

# FIDELITY SELECT FUNDRANKER™

Volume 8 Issue 10

The Right Funds at the Right Time

October 2013

## September Performance Impresses

The S&P 500 Index set two new all-time highs in the middle of September, but the broad market struggled later in the month.

Every fund in the *Top Eight Model Portfolio* gained value in September. Biotechnology, Multimedia, and Defense & Aerospace outperformed with one-month gains of 8.87%, 7.26% and 7.25%. Software & Computer Services, Automotive, IT Services, and Retailing followed with one-month gains ranging from 6.91% to 6.18%. Health Care brought up the rear with a one-month gain of 5.25%.

During September, the *Top Eight Model Portfolio* gained 6.931%, while the Nasdaq Composite and the S&P 500 Indexes gained only 5.124% and 3.135%. For 2013 YTD through September, the *Top Eight Model Portfolio* gained 29.806%, while the Nasdaq Composite and the S&P 500 Indexes gained only 25.860% and 19.708%.

## Final Performance of Funds Sold on September 4

*Fundranker* exchanged three funds on September 4. Here are the returns they contributed to the *Top Eight Model Portfolio*:

Fund	Bought	Sold	Return
Air Transportation (FSAIX)	8/5/2013	9/4/2013	(4.60)%
Banking (FSRBX)	7/5/2013	9/4/2013	(0.63)%
Brokerage & Inv Mgmt (FSLBX)	5/6/2013	9/4/2013	4.38%

## New All-Time Highs Set Sixth Month out of Seven

The broad S&P 500 Index and *Fundranker's Top Eight Model Portfolio* both set new all-time highs, and the Nasdaq Composite set new bull market highs in mid-September. Not at all coincidentally, the Federal Open Market Committee of the Federal Reserve decided at their September 17 and 18 meeting not to taper their \$85 billion per month quantitative easing program.

## Government Angst Roils Markets in Late September

After the broad S&P 500 Index set its latest all-time high on September 18 on news that the FOMC will continue its current round of bond-buying undiminished at least until they meet again in December, it fell five straight sessions, a first for 2013, and fell the last two sessions of September as well.

The divided U.S. Congress currently is grappling with two serious issues, and they have not left themselves much time to resolve their differences. Congress needs to pass a continuing resolution to fund the government beginning October 1, and they need to raise the debt ceiling so the government can continue to service its debt after approximately October 17.

With the U.S. government's new fiscal year beginning on October 1 and in the absence of a full-year spending bill, Congress had to pass a continuing resolution to fund government departments to avoid a shutdown. Many House and Senate Republicans saw this as another opportunity to defund or delay the Affordable Care Act, which led to a standoff with House and Senate Democrats and President Obama. Many politicians on both sides promised that the government would not shutdown, but no compromise was reached, and time has run out. The government began an orderly shutdown as of 12:01 this morning, October 1. Surprisingly, stock futures are up early this morning as this issue goes to press.

Sometime later in October, the U.S. government will not be able to service its debt and stay within the current debt ceiling. If Congress does not raise the debt ceiling in time, it could trigger a first-ever U.S. government debt default, which could have catastrophic world-wide repercussions. Defunding the Affordable Care Act again will be a key sticking point in negotiations.

## Holding Period Alert

If you purchased shares after September 2 of any funds which

are being exchanged on October 2, 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 new shares of Multimedia on September 3, you should wait a full 30 days and exchange Multimedia on October 3 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 October 2013

Fund Name (Symbol)	Purchase	Return to 9/30
1. Biotechnology (FBIOX)	3/6/2013	38.35%
2. Automotive (FSAVX)	5/6/2013	21.10%
3. Defense & Aerospace (FSDAX)	7/5/2013	8.64%
4. Health Care (FSPHX)	8/5/2013	2.12%
5. Retailing (FSRPX)	9/4/2013	4.29%
6. IT Services (FBSOX)	9/4/2013	1.84%
7. Air Transportation (FSAIX)	10/2/2013	
8. Software & Comp Srvcs (FSCSX)	9/4/2013	6.26%
Funds to be sold on October 2:		
9. Multimedia (FBMPX)	7/2/2012	47.96%

## Fundranker Exchanges for October 2

Sell Multimedia (FBMPX), buy Air Transportation (FSAIX)

## Fundranker Invest New Money Date

Invest new money on October 2.

## Optional Rebalancing Exchange Dates

Method 1: none; Method 2: October 2; Method 3: October 2 (see the rebalancing FAQ at [www.fundranker.com](http://www.fundranker.com) for more information)

## Upcoming Fundranker Exchange Date

*Fundranker* will exchange on November 4, which date will avoid roundtrip transactions even for funds held only one month as long as they were purchased no later than October 4.

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<i>Fundranker</i> Ratings for 9/30/13 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)	45.89*	11.74	10.42	8.11*	21.040	7
Automotive (FSAVX)	63.26*	29.29*	13.01*	6.30*	31.965	2
Banking (FSRBX)	22.48	12.73	5.04	2.57	10.705	30
Biotechnology (FBIOX)	54.67*	32.59*	23.79*	8.87*	33.980	1
Brokerage & Investment Mgmt (FSLBX)	37.00*	14.57*	6.35	4.21	17.533	11
Chemicals (FSCHX)	25.71	11.92	10.65*	5.46	14.435	18
Communications Equipment (FSDCX)	26.15	13.57	9.83	5.52	13.768	19
Computers (FDCPX)	12.23	6.70	6.00	1.33	6.565	36
Construction & Housing (FSHOX)	23.33	4.12	2.04	5.44	8.733	34
Consumer Discretionary (FSCPX)	30.40	15.85*	8.28	5.91	16.110	13
Consumer Finance (FSVLX)	27.54	11.33	6.34	4.16	12.343	23
Consumer Staples (FDFAX)	14.50	1.91	2.65	2.24	5.325	38
Defense & Aerospace (FSDAX)	39.72*	17.87*	11.41*	7.25*	23.063	3
Electronics (FSELX)	29.95	13.99*	8.60	4.78	15.330	16
Energy (FSENX)	17.71	8.47	9.56	4.27	10.003	31
Energy Service (FSESX)	21.33	11.40	10.34	4.66	11.933	24
Environment & Alternative Energy (FSLEX)	33.73*	13.25	10.22	6.10*	17.825	10
Financial Services (FIDSX)	26.32	11.85	5.29	3.33	11.698	26
Gold (FSAGX)	(50.60)	(30.39)	11.14*	(9.50)	(18.838)	39
Health Care (FSPHX)	36.18*	20.53*	14.20*	5.25	22.040	4
Industrial Equipment (FSCGX)	23.63	9.67	9.42	5.93*	13.163	21
Industrials (FCYIX)	30.99	11.21	9.54	6.01*	15.438	15
Insurance (FSPCX)	33.91*	13.12	5.86	5.81	15.675	14
IT Services (FBSOX)	33.71*	17.23*	12.78*	6.20*	21.480	6
Leisure (FDLSX)	28.57	12.19	8.38	4.99	13.533	20
Materials (FSDPX)	15.98	6.26	9.19	4.05	8.870	33
Medical Delivery (FSHCX)	21.03	13.94	5.65	2.31	10.733	29
Medical Equipment & Systems (FSMEX)	22.94	11.47	7.81	3.90	11.530	28
Multimedia (FBMPX)	35.11*	15.33*	8.85	7.26*	19.638	9
Natural Gas (FSNGX)	18.09	8.24	12.14*	4.27	11.685	27
Natural Resources (FNARX)	13.44	7.13	11.42*	3.90	9.973	32
Pharmaceuticals (FPHAX)	24.24	11.69	7.44	3.50	11.718	25
Retailing (FSRPX)	31.67*	21.29*	11.28*	6.18*	21.605	5
Software & Computer Services (FSCSX)	28.50	20.30*	12.76*	6.91*	20.118	8
Technology (FSPTX)	16.94	15.22*	12.05*	5.61	14.455	17
Telecommunications (FSTCX)	12.98	8.45	3.26	4.31	7.250	35
Transportation (FSRFX)	41.30*	10.09	8.13	5.86	17.345	12
Utilities (FSUTX)	14.30	0.25	3.56	3.23	5.335	37
Wireless (FWRLX)	19.88	9.85	9.73	6.48*	12.485	22

\*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

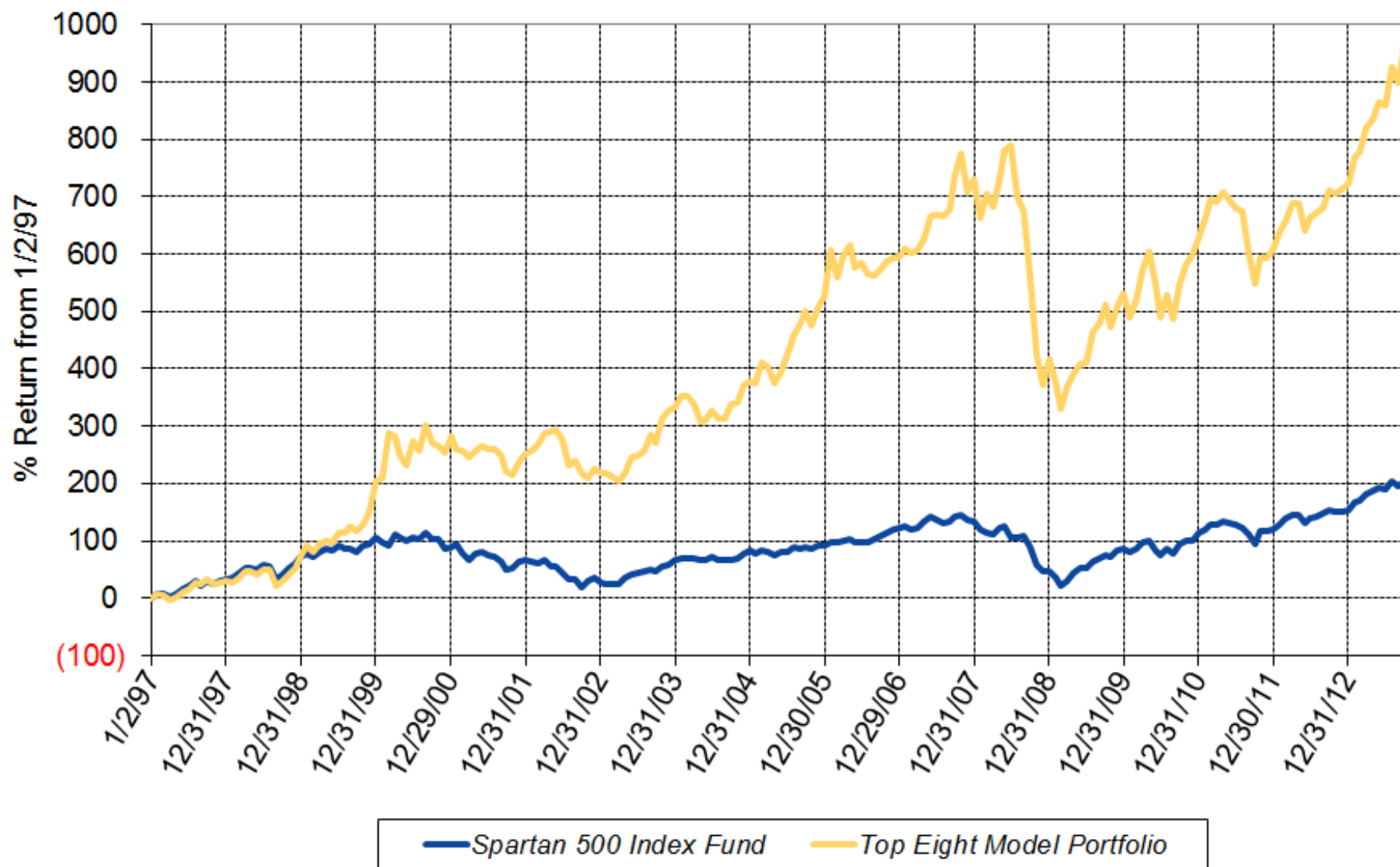
Sell on October 2, 2013

Buy on October 2, 2013

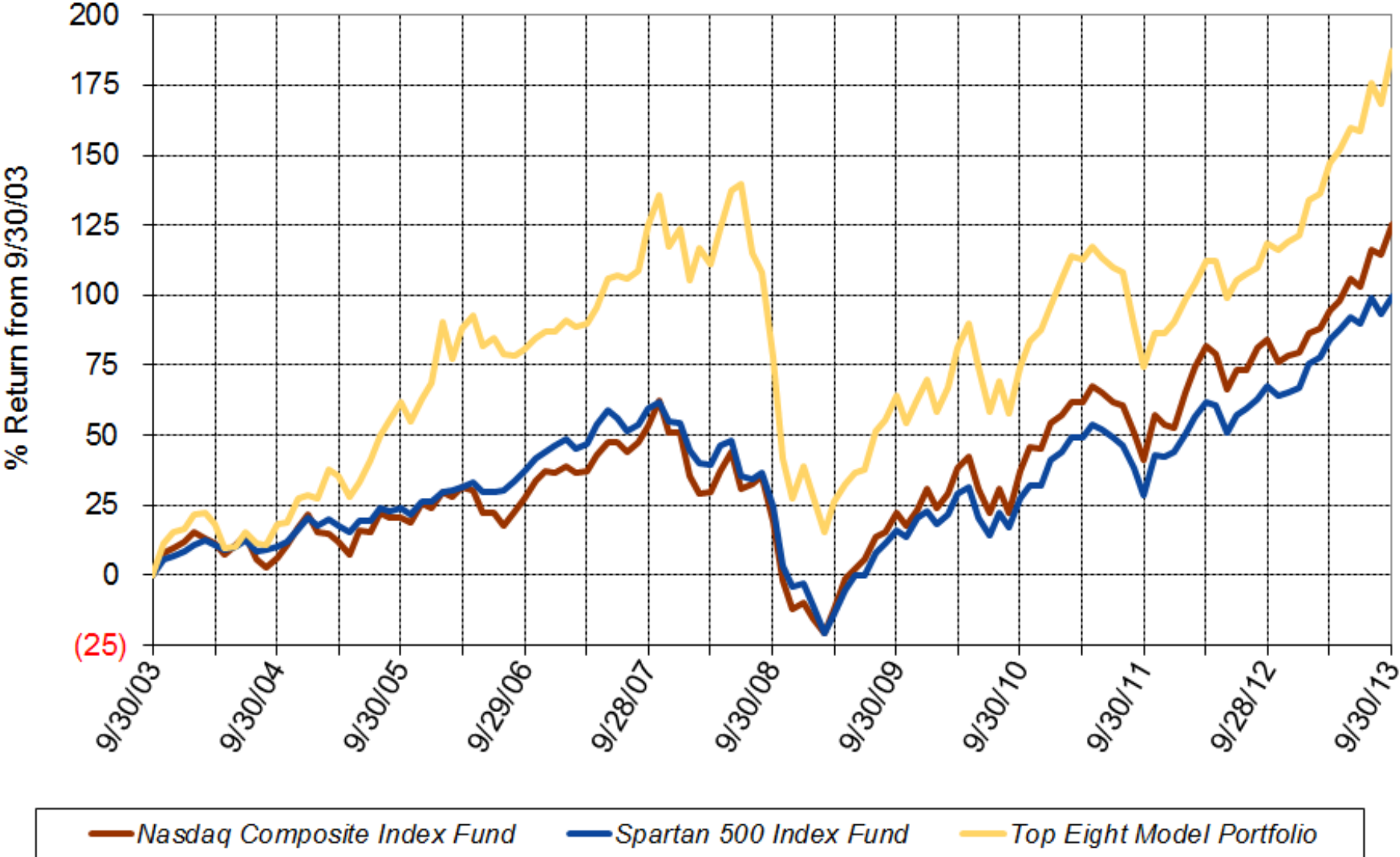
Hold

Fundranker Performance for September 2013													
8/30 Funds	8/30 Shares	8/30 Amount	<=9/4 Div Shrs	9/4 Shares	9/4 Amount	9/4 Funds	9/4 Shares	9/4 Amount	>9/4 Div Shrs	9/30 Shares	9/30 Amount	Sep Return	
FBIOX	187.199	30,172.73	none	187.199	31,453.18	FBIOX	182.414	30,649.19	none	182.414	32,008.18		
FSAVX	595.154	30,400.47	none	595.154	31,364.62	FSAVX	581.579	30,649.19	none	581.579	31,579.74		
FSPHX	177.206	30,472.34	none	177.206	31,200.66	FSPHX	174.074	30,649.19	none	174.074	31,503.91		
FSDAX	283.963	29,983.65	none	283.963	30,616.89	FBSOX	954.506	30,649.19	none	954.506	32,185.94		
FSLBX	479.559	29,603.18	none	479.559	30,279.36	FSDAX	284.263	30,649.19	none	284.263	32,192.78		
FSAIX	607.589	29,534.90	none	607.589	29,960.21	FSCSX	298.667	30,649.19	none	298.667	32,566.65		
FSRBX	1,265.363	29,584.19	none	1,265.363	29,849.91	FBMPX	426.750	30,649.19	none	426.750	32,168.42		
FBMPX	424.237	29,815.38	none	424.237	30,468.70	FSRPX	392.787	30,649.19	none	392.787	31,965.01		
<b>Top Eight</b>		<b>239,566.84</b>			<b>245,193.53</b>			<b>245,193.50</b>			<b>256,170.63</b>	<b>6.931</b>	
FNCMX1	1,584.044	76,049.95	none						none	1,584.044	79,946.70	5.124	
FUSEX1	1,217.017	70,660.01	none						none	1,217.017	72,874.98	3.135	
Yearly Summaries				1997 Return %	1998 Return %	1999 Return %	2000 Return %	2001 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 Return %	2003 Return %	2004 Return %	2005 Return %	2006 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 Return %	2008 Return %	2009 Return %	2010 Return %	2011 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 %	2013 YTD Return %								
<i>Top Eight Model Portfolio</i>				16.302	29.806								
Nasdaq Composite Index Fund				17.325	25.860								
Spartan 500 Index Fund - Investor Class				15.929	19.708								
Lifetime Summary				1/2/97 to 9/30/13 Total Return %		1/2/97 to 9/30/13 Average Annual Return %							
<i>Top Eight Model Portfolio</i>				967.378		15.184							
Nasdaq Composite Index Fund				N/A		N/A							
Spartan 500 Index Fund - Investor Class				203.646		6.856							
10-Year Summary				9/30/03 to 9/30/13 Total Return %		9/30/03 to 9/30/13 Average Annual Return %							
<i>Top Eight Model Portfolio</i>				187.150		11.125							
Nasdaq Composite Index Fund				125.639		8.478							
Spartan 500 Index Fund - Investor Class				105.680		7.478							
5-Year Summary				9/30/08 to 9/30/13 Total Return %		9/30/08 to 9/30/13 Average Annual Return %							
<i>Top Eight Model Portfolio</i>				61.512		10.063							
Nasdaq Composite Index Fund				88.934		13.570							
Spartan 500 Index Fund - Investor Class				60.537		9.930							
3-Year Summary				9/30/10 to 9/30/13 Total Return %		9/30/10 to 9/30/13 Average Annual Return %							
<i>Top Eight Model Portfolio</i>				64.682		18.091							
Nasdaq Composite Index Fund				64.168		17.968							
Spartan 500 Index Fund - Investor Class				56.785		16.172							
1-Year Summary				9/28/12 to 9/30/13 Total Return %									
<i>Top Eight Model Portfolio</i>				31.534									
Nasdaq Composite Index Fund				22.459									
Spartan 500 Index Fund - Investor Class				19.238									

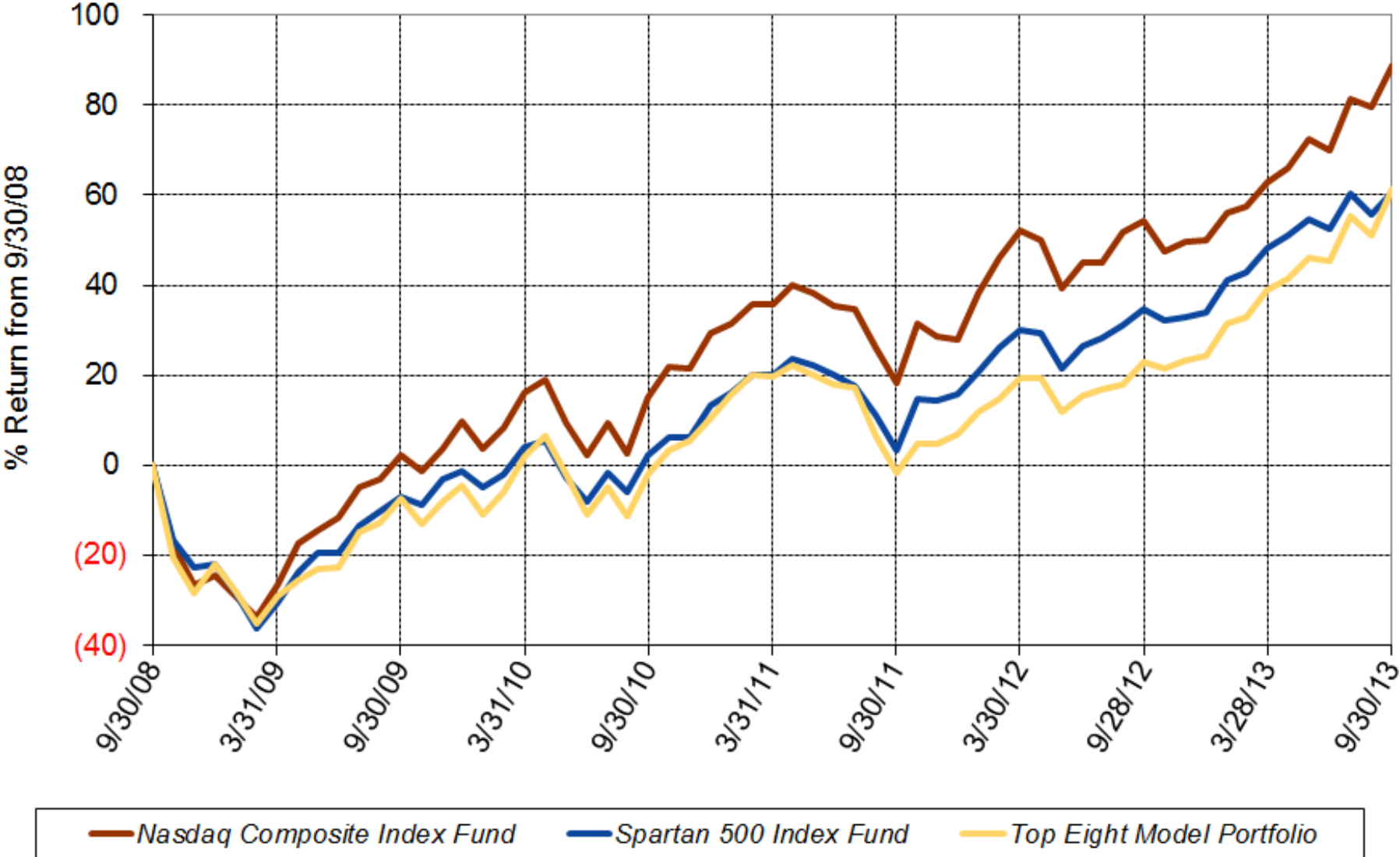
### Lifetime Chart



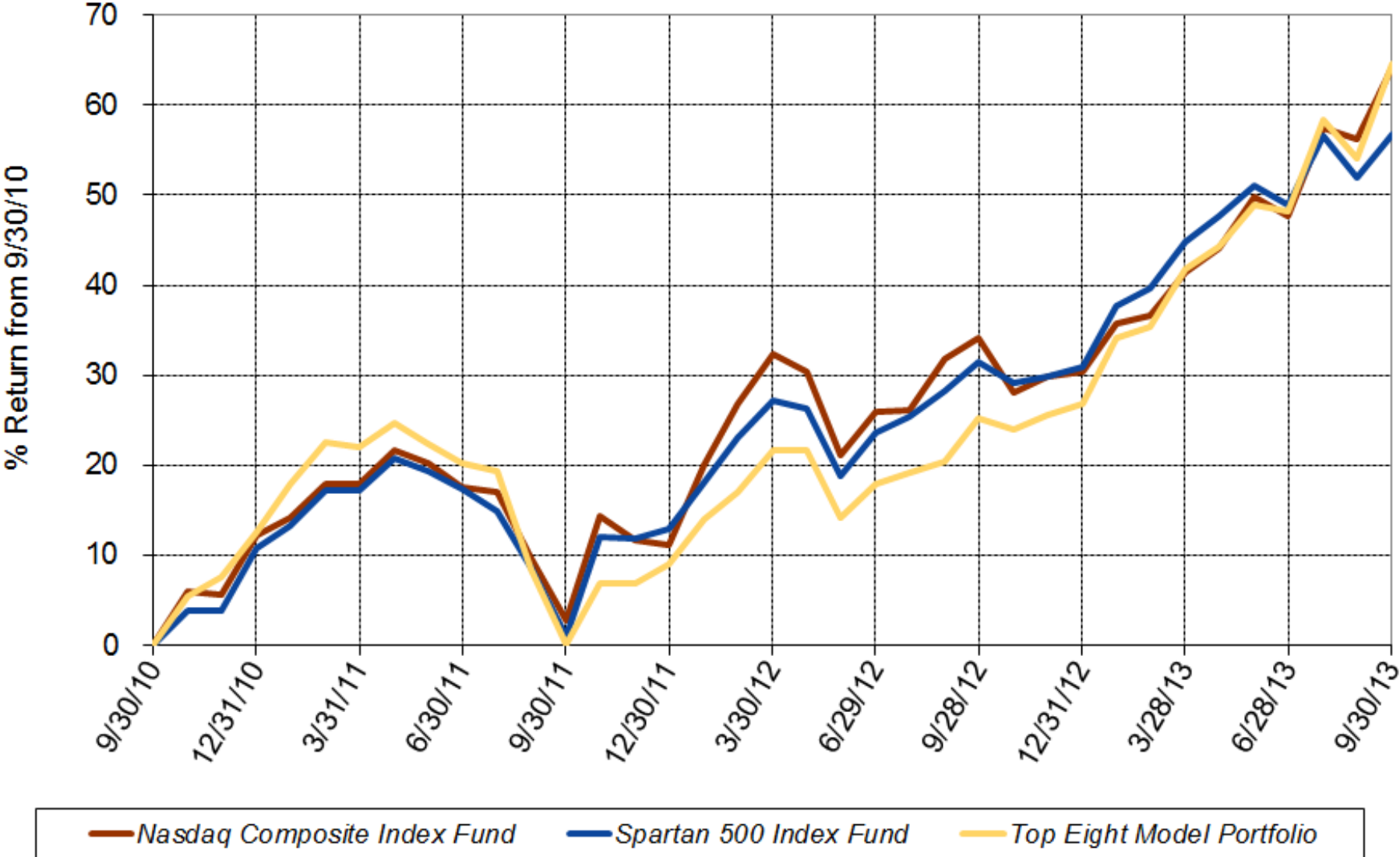
### 10-Year Chart



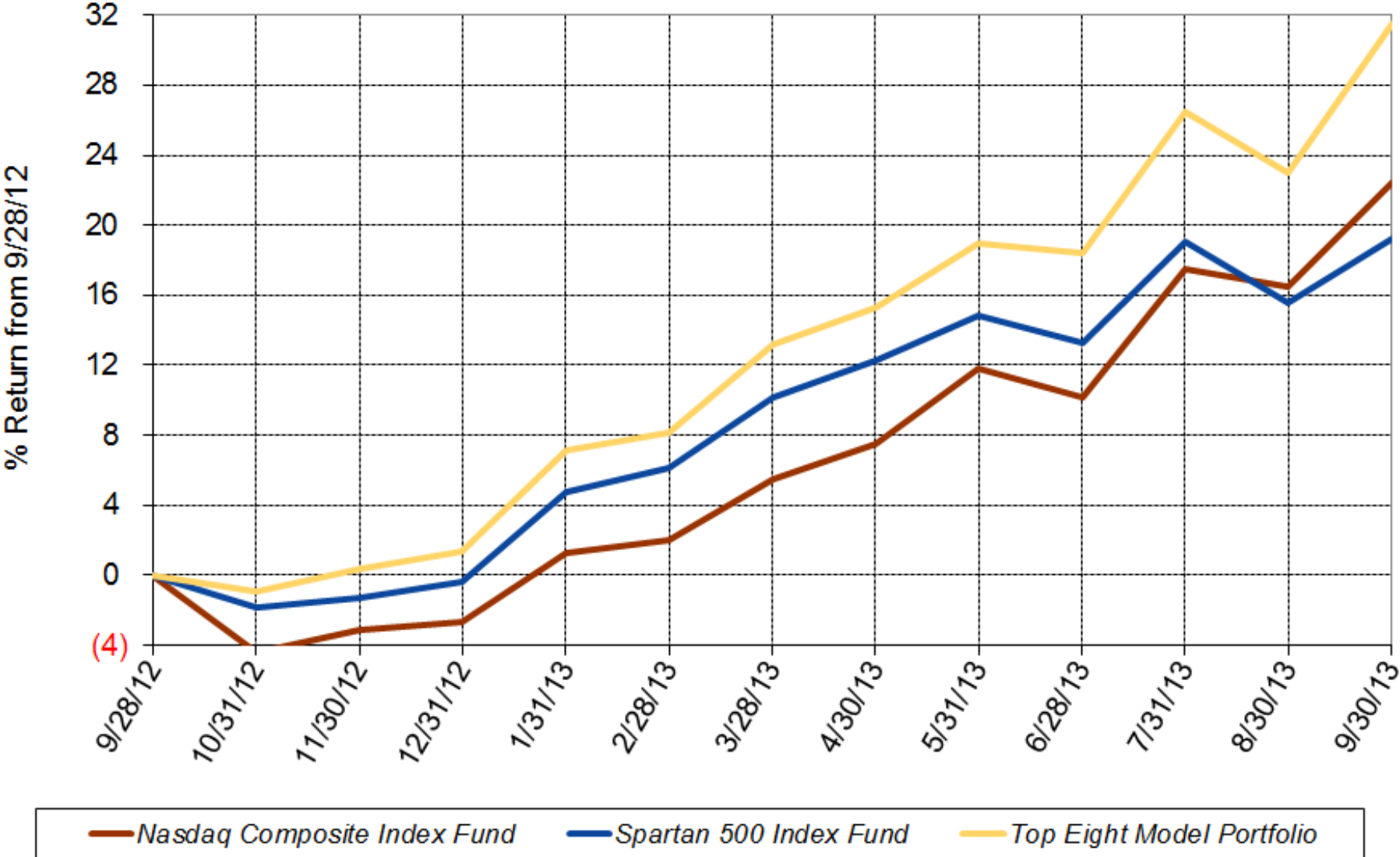
### 5-Year Chart



### 3-Year Chart



### 1-Year Chart





### Daily Chart September 2013

