

FIDELITY SELECT FUNDRANKER™

Volume 8 Issue 9

The Right Funds at the Right Time

September 2013

Broad Market Declines in August

After the S&P 500 Index set a new all-time high on August 2, the broad market declined fairly steadily over the remainder of the month.

Every fund in the *Top Eight Model Portfolio* lost value in August. Automotive managed the smallest one-month loss at 0.51%. Health Care, Defense & Aerospace, and Biotechnology followed with one-month losses of 1.82%, 2.45%, and 2.61%. Multimedia, Banking, Brokerage & Investment Management, and Air Transportation brought up the rear with one-month losses ranging from 3.28% to 4.22%. To put a little perspective on these losses, let us point out that only seven of Fidelity's 39 Select funds gained in August: three energy funds, three technology funds, and Gold.

During August, the tech-heavy Nasdaq Composite Index lost only 0.847%, while the *Top Eight Model Portfolio* lost 2.725%, and the S&P 500 Index lost 2.910%. For 2013 YTD through August, the *Top Eight Model Portfolio* gained 21.393%, the Nasdaq Composite Index gained 19.726%, and the S&P 500 Index gained 16.070%.

Final Performance of Funds Sold on August 5

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

Fund	Bought	Sold	Return
Consumer Discretionary (FSCPX)	7/5/2013	8/5/2013	5.34%
Insurance (FSPCX)	6/5/2013	8/5/2013	8.63%

Federal Reserve to Meet September 17 and 18

Federal Reserve officials will weigh several economic concerns in their meeting on September 17 and 18 as they consider reducing the pace of their QE3 bond purchases:

Friday's report on inflation showed that it remains considerably below the Fed's stated goal of 2%. Overall inflation and core inflation (excludes food and energy) both came in at 0.1% for July. Over the last year, overall inflation was just 1.4%, and core inflation was just 1.2%. Furthermore, that core inflation figure has remained the same the last four months in a row, lending weight to the idea that the economy still may be too weak to cut back on QE3 stimulus.

The Labor Department reported last Thursday that claims for unemployment benefits fell last week to 331,000. Economists had expected a decline to 332,000. The four-week moving average also came in near the same level, which bodes well for employment gains in August, which the Federal Reserve will consider carefully.

The Commerce Department revised their estimate of second quarter growth to 2.5% from their earlier estimate of 1.7%, despite the effects of sequester on government spending. Housing played a large part in that growth, so the Fed surely will take note of how the mere expectation of tapering has increased mortgage rates to the detriment of the housing market.

Consumer Sentiment Falls in August

Here at *Fundranker*, we think of consumer sentiment as a trailing indicator or even as a contrarian indicator. The University of Michigan index fell from 85.1 at the end of July to 82.1 at the end of August. In a preliminary reading in mid-August, however, the University of Michigan pegged sentiment at 80.0. We view falling sentiment as good for the stock market, but the apparent rise from mid-month to month-end reduces that somewhat. Also considering that the index is still 5.5 points below its non-recession average of 87.6, we see this reading as a positive indicator for the stock market.

Holding Period Alert

If you purchased shares after August 5 of any funds which are being exchanged on September 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 Air Transportation on

August 7, you should wait a full 30 days and exchange Air Transportation on September 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, 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 September 2013

Fund Name (Symbol)	Purchase	Return to 8/30
1. Biotechnology (FBIOX)	3/6/2013	27.08%
2. Automotive (FSAVX)	5/6/2013	13.92%
3. Health Care (FSPHX)	8/5/2013	(2.97)%
4. IT Services (FBSOX)	9/4/2013	
5. Defense & Aerospace (FSDAX)	7/5/2013	1.30%
6. Software & Comp Svcs (FSCSX)	9/4/2013	
7. Multimedia (FBMPX)	7/2/2012	37.95%
8. Retailing (FSRPX)	9/4/2013	
Funds to be sold on September 4:		
9. Air Transportation (FSAIX)	8/5/2013	(5.96)%
11. Brokerage & Inv Mgmt (FSLBX)	5/6/2013	2.05%
18. Banking (FSRBX)	7/5/2013	(1.52)%

Fundranker Exchanges for September 4

Sell Brokerage & Inv Mgmt (FSLBX), buy IT Services (FBSOX)
Sell Air Transport (FSAIX), buy Software & Comp Svcs (FSCSX)
Sell Banking (FSRBX), buy Retailing (FSRPX)

Fundranker Invest New Money Date

Invest new money on September 3. Hold until at least October 3.

Optional Rebalancing Exchange Dates

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

Upcoming Fundranker Exchange Date

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

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<i>Fundranker</i> Ratings for 8/30/13	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)	36.02*	11.55	1.95	(4.22)	12.325	9
Automotive (FSAVX)	53.58*	25.66*	8.31*	(0.51)	24.760	2
Banking (FSRBX)	23.01	13.81*	4.19	(4.02)	10.248	18
Biotechnology (FBIOX)	50.47*	33.85*	10.16*	(2.61)	25.968	1
Brokerage & Investment Mgmt (FSLBX)	37.96*	10.25	(1.58)	(4.13)	11.625	11
Chemicals (FSCHX)	21.31	7.97	2.04	(0.70)	7.655	27
Communications Equipment (FSDCX)	20.63	7.98	3.22	(2.20)	7.408	29
Computers (FDCPX)	12.01	11.14	0.91	(1.57)	5.623	33
Construction & Housing (FSHOX)	22.05	1.73	(6.50)	(5.48)	2.950	38
Consumer Discretionary (FSCPX)	25.91	13.74*	3.16	(2.91)	10.975	13
Consumer Finance (FSVLX)	26.78*	12.31	1.71	(3.13)	10.418	17
Consumer Staples (FDFAX)	13.85	3.69	(1.36)	(3.61)	3.143	36
Defense & Aerospace (FSDAX)	30.57*	16.07*	4.35*	(2.45)	15.135	5
Electronics (FSELX)	18.88	11.81	2.88	(1.56)	8.003	26
Energy (FSENX)	16.94	6.91	3.30	(0.14)	6.753	31
Energy Service (FSESX)	17.56	7.34	4.58*	1.51*	9.748	19
Environment & Alternative Energy (FSLEX)	26.43	9.56	1.48	(3.08)	8.598	23
Financial Services (FIDSX)	25.19	9.46	(0.21)	(3.93)	7.628	28
Gold (FSAGX)	(38.52)	(23.21)	(1.67)	8.11*	(12.823)	39
Health Care (FSPHX)	36.56*	21.98*	6.75*	(1.82)	18.868	3
Industrial Equipment (FSCGX)	19.91	4.86	0.93	(2.97)	5.683	32
Industrials (FCYIX)	26.11	7.82	2.01	(2.84)	8.275	25
Insurance (FSPCX)	29.84*	11.35	0.80	(3.77)	10.555	16
IT Services (FBSOX)	32.59*	15.83*	6.37*	(0.13)	16.665	4
Leisure (FDLSX)	28.00*	13.19	3.46	(1.13)	11.880	10
Materials (FSDPX)	15.88	4.67	0.89	(0.93)	5.128	34
Medical Delivery (FSHCX)	20.64	14.70*	4.61*	(2.12)	11.458	12
Medical Equipment & Systems (FSMEX)	26.29	11.33	3.70	(2.80)	9.630	20
Multimedia (FBMPX)	32.06*	14.18*	3.19	(3.28)	13.538	7
Natural Gas (FSNGX)	14.57	7.66	4.43*	1.67*	9.083	22
Natural Resources (FNARX)	14.17	6.01	4.30*	1.18*	8.415	24
Pharmaceuticals (FPHAX)	24.83	13.39*	2.68	(1.69)	10.803	14
Retailing (FSRPX)	25.86	15.17*	4.71*	(1.77)	12.993	8
Software & Computer Services (FSCSX)	24.35	15.94*	6.31*	0.45*	14.763	6
Technology (FSPTX)	12.20	11.32	5.04*	0.24*	9.200	21
Telecommunications (FSTCX)	13.08	7.61	0.34	(3.39)	4.410	35
Transportation (FSRFX)	31.15*	9.95	1.21	(3.35)	10.740	15
Utilities (FSUTX)	12.54	3.00	0.93	(3.90)	3.143	36
Wireless (FWRLX)	16.99	5.93	1.79	0.89*	7.400	30

*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

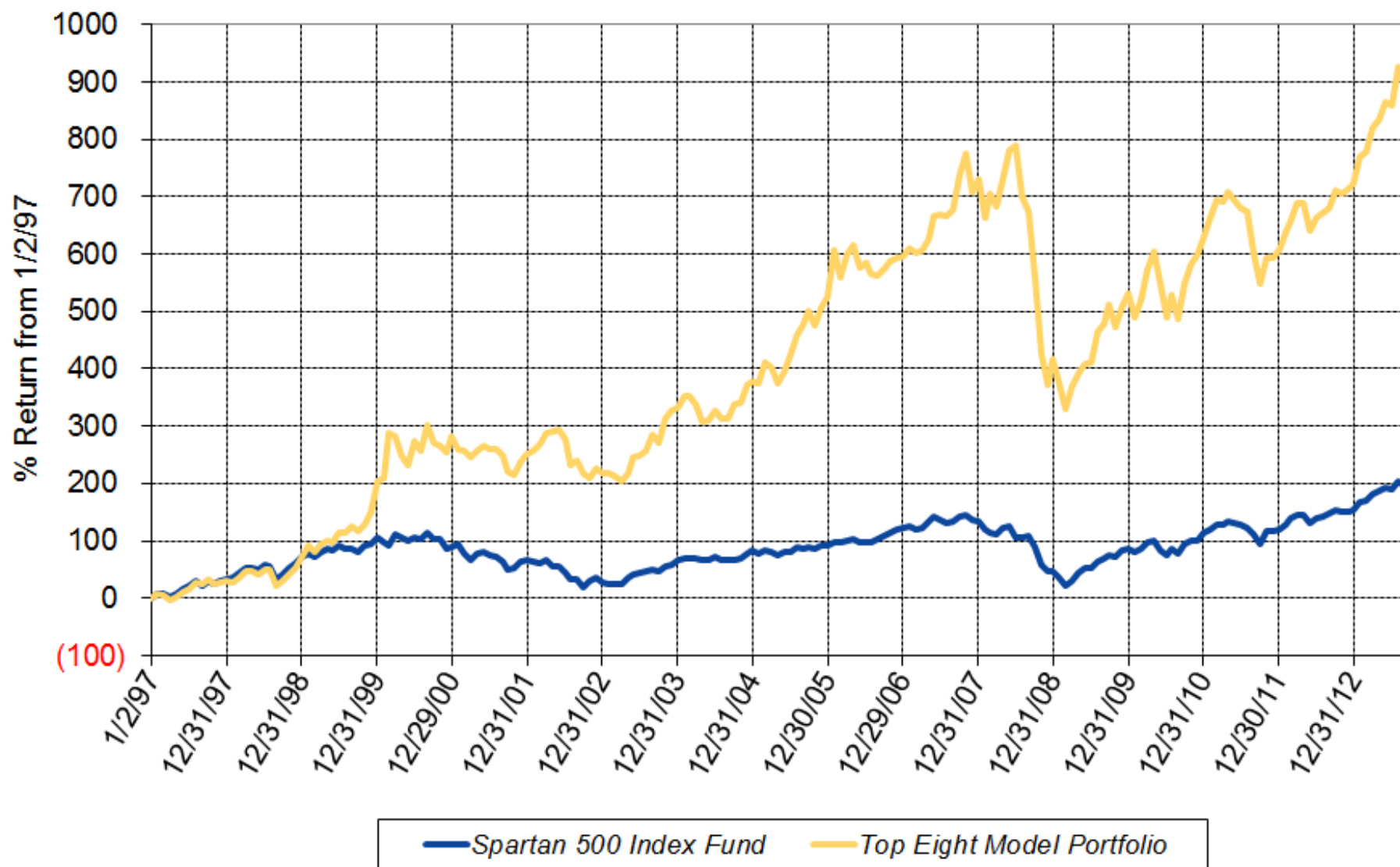
Sell on September 4, 2013

Buy on September 4, 2013

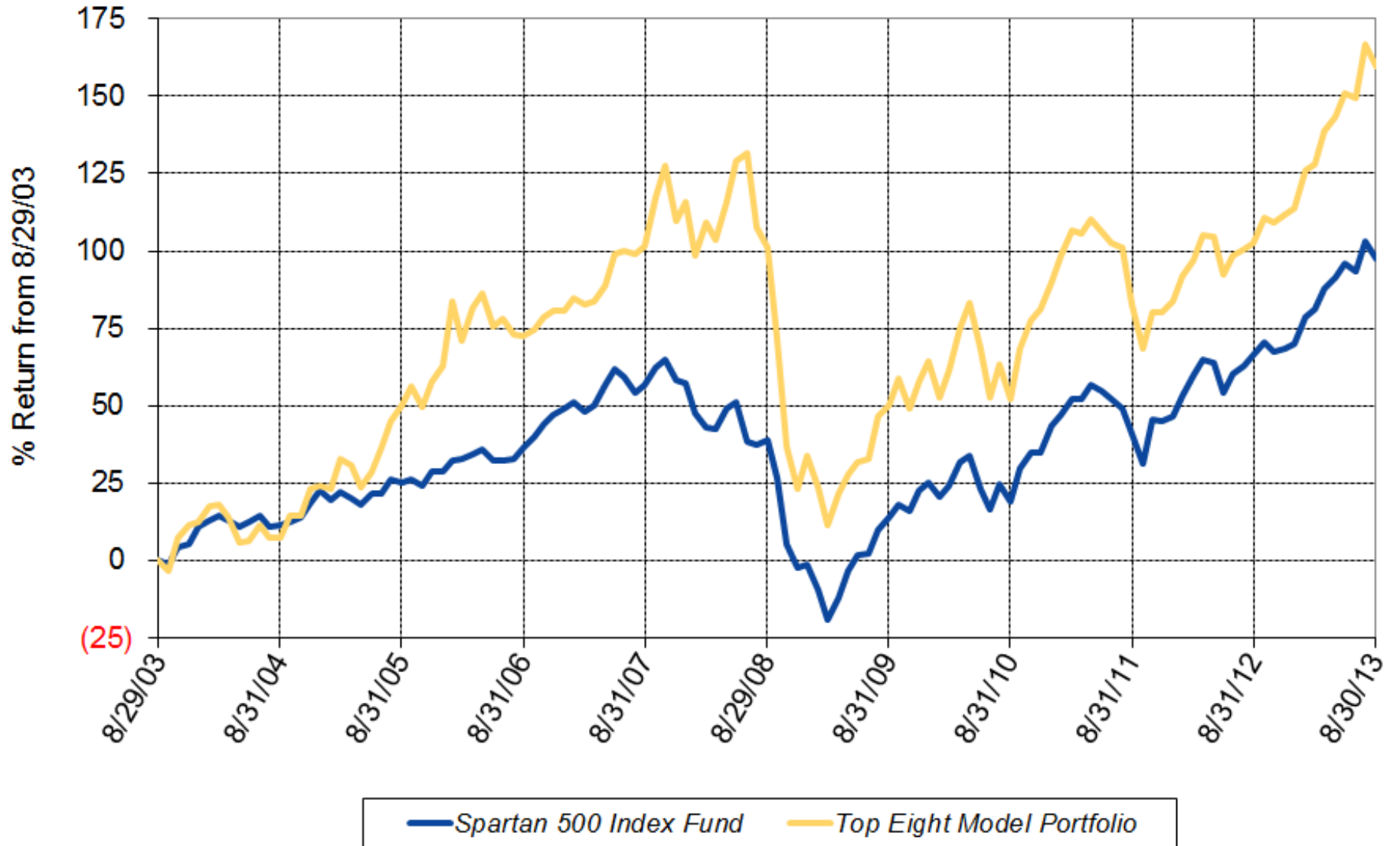
Hold

Fundranker Performance for August 2013												
7/31 Funds	7/31 Shares	7/31 Amount	<=8/5 Div Shrs	8/5 Shares	8/5 Amount	8/5 Funds	8/5 Shares	8/5 Amount	>8/5 Div Shrs	8/30 Shares	8/30 Amount	Aug Return
FSAVX	596.646	30,631.81	none	596.646	31,485.01	FBIOX	187.199	31,406.30	none	187.199	30,172.73	
FBIOX	197.001	32,603.67	none	197.001	33,050.86	FSAVX	595.154	31,406.30	none	595.154	30,400.47	
FBMPX	417.349	30,324.58	none	417.349	30,896.35	FSPHX	177.206	31,406.30	none	177.206	30,472.34	
FSPCX	471.122	30,264.88	none	471.122	30,830.22	FSDAX	283.963	31,406.30	none	283.963	29,983.65	
FSLBX	481.160	30,981.89	none	481.160	31,511.17	FSLBX	479.559	31,406.30	none	479.559	29,603.18	
FSCPX	952.406	30,400.80	none	952.406	31,162.72	FSAIX	607.589	31,406.30	none	607.589	29,534.90	
FSRBX	1,246.071	30,354.29	none	1,246.071	30,927.48	FSRBX	1,265.363	31,406.30	none	1,265.363	29,584.19	
FSDAX	283.785	30,716.89	none	283.785	31,386.62	FBMPX	424.237	31,406.30	none	424.237	29,815.38	
Top Eight		246,278.81			251,250.43			251,250.40			239,566.84	(2.725)
FNCMX	1,584.044	76,699.41	none						none	1,584.044	76,049.95	(0.847)
FUSEX	1,217.017	72,777.62	none						none	1,217.017	70,660.01	(2.910)
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	21.393							
Nasdaq Composite Index Fund				17.325	19.726							
Spartan 500 Index Fund - Investor Class				15.929	16.070							
Lifetime Summary				1/2/97 to 8/30/13		1/2/97 to 8/30/13						
				Total Return %		Average Annual Return %						
<i>Top Eight Model Portfolio</i>				898.195		14.803						
Nasdaq Composite Index Fund				N/A		N/A						
Spartan 500 Index Fund - Investor Class				194.417		6.693						
10-Year Summary				8/29/03 to 8/30/13		8/29/03 to 8/30/13						
				Total Return %		Average Annual Return %						
<i>Top Eight Model Portfolio</i>				159.388		10.001						
Nasdaq Composite Index Fund				N/A		N/A						
Spartan 500 Index Fund - Investor Class				97.284		7.031						
5-Year Summary				8/29/08 to 8/30/13		8/29/08 to 8/30/13						
				Total Return %		Average Annual Return %						
<i>Top Eight Model Portfolio</i>				28.896		5.208						
Nasdaq Composite Index Fund				58.786		9.689						
Spartan 500 Index Fund - Investor Class				41.770		7.230						
3-Year Summary				8/31/10 to 8/30/13		8/31/10 to 8/30/13						
				Total Return %		Average Annual Return %						
<i>Top Eight Model Portfolio</i>				70.262		19.410						
Nasdaq Composite Index Fund				75.146		20.541						
Spartan 500 Index Fund - Investor Class				65.562		18.301						
1-Year Summary				8/31/12 to 8/30/13		8/31/12 to 8/30/13						
				Total Return %		Average Annual Return %						
<i>Top Eight Model Portfolio</i>				27.949		18.449						
Nasdaq Composite Index Fund				18.449		18.596						
Spartan 500 Index Fund - Investor Class				18.596								

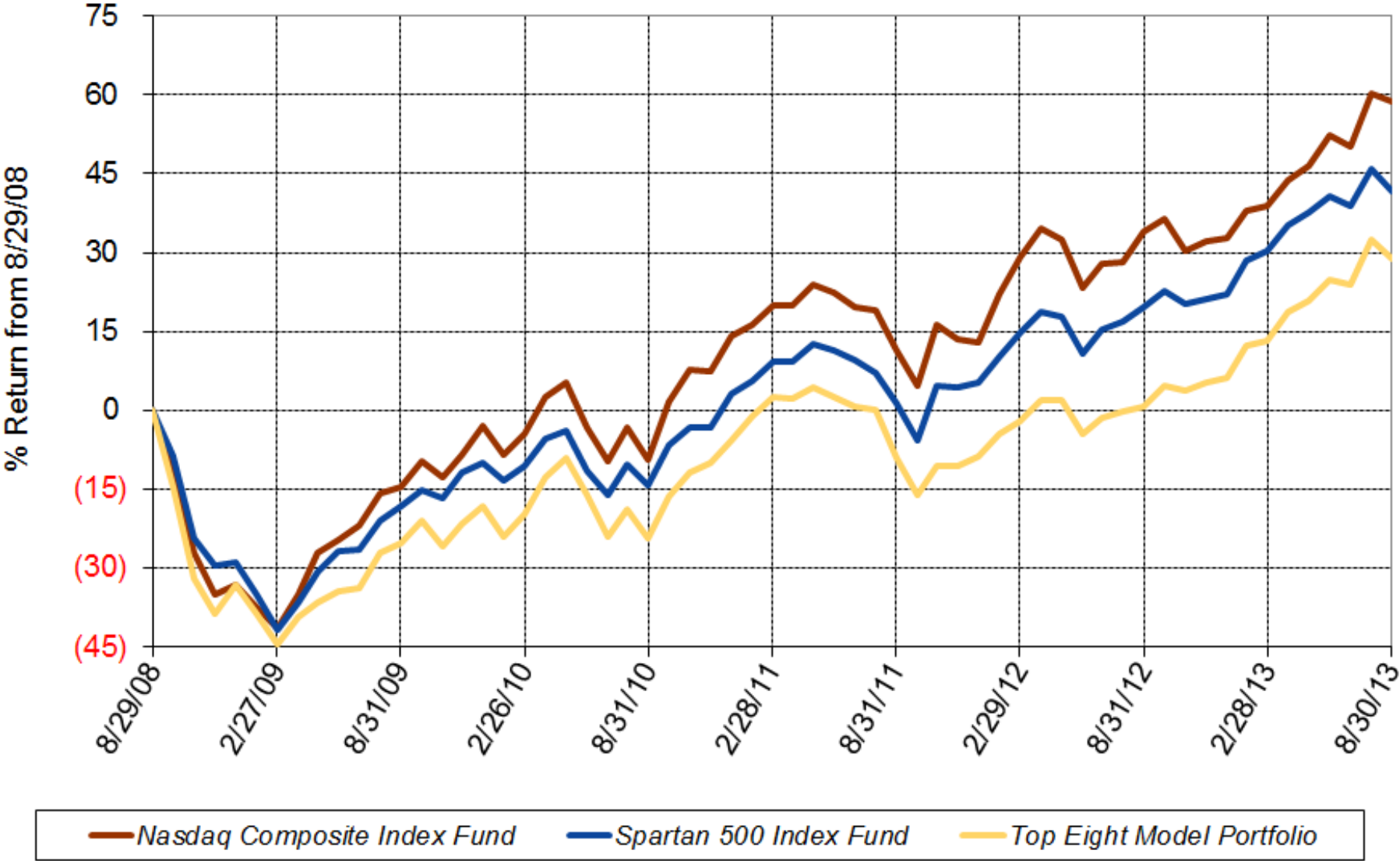
Lifetime Chart



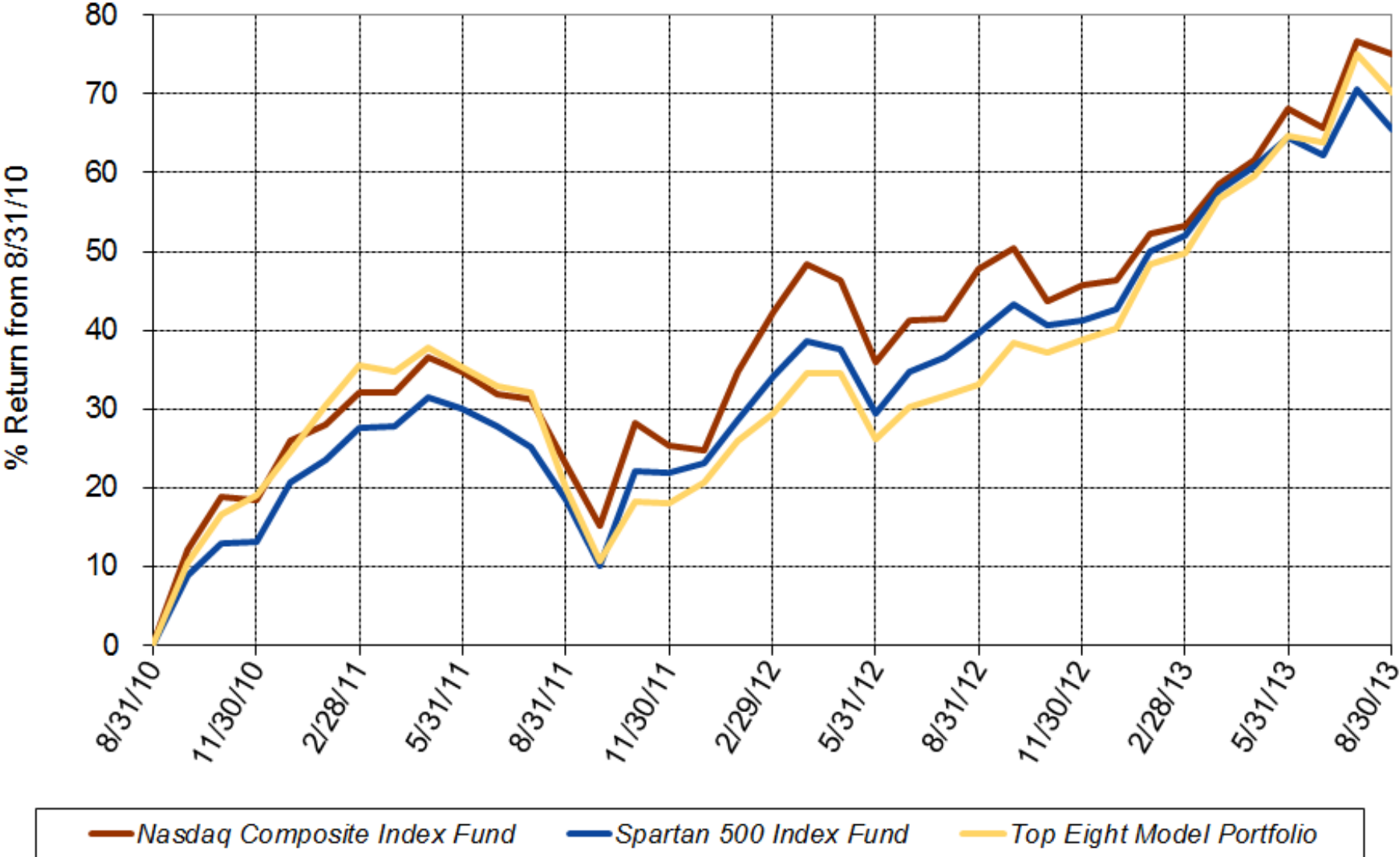
10-Year Chart



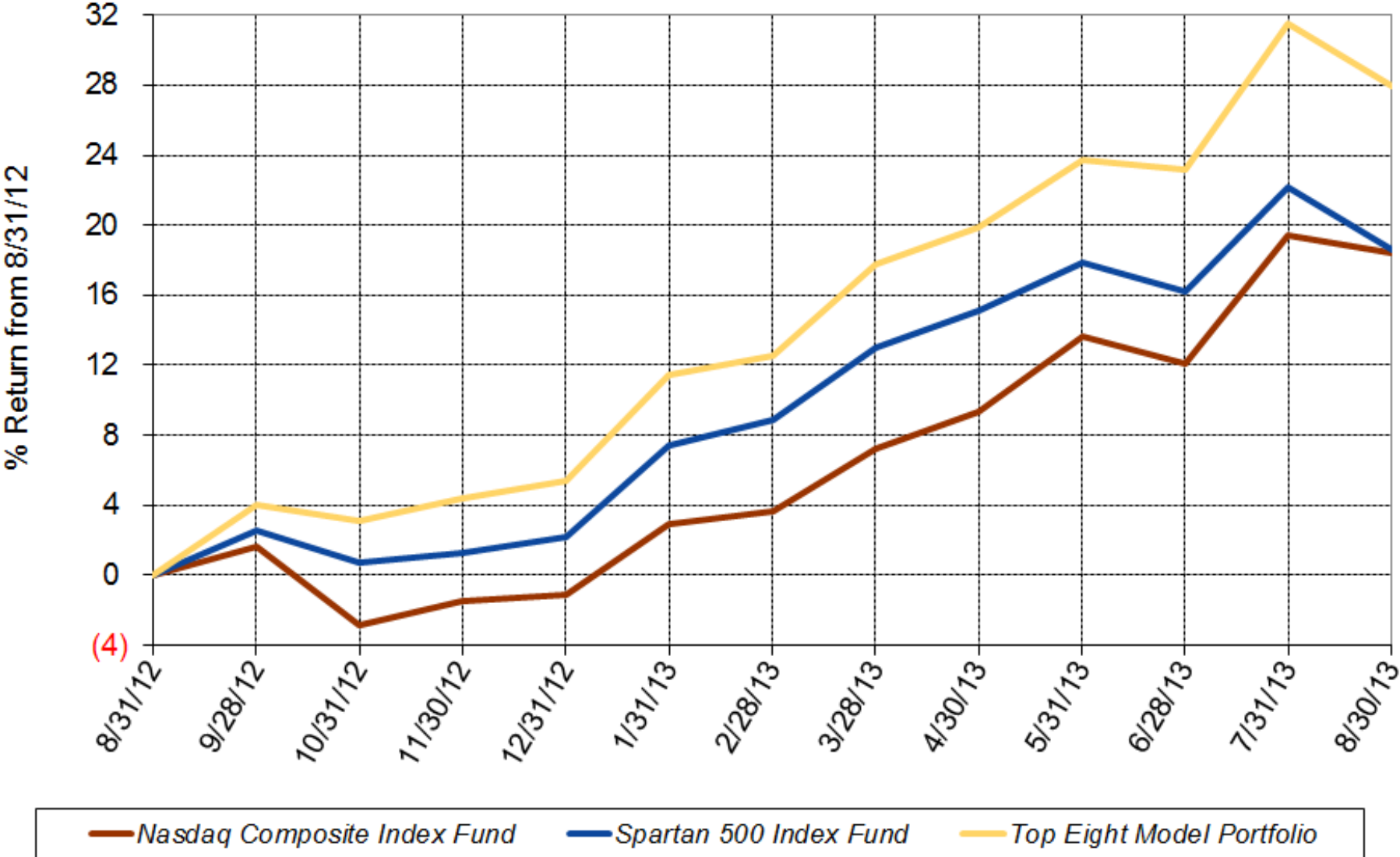
5-Year Chart



3-Year Chart



1-Year Chart



Daily Chart August 2013

