

FIDELITY SELECT FUNDRANKER™

Volume 9 Issue 1

The Right Funds at the Right Time

January 2014

Broad Market Gains in December

The S&P 500 Index gained again in December for the fourth month in a row. It gained 10 out of 12 months for the entire year.

All eight funds in the *Top Eight Model Portfolio* gained value in December. IT Services and Defense & Aerospace led with one-month gains of 5.93% and 3.79%. Health Care, Transportation, and Leisure followed with one-month gains of 2.27%, 1.94%, and 1.91%. Biotechnology, Air Transportation, and Automotive trailed, but still managed one-month gains of 1.39%, 0.85%, and 0.79%.

During December, the Nasdaq Composite Index gained 2.917%, the S&P 500 Index gained 2.518%, and the *Top Eight Model Portfolio* gained 2.321%. For all of 2013 on a total return basis, the *Top Eight Model Portfolio* gained 43.354%, while the Nasdaq Composite and S&P 500 Indexes gained 39.746% and 32.251%.

Final Performance of Funds Sold on December 2

Fundranker exchanged two funds on December 2. Here are the returns they contributed to the *Top Eight Model Portfolio*:

Fund	Bought	Sold	Return
Retailing (FSRPX)	9/4/2013	12/2/2013	12.75%
Software & Comp Svcs (FSCSX)	9/4/2013	12/2/2013	13.68%

Broad Market Ends Banner Year at All-Time High

In 2013, stocks put in their best year since way back in the dot-com bull market. On a total return basis as measured by Fidelity's Spartan 500 Index Fund - Investor Class, the S&P 500 Index gained 32.251% in 2013, the best it has done since it gained 33.628% on a total return basis in 1997.

The Nasdaq Composite Index had an even better year. On a total return basis as measured by Fidelity's Nasdaq Composite Index Fund, it gained 39.746% in 2013. It closed out 2013 at a bull market high, but not an all-time high, which it set way back in 2000, shortly before the top blew off the dot-com bull market.

Topping both the indexes, *Fundranker's Top Eight Model Portfolio* gained 43.354% in 2013, its best yearly gain since a 76.892% burst in 1999 during the dot-com bull market.

Federal Open Market Committee Begins Taper

The Federal Open Market Committee continued its massive quantitative easing program, purchasing \$85 billion per month of mortgage and treasury bonds all year long. QE3, for short, fueled much of the market's rise this year.

Chairman Ben Bernanke spooked the market earlier this year when he indicated that the Federal Open Market Committee could begin tapering the program as early as September. By December, however, investors apparently were well prepared. The FOMC's announcement that it would taper the program starting in January to \$75 billion per month sparked a stock rally.

Bipartisan Budget Deal

The bipartisan House-Senate Budget Conference Committee did in fact come to a bipartisan budget agreement in December. As we discussed last month, the agreement pretty much is limited to mitigating some of the short-term effects of the sequester.

The agreement is a two-year deal which funds the government for fiscal years 2014 and 2015. It does not raise the debt ceiling, which will surface again in spring 2014, and it does not extend long-term unemployment insurance benefits for 1.3 million Americans who will stop receiving unemployment checks on January 1. \$85 billion of sequester cuts will be replaced by \$63 billion in different cuts and new fees, and \$22 billion in sequester cuts will be pushed into 2022 and 2023. The sequester originally was slated to end in 2021.

Holding Period Alert

If you purchased shares after December 3 of any funds which are being exchanged on January 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 Leisure on December 4, you should wait a full 30 days and exchange Leisure on January 3 to avoid roundtrip transactions.

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 2014

Fund Name (Symbol)	Purchase	Return to 12/31
1. IT Services (FBSOX)	9/4/2013	15.94%
2. Software & Comp Svcs (FSCSX)	1/2/2014	
3. Health Care (FSPHX)	8/5/2013	15.55%
4. Brokerage & Inv Mgmt (FSLBX)	1/2/2014	
5. Biotechnology (FBIOX)	3/6/2013	43.61%
6. Air Transportation (FSAIX)	10/2/2013	13.65%
7. Defense & Aerospace (FSDAX)	7/5/2013	22.73%
8. Transportation (FSRFY)	12/2/2013	1.91%
Funds to be sold on January 2:		
12. Leisure (FDLSX)	12/2/2013	2.39%
18. Automotive (FSAVX)	5/6/2013	27.63%

Fundranker Exchanges for January 2

Sell Automotive (FSAVX), buy Software & Comp Svcs (FSCSX)
Sell Leisure (FDLSX), buy Brokerage & Inv Mgmt (FSLBX)

Fundranker Invest New Money Date

Invest new money on January 2.

Optional Rebalancing Exchange Dates

Method 1: Jan 2, 3; Method 2: Jan 2; Method 3: Jan 2 (see the rebalancing FAQ at www.fundranker.com for more information)

Upcoming Fundranker Exchange Date

Fundranker will exchange on February 3, which date will avoid roundtrip transactions even for funds held only one month as long as they were purchased no later than January 3.

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. © 2014 Fidelity Select Fundranker

<i>Fundranker Ratings for 12/31/13</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)	50.65*	26.60*	14.65*	0.85	26.188	6
Automotive (FSAVX)	46.67*	19.10	5.39	0.79	18.988	18
Banking (FSRBX)	39.38	17.68	12.04*	2.39	18.873	19
Biotechnology (FBIOX)	65.66*	28.50*	3.80	1.39	26.838	5
Brokerage & Investment Mgmt (FSLBX)	48.87*	23.43*	16.06*	4.27*	27.158	4
Chemicals (FSCHX)	29.86	22.18*	10.43	4.10*	18.643	20
Communications Equipment (FSDCX)	28.16	17.79	7.25	4.13*	15.333	28
Computers (FDCPX)	31.09	17.54	10.89	3.28	15.700	27
Construction & Housing (FSHOX)	21.25	8.14	5.98	3.83	9.800	35
Consumer Discretionary (FSCPX)	41.03	18.16	9.13	2.57	17.723	22
Consumer Finance (FSVLX)	32.57	14.40	7.58	2.85	14.350	29
Consumer Staples (FDFAX)	21.63	9.37	6.55	0.95	9.625	36
Defense & Aerospace (FSDAX)	48.14*	25.86*	12.97*	3.79	25.690	7
Electronics (FSELX)	39.18	18.22	8.86	6.56*	19.205	16
Energy (FSENX)	24.21	13.15	3.28	1.68	10.580	33
Energy Service (FSESX)	27.48	12.83	2.26	0.34	10.728	32
Environment & Alternative Energy (FSLEX)	34.99	20.43	9.27	3.32	17.003	23
Financial Services (FIDSX)	33.67	17.21	11.32	3.24	16.360	25
Gold (FSAGX)	(51.41)	(6.45)	(15.83)	(3.28)	(19.243)	39
Health Care (FSPHX)	56.27*	29.22*	13.16*	2.27	28.230	3
Industrial Equipment (FSCGX)	32.76	21.95	11.45*	4.39*	19.638	14
Industrials (FCYIX)	39.90	22.41*	11.75*	4.36*	22.605	9
Insurance (FSPCX)	43.80*	17.33	10.84	1.84	19.453	15
IT Services (FBSOX)	53.12*	28.39*	13.85*	5.93*	29.323	1
Leisure (FDLSX)	41.72	21.15	11.78*	1.91	20.140	12
Materials (FSDPX)	21.90	18.44	8.46	3.85*	14.163	30
Medical Delivery (FSHCX)	35.31	16.68	10.44	1.00	15.858	26
Medical Equipment & Systems (FSMEX)	41.30	20.04	11.34	1.78	18.615	21
Multimedia (FBMPX)	45.65*	20.62	10.82	4.91*	22.500	10
Natural Gas (FSNGX)	24.66	16.91	4.25	0.84	11.665	31
Natural Resources (FNARX)	17.49	12.40	0.88	0.64	7.853	38
Pharmaceuticals (FPHAX)	41.36	20.67	12.31*	2.06	20.100	13
Retailing (FSRPX)	43.93*	22.32*	9.92	0.94	21.278	11
Software & Computer Services (FSCSX)	51.12*	28.60*	14.05*	6.53*	29.075	2
Technology (FSPTX)	31.76	22.22*	9.07	5.51*	19.140	17
Telecommunications (FSTCX)	21.52	9.90	6.42	2.89	10.183	34
Transportation (FSRFX)	48.35*	22.85*	13.61*	1.94	24.688	8
Utilities (FSUTX)	20.61	9.01	5.26	2.71	9.398	37
Wireless (FWRLX)	28.26	20.28	9.62	3.84*	16.500	24

*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

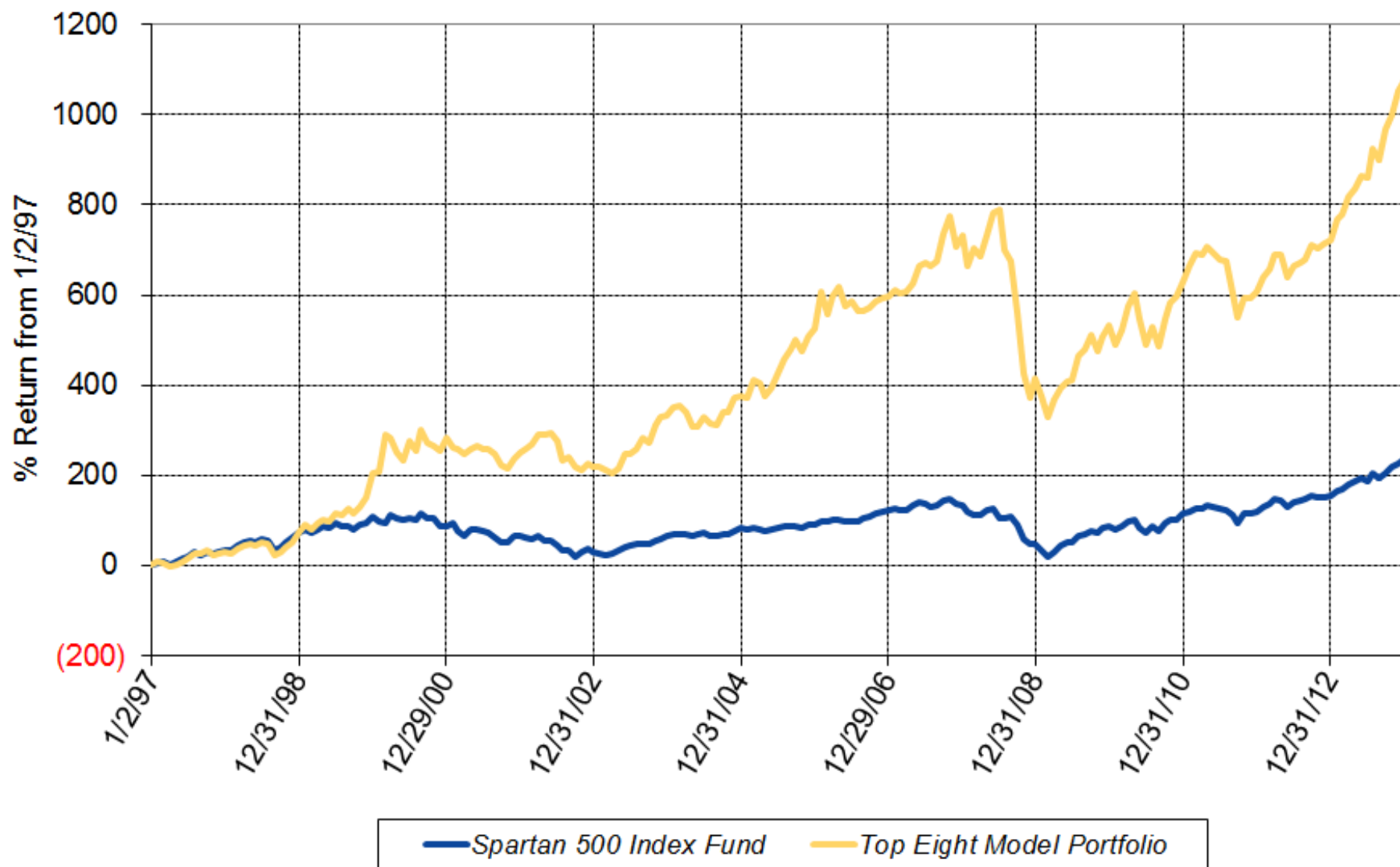
Sell on January 2, 2014

Buy on January 2, 2014

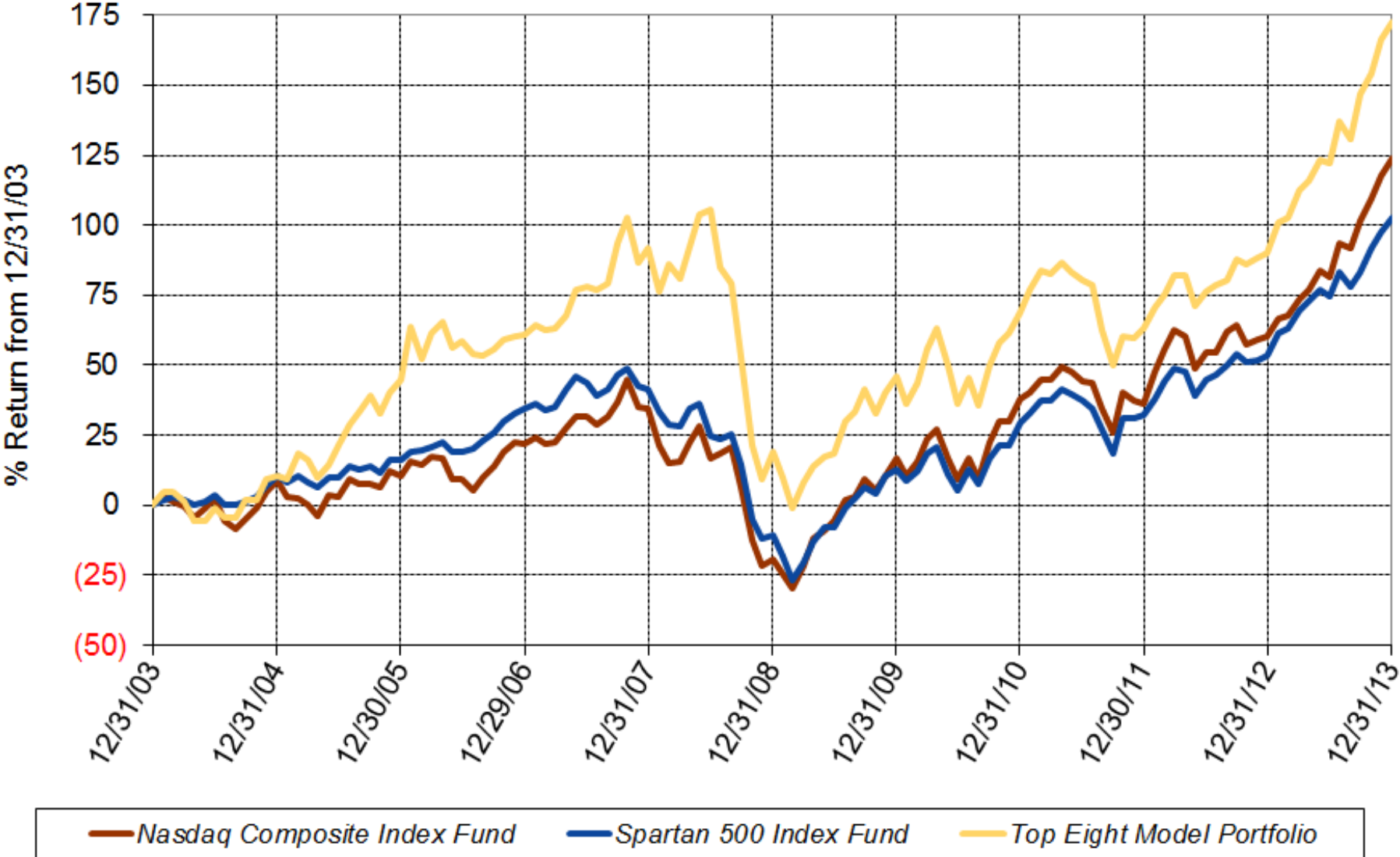
Hold

Fundranker Performance for December 2013													
11/29 Funds	11/29 Shares	11/29 Amount	<=12/2 Div Shrs	12/2 Shares	12/2 Amount	12/2 Funds	12/2 Shares	12/2 Amount	>12/2 Div Shrs	12/31 Shares	12/31 Amount	Dec Return	
FSAIX	576.268	34,426.25	none	576.268	34,380.15	FSAIX	577.637	34,461.82	9.229	586.866	34,801.15		
FSAVX	596.139	33,848.77	none	596.139	33,598.39	FSPHX	172.154	34,461.82	14.870	187.024	35,255.89		
FSRPX	389.179	34,489.04	none	389.179	34,239.97	FBIOX	191.157	34,461.82	0.434	191.591	34,817.83		
FSDAX	280.157	34,532.15	none	280.157	34,344.45	FSRFX	463.945	34,461.82	11.626	475.571	35,120.92		
FBSOX	953.549	34,556.62	none	953.549	34,404.05	FSDAX	281.114	34,461.82	12.813	293.927	35,964.91		
FBIOX	195.541	35,128.94	none	195.541	35,252.13	FSAVX	611.459	34,461.82	9.757	621.216	34,993.10		
FSCSX	295.812	34,530.13	none	295.812	34,509.43	FDLSX	253.452	34,461.82	11.499	264.951	35,286.17		
FSPHX	174.673	34,978.27	none	174.673	34,966.04	FBSOX	955.150	34,461.82	24.466	979.616	36,667.03		
Top Eight		276,490.17			275,694.61			275,694.60			282,907.00		2.321
FNCMX1	1,584.044	86,251.20	none						26.681	1,610.725	88,767.05		2.917
FUSEX1	1,223.070	78,533.32	none						6.480	1,229.550	80,510.93		2.518
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							
				Return %		Return %							
<i>Top Eight Model Portfolio</i>				16.302		43.354							
Nasdaq Composite Index Fund				17.325		39.746							
Spartan 500 Index Fund - Investor Class				15.929		32.251							
Lifetime Summary				1/2/97 to 12/31/13				1/2/97 to 12/31/13					
				Total Return %				Average Annual Return %					
<i>Top Eight Model Portfolio</i>				1,078.779				15.618					
Nasdaq Composite Index Fund				N/A				N/A					
Spartan 500 Index Fund - Investor Class				235.462				7.379					
10-Year Summary				12/31/03 to 12/31/13				12/31/03 to 12/31/13					
				Total Return %				Average Annual Return %					
<i>Top Eight Model Portfolio</i>				172.388				10.540					
Nasdaq Composite Index Fund				123.726				8.386					
Spartan 500 Index Fund - Investor Class				102.659				7.319					
5-Year Summary				12/31/08 to 12/31/13				12/31/08 to 12/31/13					
				Total Return %				Average Annual Return %					
<i>Top Eight Model Portfolio</i>				128.466				17.968					
Nasdaq Composite Index Fund				177.325				22.630					
Spartan 500 Index Fund - Investor Class				127.271				17.844					
3-Year Summary				12/31/10 to 12/31/13				12/31/10 to 12/31/13					
				Total Return %				Average Annual Return %					
<i>Top Eight Model Portfolio</i>				61.501				17.325					
Nasdaq Composite Index Fund				62.389				17.540					
Spartan 500 Index Fund - Investor Class				56.439				16.086					
1-Year Summary				12/31/12 to 12/31/13									
				Total Return %									
<i>Top Eight Model Portfolio</i>				43.354									
Nasdaq Composite Index Fund				39.746									
Spartan 500 Index Fund - Investor Class				32.251									

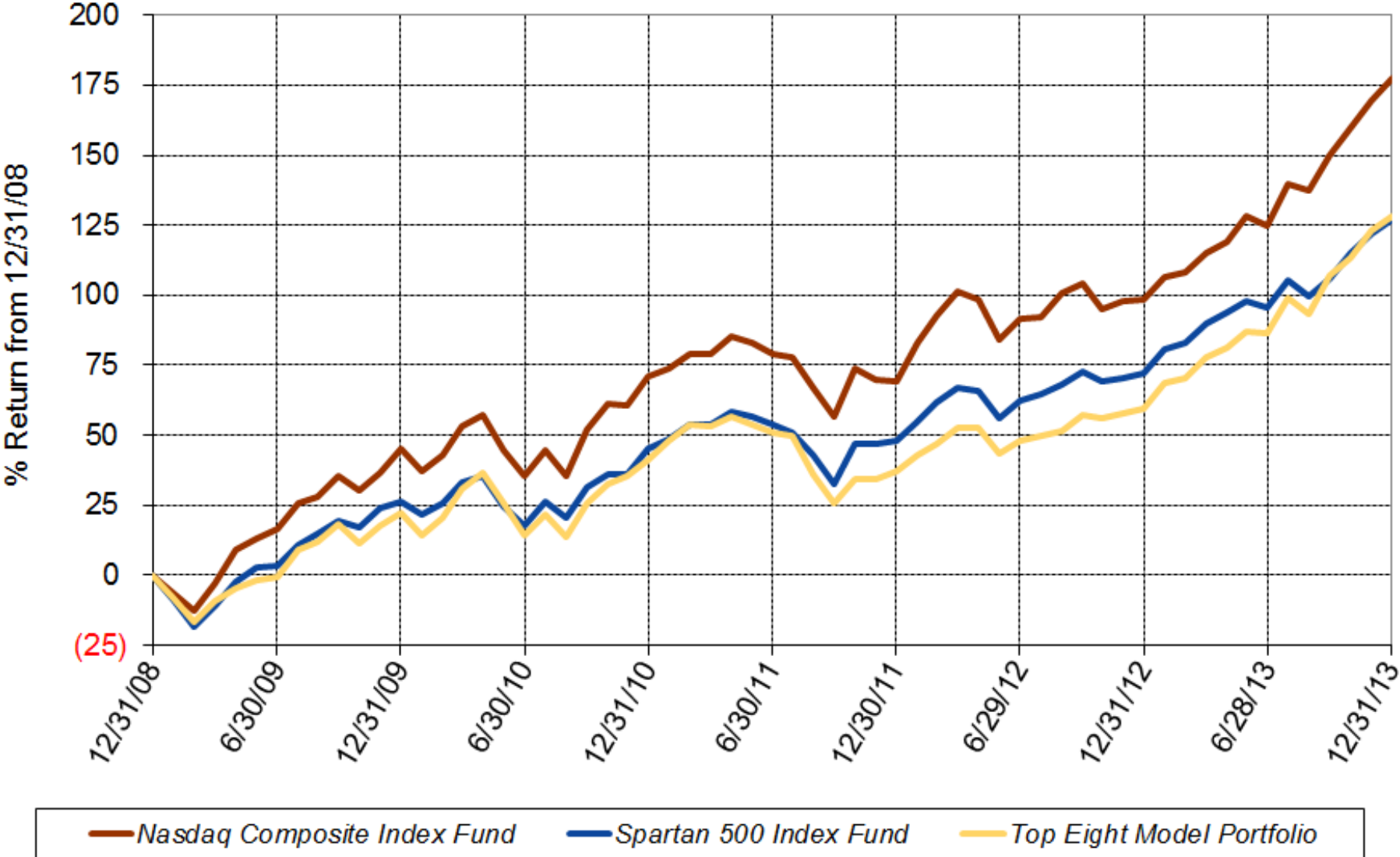
Lifetime Chart



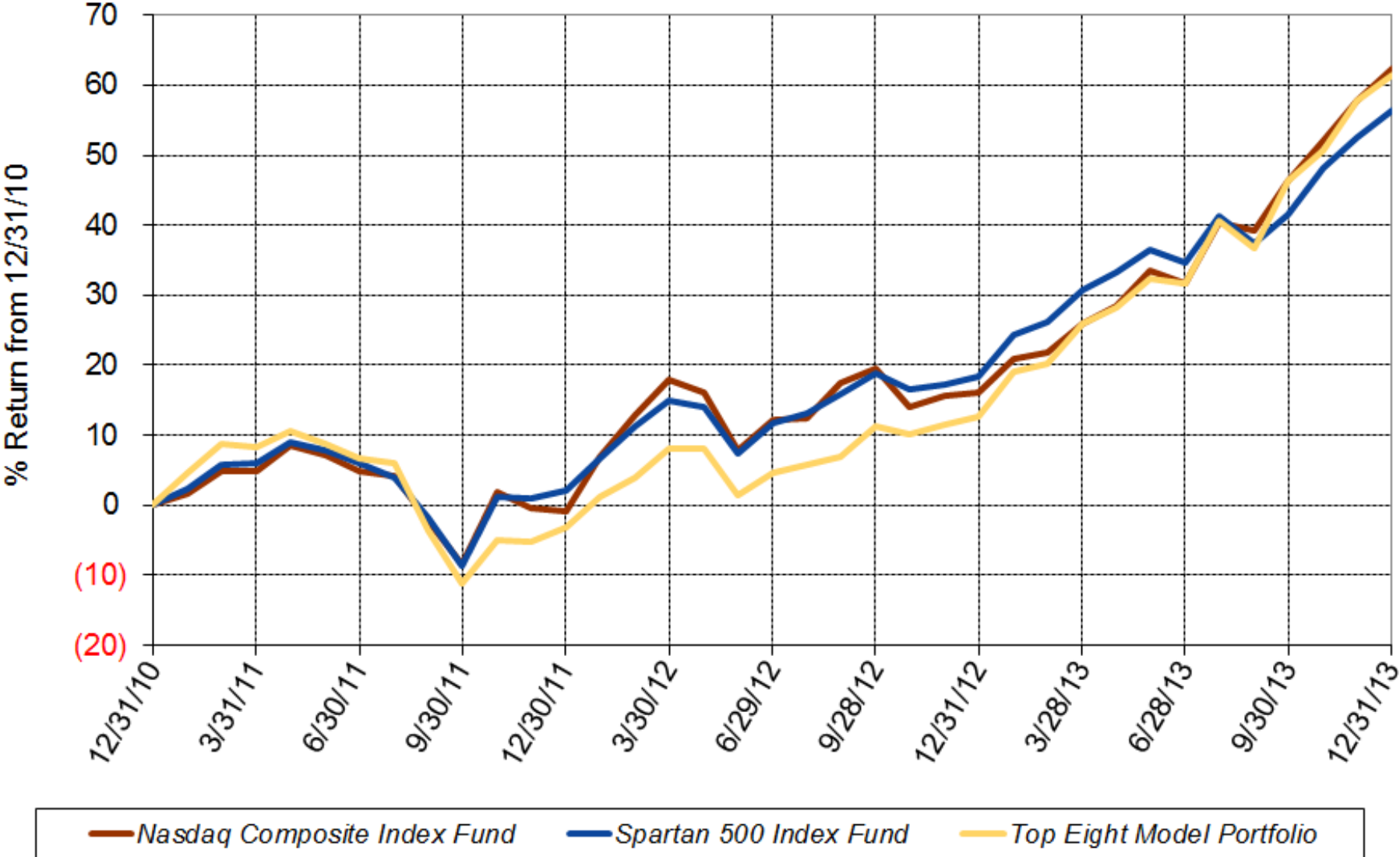
10-Year Chart



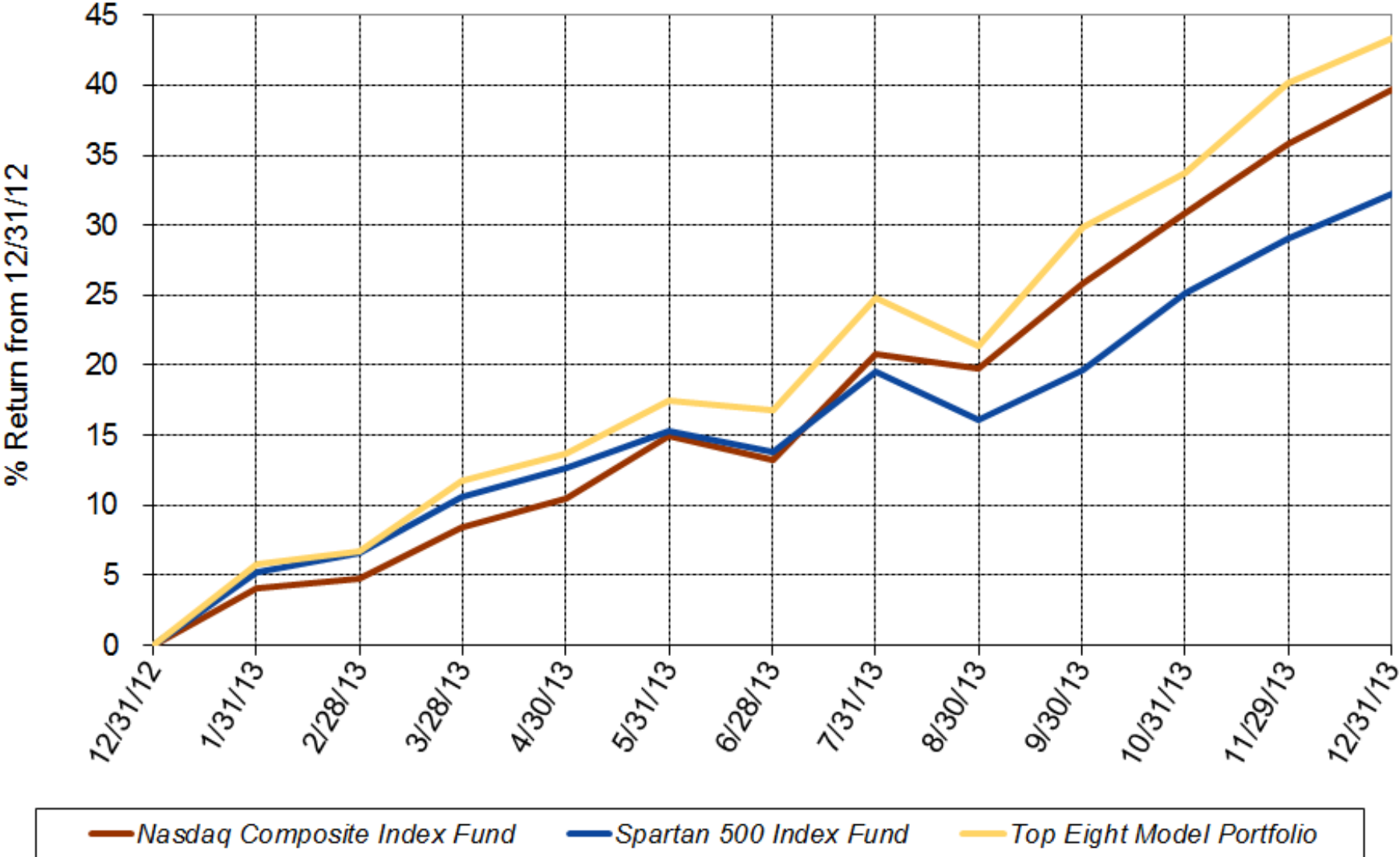
5-Year Chart



3-Year Chart



1-Year Chart



Daily Chart December 2013

