

# FIDELITY SELECT FUNDRANKER™

Volume 7 Issue 5

The Right Funds at the Right Time

May 2012

## Lackluster April Performance

The broad market was in the black only on the first two trading days of April, giving the S&P 500 its first monthly loss since November. *Fundranker's Top Eight Model Portfolio* rallied into positive territory during the last week of April but fell to a small fractional monthly loss on April 30.

Only three funds in the *Top Eight Model Portfolio* had gains in April. Retailing and Construction & Housing pulled the *Top Eight* close to breakeven for the month with one-month gains of 3.66% and 1.44%. Leisure tacked on a small one-month gain of 0.16%. Computers, Software & Computer Services, Consumer Finance, Banking, and Biotechnology trailed with one-month losses ranging from 2.01% to 0.28%.

During April, the *Top Eight Model Portfolio* lost a minuscule 0.064%, the S&P 500 Index lost 0.629%, and the Nasdaq Composite Index lost 1.433%. For 2012 YTD through April 30, the Nasdaq Composite Index gained 17.288%, the S&P 500 Index gained 11.857%, and the *Top Eight Model Portfolio* gained 11.485%.

## Final Performance of Funds Sold on April 2

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

Fund	Bought	Sold	Return
Electronics (FSELX)	2/2/2012	4/2/2012	3.76%
Industrial Equipment (FSCGX)	2/2/2012	4/2/2012	4.41%

## Method 1 Two-Day Rebalancing Opportunity

Method 1 two-day rebalancing opportunities only occur when a *Fundranker* exchange date falls at least 30 days after the previous exchange date and at least 31 days before the first possible exchange date for the following month. Our exchange date this month is May 2, which is 30 days after *Fundranker's* previous April 2 exchange date and is more than 31 days before *Fundranker's* June 4 exchange date for next month. These timings will allow you to exchange on May 2 and 3 and still avoid roundtrip transactions under Fidelity's frequent trading policy in both May and June.

To rebalance your fund holdings using Method 1, exchange all eight of your funds into Select Money Market on May 2. Then on May 3, divide the amount you have in Select Money Market by eight and exchange 1/8 into each of the funds in the *Top Eight Model Portfolio* for May (see box at right). Enter dollar amounts for the first seven exchanges, and on your eighth exchange, select *Sell All Shares*, which, in this case, actually means the remaining shares after the first seven exchanges.

We suggest that you do not use this method of rebalancing funds in a taxable account. Because it involves selling all of your funds, any capital gains will be realized (meaning that you may have to pay taxes on them). As you can see at right, we have considerable capital gains that are not realized at this point. Our Biotechnology gains will become long-term (held more than one year) in just a few days, which will give them an advantageous tax treatment. Furthermore, the probable loss on Banking would cause what the IRS calls a wash sale, and some or all of your loss would be deferred until you sell that fund in the future. For taxable accounts, we feel it is far better to rebalance using Methods 2 and 3 (see the rebalancing FAQ at [www.fundranker.com](http://www.fundranker.com) for more information).

If you hold your *Top Eight Model Portfolio* funds in a nontaxable IRA account, however, this two-day rebalancing method gives you a way to fully rebalance all eight of your funds without worrying about tax consequences. Please note that you will be in "cash" for one day and you will miss out on gains as well as losses for that day.

## Holding Period Alert

If you purchased shares after April 2 of any funds which are being exchanged on May 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 shares of Software & Computer Services on April 4, you should wait a full thirty days and exchange Software & Computer Services on May 4 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 May 2012

Fund Name (Symbol)	Purchase	Return to 4/30
1. Retailing (FSRPX)	4/2/2012	3.38%
2. Construction & Housing (FSHOX)	11/7/2011	27.19%
3. Leisure (FDLSX)	1/3/2012	16.02%
4. Biotechnology (FBIOX)	5/9/2011	20.07%
5. Consumer Discretionary (FSCPX)	5/2/2012	
6. Consumer Finance (FSVLX)	3/5/2012	5.25%
7. Banking (FSRBX)	4/2/2012	(1.22)%
8. Computers (FDCPX)	3/5/2012	2.45%
Fund to be sold on May 2:		
11. Software & Comp Svcs (FSCSX)	3/5/2012	2.29%

### Fundranker Exchange for May 2

Sell Software & Computer Services (FSCSX),  
buy Consumer Discretionary (FSCPX)

### Fundranker Invest New Money Date

Invest new money on May 2.

### Optional Rebalancing Exchange Dates

Method 1: May 2 and 3; Method 2: May 2; Method 3: May 2 (see the rebalancing FAQ at [www.fundranker.com](http://www.fundranker.com) for more information)

### Upcoming Fundranker Exchange Date

*Fundranker* will exchange on June 4; even new funds will have been held a full 30 days by then.

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<i>Fundranker</i> Ratings for 4/30/12	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)	0.03	11.88	1.74	(0.85)	3.200	23
Automotive (FSAVX)	(15.62)	5.67	1.91	(6.39)	(3.608)	33
Banking (FSRBX)	3.18	22.67*	11.52*	(0.49)	11.220	7
Biotechnology (FBIOX)	19.57*	26.11*	6.23	(0.28)	14.908	4
Brokerage & Investment Mgmt (FSLBX)	(13.15)	6.98	2.05	(5.99)	(2.528)	31
Chemicals (FSCHX)	2.45	19.87*	4.57	0.56*	8.863	15
Communications Equipment (FSDCX)	(21.38)	2.83	1.09	(6.63)	(6.023)	37
Computers (FDCPX)	6.47*	17.18*	10.14*	(2.01)	10.945	8
Construction & Housing (FSHOX)	14.73*	29.86*	11.53*	1.44*	18.390	2
Consumer Discretionary (FSCPX)	10.25*	16.78*	11.27*	1.03*	13.833	5
Consumer Finance (FSVLX)	9.62*	19.39*	13.05*	(0.87)	13.298	6
Consumer Staples (FDFAX)	10.00*	12.09	9.37*	0.13*	10.898	9
Defense & Aerospace (FSDAX)	5.30	11.90	4.77	0.02*	6.498	17
Electronics (FSELX)	(5.15)	9.41	0.90	(6.09)	(0.233)	30
Energy (FSENX)	(15.75)	1.07	(0.51)	(1.66)	(4.213)	34
Energy Service (FSESX)	(21.60)	0.29	(1.31)	0.44*	(4.545)	35
Environment & Alternative Energy (FSLEX)	(19.56)	2.42	0.70	(2.12)	(4.640)	36
Financial Services (FIDSX)	(7.01)	11.65	5.91	(3.62)	1.733	25
Gold (FSAGX)	(26.61)	(20.42)	(18.34)	(6.30)	(17.918)	39
Health Care (FSPHX)	4.96	15.95*	5.93	0.68*	8.880	14
Industrial Equipment (FSCGX)	(2.75)	15.59*	5.09	(1.20)	5.183	20
Industrials (FCYIX)	(3.37)	14.62	4.67	(0.88)	3.760	22
Insurance (FSPCX)	(1.93)	11.21	6.72	1.14*	5.285	19
IT Services (FBSOX)	8.12*	15.25	11.08*	(0.07)	10.595	10
Leisure (FDLSX)	18.00*	16.87*	9.74*	0.16*	15.193	3
Materials (FSDPX)	(6.74)	9.91	(0.05)	(1.01)	0.528	28
Medical Delivery (FSHCX)	3.78	14.00	5.69	(3.22)	5.063	21
Medical Equipment & Systems (FSMEX)	(3.97)	10.91	4.93	(0.59)	2.820	24
Multimedia (FBMPX)	1.34	17.07*	8.24	(0.90)	7.438	16
Natural Gas (FSNGX)	(14.68)	1.19	0.17	(0.21)	(3.383)	32
Natural Resources (FNARX)	(18.43)	(1.72)	(3.53)	(2.28)	(6.490)	38
Pharmaceuticals (FPHAX)	7.43*	13.51	6.65	1.20*	9.198	13
Retailing (FSRPX)	19.64*	18.96*	17.37*	3.66*	18.908	1
Software & Computer Services (FSCSX)	10.58*	14.81	9.92*	(1.53)	10.445	11
Technology (FSPTX)	(1.32)	11.43	10.52*	(2.03)	5.650	18
Telecommunications (FSTCX)	(6.32)	7.47	6.26	(0.54)	1.718	26
Transportation (FSRFX)	(3.37)	9.67	0.26	(0.28)	1.570	27
Utilities (FSUTX)	8.86*	7.76	8.55*	4.41*	10.395	12
Wireless (FWRLX)	(5.55)	6.30	3.24	(2.55)	0.360	29

\*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

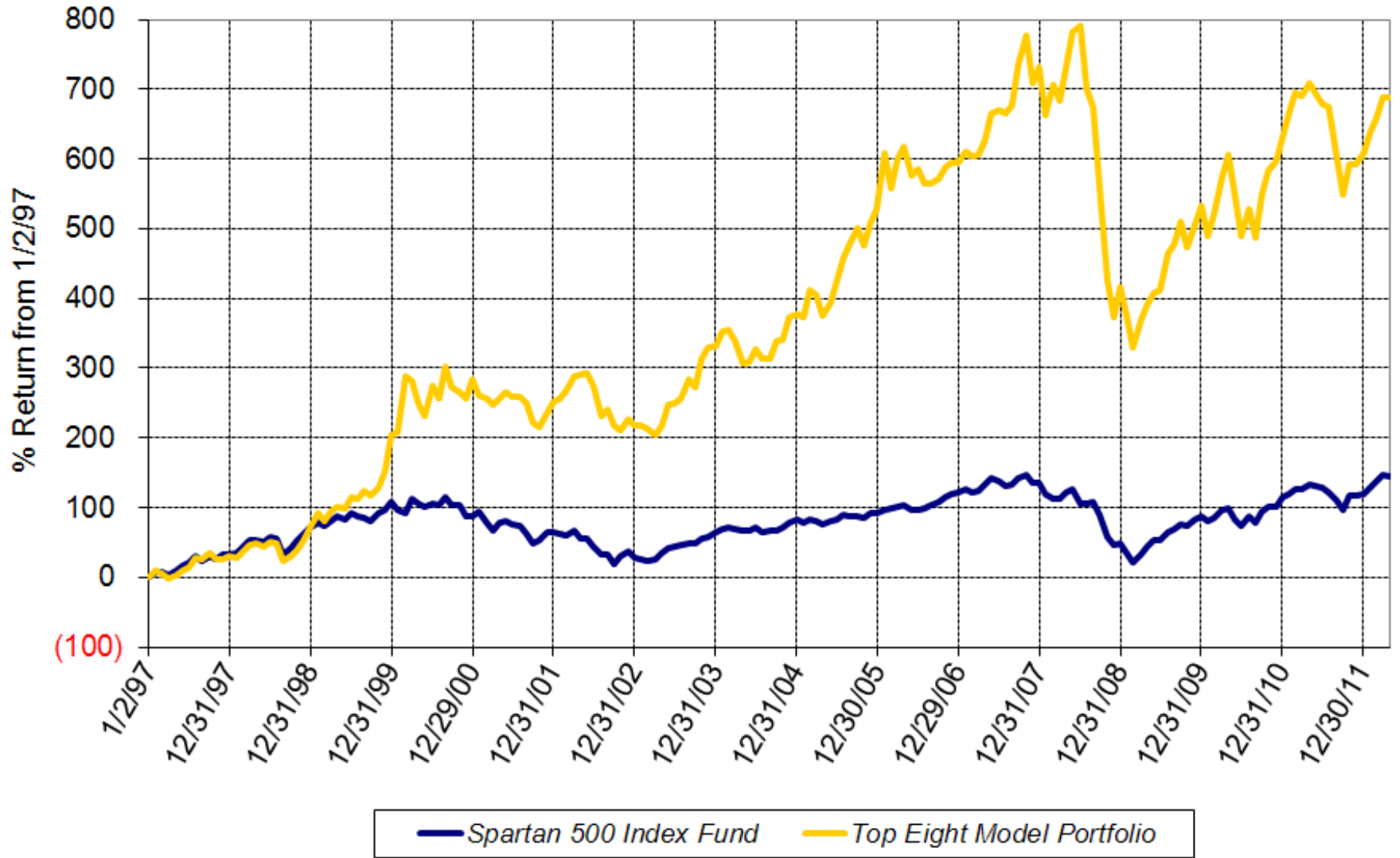
Sell on May 2, 2012

Buy on May 2, 2012

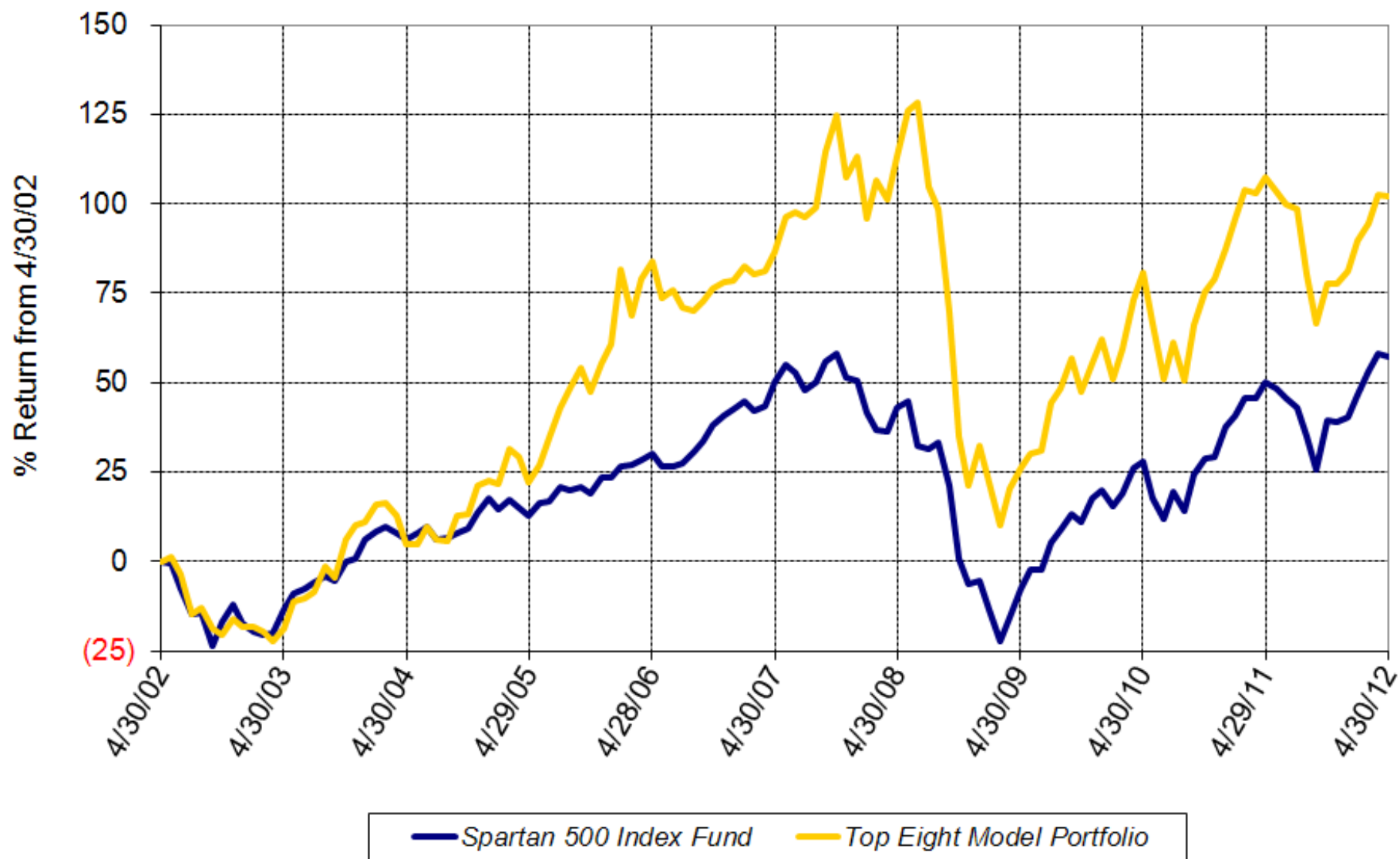
Hold

Fundranker Performance for April 2012													
3/30 Funds	3/30 Shares	3/30 Amount	<=4/2 Div Shrs	4/2 Shares	4/2 Amount	4/2 Funds	4/2 Shares	4/2 Amount	>4/2 Div Shrs	4/30 Shares	4/30 Amount	Apr Return	
FBIOX	231.137	23,867.21	none	231.137	24,040.56	FBIOX	228.728	23,790.04	13.330	242.058	23,552.24		
FDCPX	348.888	23,556.92	none	348.888	23,839.52	FSHOX	561.881	23,790.04	none	561.881	24,177.74		
FSCSX	250.458	23,405.30	none	250.458	23,595.65	FDCPX	348.164	23,790.04	none	348.164	23,034.53		
FSHOX	561.876	23,834.78	none	561.876	23,789.83	FDLSX	211.768	23,790.04	0.257	212.025	23,687.43		
FSCGX	627.261	23,045.57	none	627.261	23,164.75	FSRPX	385.264	23,790.04	0.277	385.541	24,593.66		
FSELX	440.149	24,058.54	none	440.149	24,027.73	FSCSX	252.521	23,790.04	13.604	266.125	23,238.04		
FDLSX	211.342	23,602.67	none	211.342	23,742.16	FSVLX	1,760.921	23,790.04	0.406	1,761.327	23,390.42		
FSVLX	1,785.357	23,923.78	none	1,785.357	24,120.17	FSRBX	1,241.004	23,790.04	1.088	1,242.092	23,500.38		
<b>Top Eight</b>		<b>189,294.77</b>			<b>190,320.37</b>			<b>190,320.30</b>			<b>189,174.44</b>	<b>(0.064)</b>	
FNCMX1	565.201	64,423.67	none						none	1,565.201	63,500.20	<b>(1.433)</b>	
FUSEX1	1,180.325	59,110.68	none						4.165	1,184.490	58,738.86	<b>(0.629)</b>	
<b>Yearly Summaries</b>				1997	1998	1999	2000	2001					
				Return %	Return %	Return %	Return %	Return %					
<i>Top Eight Model Portfolio</i>				29.144	33.441	76.892	25.824	<b>(8.468)</b>					
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	<b>(9.132)</b>	<b>(12.054)</b>					
<b>Yearly Summaries</b>				2002	2003	2004	2005	2006					
				Return %	Return %	Return %	Return %	Return %					
<i>Top Eight Model Portfolio</i>				<b>(9.333)</b>	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				<b>(22.173)</b>	28.487	10.733	4.858	15.712					
<b>Yearly Summaries</b>				2007	2008	2009	2010	2011					
				Return %	Return %	Return %	Return %	Return %					
<i>Top Eight Model Portfolio</i>				19.463	<b>(37.882)</b>	22.518	15.464	<b>(3.133)</b>					
Nasdaq Composite Index Fund				10.497	<b>(40.041)</b>	44.959	17.811	<b>(0.957)</b>					
Spartan 500 Index Fund - Investor Class				5.426	<b>(37.047)</b>	26.502	14.842	2.036					
<b>Yearly Summaries</b>				2012 YTD									
				Return %									
<i>Top Eight Model Portfolio</i>				11.485									
Nasdaq Composite Index Fund				17.288									
Spartan 500 Index Fund - Investor Class				11.857									
<b>Lifetime Summary</b>				1/2/97 to 4/30/12	1/2/97 to 4/30/12								
				Total Return %	Average Annual Return %								
<i>Top Eight Model Portfolio</i>				688.227	14.413								
Nasdaq Composite Index Fund				N/A	N/A								
Spartan 500 Index Fund - Investor Class				144.745	6.011								
<b>10-Year Summary</b>				4/30/02 to 4/30/12	4/30/02 to 4/30/12								
				Total Return %	Average Annual Return %								
<i>Top Eight Model Portfolio</i>				102.131	7.291								
Nasdaq Composite Index Fund				N/A	N/A								
Spartan 500 Index Fund - Investor Class				57.027	4.616								
<b>5-Year Summary</b>				4/30/07 to 4/30/12	4/30/07 to 4/30/12								
				Total Return %	Average Annual Return %								
<i>Top Eight Model Portfolio</i>				8.464	1.638								
Nasdaq Composite Index Fund				25.435	4.637								
Spartan 500 Index Fund - Investor Class				4.735	0.929								
<b>3-Year Summary</b>				4/30/09 to 4/30/12	4/30/09 to 4/30/12								
				Total Return %	Average Annual Return %								
<i>Top Eight Model Portfolio</i>				60.187	17.006								
Nasdaq Composite Index Fund				81.658	22.016								
Spartan 500 Index Fund - Investor Class				69.999	19.348								
<b>1-Year Summary</b>				4/29/11 to 4/30/12									
				Total Return %									
<i>Top Eight Model Portfolio</i>				<b>(2.448)</b>									
Nasdaq Composite Index Fund				7.127									
Spartan 500 Index Fund - Investor Class				4.670									

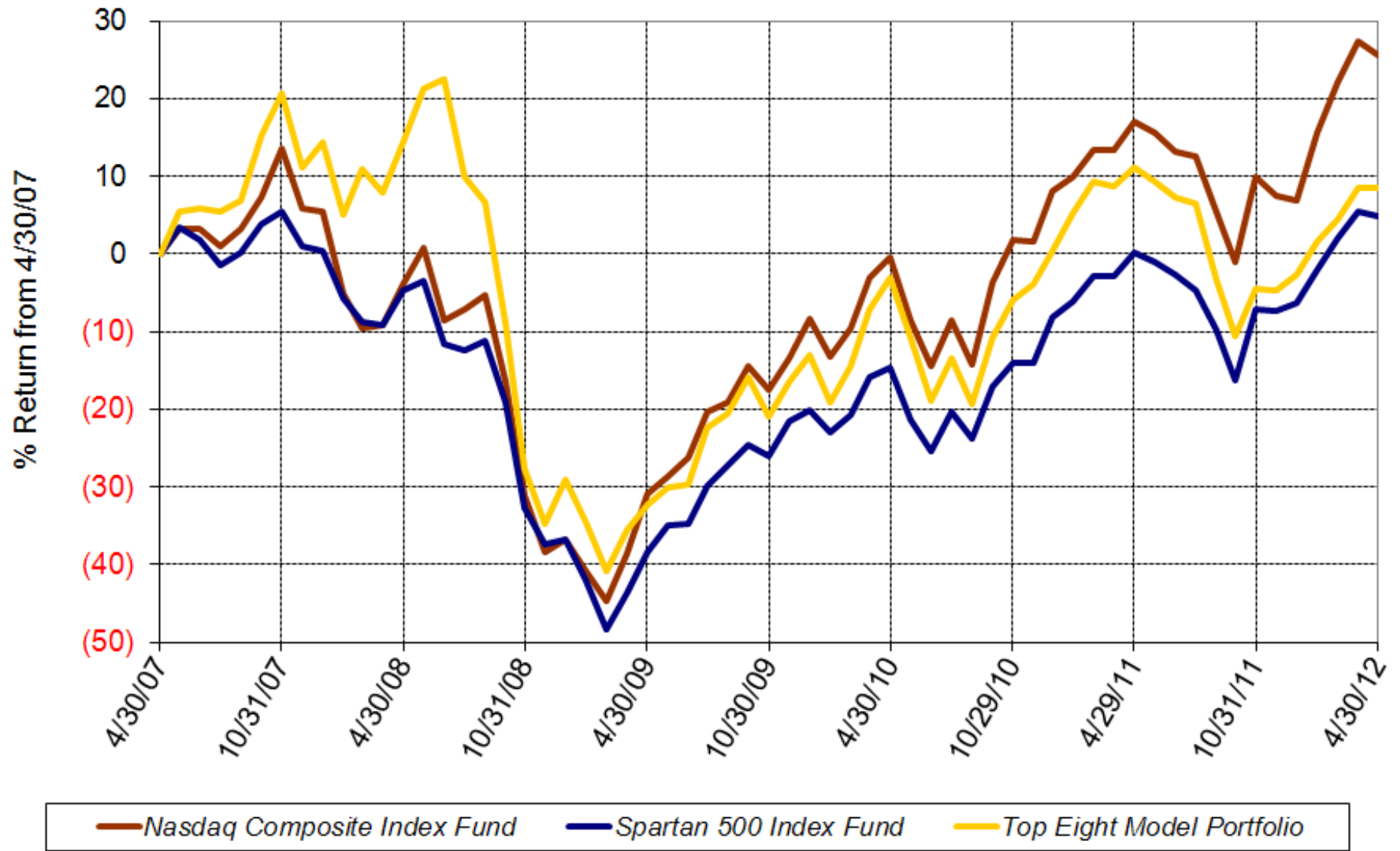
### Lifetime Chart



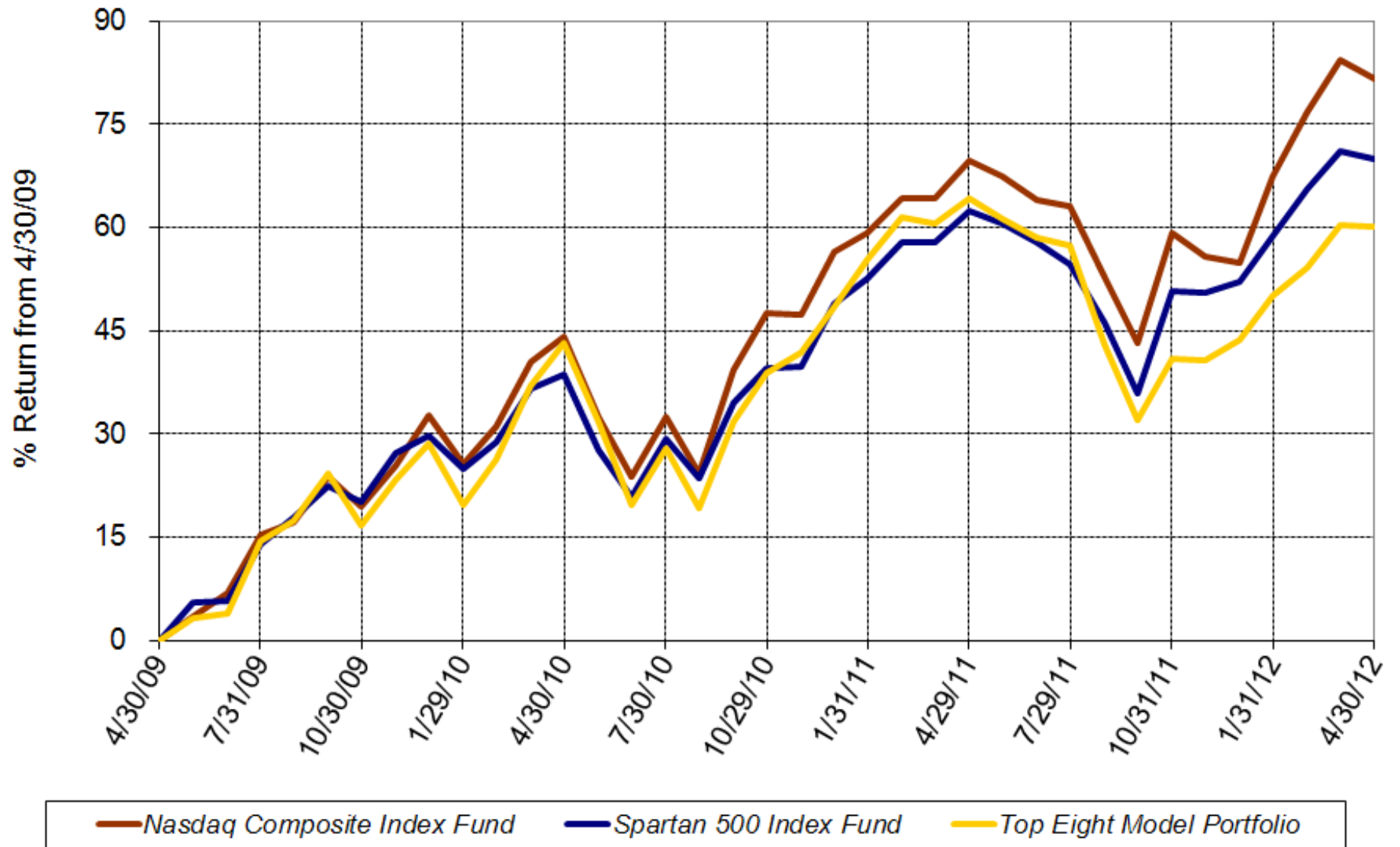
### 10-Year Chart



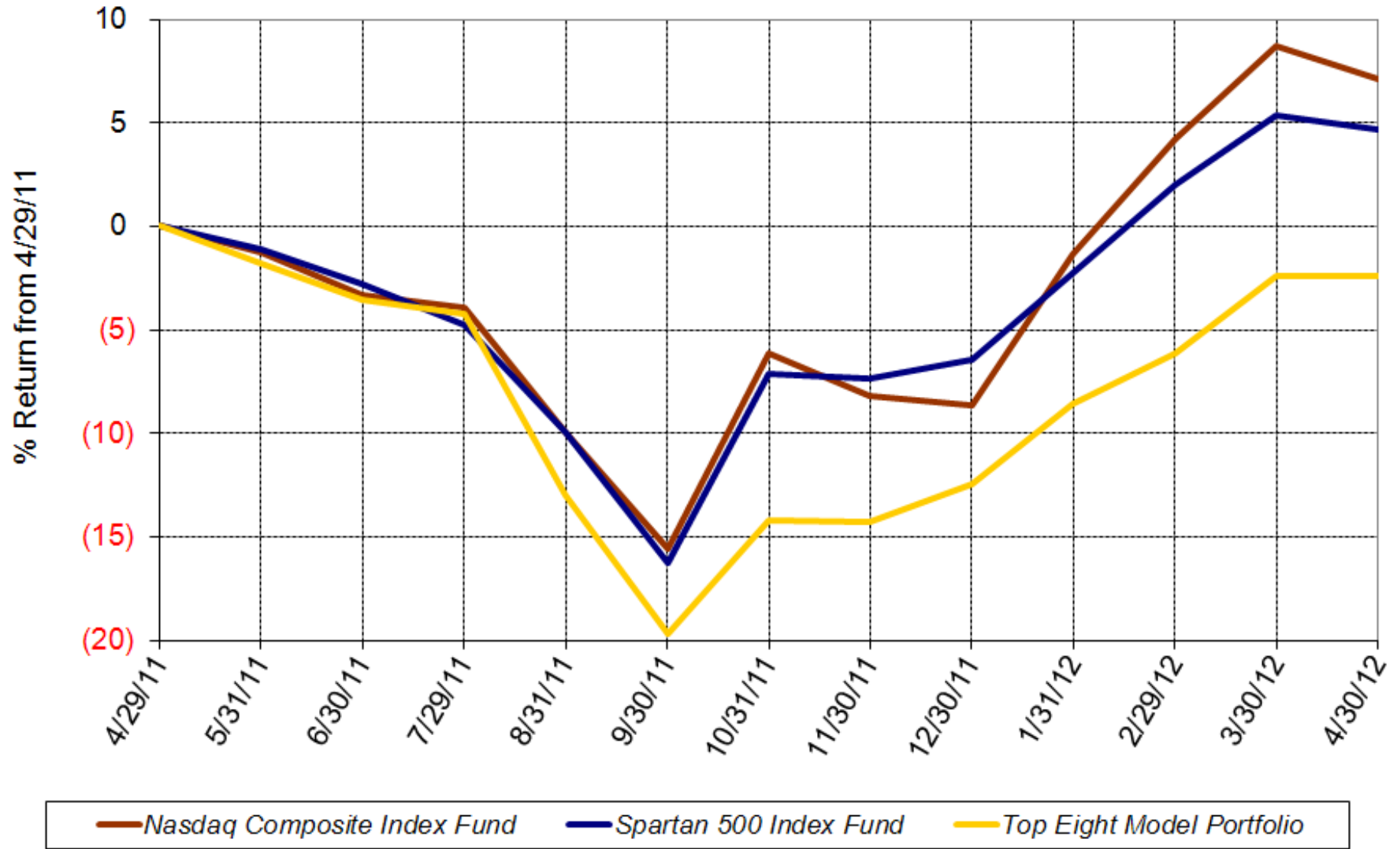
### 5-Year Chart



### 3-Year Chart



### 1-Year Chart





### Daily Chart April 2012

