

FIDELITY SELECT FUNDRANKER™

Volume 8 Issue 8

The Right Funds at the Right Time

August 2013

Strong July Performance

The broad market performed strongly in July, especially early in the month. The S&P 500 Index hit several new highs in July, most recently on July 22.

Every fund in the *Top Eight Model Portfolio* gained value in July. Biotechnology was a stellar performer with a one-month gain of 16.75%. Automotive, Banking, Defense & Aerospace, and Brokerage & Investment Management followed with one-month gains ranging from 6.85% to 6.45%. Consumer Discretionary, Multimedia, and Insurance had one-month gains of 5.31%, 4.92%, and 3.97%.

During July, the *Top Eight Model Portfolio* gained 6.822%, the Nasdaq Composite Index gained 6.605%, and the S&P 500 Index gained 5.085%. For 2013 YTD through July, the *Top Eight Model Portfolio* gained 24.794%, the Nasdaq Composite Index gained 20.748%, and the S&P 500 Index gained 19.548%.

Final Performance of Funds Sold on July 5

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

Fund	Bought	Sold	Return
Construction & Housing (FSHOX)	6/5/2013	7/5/2013	1.30%
Health Care (FSPHX)	4/5/2013	7/5/2013	8.65%
IT Services (FBSOX)	6/5/2013	7/5/2013	4.31%

Federal Reserve to Continue Buying Bonds

The Federal Reserve completed a two-day meeting on July 31 and said it would keep buying \$85 billion in mortgage and treasury bonds per month. Furthermore, its post-meeting statement differed somewhat from those of earlier meetings this year in three ways, giving the Fed's stance a more dovish tilt.

First, the Fed seems a little more concerned with the pace of recovery, calling the economy's pace of growth "modest" rather than "moderate." The Bureau of Economic Analysis reported on July 31 that second quarter GDP grew at a 1.7% pace, above economists' expectations. However, downward revisions to several previous quarters' rates of growth suggested that the underlying trend has not improved.

The Fed also noted that rising mortgage rates could slow the housing recovery. The yield on 10-year U.S. Treasury notes has risen about a full percentage point since early May, and mortgage rates have followed suit.

Finally, the Fed made it clear that it is troubled by the dangers of inflation running too low. The Bureau of Economic Analysis report mentioned above also showed that consumer prices held steady and core prices went up only 0.8% in the second quarter. "The committee recognizes that inflation persistently below its 2 percent objective could pose risks to economic performance, but it anticipates that inflation will move back toward its objective over the medium term," the Fed said.

The Federal Reserve next meets September 17 and 18, when it still is widely expected to announce a curtailment of its bond buying program.

Nasdaq Approaches 200% Bull Market Gain

As of July 31, the Nasdaq Composite Index, as measured by Fidelity's Nasdaq Composite Index Fund, rose 197.213% since March 9, 2009. Note that this is a total return figure, which includes dividends, and it differs somewhat from the rise shown by the Nasdaq Composite Index itself, which is based solely on prices of its underlying stocks and does not include dividends.

Holding Period Alert

If you purchased shares after July 5 of any funds which are being exchanged on August 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 Consumer Discretionary on July 8, you should wait a full 30 days and exchange Consumer Discretionary on August 7 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 August 2013

Fund Name (Symbol)	Purchase	Return to 7/31
1. Biotechnology (FBIOX)	3/6/2013	30.49%
2. Automotive (FSAVX)	5/6/2013	14.50%
3. Health Care (FSPHX)	8/5/2013	
4. Defense & Aerospace (FSDAX)	7/5/2013	3.84%
5. Brokerage & Inv Mgmt (FSLBX)	5/6/2013	6.45%
6. Air Transportation (FSAIX)	8/5/2013	
7. Banking (FSRBX)	7/5/2013	2.61%
8. Multimedia (FBMPX)	7/2/2012	42.62%
Funds to be sold on August 5:		
11. Insurance (FSPCX)	6/5/2013	6.64%
14. Consumer Discretionary (FSCPX)	7/5/2013	2.77%

Fundranker Exchanges for August 5

Sell Insurance (FSPCX), buy Health Care (FSPHX)
Sell Consumer Discretionary (FSCPX), buy Air Transport (FSAIX)

Fundranker Invest New Money Date

Invest new money on August 2.

Optional Rebalancing Exchange Dates

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

Upcoming Fundranker Exchange Date

If all funds to be exchanged in September have been held more than one month, *Fundranker* will exchange on September 2; otherwise, to avoid roundtrip transactions, *Fundranker* will exchange on Sept 4.

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<i>Fundranker Ratings for 7/31/13</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)	41.16*	18.81*	8.51	6.64*	21.780	6
Automotive (FSAVX)	61.70*	28.38*	16.39*	6.85*	32.330	2
Banking (FSRBX)	31.31	20.04*	15.01*	6.70*	21.265	7
Biotechnology (FBIOX)	56.44*	40.26*	18.18*	16.75*	36.908	1
Brokerage & Investment Mgmt (FSLBX)	49.64*	16.61	9.41	6.45*	22.528	5
Chemicals (FSCHX)	25.43	7.41	5.10	5.66	10.900	29
Communications Equipment (FSDCX)	33.11	9.60	12.68*	6.42	16.453	20
Computers (FDCPX)	17.57	13.47	9.96	6.29	11.823	27
Construction & Housing (FSHOX)	37.25*	7.03	3.71	2.39	13.595	26
Consumer Discretionary (FSCPX)	33.99	18.58*	8.65	5.31	17.633	14
Consumer Finance (FSVLX)	34.27*	16.77	9.70	5.39	17.533	15
Consumer Staples (FDFAX)	18.17	9.38	0.37	4.16	8.020	33
Defense & Aerospace (FSDAX)	37.78*	22.10*	13.07*	6.48*	23.858	4
Electronics (FSELX)	23.20	16.93	12.71*	5.28	15.530	22
Energy (FSENX)	21.13	6.88	5.12	5.21	9.585	30
Energy Service (FSESX)	19.61	5.05	5.10	3.86	8.405	32
Environment & Alternative Energy (FSLEX)	34.18	13.92	9.48	7.18*	17.190	16
Financial Services (FIDSX)	33.09	13.18	8.36	6.05	15.170	23
Gold (FSAGX)	(37.55)	(36.14)	(12.33)	13.59*	(17.108)	39
Health Care (FSPHX)	43.94*	25.49*	12.58*	10.52*	27.133	3
Industrial Equipment (FSCGX)	27.18	9.59	9.51	6.45*	14.183	24
Industrials (FCYIX)	33.20	14.18	10.42	6.35	16.038	21
Insurance (FSPCX)	41.33*	18.65*	8.17	3.97	20.030	11
IT Services (FBSOX)	37.39*	16.57	12.41*	6.32	20.173	10
Leisure (FDLSX)	36.11*	15.77	5.66	4.41	16.488	19
Materials (FSDPX)	21.07	5.08	3.72	5.93	8.950	31
Medical Delivery (FSHCX)	30.37	18.09*	11.49*	5.50	18.363	13
Medical Equipment & Systems (FSMEX)	33.17	14.39	11.19*	6.76*	18.378	12
Multimedia (FBMPX)	42.04*	19.96*	8.64	4.92	20.890	8
Natural Gas (FSNGX)	12.33	4.53	3.79	5.78	6.608	36
Natural Resources (FNARX)	17.51	3.87	4.14	5.99	7.878	34
Pharmaceuticals (FPHAX)	27.32	16.07	5.41	5.60	13.600	25
Retailing (FSRPX)	33.48	18.25*	11.97*	6.69*	20.598	9
Software & Computer Services (FSCSX)	30.75	16.33	11.72*	4.99	16.948	18
Technology (FSPTX)	19.15	11.94	10.24	5.86	11.798	28
Telecommunications (FSTCX)	17.36	10.26	(0.16)	2.48	7.485	35
Transportation (FSRFX)	33.24	17.65*	7.53	5.68	17.025	17
Utilities (FSUTX)	13.49	9.16	(3.72)	4.39	5.830	38
Wireless (FWRLX)	19.74	4.88	(1.10)	2.15	6.418	37

*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

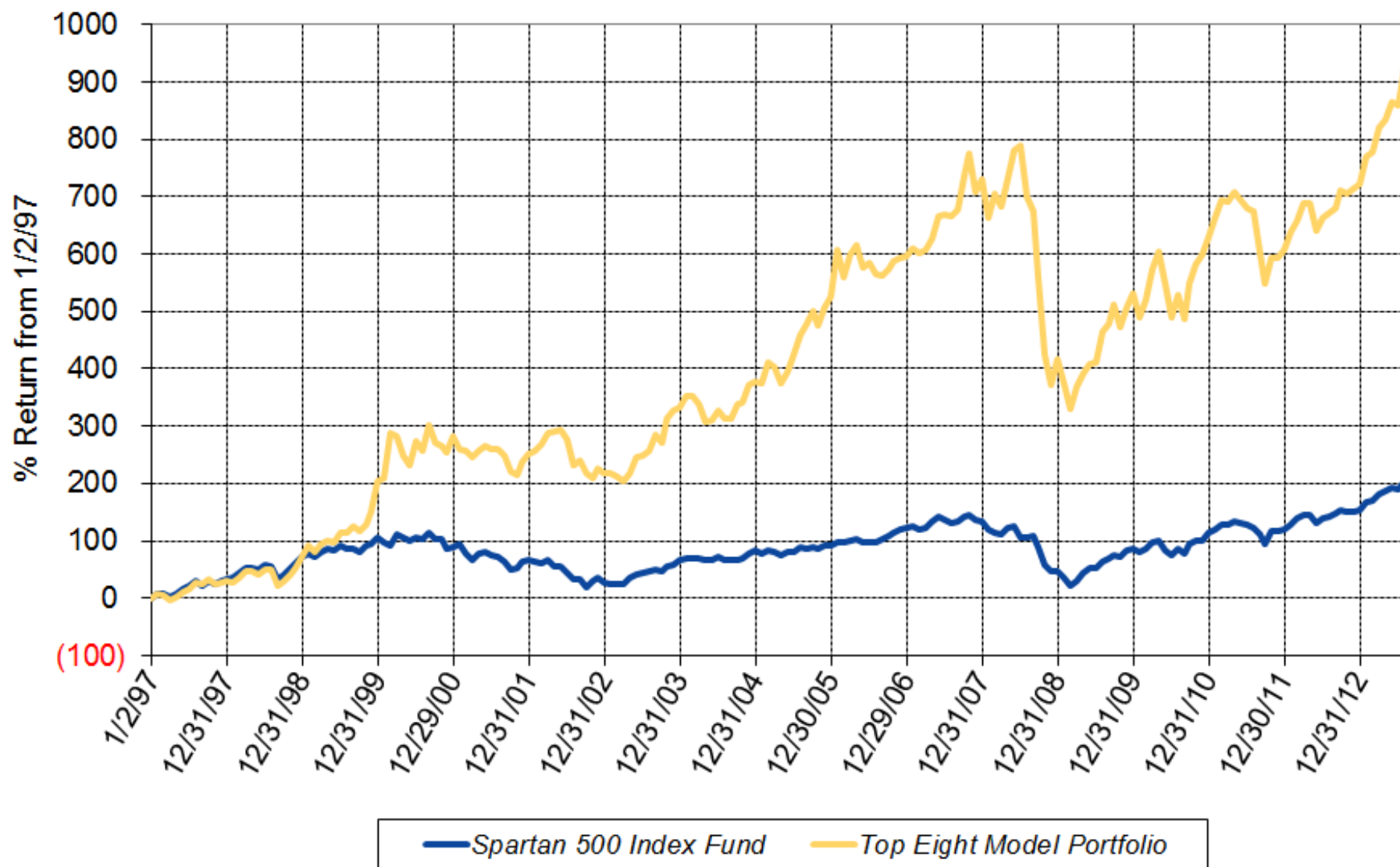
Sell on August 5, 2013

Buy on August 5, 2013

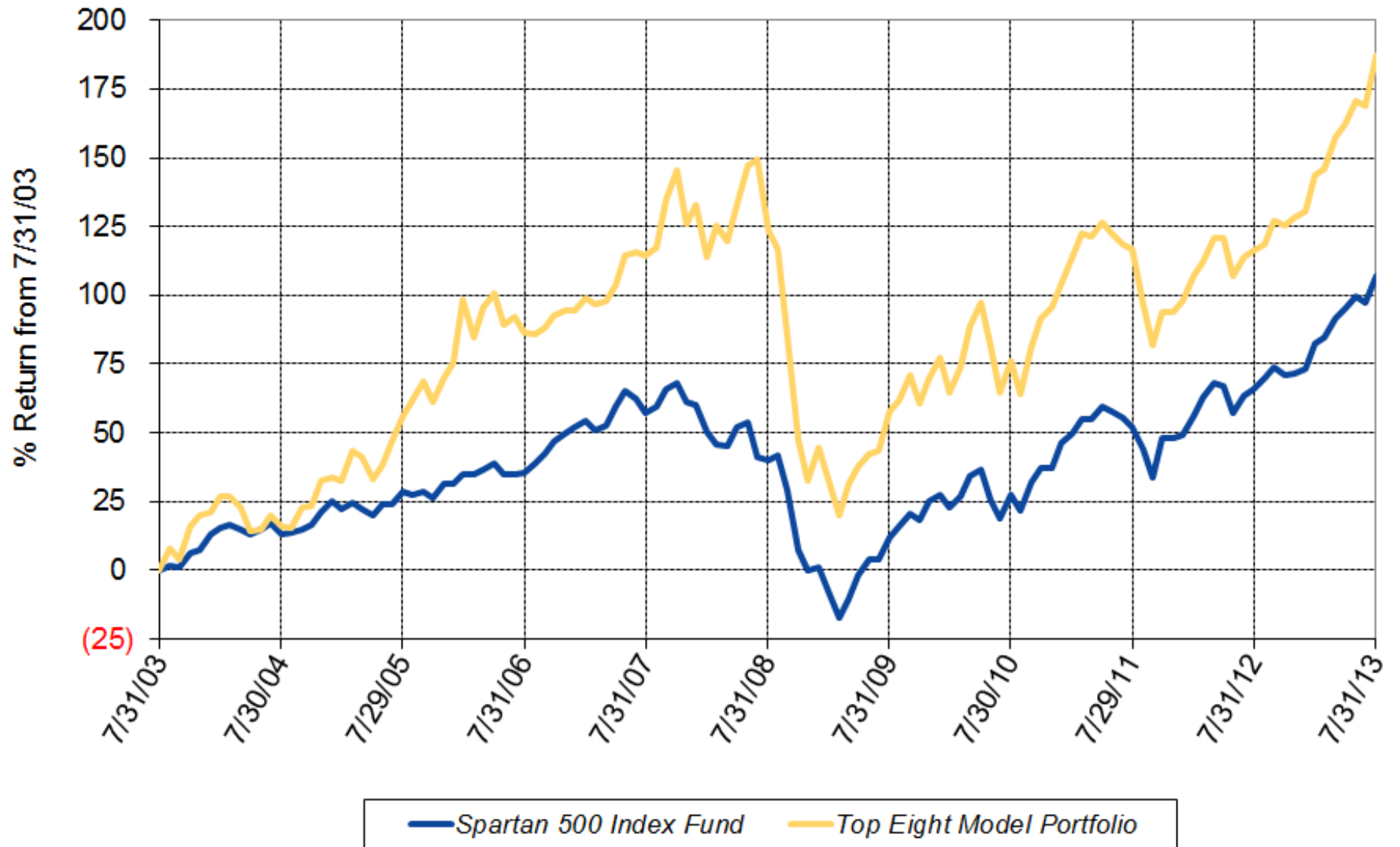
Hold

Fundranker Performance for July 2013													
6/28 Funds	6/28 Shares	6/28 Amount	<=7/5 Div Shrs	7/5 Shares	7/5 Amount	7/5 Funds	7/5 Shares	7/5 Amount	>7/5 Div Shrs	7/31 Shares	7/31 Amount	Jul Return	
FBIOX	203.923	28,906.09	none	203.923	30,621.08	FSAVX	596.646	29,581.73	none	596.646	30,631.81		
FSLBX	465.821	28,177.51	none	465.821	28,638.68	FBIOX	197.001	29,581.73	none	197.001	32,603.67		
FSAVX	610.140	29,317.23	none	610.140	30,250.74	FBMPX	417.349	29,581.73	none	417.349	30,324.58		
FBMPX	421.901	29,216.64	none	421.901	29,904.34	FSPCX	471.122	29,581.73	none	471.122	30,264.88		
FSPHX	181.457	28,757.31	none	181.457	29,617.41	FSLBX	481.160	29,581.73	none	481.160	30,981.89		
FSPCX	469.456	29,007.69	none	469.456	29,477.14	FSPCX	952.406	29,581.73	none	952.406	30,400.80		
FSHOX	524.286	28,505.43	none	524.286	28,646.99	FSRBX1	2,246.071	29,581.73	none	1,246.071	30,354.29		
FBSOX	958.644	28,663.46	none	958.644	29,497.48	FSDAX	283.785	29,581.73	none	283.785	30,716.89		
Top Eight		230,551.36			236,653.86			236,653.80			246,278.81	6.822	
FNCMX1	1,584.044	71,947.28	none						none	1,584.044	76,699.41	6.605	
FUSEX1	1,211.403	69,255.91	none						5.614	1,217.017	72,777.62	5.085	
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	24.794								
Nasdaq Composite Index Fund				17.325	20.748								
Spartan 500 Index Fund - Investor Class				15.929	19.548								
Lifetime Summary				1/2/97 to 7/31/13		1/2/97 to 7/31/13							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				926.162		15.074							
Nasdaq Composite Index Fund				N/A		N/A							
Spartan 500 Index Fund - Investor Class				203.240		6.918							
10-Year Summary				7/31/03 to 7/31/13		7/31/03 to 7/31/13							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				187.388		11.134							
Nasdaq Composite Index Fund				N/A		N/A							
Spartan 500 Index Fund - Investor Class				107.116		7.553							
5-Year Summary				7/31/08 to 7/31/13		7/31/08 to 7/31/13							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				28.420		5.130							
Nasdaq Composite Index Fund				63.146		10.285							
Spartan 500 Index Fund - Investor Class				48.128		8.175							
3-Year Summary				7/30/10 to 7/31/13		7/30/10 to 7/31/13							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				63.097		17.710							
Nasdaq Composite Index Fund				65.690		18.331							
Spartan 500 Index Fund - Investor Class				62.834		17.647							
1-Year Summary				7/31/12 to 7/31/13		7/31/12 to 7/31/13							
				Total Return %		Total Return %							
<i>Top Eight Model Portfolio</i>				32.869		32.869							
Nasdaq Composite Index Fund				24.880		24.880							
Spartan 500 Index Fund - Investor Class				24.897		24.897							

Lifetime Chart

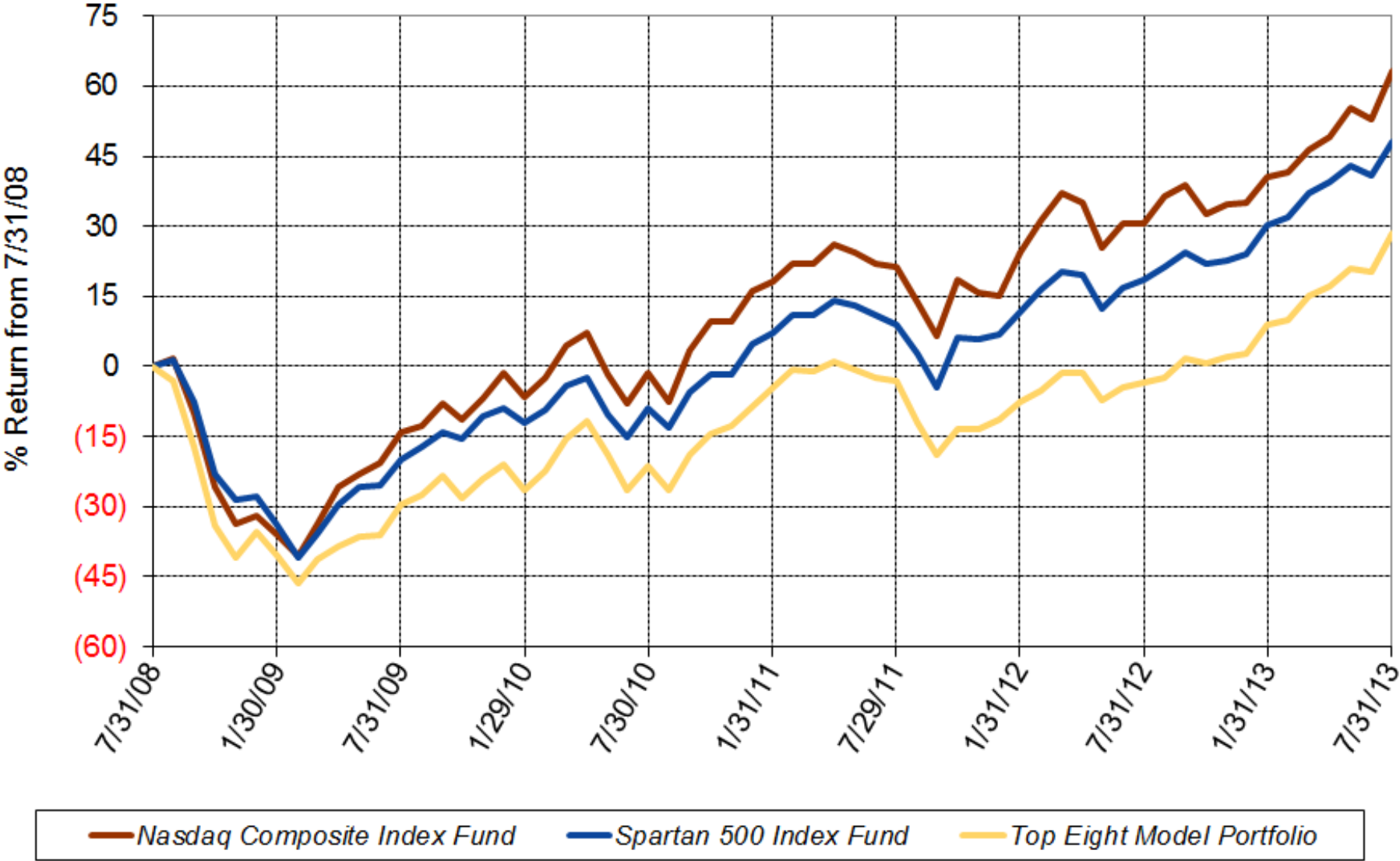


10-Year Chart

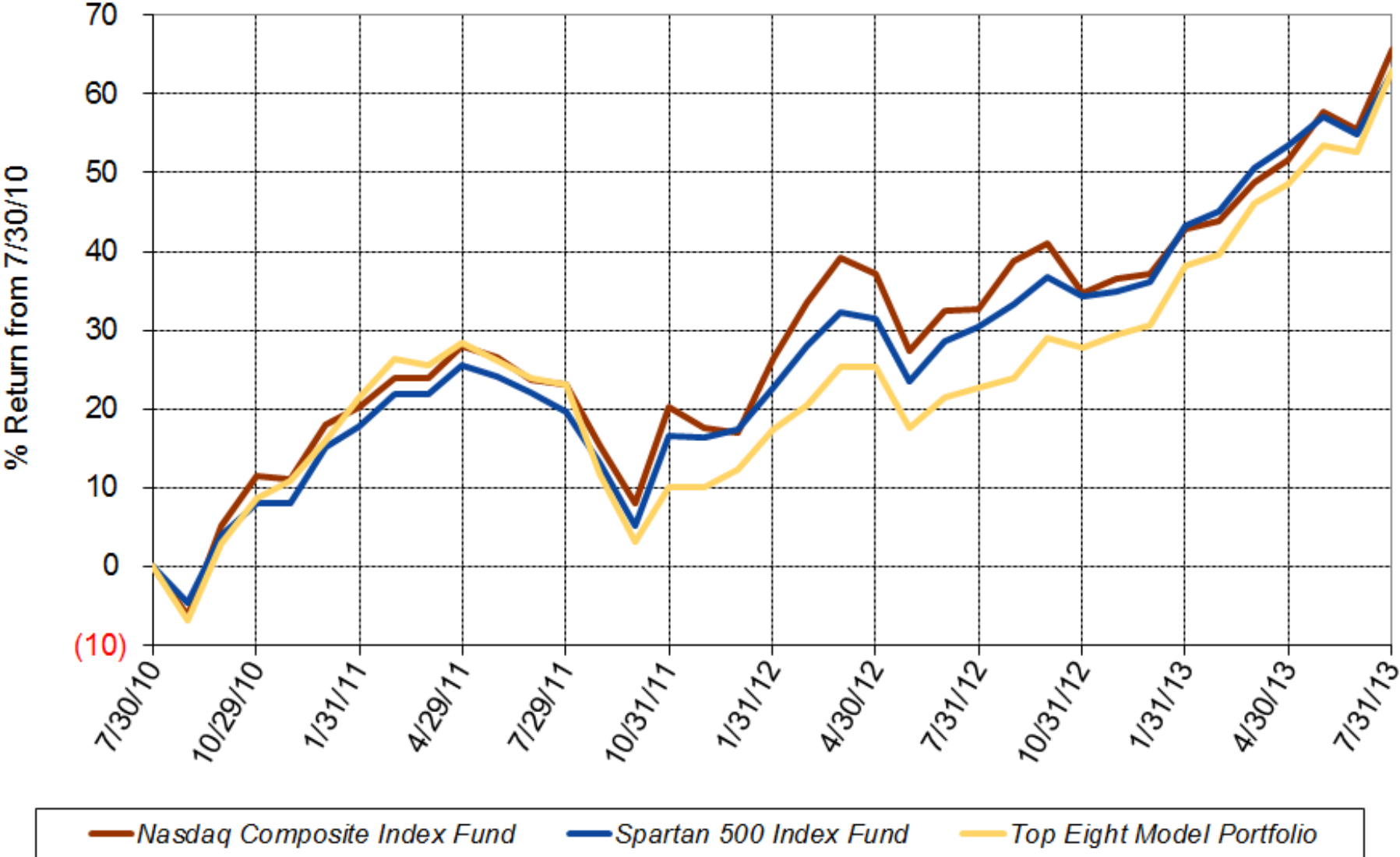


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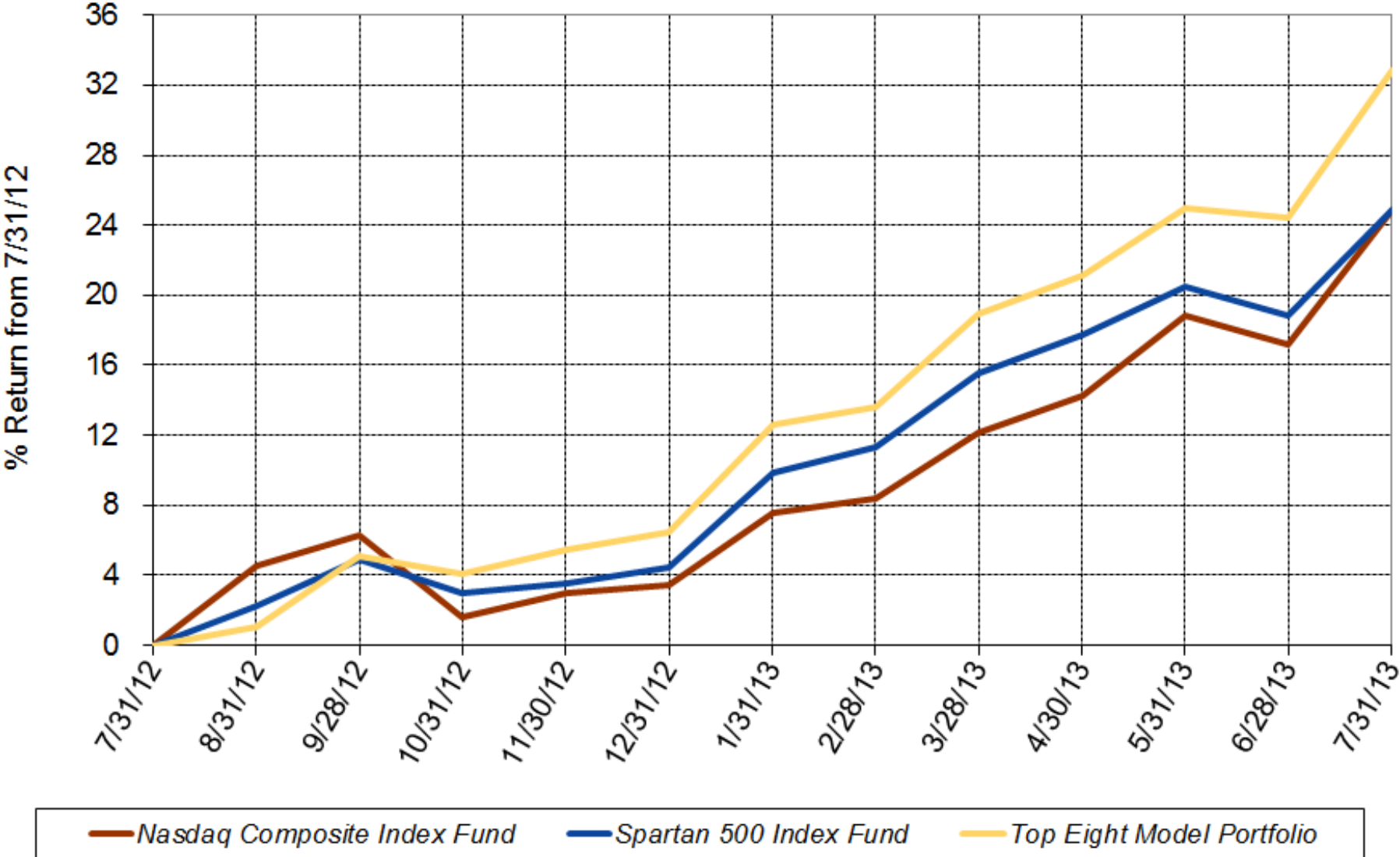
5-Year Chart



3-Year Chart



1-Year Chart



Daily Chart July 2013

