



# AlphaProfit<sup>TM</sup>

## Sector Investors' Newsletter

---

Service for \$ophisticated \$ector Investors

---

### Repositioning Alert

The first two sections present preview of repositioning changes to the AlphaProfit model portfolios, while the third section features ETF and non-Fidelity mutual fund selections to play AlphaProfit's investment thesis.

## AlphaProfit Focus<sup>TM</sup> Model Portfolio

**The following changes will be made to the Focus model portfolio at today's closing prices:**

**All** of the position in Fidelity Select Software & Computer Services (FSCSX) will be **removed**.

Positions in Fidelity Select Medical Equipment & Systems (FSMEX) and Fidelity Select Natural Gas (FSNGX) will be **increased**.

**One-half** (50.00%) of the proceeds from the sale of FSCSX will be **invested** in Fidelity Select Natural Gas (FSNGX).

**The other-half** (50.00%) of the proceeds from the sale of FSCSX will be **invested** in Fidelity Select Medical Equipment & Systems (FSMEX).

After repositioning, the Focus model portfolio will include FSMEX and FSNGX.

### Notes

New subscribers starting with the **Focus** model portfolio can invest the targeted monies in the following proportion: FSMEX 48.991% and FSNGX 51.009%. The exact composition of the Focus model portfolio will be determined based on today's closing prices and provided in the Model Portfolio Composition and Investment Selections section of the Subscriber Login area tomorrow.

## AlphaProfit Core™ Model Portfolio

**The following changes will be made to the Core model portfolio at today's closing prices:**

**One-half (50.00%)** of the position in Fidelity Software & Computer Services (FSCSX) will be **removed**.

Positions in Fidelity Select Medical Equipment & Systems (FSMEX) and Fidelity Select Natural Gas (FSNGX) will be **increased**.

**One-half (50.00%)** of the proceeds from sale of FSCSX will be **invested** in Fidelity Select Medical Equipment & Systems (FSMEX).

**One-half (50.00%)** of the proceeds from sale of FSCSX will be **invested** in Fidelity Select Natural Gas (FSNGX).

Positions in Fidelity Select Chemicals (FSCHX), Fidelity Select Communications Equipment (FSDCX), Fidelity Select Computers (FDCPX), and Fidelity Select Spartan 500 Index Fund (FSMKX) will be **maintained as is**.

After repositioning, the Core model portfolio will include FSCHX, FSDCX, FDCPX, FSMEX, FSNGX, FSCSX, and FSMKX.

### Notes

New subscribers starting with the **Core** model portfolio can invest the targeted monies in the following proportion: FSCHX 11.658%, FSDCX 9.730%, FDCPX 9.193%, FSMEX 15.428%, FSNGX 16.064%, FSCSX 9.470% and FSMKX 28.458%. The exact composition of the Core model portfolio will be determined based on today's closing prices and provided in the Model Portfolio Composition and Investment Selections section of the Subscriber Login area tomorrow.

## AlphaProfit ETF and Mutual Fund Selections

The following table features mutual funds and exchange-traded fund recommendations for playing the investment thesis for the sectors, industry groups, and index discussed in the AlphaProfit Sector Investors' Newsletter. Preferred mutual funds and ETFs are in **bold**.

Sector, Industry Group, or Index	Mutual Funds					ETFs
	Recommendation (Ticker)	Availability, Trans. Fees, and Min. Holding Period				Recommendation (Ticker, Liquidity)
		E*Trade	Fidelity	Schwab	Ameritrade	
Chemicals	<b>Fidelity Sel Chemicals (FSCHX)</b>	A, F	A, NTF, 30	R, F	A, F	<b>70% iShares DJ US Basic Mat (IYM, Good)</b> <b>+30% Market Vectors Agribus (MOO, Good)</b> iShares DJ US Basic Mat (IYM, Good) Materials Select SPDR (XLB, Good) Vanguard Materials (VAW, Limited)
Computers	<b>Fidelity Sel Computers (FDCPX)</b>	A, F	A, NTF, 30	R, F	A, F	<b>Internet Arch HOLDERS (IAH, Limited)</b> PowerShares Dyn Hard (PHW, Limited)
Medical Equip	<b>Fidelity Sel Med Equip (FSMEX)</b>	A, F	A, NTF, 30	R, F	A, F	<b>iShares DJ US Med Device (IHI, Limited)</b>
Oil & Gas E&P	AIM Energy (FSTEX)	C, NTF, 90	A, NTF, 180	C, NTF, 90	C, F	<b>85% iShares DJ US O&amp;G (IEO, Limited)</b> <b>+15% SPDR S&amp;P O&amp;G Equip (XES, Limited)</b> iShares DJ US O&G Exp & Prd (IEO, Limited) SPDR S&P O&G Exp & Prd (XOP, Good)
	<b>Fidelity Sel Natural Gas (FSNGX)</b>	A, F	A, NTF, 30	R, F	A, F	
Software	<b>Fidelity Sel Software (FSCSX)</b>	A, F	A, NTF, 30	R, F	A, F	<b>60% Software HOLDERS (SWH, Good)+40%</b> <b>First Trust DJ Internet (FDN, Limited)</b> First Trust DJ Internet (FDN, Limited) iShares S&P Software (IGV, Limited) Software HOLDERS (SWH, Good)
S&P 500	Dreyfus S&P 500 Index (PEOPX)	A, NTF, 90	A, NTF, 180	A, NTF, 90	A, NTF, 90	iShares S&P 500 (IVV, Good) <b>SPDR S&amp;P 500 (SPY, Good)</b>
	E*TRADE S&P 500 Index (ETSPX)	A, NTF, 4m	N	A, F	A, F	
	<b>Fidelity Spartan 500 Idx (FSMKX)</b>	A, F	A, NTF, No	A, F	A, F	
	Schwab S&P 500 Index (SWPIX)	A, F	A, F	A, NTF, 30	A, F	
Telecom Equip	<b>Fidelity Sel Com Equip (FSDCX)</b>	A, F	A, NTF, 30	R, F	A, F	Broadband HOLDERS (BDH, Limited) <b>iShares S&amp;P Network (IGN, Good)</b> PowerShares Dyn Network (PXQ, Limited)
<b>Minimum Purchase Requirements</b>					<b>Availability:</b> A-Available, C-Limited to current shareholders, I-Limited to Institutional investors, N-Not available, R-Limited to retail investors. <b>Trans. Fees:</b> F-Transaction fee applies, NTF-No transaction fee subject to holding period. <b>Min. Holding Period:</b> For no transaction fee (NTF) funds, minimum number of days or months a fund needs to be held to avoid both fund's short-term redemption fee and broker's transaction fee. Minimum holding period not provided for transaction fee (F) funds. <b>Liquidity:</b> Investors should consider limit orders when trading ETFs with limited liquidity. <b>Note:</b> The above table is for information purposes only. Before buying any mutual fund or exchange-traded fund, read its prospectus carefully. For securities held in brokerage accounts, read the broker's specific terms and conditions which apply to trading of the securities.	
<b>ETF/Fidelity Fund</b>	<b>Regular Accounts</b>	<b>Retirement Accounts</b>				
Fidelity Select	\$2,500	\$500*				
Fidelity Spartan 500 Index Inv	\$10,000	\$10,000				
ETFs	1 share	1 share				
HOLDERS	100 shares	100 shares				
* \$500 for SEP-IRA, Keogh, and prototype retirement accounts. \$2,500 for traditional, Roth, and rollover IRA accounts.						

## AlphaProfit Newsletter: Repositioning Alert

Notes: AlphaProfit Sector Investors' Newsletter (ISSN: 1547-9668) is published monthly by AlphaProfit Investments, LLC.

The Subscription Price Schedule for the AlphaProfit Sector Investors' Newsletter is posted at <http://www.alphaprofit.com>. To subscribe or to learn more about AlphaProfit Investments, visit <http://www.alphaprofit.com>.

Copyright © 2008 AlphaProfit Investments, LLC. All rights reserved. No part of this document may be reproduced in any manner without written permission of AlphaProfit Investments, LLC.

AlphaProfit Investments, LLC neither is associated with nor receives any compensation from any of the mutual fund companies, brokers, or entities connected with the exchange-traded funds mentioned in the newsletter.

AlphaProfit Sector Investors' Newsletter is for information purposes only. The Information is provided with the understanding that AlphaProfit Investments, LLC is not acting in a fiduciary capacity. Nothing herein should be construed as an offer to buy or sell securities or to give individual advice on investing. The newsletter does not have regard to the specific investment objectives, financial situation, and particular needs of any specific person who may receive this newsletter. The products mentioned in the newsletter may not be eligible for sale in some states or countries, and they may not be suitable for all types of investors. Before buying or selling any mutual fund, exchange-traded fund, security, or investment, read the prospectus carefully. For securities held in brokerage accounts, read the broker's specific terms and conditions which apply to trading of the securities.

Owners and employees of AlphaProfit Investments, LLC do invest in Fidelity mutual funds to track the model portfolios mentioned in the newsletter. Any one or more of their positions may not necessarily be the same as that of a Subscriber. Owners and employees of AlphaProfit Investments, LLC may also for their own accounts buy, sell or hold long or short positions in mutual funds, exchange-traded funds, common stocks or other securities of companies mentioned in the newsletter.

Investments in equity mutual funds and exchange-traded funds mentioned herein carry an inherent element of risk, including the potential for loss of the principal. Past performance is no guarantee of future results.

The model portfolios presented in this newsletter are the products of AlphaProfit Investments, LLC. The proprietary ValuM™ Investment Process is used to select sectors for investment in the AlphaProfit Sector Investors' Newsletter model portfolios. This process evaluates sectors based on their valuation, momentum, and news flow quality.

The third-party trademarks or service marks appearing within this newsletter are the property of their respective owners. All other trademarks appearing herein are the property of AlphaProfit Investments, LLC.

The information contained in this newsletter is obtained from various sources believed to be accurate and is provided without warranties of any kind. AlphaProfit Investments, LLC is not responsible for any errors or omissions herein. Opinions expressed herein reflect the thought of AlphaProfit Investments, LLC and are subject to change without notice. AlphaProfit Investments, LLC disclaims any liability for any direct or incidental loss incurred by applying any of the information in this publication.

Please review our Terms & Conditions of Use and Subscriber Agreement which is available on our website at [www.alphaprofit.com](http://www.alphaprofit.com), which governs your relationship with AlphaProfit Investments, LLC, including, but not by way of limitation, use of this newsletter.



The AlphaProfit Sector Investors' Newsletter™ is edited and published by Dr. Sam Subramanian, Managing Principal and Chief Investment Officer of AlphaProfit Investments, LLC. Sam is an avid stock market investor and has tracked Fidelity Select Funds for several years. With a strong quantitative and analytical bent, Sam has honed his skills in security research and analysis. Sam developed the ValuM Investment Process™ for managing investments. The ValuM Investment Process has helped Sam build a successful track record in managing his investments since 1985. Prior to founding AlphaProfit Investments, LLC, Sam worked in positions of increasing responsibility in Finance and Corporate Strategy advising in Acquisitions and Divestitures, Asset Valuation, Trading, Bankruptcies, and Risk Management. Sam graduated with honors from the MBA program at the University of Michigan and has a Doctorate Degree in Chemical Engineering from Syracuse University. Sam also holds 16 U. S. patents.