

FIDELITY SELECT FUNDRANKER™

Volume 8 Issue 5

The Right Funds at the Right Time

May 2013

April Performance Adds to Highs

The broad market struggled at times during April, but ended the month on a high note, giving it six monthly gains in a row.

Seven of eight funds in the *Top Eight Model Portfolio* gained value in April. Biotechnology and Utilities led with one-month gains of 5.82% and 4.96%. Health Care, Insurance, and Multimedia followed with one-month gains of 3.61%, 2.71%, and 2.33%. Construction & Housing and Transportation had fractional one-month gains of 0.74% and 0.06%. Air Transportation lost 0.55%.

During April, the S&P 500 Index gained 1.910%, the Nasdaq Composite Index gained 1.909% and the *Top Eight Model Portfolio* gained 1.799%. For 2013 YTD through April, the *Top Eight Model Portfolio* gained 13.747%, the S&P 500 Index gained 12.689%, and the Nasdaq Composite Index gained 10.499%.

Final Performance of Funds Sold on April 5

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

Fund	Bought	Sold	Return
Brokerage & Invest Mgmt (FSLBX)	11/5/2012	4/5/2013	14.85%
Industrials (FCYIX)	3/6/2013	4/5/2013	(1.02)%

New All-Time Highs Set Again in April

The S&P 500 Index and *Fidelity Select Fundranker's Top Eight Model Portfolio* both set series of new all-time highs in April. The S&P 500 Index closed April 30 at a record 1,597.57. On a total return basis from January 2, 1997, through April 30, 2013, the *Top Eight Model Portfolio* returned 835.323%, while the S&P 500 Index returned only 185.841%.

Austerity vs. Stimulus

New information came out in the battle between austerity and stimulus in April. In early 2010, Carmen Reinhart and Kenneth Rogoff published a paper "Growth in a Time of Debt," in which they claimed that when a government's debt reaches 90% of GDP, economic growth drops off sharply. Many economists disputed their conclusions and couldn't replicate their findings. Despite the immediate and lasting controversy among economists concerning Reinhart and Rogoff's results, austerity backers in Europe and the United States treated it as an economic consensus view and used it relentlessly in their drives to enact austerity measures.

Reinhart and Rogoff recently allowed researchers at the University of Massachusetts to review their data spreadsheet. These researchers discovered significant problems: selective exclusion of data, questionable methods of weighting the countries included in the data, and finally, a spreadsheet coding error that excluded some countries altogether. Furthermore, all three errors bias toward Reinhart and Rogoff's claim. Without the errors, the data show that high debt and low growth are somewhat correlated, but which causes which isn't clear, much less with a 90% threshold.

As far as economists are concerned, it seems that the controversy about Reinhart and Rogoff's claims has been settled pretty definitively—their results are not valid. Will politicians pay attention? Will they rethink austerity now that a main supporting pillar has been kicked out from under it? We suspect that politicians won't rush to change their deeply held opinions on austerity and stimulus.

Holding Period Alert

If you purchased shares after April 5 of any funds which are being exchanged on May 6, 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 Utilities on April 8, you should wait a full 30 days and exchange Utilities on May 8 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 May 2013

Fund Name (Symbol)	Purchase	Return to 4/30
1. Biotechnology (FBIOX)	3/6/2013	10.42%
2. Automotive (FSAVX)	5/6/2013	
3. Multimedia (FBMPX)	7/2/2012	31.27%
4. Health Care (FSPHX)	4/5/2013	3.57%
5. Brokerage & Inv Mgmt (FSLBX)	5/6/2013	
6. Pharmaceuticals (FPHAX)	5/6/2013	
7. Telecommunications (FSTCX)	5/6/2013	
8. Air Transportation (FSAIX)	2/4/2013	9.24%
Funds to be sold on May 6:		
9. Utilities (FSUTX)	4/5/2013	4.41%
10. Insurance (FSPCX)	2/4/2013	9.54%
11. Transportation (FSRFX)	3/6/2013	3.15%
15. Construction & Housing (FSHOX)	9/4/2012	24.17%

Fundranker Exchanges for May 6

Sell Transportation (FSRFX), buy Automotive (FSAVX)
Sell Insurance (FSPCX), buy Brokerage & Inv Mgmt (FSLBX)
Sell Utilities (FSUTX), buy Pharmaceuticals (FPHAX)
Sell Constr & Housing (FSHOX), buy Telecommunications (FSTCX)

Fundranker Invest New Money Date

Invest new money on May 2.

Optional Rebalancing Exchange Dates

Method 1: none; Method 2: May 2; Method 3: May 6 (see the rebalancing FAQ at www.fundranker.com for more information)

Upcoming Fundranker Exchange Date

If all funds to be exchanged in June have been held more than one month, *Fundranker* will exchange on June 3; otherwise, to avoid roundtrip transactions, *Fundranker* will exchange on June 5.

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<i>Fundranker</i> Ratings for 4/30/13 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)	24.73*	26.07*	9.49*	(0.55)	17.935	8
Automotive (FSAVX)	23.48*	30.17*	10.30*	5.02*	21.243	2
Banking (FSRBX)	13.44	10.29	4.37	(0.43)	6.918	27
Biotechnology (FBIOX)	45.47*	31.54*	18.68*	5.82*	29.378	1
Brokerage & Investment Mgmt (FSLBX)	31.90*	22.88*	6.57	4.81*	19.540	5
Chemicals (FSCHX)	16.93	15.15	2.19	1.69	8.990	22
Communications Equipment (FSDCX)	1.30	16.19	(2.74)	(2.34)	3.103	36
Computers (FDCPX)	0.33	11.94	3.20	(2.70)	3.193	35
Construction & Housing (FSHOX)	27.17*	16.23	3.20	0.74	12.835	15
Consumer Discretionary (FSCPX)	17.71	17.93	9.15*	3.71*	14.125	12
Consumer Finance (FSVLX)	24.42*	12.71	6.44	0.58	12.038	17
Consumer Staples (FDFAX)	22.85	16.87	8.98	3.03*	13.933	13
Defense & Aerospace (FSDAX)	13.90	16.75	7.98	(0.36)	9.568	21
Electronics (FSELX)	(1.87)	18.63*	3.74	(1.95)	5.638	31
Energy (FSENX)	9.53	9.89	1.68	(0.90)	5.050	32
Energy Service (FSSEX)	8.72	15.15	(0.05)	(0.23)	5.898	30
Environment & Alternative Energy (FSLEX)	17.45	18.04*	4.06	0.59	11.035	19
Financial Services (FIDSX)	20.23	15.23	4.44	3.97*	11.968	18
Gold (FSAGX)	(34.84)	(40.54)	(27.16)	(18.85)	(30.348)	39
Health Care (FSPHX)	28.13*	20.18*	11.47*	3.61*	19.848	4
Industrial Equipment (FSCGX)	8.96	11.23	0.08	(2.57)	4.425	33
Industrials (FCYIX)	15.40	15.73	3.41	(2.22)	8.080	23
Insurance (FSPCX)	26.61*	19.24*	9.69*	2.71	17.563	10
IT Services (FBSOX)	14.16	15.60	3.70	(1.68)	7.945	25
Leisure (FDLSX)	10.96	23.33*	9.57*	2.29	13.538	14
Materials (FSDPX)	13.20	9.73	1.31	(0.62)	5.905	29
Medical Delivery (FSHCX)	7.65	8.88	5.92	2.05	6.125	28
Medical Equipment & Systems (FSMEX)	14.62	15.28	2.88	(0.72)	8.015	24
Multimedia (FBMPX)	36.13*	20.24*	10.42*	2.33	20.280	3
Natural Gas (FSNGX)	7.77	9.27	0.71	(1.62)	4.033	34
Natural Resources (FNARX)	5.67	5.54	(0.26)	(2.14)	2.203	37
Pharmaceuticals (FPHAX)	24.26*	18.56*	10.11*	4.13*	18.265	6
Retailing (FSRPX)	12.30	15.22	5.61	3.85*	10.245	20
Software & Computer Services (FSCSX)	9.93	13.41	4.12	0.26	6.930	26
Technology (FSPTX)	1.33	6.12	1.54	(1.26)	1.933	38
Telecommunications (FSTCX)	27.25*	14.84	10.44*	7.80*	18.083	7
Transportation (FSRFX)	21.52	24.32*	9.41*	0.06	15.828	11
Utilities (FSUTX)	23.16*	17.98	13.38*	4.96*	17.870	9
Wireless (FWRLX)	21.39	14.50	6.04	3.40*	12.333	16

*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

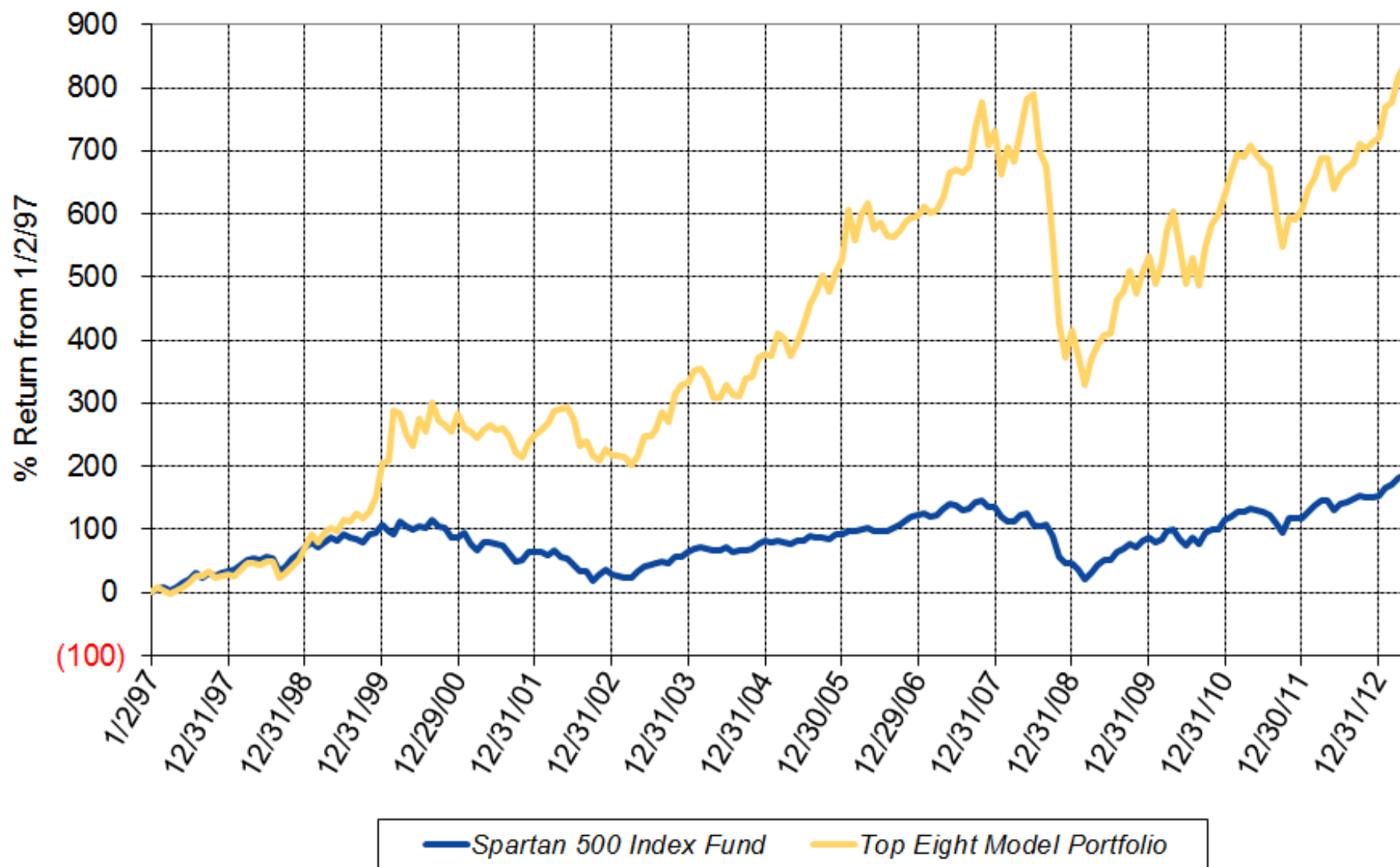
Sell on May 6, 2013

Buy on May 6, 2013

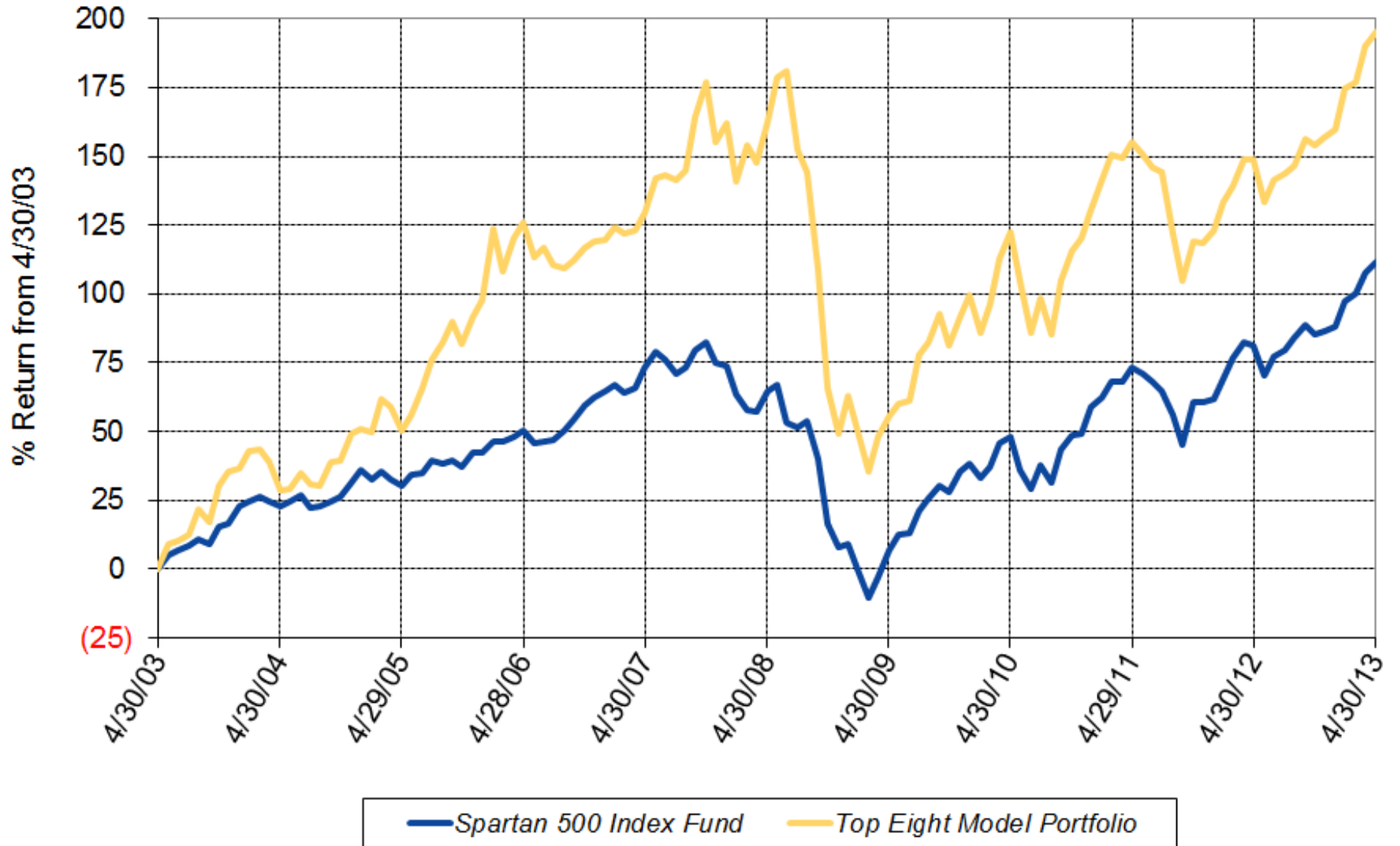
Hold

Fundranker Performance for April 2013													
3/28 Funds	3/28 Shares	3/28 Amount	<=4/5 Div Shrs	4/5 Shares	4/5 Amount	4/5 Funds	4/5 Shares	4/5 Amount	>4/5 Div Shrs	4/30 Shares	4/30 Amount	Apr Return	
FSLBX	472.744	26,544.58	none	472.744	26,043.47	FBIOX	205.958	27,048.45	0.081	206.039	28,853.70		
FSAIX	591.189	28,051.92	none	591.189	26,987.78	FSAIX	592.518	27,048.45	5.327	597.845	27,961.21		
FSPCX	467.819	27,680.85	none	467.819	27,465.65	FSRFX	457.905	27,048.45	4.055	461.960	27,976.30		
FSHOX	505.277	27,072.74	none	505.277	26,638.20	FBMPX	414.790	27,048.45	none	414.790	27,741.16		
FBMPX	426.570	27,880.62	none	426.570	27,816.63	FSPCX	460.713	27,048.45	10.713	471.426	27,997.99		
FSRFX	454.945	27,778.94	none	454.945	26,873.60	FSPHX	176.028	27,048.45	4.028	180.056	28,013.11		
FBIOX	212.377	28,116.59	none	212.377	27,891.47	FSUTX	415.555	27,048.45	none	415.555	28,241.12		
FCYIX	950.155	27,383.47	none	950.155	26,670.85	FSHOX	513.059	27,048.45	2.831	515.890	27,692.98		
Top Eight		220,509.71			216,387.65			216,387.60			224,477.57	1.799	
FNCMX1	1,584.044	68,874.23	none						none	1,584.044	70,188.99	1.909	
FUSEX1	1,205.727	67,315.74	5.676						none	1,211.403	68,601.75	1.910	
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	13.747								
Nasdaq Composite Index Fund				17.325	10.499								
Spartan 500 Index Fund - Investor Class				15.929	12.689								
Lifetime Summary				1/2/97 to 4/30/13		1/2/97 to 4/30/13							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				835.323		14.669							
Nasdaq Composite Index Fund				N/A		N/A							
Spartan 500 Index Fund - Investor Class				185.841		6.641							
10-Year Summary				4/30/03 to 4/30/13		4/30/03 to 4/30/13							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				195.315		11.437							
Nasdaq Composite Index Fund				N/A		N/A							
Spartan 500 Index Fund - Investor Class				111.719		7.789							
5-Year Summary				4/30/08 to 4/30/13		4/30/08 to 4/30/13							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				12.518		2.387							
Nasdaq Composite Index Fund				44.169		7.591							
Spartan 500 Index Fund - Investor Class				28.399		5.127							
3-Year Summary				4/30/10 to 4/30/13		4/30/10 to 4/30/13							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				32.689		9.887							
Nasdaq Composite Index Fund				39.277		11.676							
Spartan 500 Index Fund - Investor Class				43.207		12.717							
1-Year Summary				4/30/12 to 4/30/13		4/30/12 to 4/30/13							
				Total Return %		Total Return %							
<i>Top Eight Model Portfolio</i>				18.662		18.662							
Nasdaq Composite Index Fund				10.533		10.533							
Spartan 500 Index Fund - Investor Class				16.791		16.791							

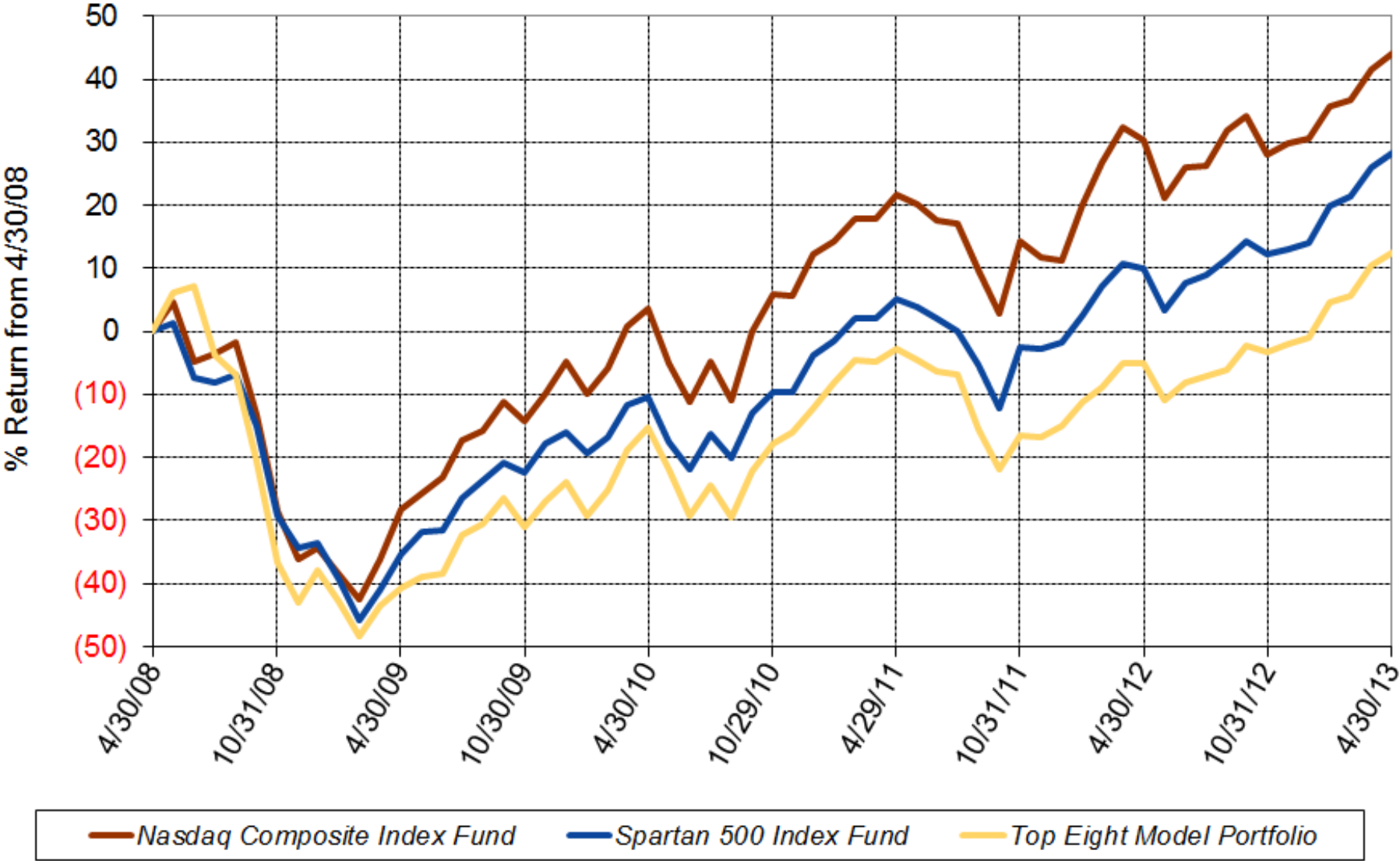
Lifetime Chart



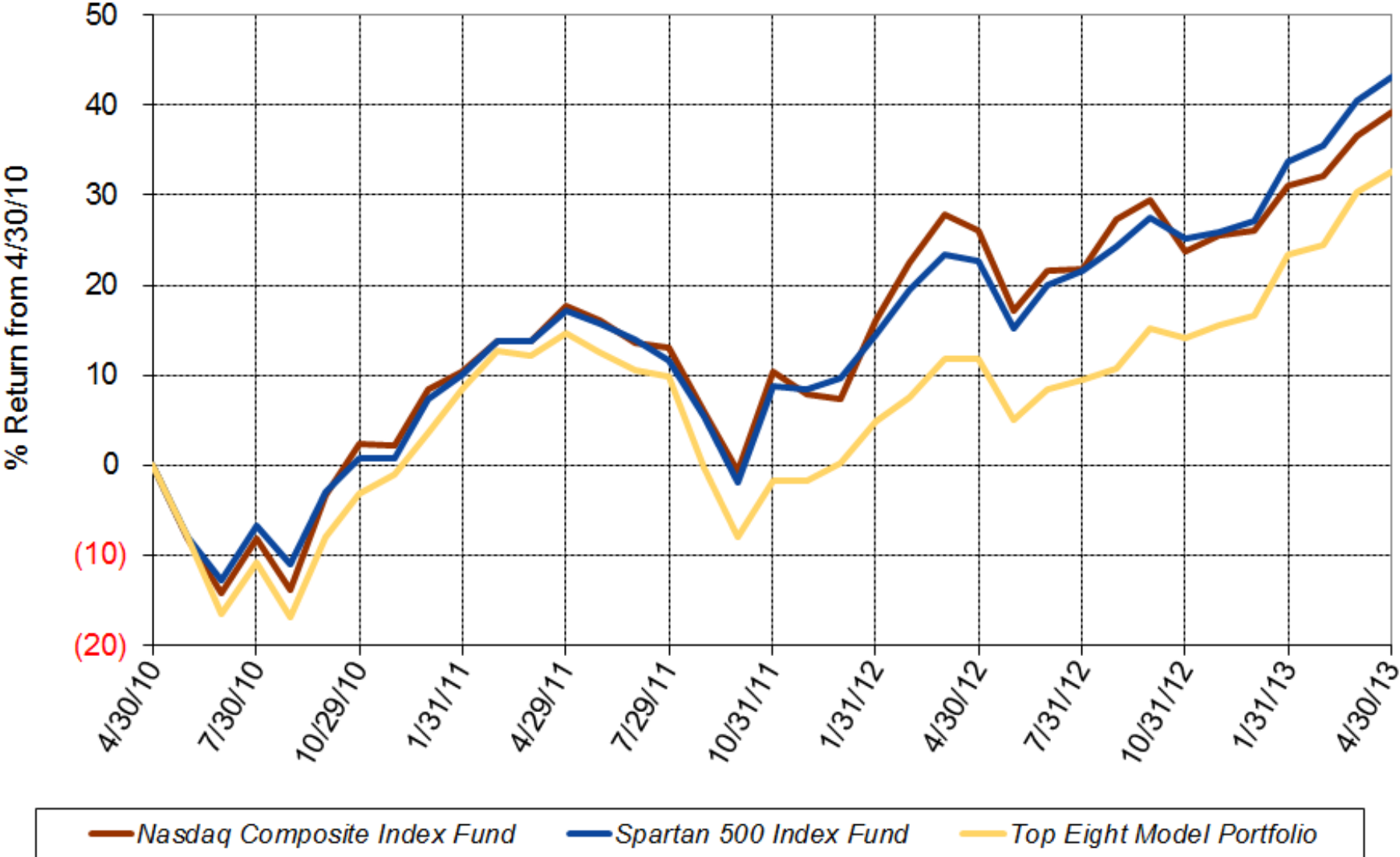
10-Year Chart



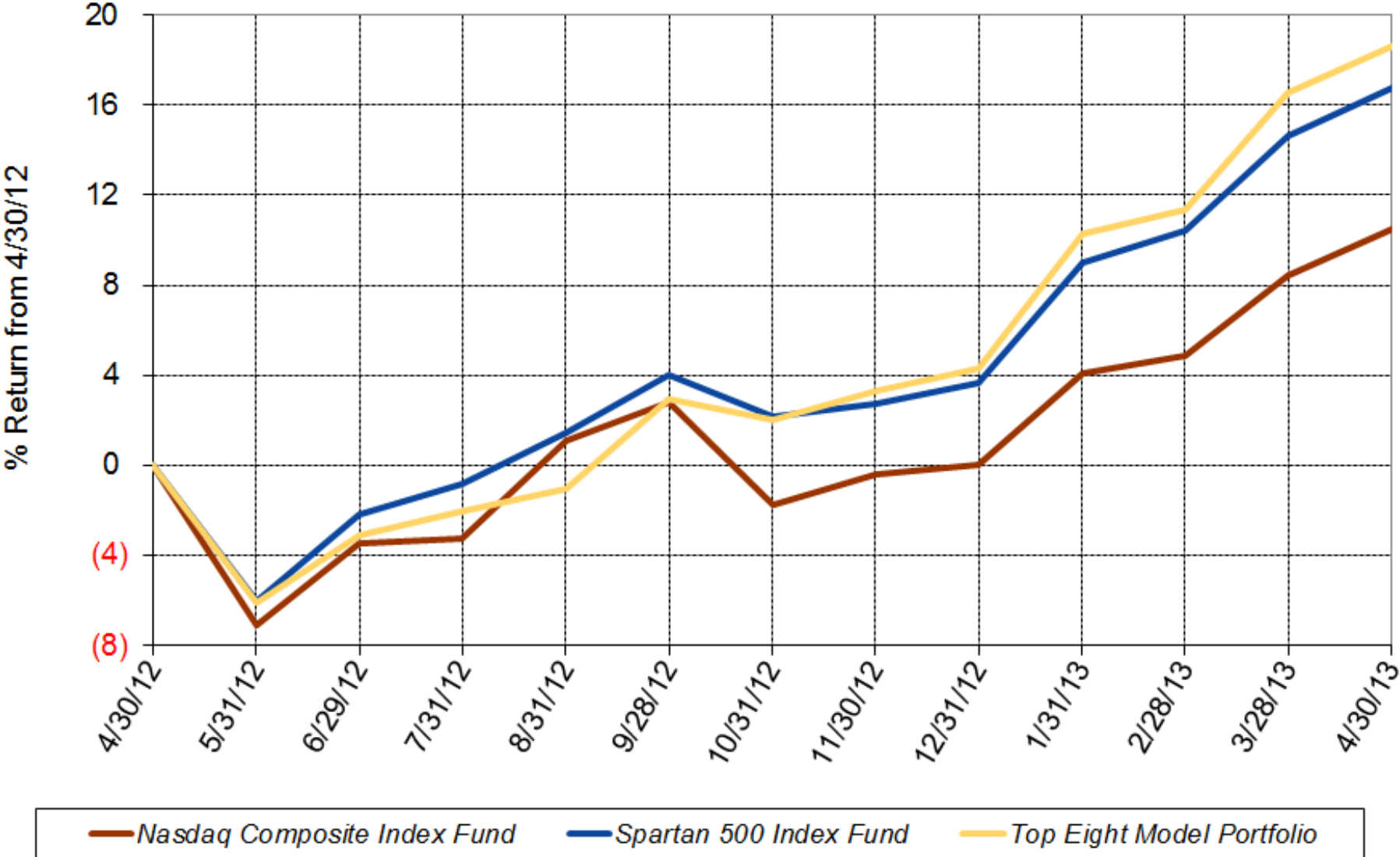
5-Year Chart



3-Year Chart



1-Year Chart



Daily Chart April 2013

