

# FIDELITY SELECT FUNDRANKER™

Volume 9 Issue 2

The Right Funds at the Right Time

February 2014

## Broad Market Struggles in January

The S&P 500 Index struggled in January, ending the month with its worst monthly loss since May of 2012. Ironically, it still eked out a new all-time high by a very small margin on January 15.

Four funds in the *Top Eight Model Portfolio* gained value in January. Biotechnology and Healthcare raced ahead with one-month gains of 13.11% and 7.04%. Transportation and Air Transportation managed fractional gains of 0.74% and 0.35%. Software & Computer Services lost 0.11%, and Defense & Aerospace, IT Services, and Brokerage & Investment Management trailed far behind with one-month losses of 2.12%, 4.27%, and 5.02%.

In January, the *Top Eight Model Portfolio* gained 1.201%. The Nasdaq Composite and S&P 500 Indexes lost 1.750% and 3.467%.

## Final Performance of Funds Sold on January 2

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

Fund	Bought	Sold	Return
Automotive (FSAVX)	5/6/2013	1/2/2014	26.25%
Leisure (FDLSX)	12/2/2013	1/2/2014	1.78%

## Fundranker Leaves Indexes in the Dust

*Fundranker's Top Eight Model Portfolio* led the Nasdaq Composite and S&P 500 Indexes for the entire month of January. Indeed, the S&P 500 Index broke into positive territory on only one day, January 15, when it set a new all-time high, albeit by only 0.061% more than the previous all-time high it set on December 31. The Nasdaq Composite Index made it into positive territory on January 14, set five new bull-market highs, most recently on January 22, but still ended the month in the red. *Fundranker's Top Eight Model Portfolio*, on the other hand, broke into positive territory on January 7, set nine new all-time highs, most recently on January 22, and remained in the black through the end of the month, despite the turmoil that occurred over the last seven trading days of the month.

## QE3 Taper Affects Emerging Markets

The Federal Open Market Committee knocked another \$10 billion off its quantitative easing program when it met in late January. Beginning in February, the Fed will purchase only \$65 billion in mortgage and treasury bonds. The \$10 billion cut in January already had begun to affect emerging market currencies, and this further cut added salt to the wounds. The Fed apparently felt that it could not base its decision on continued tapering on other economies, but it is also apparent in hind sight that emerging markets can play a big role in volatility in our markets. The FOMC is widely expected to continue tapering its QE3 program, possibly ending it altogether by October.

## Fundranker Shifts toward Health Care

*Fundranker* has held Biotechnology since March, 2013, and Health Care since August, 2013. On February 3, we'll add Medical Equipment & Systems and Pharmaceuticals, giving our *Top Eight Model Portfolio* a 50% weighting in Health Care. Fidelity only has five Select funds in its Health category. The fifth one, Medical Delivery, rose to number 11 in *Fundranker's* January 31 rankings, not quite high enough to make it into the *Top Eight Model Portfolio*.

This may seem like a heavy weighting in one sector of the economy, but Fidelity sees the potential for Health Care to deliver stable, consistent performance in the months to come. Check out Fidelity's 2014 Health Care Outlook from Eddie Yoon, Select Health Care Portfolio Manager, at [www.fidelity.com/viewpoints/investing-ideas/2014-outlook-health-care](http://www.fidelity.com/viewpoints/investing-ideas/2014-outlook-health-care).

## Holding Period Alert

If you purchased shares after January 3 of any funds which are being exchanged on February 3, 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 Brokerage & Inv Mgmt on January 6, you should wait a full 30 days and exchange Brokerage & Inv Mgmt on February 5 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](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 February 2014

Fund Name (Symbol)	Purchase	Return to 1/31
1. Biotechnology (FBIOX)	3/6/2013	62.44%
2. Health Care (FSPHX)	8/5/2013	23.69%
3. Software & Comp Svcs (FSCSX)	1/2/2014	0.88%
4. Air Transportation (FSAIX)	10/2/2013	14.06%
5. Transportation (FSRFEX)	12/2/2013	2.67%
6. Pharmaceuticals (FPHAX)	2/3/2014	
7. Medical Eqpt & Systems (FSMEX)	2/3/2014	
8. Defense & Aerospace (FSDAX)	7/5/2013	20.13%
Funds to be sold on February 3:		
12. IT Services (FBSOX)	9/4/2013	10.99%
18. Brokerage & Inv Mgmt (FSLBX)	1/2/2014	(4.28)%

## Fundranker Exchanges for February 3

Sell IT Services (FBSOX), buy Pharmaceuticals (FPHAX)  
Sell Brokerage & Inv Mgmt (FSLBX), buy Med Eqpt & Sys (FSMEX)

## Fundranker Invest New Money Date

Invest new money on February 3. To avoid roundtrip transactions, hold funds with new shares until March 5.

## Optional Rebalancing Exchange Dates

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

## Upcoming Fundranker Exchange Date

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

*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](http://www.fundranker.com). © 2014 Fidelity Select Fundranker

<i>Fundranker</i> Ratings for 1/31/14 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)	41.54*	19.13*	6.56*	0.35*	20.895	4
Automotive (FSAVX)	36.50*	6.33	(1.36)	(4.62)	10.213	14
Banking (FSRBX)	28.09	6.71	4.31	(3.25)	8.965	20
Biotechnology (FBIOX)	74.60*	24.48*	21.19*	13.11*	37.345	1
Brokerage & Investment Mgmt (FSLBX)	28.41	10.13	4.29	(5.02)	9.453	18
Chemicals (FSCHX)	17.97	9.84	1.13	(5.02)	5.980	28
Communications Equipment (FSDCX)	23.15	12.37	8.69*	1.53*	13.435	13
Computers (FDCPX)	22.56	8.01	5.83	(2.33)	8.518	22
Construction & Housing (FSHOX)	10.78	3.51	1.84	(2.00)	3.533	34
Consumer Discretionary (FSCPX)	25.14	5.53	(0.34)	(5.95)	6.095	27
Consumer Finance (FSVLX)	21.02	3.64	0.49	(4.52)	5.158	30
Consumer Staples (FDFAX)	6.19	(2.92)	(6.29)	(7.55)	(2.643)	38
Defense & Aerospace (FSDAX)	41.25*	15.69*	6.16*	(2.12)	18.245	8
Electronics (FSELX)	32.06*	12.94*	8.44*	0.59*	17.508	9
Energy (FSENX)	8.72	1.72	(6.03)	(5.42)	(0.253)	35
Energy Service (FSESX)	7.53	2.36	(7.58)	(5.77)	(0.865)	37
Environment & Alternative Energy (FSLEX)	23.75	8.62	2.08	(3.33)	7.780	24
Financial Services (FIDSX)	20.19	6.19	3.74	(3.91)	6.553	26
Gold (FSAGX)	(41.24)	(7.97)	(5.28)	11.74*	(9.688)	39
Health Care (FSPHX)	57.06*	25.16*	16.74*	7.04*	30.500	2
Industrial Equipment (FSCGX)	21.22	10.61	2.97	(3.45)	7.838	23
Industrials (FCYIX)	26.86	11.10	3.78	(3.47)	9.568	17
Insurance (FSPCX)	24.44	4.88	(1.36)	(7.07)	5.223	29
IT Services (FBSOX)	34.75*	15.60*	5.72	(4.27)	14.950	12
Leisure (FDLSX)	28.38	10.89	1.93	(4.43)	9.193	19
Materials (FSDPX)	12.65	7.20	1.26	(4.12)	4.248	32
Medical Delivery (FSHCX)	32.32*	12.05	8.65*	1.32*	16.585	11
Medical Equipment & Systems (FSMEX)	32.57*	15.90*	8.58*	3.08*	19.033	7
Multimedia (FBMPX)	31.81	9.88	2.16	(4.42)	9.858	16
Natural Gas (FSNGX)	12.56	7.68	(3.33)	(2.57)	3.585	33
Natural Resources (FNARX)	6.17	2.22	(6.64)	(3.60)	(0.463)	36
Pharmaceuticals (FPHAX)	34.84*	16.18*	10.04*	1.67*	19.683	6
Retailing (FSRPX)	27.42	7.75	(1.18)	(6.02)	6.993	25
Software & Computer Services (FSCSX)	42.32*	22.35*	11.17*	(0.11)	21.933	3
Technology (FSPTX)	29.61	15.78*	8.74*	0.28*	16.603	10
Telecommunications (FSTCX)	15.94	5.15	(0.76)	(1.95)	4.595	31
Transportation (FSRFX)	37.79*	17.11*	8.30*	0.74*	19.985	5
Utilities (FSUTX)	17.24	7.40	3.70	2.85*	8.798	21
Wireless (FWRLX)	20.68	15.07*	2.17	(2.28)	9.910	15

\*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

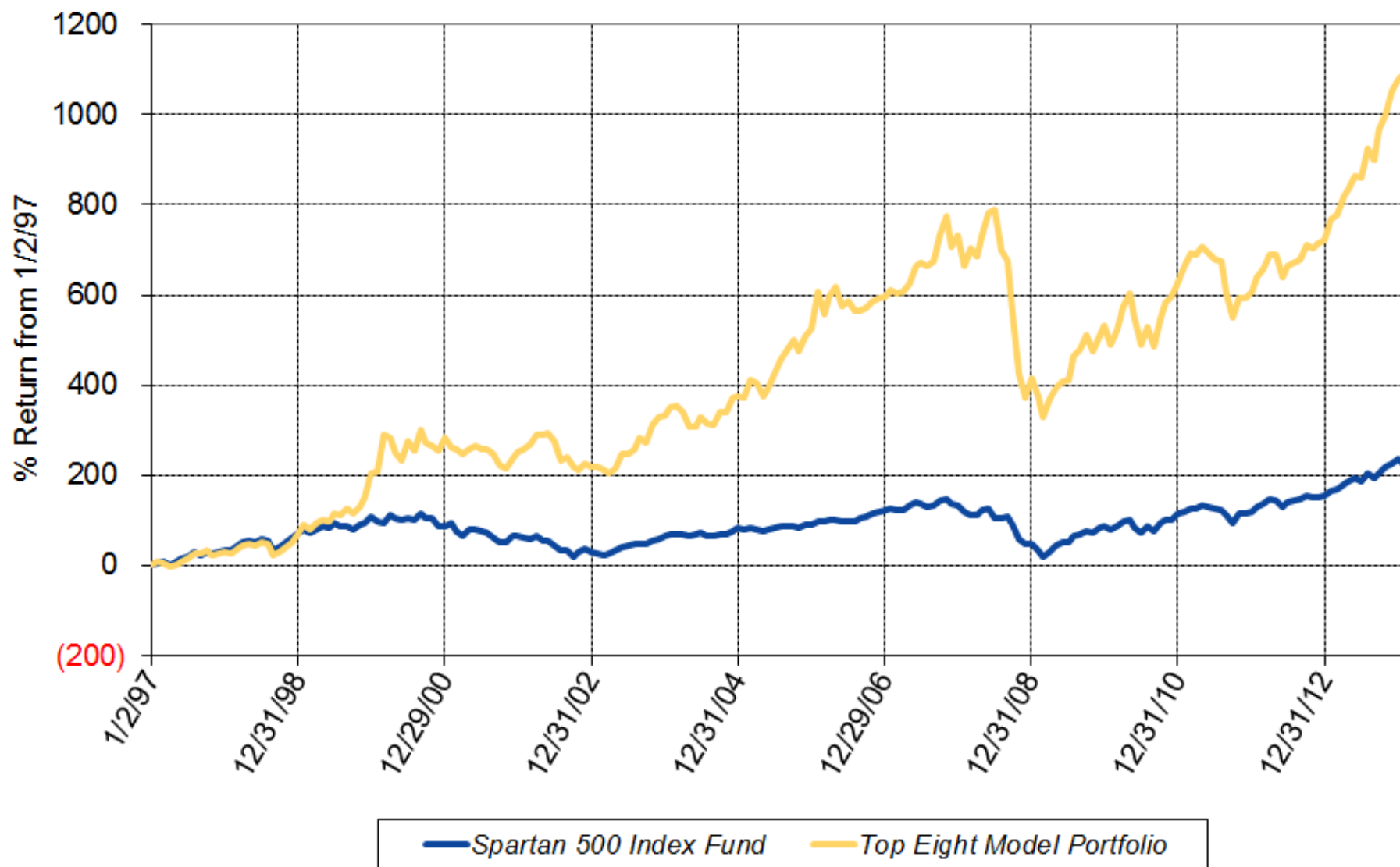
Sell on February 3, 2014

Buy on February 3, 2014

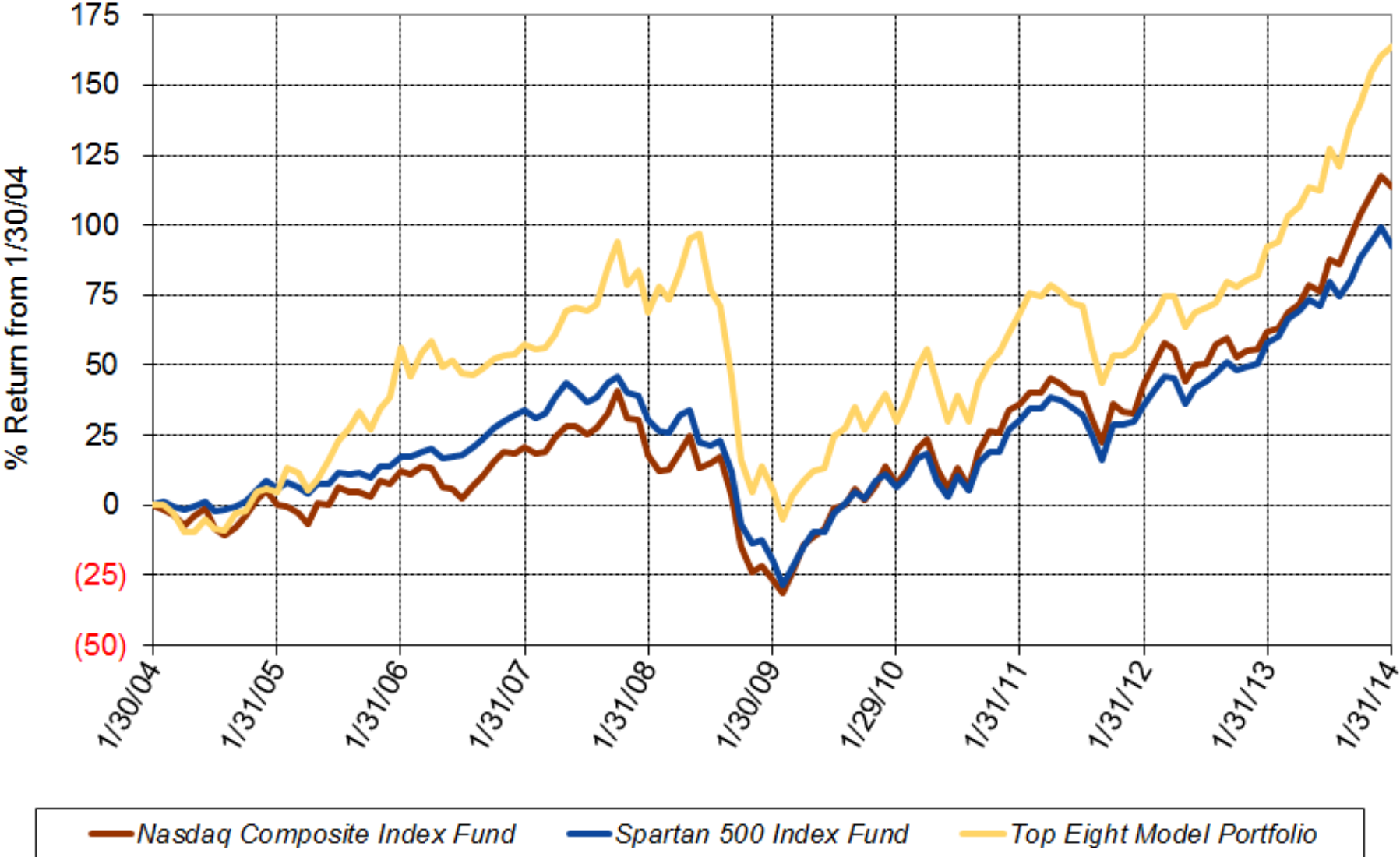
Hold

Fundranker Performance for January 2014													
12/31 Funds	12/31 Shares	12/31 Amount	<=1/2 Div Shrs	1/2 Shares	1/2 Amount	1/2 Funds	1/2 Shares	1/2 Amount	>1/2 Div Shrs	1/31 Shares	1/31 Amount	Jan Return	
FSAIX	586.866	34,801.15	none	586.866	34,566.41	FBSOX	947.902	35,129.26	none	947.902	33,963.33		
FSPHX	187.024	35,255.89	none	187.024	35,091.31	FSCSX	298.972	35,129.26	none	298.972	35,437.15		
FBIOX	191.591	34,817.83	none	191.591	34,961.53	FSPHX	187.226	35,129.26	none	187.226	37,780.33		
FSRFX	475.571	35,120.92	none	475.571	34,807.04	FSLBX	476.846	35,129.26	none	476.846	33,627.18		
FSDAX	293.927	35,964.91	none	293.927	35,612.20	FBIOX	192.510	35,129.26	none	192.510	39,570.43		
FSAVX	621.216	34,993.10	none	621.216	34,614.16	FSAIX	596.422	35,129.26	none	596.422	35,493.07		
FDLSX	264.951	35,286.17	none	264.951	35,076.86	FSDAX	289.941	35,129.26	none	289.941	34,723.33		
FBSOX	979.616	36,667.03	none	979.616	36,304.57	FSRFX	479.973	35,129.26	none	479.973	35,709.99		
<b>Top Eight</b>		<b>282,907.00</b>			<b>281,034.08</b>			<b>281,034.10</b>			<b>286,304.81</b>		<b>1.201</b>
FNCMX1	610.725	88,767.05	none						0.761	1,611.486	87,213.62		(1.750)
FUSEX1	1,229.550	80,510.93	none						none	1,229.550	77,719.86		(3.467)
<b>Yearly Summaries</b>				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)	
<b>Yearly Summaries</b>				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	
<b>Yearly Summaries</b>				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	
<b>Yearly Summaries</b>				2012 Return %		2013 Return %		2014 YTD Return %					
<i>Top Eight Model Portfolio</i>				16.302		43.354		1.201					
Nasdaq Composite Index Fund				17.325		39.746		(1.750)					
Spartan 500 Index Fund - Investor Class				15.929		32.251		(3.467)					
<b>Lifetime Summary</b>				1/2/97 to 1/31/14 Total Return %				1/2/97 to 1/31/14 Average Annual Return %					
<i>Top Eight Model Portfolio</i>				1,092.937				15.617					
Nasdaq Composite Index Fund				N/A				N/A					
Spartan 500 Index Fund - Investor Class				223.833				7.120					
<b>10-Year Summary</b>				1/30/04 to 1/31/14 Total Return %				1/30/04 to 1/31/14 Average Annual Return %					
<i>Top Eight Model Portfolio</i>				163.925				10.191					
Nasdaq Composite Index Fund				113.550				7.882					
Spartan 500 Index Fund - Investor Class				92.122				6.748					
<b>5-Year Summary</b>				1/30/09 to 1/31/14 Total Return %				1/30/09 to 1/31/14 Average Annual Return %					
<i>Top Eight Model Portfolio</i>				150.826				20.192					
Nasdaq Composite Index Fund				191.036				23.820					
Spartan 500 Index Fund - Investor Class				139.565				19.093					
<b>3-Year Summary</b>				1/31/11 to 1/31/14 Total Return %				1/31/11 to 1/31/14 Average Annual Return %					
<i>Top Eight Model Portfolio</i>				56.054				15.991					
Nasdaq Composite Index Fund				56.786				16.172					
Spartan 500 Index Fund - Investor Class				47.501				13.832					
<b>1-Year Summary</b>				1/31/13 to 1/31/14 Total Return %									
<i>Top Eight Model Portfolio</i>				37.195									
Nasdaq Composite Index Fund				31.969									
Spartan 500 Index Fund - Investor Class				21.392									

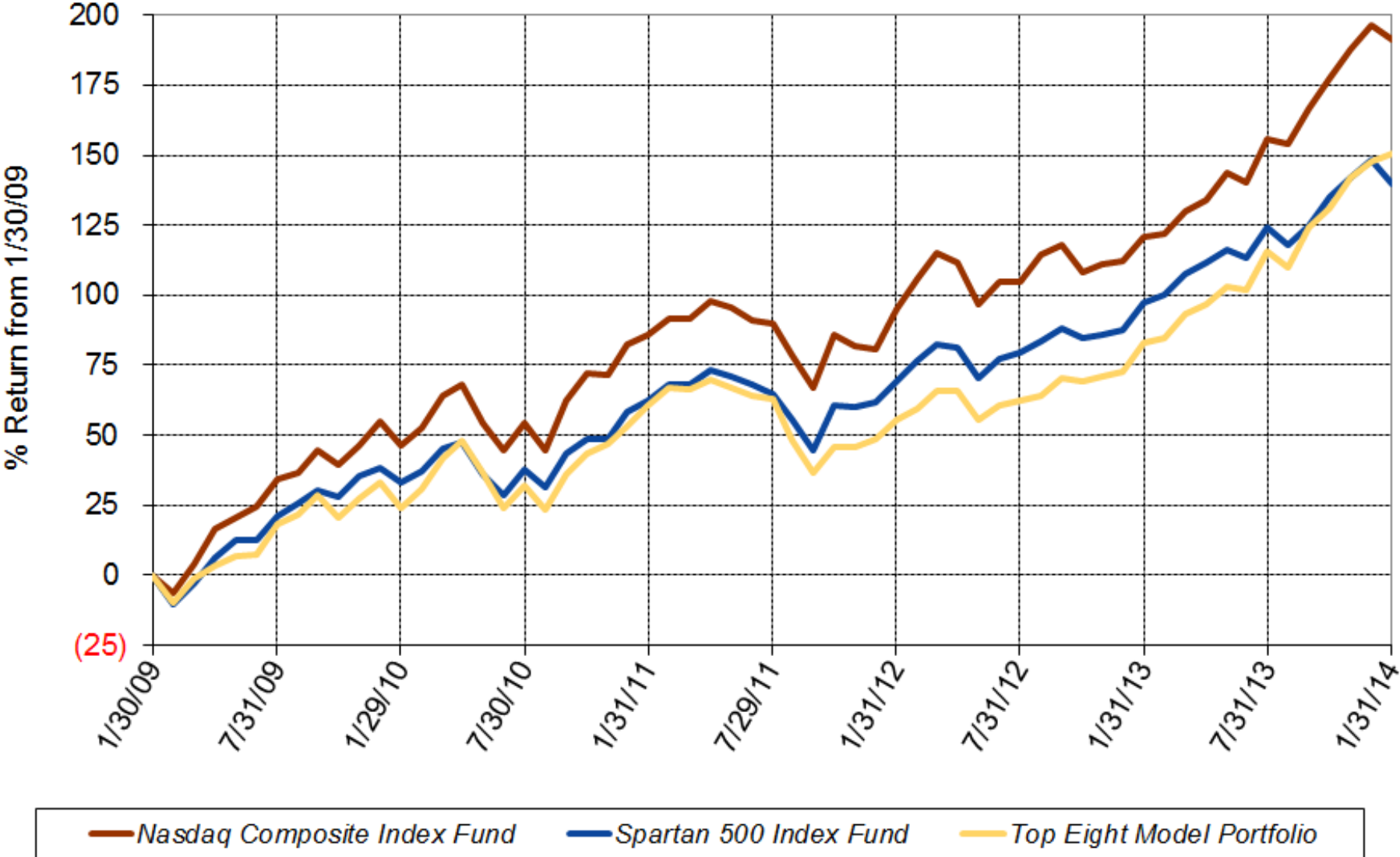
### Lifetime Chart



### 10-Year Chart

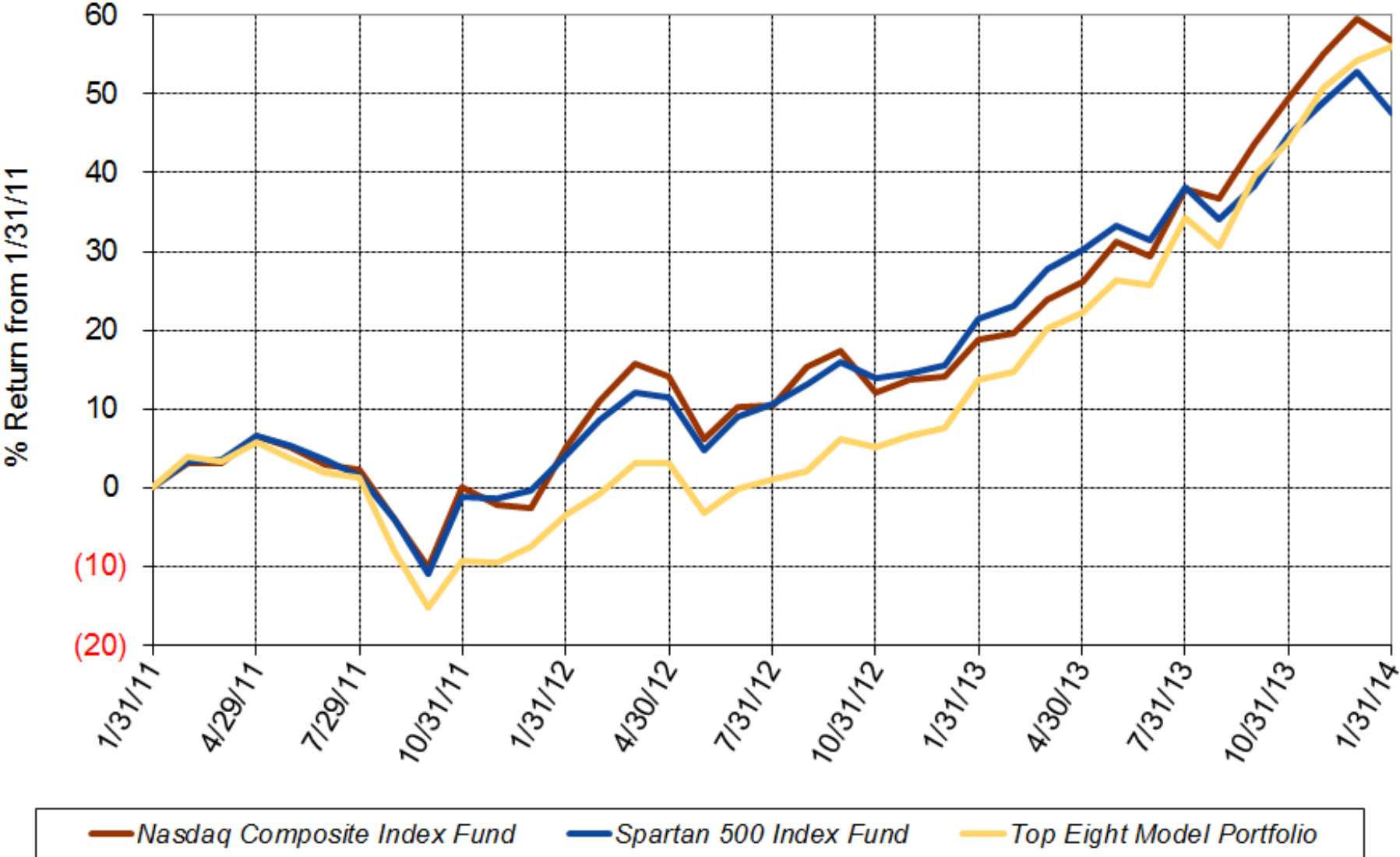


### 5-Year Chart

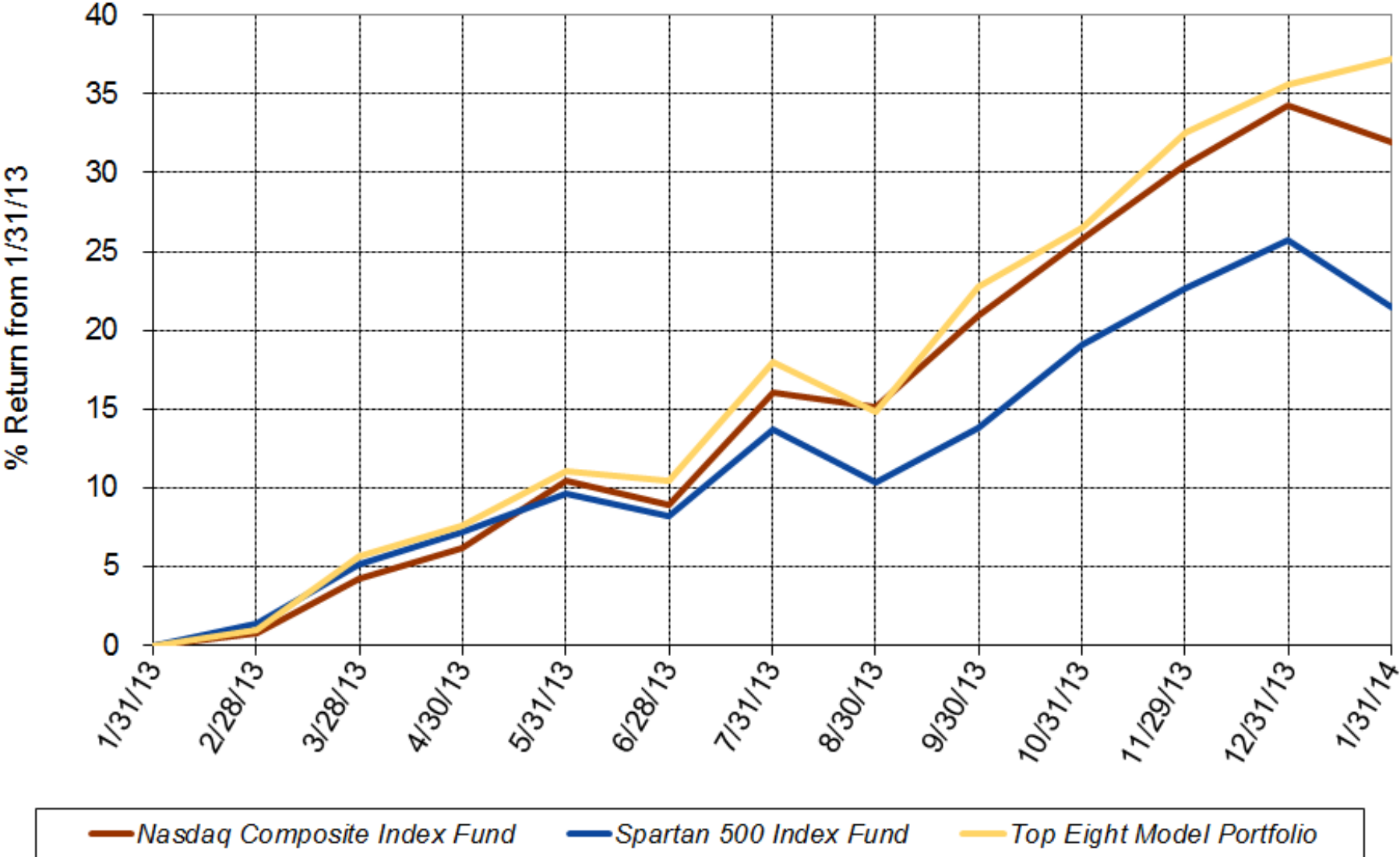




### 3-Year Chart



### 1-Year Chart





### Daily Chart January 2014

