance of Funds Sold on June 5

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

| Fund | Bought | Sold | Return |
|----------------------------|----------|----------|---------|
| Air Transportation (FSAIX) | 2/4/2013 | 6/5/2013 | 9.19% |
| Pharmaceuticals (FPHAX) | 5/6/2013 | 6/5/2013 | 1.22% |
| Telecommunications (FSTCX) | 5/6/2013 | 6/5/2013 | (4.17)% |

Rare Tie in Top Eight Model Portfolio

The rankings for June show a rare tie for the number 8 fund in the *Top Eight Model Portfolio*. Note at right and in our Rankings on page 2 that both Defense & Aerospace (FSDAX) and IT Services (FBSOX) are ranked number 8. When the 12-, six-, three-, and one-month gains were averaged and adjusted for bonus points, both funds' ratings came out to an identical 15.820 and a tie for the number 8 ranking.

Since the *Fundranker* system invests in exactly eight funds, we built-in a method of breaking such ties. We skew tie-breaking toward the short-term by first comparing one-month returns for tied funds. If they are still tied, we move on to three-, six-, and 12-month returns in turn until the tie is broken.

In this case, Defense & Aerospace's one-month return of 0.45% beat IT Services' one-month return of 0.17%, so the tie was broken quickly. Defense & Aerospace joins the *Top Eight Model Portfolio* for July, and IT Services falls out of the *Top Eight*.

The Federal Reserve and Quantitative Easing

The Federal Open Market Committee of the Federal Reserve met in mid-June for one of its regular two-day meetings. In the press conference at the end of the meeting on June 19, Chairman Ben Bernanke commented that if the economy continues to strengthen as the central bank expects, the Federal Reserve may begin to taper its asset purchases later in 2013 and could end them by mid-2014.

The broad market plunged on that announcement and continued to drop dramatically through June 24, but recovered much of that ground by the end of the month, after several Fed officials played down fears of early tapering of quantitative easing. On Friday, however, Fed Governor Jeremy Stein suggested the FOMC September meeting may be an opportune time to begin tapering.

Holding Period Alert

If you purchased shares after June 5 of any funds which are being exchanged on July 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 IT Services on June 7, you

should wait a full 30 days and exchange IT Services on July 8 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 July 2013

| Fund Name (Symbol) | Purchase | Return to 6/28 |
|------------------------------------|----------|----------------|
| 1. Automotive (FSAVX) | 5/6/2013 | 7.16% |
| 2. Biotechnology (FBIOX) | 3/6/2013 | 11.76% |
| 3. Multimedia (FBMPX) | 7/2/2012 | 35.93% |
| 4. Insurance (FSPCX) | 6/5/2013 | 2.57% |
| 5. Brokerage & Inv Mgmt (FSLBX) | 5/6/2013 | 0.00% |
| 6. Consumer Discretionary (FSCPX) | 7/5/2013 | |
| 7. Banking (FSRBX) | 7/5/2013 | |
| 8. Defense & Aerospace (FSDAX) | 7/5/2013 | |
| Funds to be sold on July 5: | | |
| 8. IT Services (FBSOX) | 6/5/2013 | 1.36% |
| 10. Health Care (FSPHX) | 4/5/2013 | 5.50% |
| 18. Construction & Housing (FSHOX) | 6/5/2013 | 0.80% |

Fundranker Exchanges for July 5

Sell Health Care (FSPHX), buy Consumer Discretionary (FSCPX)
Sell Construction & Housing (FSHOX), buy Banking (FSRBX)
Sell IT Services (FBSOX), buy Defense & Aerospace (FSDAX)

Fundranker Invest New Money Date

Invest new money on July 2.

Optional Rebalancing Exchange Dates

Method 1: none; Method 2: July 2; Method 3: July 5 (see the rebalancing FAQ at www.fundranker.com for more information)

Upcoming Fundranker Exchange Date

If all funds to be exchanged in August have been held more than one month, *Fundranker* will exchange on August 2; otherwise, to avoid roundtrip transactions, *Fundranker* will exchange on August 5.

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| <i>Fundranker Ratings for 6/28/13</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) | 27.78* | 19.00* | 1.20 | (0.19) | 13.948 | 12 |
| Automotive (FSAVX) | 47.01* | 23.14* | 14.40* | 1.89* | 25.610 | 1 |
| Banking (FSRBX) | 23.98 | 18.44* | 7.33* | 1.74* | 15.873 | 7 |
| Biotechnology (FBIOX) | 37.25* | 28.93* | 7.11* | (3.12) | 20.543 | 2 |
| Brokerage & Investment Mgmt (FSLBX) | 40.73* | 20.62* | 7.73* | (3.56) | 19.380 | 5 |
| Chemicals (FSCHX) | 19.81 | 6.28 | 1.15 | (2.75) | 6.123 | 32 |
| Communications Equipment (FSDCX) | 23.32 | 8.80 | 3.40 | (0.83) | 8.673 | 27 |
| Computers (FDCPX) | 12.59 | 11.52 | 0.66 | (3.54) | 5.308 | 35 |
| Construction & Housing (FSHOX) | 31.62* | 12.12 | 2.03 | (3.39) | 11.595 | 18 |
| Consumer Discretionary (FSCPX) | 26.90 | 19.35* | 6.99* | 0.90* | 16.535 | 6 |
| Consumer Finance (FSVLX) | 29.90* | 15.89 | 4.69 | (0.38) | 13.525 | 14 |
| Consumer Staples (FDFAX) | 17.03 | 11.21 | (0.73) | (1.76) | 6.438 | 31 |
| Defense & Aerospace (FSDAX) | 27.33* | 17.70 | 5.80* | 0.45* | 15.820 | 8 |
| Electronics (FSELX) | 15.76 | 17.73* | 4.97 | (0.74) | 10.430 | 22 |
| Energy (FSENX) | 20.81 | 9.77 | (0.99) | (1.68) | 6.978 | 28 |
| Energy Service (FSSEX) | 27.21* | 12.98 | 0.96 | (0.80) | 11.088 | 20 |
| Environment & Alternative Energy (FSLEX) | 25.19 | 12.09 | 2.75 | (2.30) | 9.433 | 26 |
| Financial Services (FIDSX) | 26.76 | 14.04 | 6.23* | (2.06) | 12.243 | 15 |
| Gold (FSAGX) | (46.52) | (48.05) | (37.37) | (19.92) | (37.965) | 39 |
| Health Care (FSPHX) | 29.40* | 20.93* | 5.54 | (1.62) | 15.563 | 10 |
| Industrial Equipment (FSCGX) | 19.30 | 8.86 | 0.23 | (2.29) | 6.525 | 30 |
| Industrials (FCYIX) | 25.67 | 14.29 | 1.52 | (1.28) | 10.050 | 25 |
| Insurance (FSPCX) | 35.83* | 22.56* | 6.86* | 0.75* | 20.500 | 4 |
| IT Services (FBSOX) | 27.90* | 19.26* | 3.95 | 0.17* | 15.820 | 8 |
| Leisure (FDLSX) | 21.46 | 16.99 | 3.51 | 0.23* | 11.548 | 19 |
| Materials (FSDPX) | 15.19 | 2.92 | (2.69) | (3.86) | 2.890 | 38 |
| Medical Delivery (FSHCX) | 14.97 | 15.97 | 7.85* | 1.30* | 12.023 | 17 |
| Medical Equipment & Systems (FSMEX) | 20.10 | 17.71 | 3.40 | (0.06) | 10.288 | 23 |
| Multimedia (FBMPX) | 37.64* | 20.75* | 5.95* | 1.67* | 20.503 | 3 |
| Natural Gas (FSNGX) | 11.97 | 6.64 | (3.47) | (2.89) | 3.063 | 37 |
| Natural Resources (FNARX) | 15.53 | 4.53 | (3.85) | (2.74) | 3.368 | 36 |
| Pharmaceuticals (FPHAX) | 22.70 | 17.15 | 3.95 | (1.08) | 10.680 | 21 |
| Retailing (FSRPX) | 26.44 | 17.67 | 8.99* | (0.08) | 14.255 | 11 |
| Software & Computer Services (FSCSX) | 22.75 | 17.51 | 6.69* | 0.79* | 13.935 | 13 |
| Technology (FSPTX) | 12.03 | 7.81 | 2.83 | (1.01) | 5.415 | 34 |
| Telecommunications (FSTCX) | 20.03 | 10.58 | 5.02 | 1.36* | 10.248 | 24 |
| Transportation (FSRFX) | 22.92 | 20.76* | 1.81 | (0.92) | 12.143 | 16 |
| Utilities (FSUTX) | 10.86 | 10.64 | (3.20) | 0.61* | 5.728 | 33 |
| Wireless (FWRLX) | 21.34 | 6.63 | 0.11 | (1.23) | 6.713 | 29 |

*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

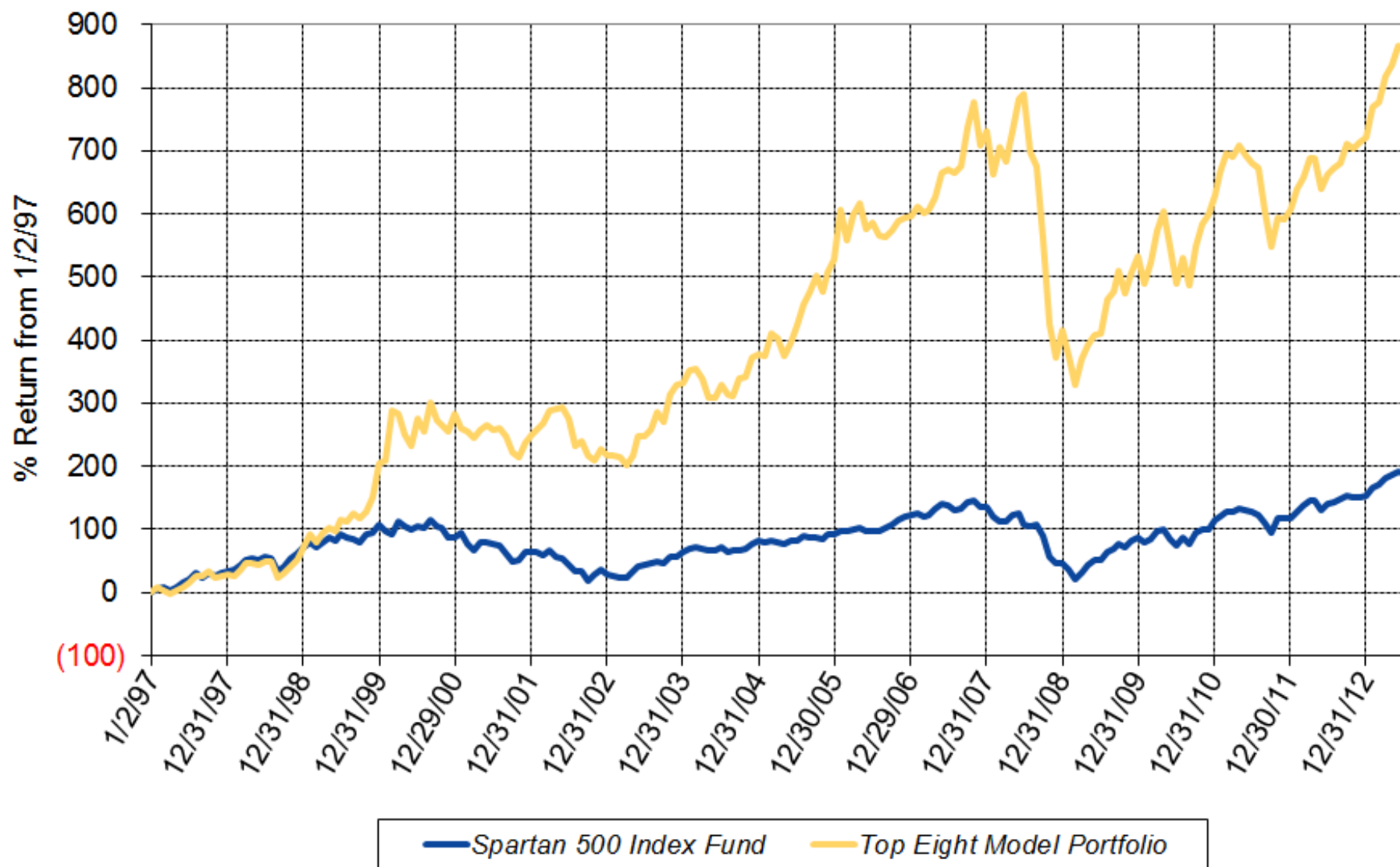
Sell on July 5, 2013

Buy on July 5, 2013

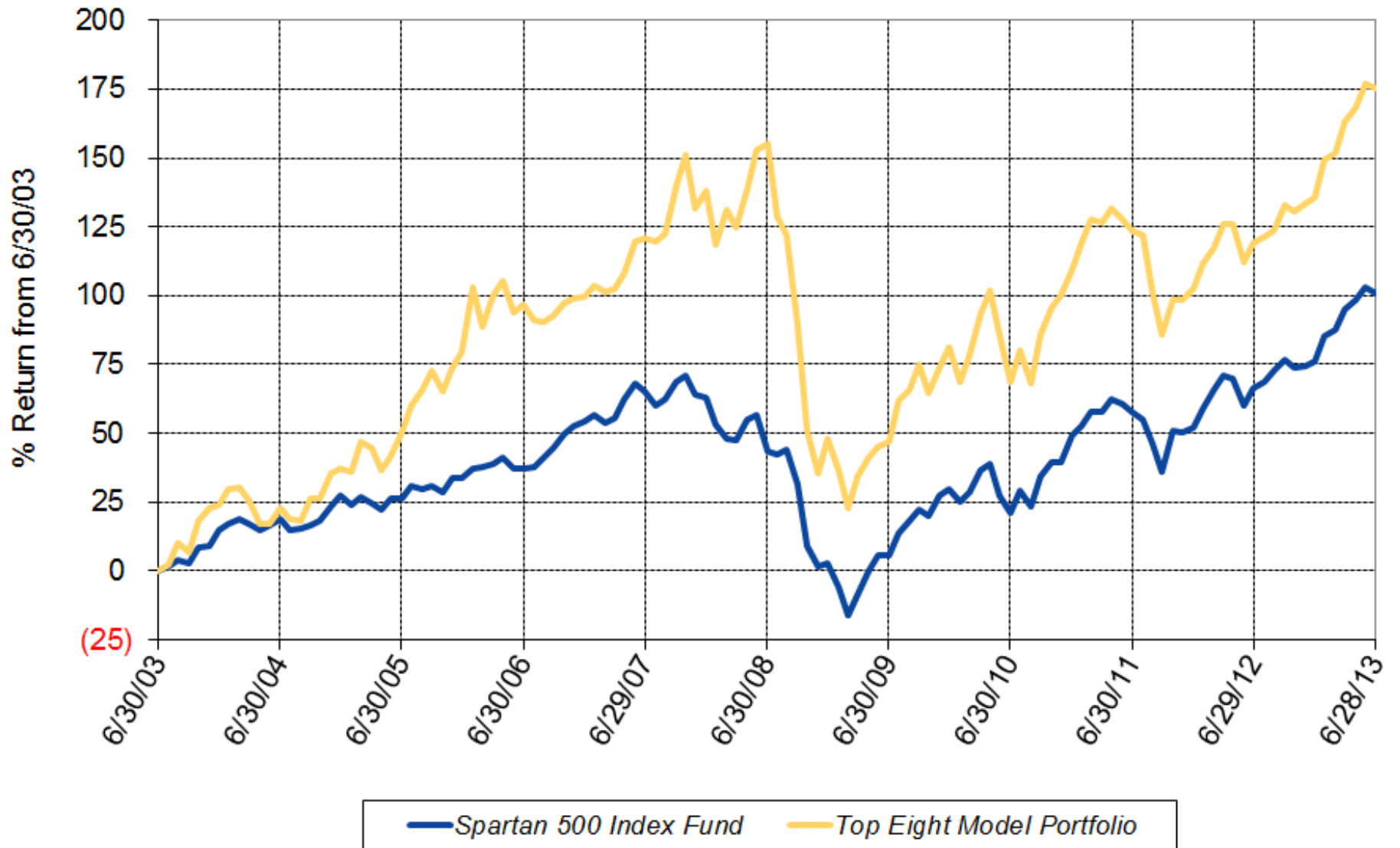
Hold

| Fundranker Performance for June 2013 | | | | | | | | | | | | | |
|---|----------------|-------------------|-------------------|--------------------|-------------------|-------------------------|----------------|-------------------|------------------|----------------|-------------------|----------------|--|
| 5/31 Funds | 5/31 Shares | 5/31 Amount | <=6/5 Div Shrs | 6/5 Shares | 6/5 Amount | 6/5 Funds | 6/5 Shares | 6/5 Amount | >6/5 Div Shrs | 6/28 Shares | 6/28 Amount | Jun Return | |
| FBIOX | 201.392 | 29,465.66 | none | 201.392 | 27,929.04 | FBIOX | 203.923 | 28,280.00 | none | 203.923 | 28,906.09 | | |
| FSAVX | 636.245 | 30,005.31 | none | 636.245 | 29,489.96 | FSLBX | 465.821 | 28,280.00 | none | 465.821 | 28,177.51 | | |
| FBMPX | 414.790 | 28,251.35 | none | 414.790 | 27,803.37 | FSAVX | 610.140 | 28,280.00 | none | 610.140 | 29,317.23 | | |
| FSPHX | 182.798 | 29,446.93 | none | 182.798 | 28,489.07 | FBMPX | 421.901 | 28,280.00 | none | 421.901 | 29,216.64 | | |
| FSLBX | 471.635 | 29,580.95 | none | 471.635 | 28,632.96 | FSPHX | 181.457 | 28,280.00 | none | 181.457 | 28,757.31 | | |
| FPHAX | 1,662.543 | 29,127.75 | none | 1,662.543 | 28,878.37 | FSPCX | 469.456 | 28,280.00 | none | 469.456 | 29,007.69 | | |
| FSTCX | 499.461 | 27,620.19 | none | 499.461 | 27,340.50 | FSHOX | 524.286 | 28,280.00 | none | 524.286 | 28,505.43 | | |
| FSAIX | 592.016 | 28,227.32 | none | 592.016 | 27,676.75 | FBSOX | 958.644 | 28,280.00 | none | 958.644 | 28,663.46 | | |
| Top Eight | | 231,725.46 | | | 226,240.02 | | | 226,240.00 | | | 230,551.36 | (0.507) | |
| FNCMX1 | 1,584.044 | 72,992.75 | none | | | | | | none | 1,584.044 | 71,947.28 | (1.432) | |
| FUSEX1 | 1,211.403 | 70,200.80 | none | | | | | | none | 1,211.403 | 69,255.91 | (1.346) | |
| 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 | 2013 YTD | | | | | | | | |
| | | | | Return % | Return % | | | | | | | | |
| <i>Top Eight Model Portfolio</i> | | | | 16.302 | 16.824 | | | | | | | | |
| Nasdaq Composite Index Fund | | | | 17.325 | 13.267 | | | | | | | | |
| Spartan 500 Index Fund - Investor Class | | | | 15.929 | 13.763 | | | | | | | | |
| Lifetime Summary | | | | 1/2/97 to 6/28/13 | | 1/2/97 to 6/28/13 | | | | | | | |
| | | | | Total Return % | | Average Annual Return % | | | | | | | |
| <i>Top Eight Model Portfolio</i> | | | | 860.631 | | 14.696 | | | | | | | |
| Nasdaq Composite Index Fund | | | | N/A | | N/A | | | | | | | |
| Spartan 500 Index Fund - Investor Class | | | | 188.566 | | 6.634 | | | | | | | |
| 10-Year Summary | | | | 6/30/03 to 6/28/13 | | 6/30/03 to 6/28/13 | | | | | | | |
| | | | | Total Return % | | Average Annual Return % | | | | | | | |
| <i>Top Eight Model Portfolio</i> | | | | 175.406 | | 10.662 | | | | | | | |
| Nasdaq Composite Index Fund | | | | N/A | | N/A | | | | | | | |
| Spartan 500 Index Fund - Investor Class | | | | 100.523 | | 7.205 | | | | | | | |
| 5-Year Summary | | | | 6/30/08 to 6/28/13 | | 6/30/08 to 6/28/13 | | | | | | | |
| | | | | Total Return % | | Average Annual Return % | | | | | | | |
| <i>Top Eight Model Portfolio</i> | | | | 7.891 | | 1.531 | | | | | | | |
| Nasdaq Composite Index Fund | | | | 55.349 | | 9.210 | | | | | | | |
| Spartan 500 Index Fund - Investor Class | | | | 39.768 | | 6.926 | | | | | | | |
| 3-Year Summary | | | | 6/30/10 to 6/28/13 | | 6/30/10 to 6/28/13 | | | | | | | |
| | | | | Total Return % | | Average Annual Return % | | | | | | | |
| <i>Top Eight Model Portfolio</i> | | | | 63.258 | | 17.749 | | | | | | | |
| Nasdaq Composite Index Fund | | | | 66.288 | | 18.473 | | | | | | | |
| Spartan 500 Index Fund - Investor Class | | | | 65.795 | | 18.356 | | | | | | | |
| 1-Year Summary | | | | 6/29/12 to 6/28/13 | | 6/29/12 to 6/28/13 | | | | | | | |
| | | | | Total Return % | | Total Return % | | | | | | | |
| <i>Top Eight Model Portfolio</i> | | | | 25.775 | | 25.775 | | | | | | | |
| Nasdaq Composite Index Fund | | | | 17.352 | | 17.352 | | | | | | | |
| Spartan 500 Index Fund - Investor Class | | | | 20.505 | | 20.505 | | | | | | | |

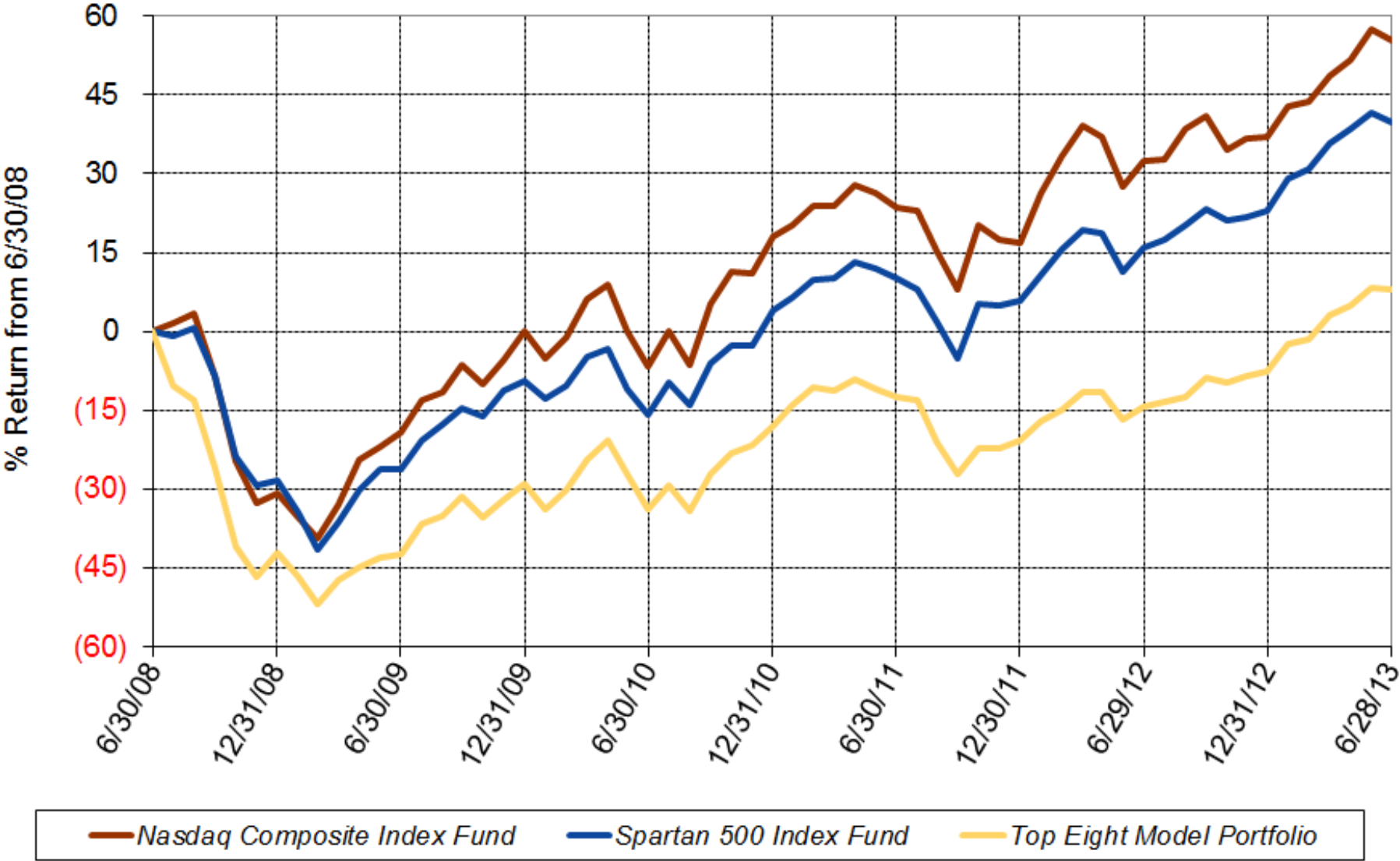
Lifetime Chart



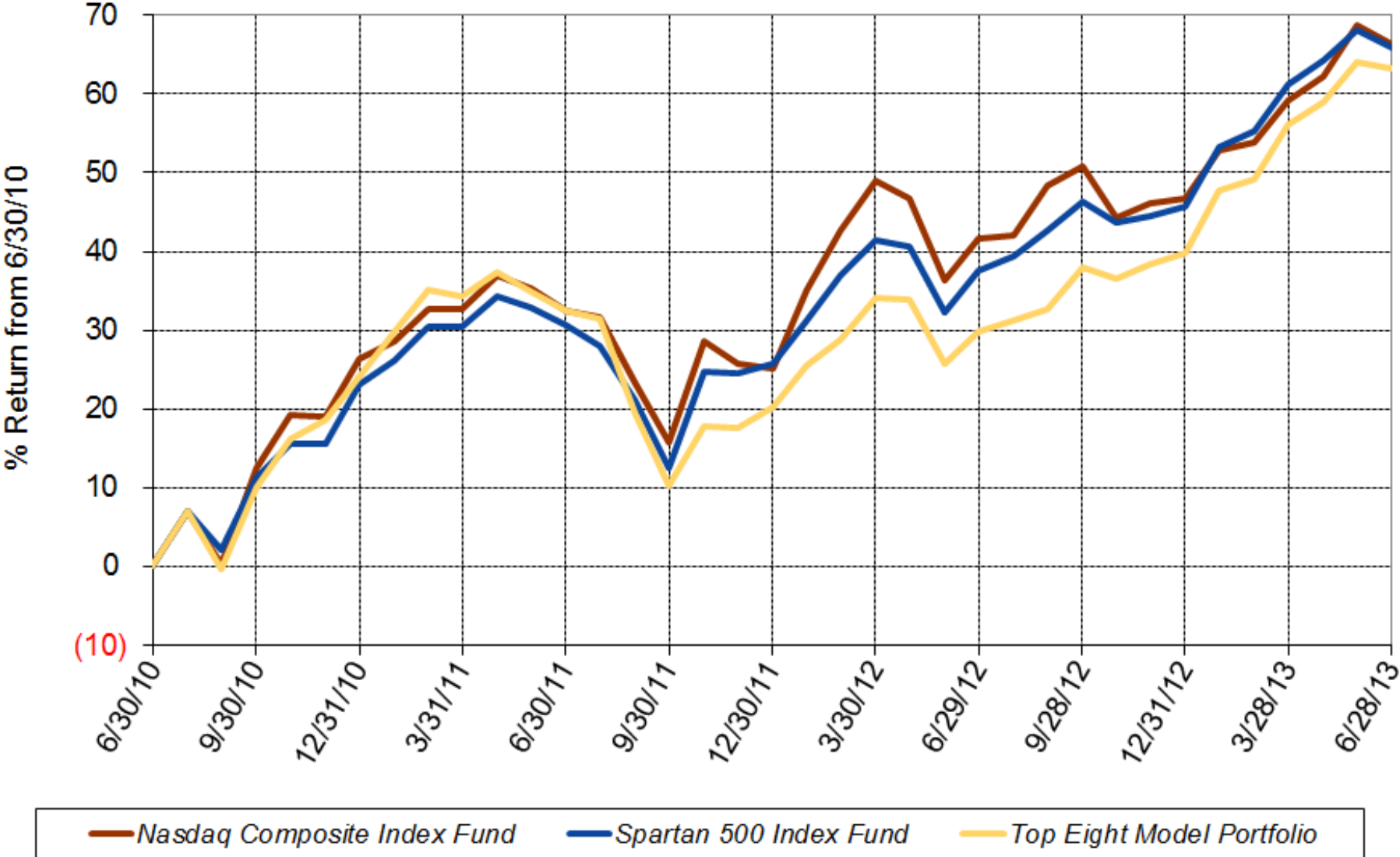
10-Year Chart



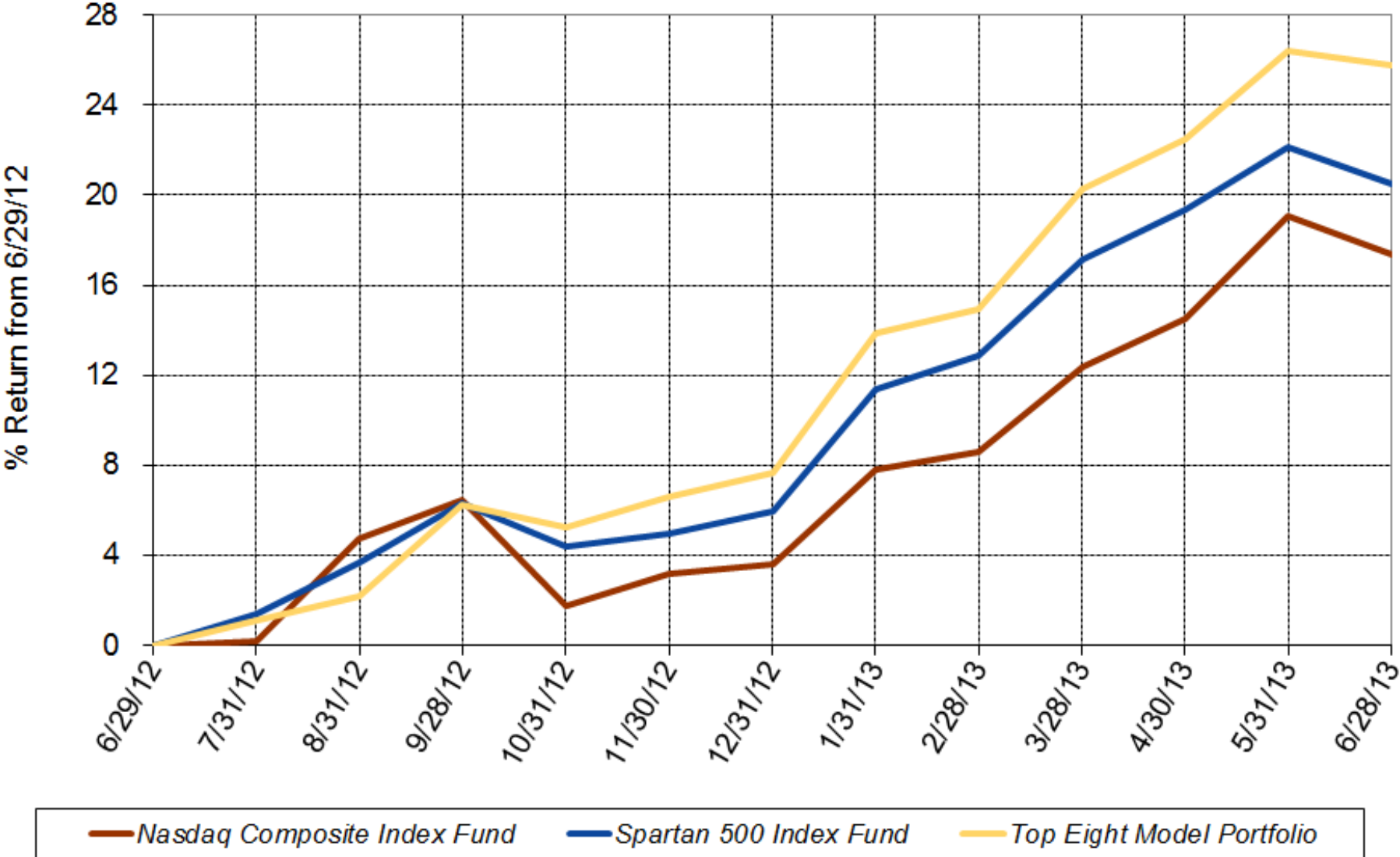
5-Year Chart



3-Year Chart



1-Year Chart



Daily Chart June 2013

