

# FIDELITY SELECT FUNDRANKER™

Volume 9 Issue 3

The Right Funds at the Right Time

March 2014

## Broad Market Shrugs Off Mini-Correction

The S&P 500 Index shrugged off a mini-correction that lingered from the end of January into the first few trading days of February and then rose steadily to new all-time highs on February 24, 27, and 28.

All eight funds in the *Top Eight Model Portfolio* gained value in February. Pharmaceuticals excelled in February, gaining 9.52% for the month. Biotechnology and Health Care both surged for the second month in a row with one-month gains of 7.52% and 7.47%. Software & Computer Services, Medical Equipment & Systems, Air Transportation, Transportation, and Defense & Aerospace registered one-month gains ranging from 4.54% to 2.53%.

In February, the *Top Eight Model Portfolio* gained 4.866%. The Nasdaq Composite and S&P 500 Indexes gained 5.137% and 4.572%. For 2014 YTD through February 28, the *Top Eight Model Portfolio* gained 6.125%, the Nasdaq Composite Index gained 3.297%, and the S&P 500 Index gained 0.947%.

## Final Performance of Funds Sold on February 3

*Fundranker* exchanged two funds on February 3. Here are the returns they contributed to the *Top Eight Model Portfolio*:

Fund	Bought	Sold	Return
Brokerage & Inv Mgmt (FSLBX)	1/2/2014	2/3/2014	(7.64)%
IT Services (FBSOX)	9/4/2013	2/3/2014	8.42%

## Emerging Markets Angst

Emerging markets angst roiled world stock markets in late January and early February and caused a mini-correction in the broad market. The S&P 500 Index, on a total return basis, lost nearly 6% from its January 15 penultimate all-time high to its most recent low on February 3. We call it a mini-correction because a "correction" generally is defined to be at least a 10% drop.

Apparently, a full 10% correction wasn't necessary to wring some excesses from the market, bring investor confidence back down to healthy contrarian levels, and allow the bull market to continue on its way. That's not to say, though, that we shouldn't expect more volatility as 2014 progresses.

## Top Eight Model Portfolio Surpasses \$300,000

*Fundranker* started its theoretical *Top Eight Model Portfolio* with \$24,000 (\$3,000 in each of the eight funds) on January 2, 1997. In 17+ years, as of February 28, it sat at \$300,235.74, showing an overall gain of 1,150.982%. During that same period, on a total return basis, the S&P 500 Index gained only 238.639%.

## Health Care Funds Lift Top Eight Model Portfolio

Three of the *Top Eight Model Portfolio's* four health care funds, Biotechnology, Health Care, and Pharmaceuticals ended February in the top three slots of our February rankings of Fidelity's 39 Select funds. Our fourth health care fund, Medical Equipment & Systems, fell to number 9 and out of the *Top Eight Model Portfolio* on February 28. The three higher performing health care funds lifted the *Top Eight Model Portfolio* to its steepest one-month gain since September, 2013.

## Fundranker Tilts More to Technology

Fidelity lists six of its 39 Select funds as technology funds. On January 2, *Fundranker* added Software & Computer Services to its *Top Eight Model Portfolio*. On March 5, Electronics, IT Services, and Technology will join the *Top Eight Model Portfolio*. At that point, *Fundranker* will hold four of Fidelity's six technology funds.

## Holding Period Alert

If you purchased shares after February 3 of any funds which are being exchanged on March 5, 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 Medical Eqpt & Systems on February 4, you should wait a full 30 days and exchange Medical Eqpt & Systems on March 6 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 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 March 2014

Fund Name (Symbol)	Purchase	Return to 2/28
1. Biotechnology (FBIOX)	3/6/2013	75.02%
2. Health Care (FSPHX)	8/5/2013	32.94%
3. Pharmaceuticals (FPHAX)	2/3/2014	11.64%
4. Software & Comp Srvcs (FSCSX)	1/2/2014	5.86%
5. Electronics (FSELX)	3/5/2014	
6. IT Services (FBSOX)	3/5/2014	
7. Technology (FSPTX)	3/5/2014	
8. Air Transportation (FSAIX)	10/2/2013	16.95%
Funds to be sold on March 5:		
9. Medical Eqpt & Systems (FSMEX)	2/3/2014	6.08%
10. Transportation (FSRFX)	12/2/2013	5.27%
12. Defense & Aerospace (FSDAX)	7/5/2013	22.92%

## Fundranker Exchanges for March 5

Sell Transportation (FSRFX), buy Electronics (FSELX)  
Sell Medical Eqpt & Systems (FSMEX), buy IT Services (FBSOX)  
Sell Defense & Aerospace (FSDAX), buy Technology (FSPTX)

## Fundranker Invest New Money Date

Invest new money on March 3.

## Optional Rebalancing Exchange Dates

Method 1: none; Method 2: March 3; Method 3: March 5 (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 April have been held more than one month, *Fundranker* will exchange on April 2; otherwise, to avoid roundtrip transactions, *Fundranker* will exchange on April 4.

*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 Ratings for 2/28/14</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)	42.26*	27.54*	3.77	2.54	21.028	8
Automotive (FSAVX)	42.31*	13.25	1.88	5.97	16.853	14
Banking (FSRBX)	30.43	14.60	2.11	3.08	12.555	26
Biotechnology (FBIOX)	84.34*	37.72*	23.56*	7.75*	42.343	1
Brokerage & Investment Mgmt (FSLBX)	29.29	17.27	1.10	2.08	12.435	28
Chemicals (FSCHX)	27.76	18.33	5.78	6.98*	15.713	17
Communications Equipment (FSDCX)	29.41	19.85	10.27*	4.31	16.960	13
Computers (FDCPX)	27.13	14.39	5.14	4.24	12.725	25
Construction & Housing (FSHOX)	19.84	17.81	9.46*	7.58*	15.673	18
Consumer Discretionary (FSCPX)	32.17	16.20	3.12	6.90*	15.598	19
Consumer Finance (FSVLX)	24.31	10.68	1.60	3.46	10.013	33
Consumer Staples (FDFAX)	10.82	6.88	(0.96)	6.13	5.718	38
Defense & Aerospace (FSDAX)	40.85*	21.35*	3.96	2.33	19.123	12
Electronics (FSELX)	38.01*	23.44*	15.32*	7.59*	25.090	5
Energy (FSENX)	15.43	7.97	1.93	5.99	7.830	36
Energy Service (FSESX)	16.60	8.63	1.85	7.73*	9.703	34
Environment & Alternative Energy (FSLEX)	29.97	18.63	5.72	5.85	15.043	20
Financial Services (FIDSX)	24.58	13.81	2.14	2.97	10.875	31
Gold (FSAGX)	(27.05)	(5.00)	20.61*	11.60*	2.040	39
Health Care (FSPHX)	67.12*	37.01*	17.65*	7.47*	36.313	2
Industrial Equipment (FSCGX)	24.37	18.61	4.87	4.05	12.975	24
Industrials (FCYIX)	27.80	18.54	4.42	3.66	13.605	22
Insurance (FSPCX)	25.82	13.00	(1.87)	3.69	10.160	32
IT Services (FBSOX)	41.66*	22.30*	7.15*	5.67	22.195	6
Leisure (FDLSX)	34.70	19.01	3.34	6.10	15.788	16
Materials (FSDPX)	20.80	15.41	6.20	6.66*	13.268	23
Medical Delivery (FSHCX)	34.22	17.02	4.60	2.22	14.515	21
Medical Equipment & Systems (FSMEX)	37.03*	23.09*	8.31*	3.23	20.915	9
Multimedia (FBMPX)	37.01*	19.99*	5.91	5.62	19.133	11
Natural Gas (FSNGX)	21.28	12.65	4.49	6.36	11.195	30
Natural Resources (FNARX)	13.97	7.51	3.23	6.41*	8.780	35
Pharmaceuticals (FPHAX)	46.77*	29.43*	13.64*	9.52*	28.840	3
Retailing (FSRPX)	35.82	17.93	1.99	7.52*	16.815	15
Software & Computer Services (FSCSX)	48.18*	27.81*	11.67*	4.94	26.150	4
Technology (FSPTX)	36.19	22.35*	12.07*	5.92	21.133	7
Telecommunications (FSTCX)	16.38	8.14	0.23	(0.64)	6.028	37
Transportation (FSRFX)	36.60*	24.23*	5.29	2.53	19.163	10
Utilities (FSUTX)	18.69	15.23	8.93*	3.11	12.490	27
Wireless (FWRLX)	24.11	17.16	4.23	2.72	12.055	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

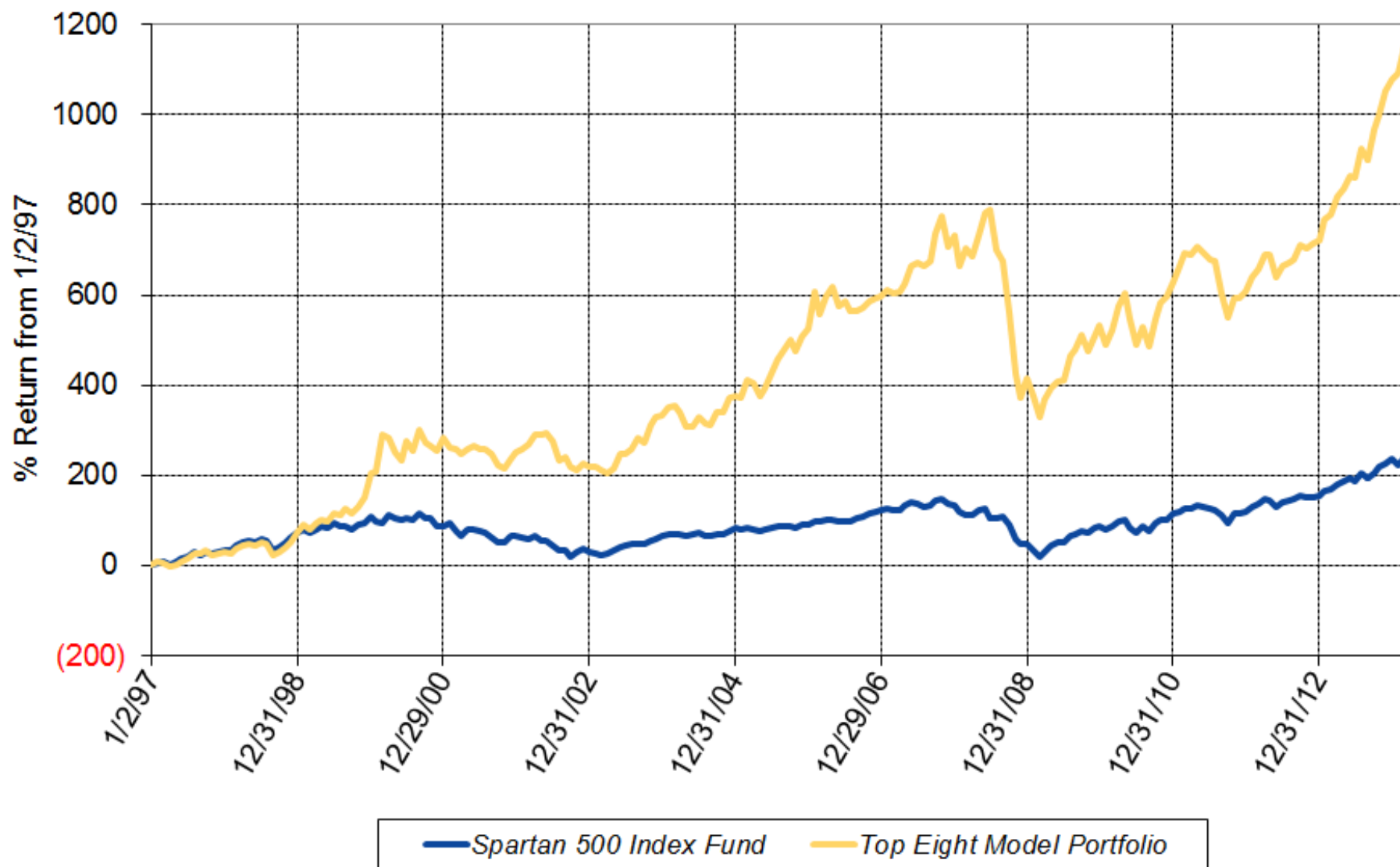
Sell on March 5, 2014

Buy on March 5, 2014

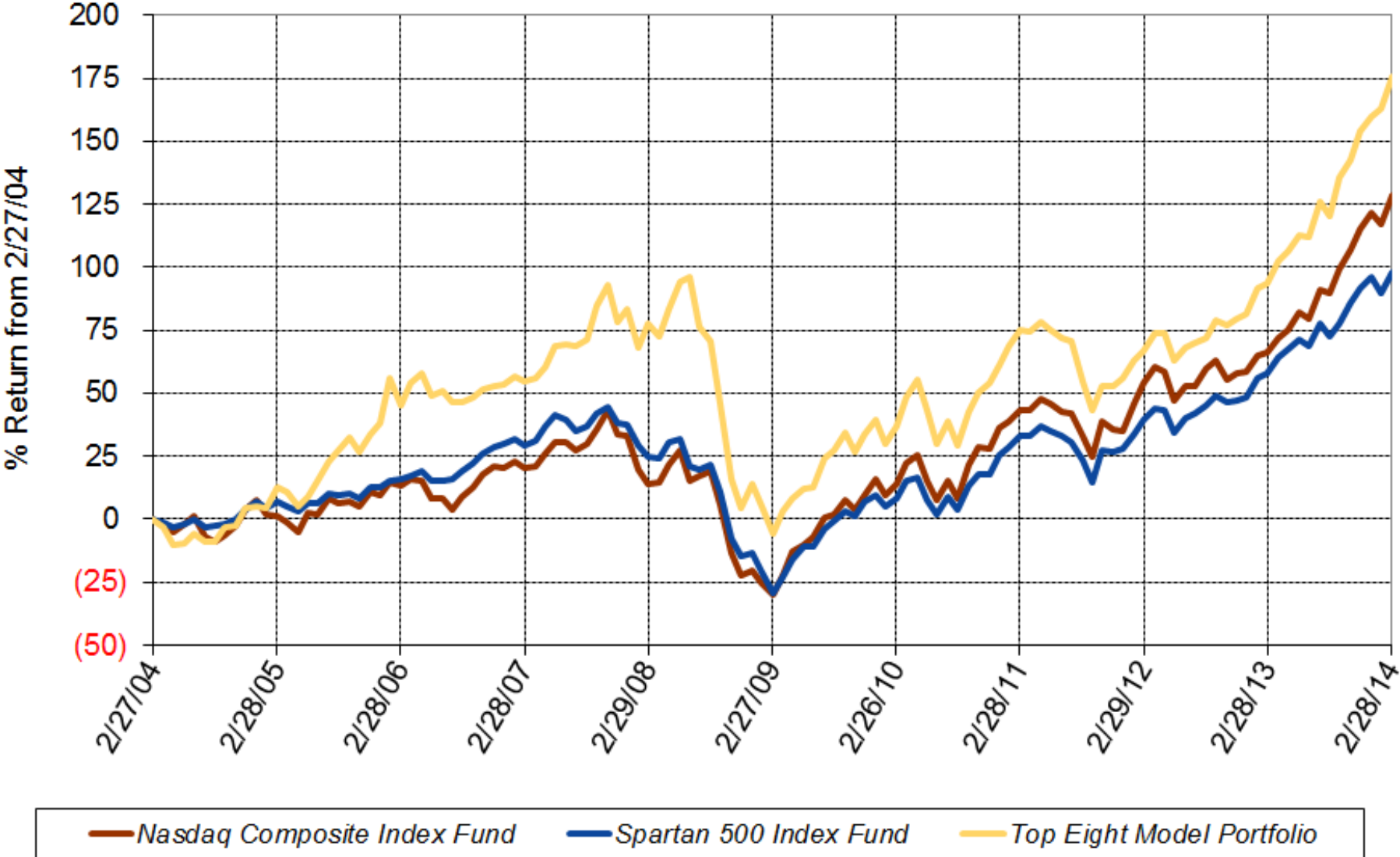
Hold

Fundranker Performance for February 2014													
1/31 Funds	1/31 Shares	1/31 Amount	<=2/3 Div Shrs	2/3 Shares	2/3 Amount	2/3 Funds	2/3 Shares	2/3 Amount	>2/3 Div Shrs	2/28 Shares	2/28 Amount	Feb Return	
FBSOX	947.902	33,963.33	none	947.902	33,176.57	FBIOX	175.037	34,774.60	none	175.037	38,767.19		
FSCSX	298.972	35,437.15	none	298.972	34,375.80	FSPHX	177.204	34,774.60	none	177.204	38,430.23		
FSPHX	187.226	37,780.33	none	187.226	36,741.23	FSCSX	302.440	34,774.60	none	302.440	37,617.49		
FSLBX	476.846	33,627.18	none	476.846	32,444.60	FSAIX	597.399	34,774.60	none	597.399	36,453.29		
FBIOX	192.510	39,570.43	none	192.510	38,245.96	FSRFX	479.650	34,774.60	none	479.650	36,587.70		
FSAIX	596.422	35,493.07	none	596.422	34,717.72	FPHAX	1,814.958	34,774.60	none	1,814.958	38,821.95		
FSDAX	289.941	34,723.33	none	289.941	33,696.94	FSMEX	970.003	34,774.60	none	970.003	36,889.21		
FSRFX	479.973	35,709.99	none	479.973	34,798.04	FSDAX	299.214	34,774.60	none	299.214	36,668.68		
<b>Top Eight</b>		<b>286,304.81</b>			<b>278,196.86</b>			<b>278,196.80</b>			<b>300,235.74</b>	<b>4.866</b>	
FNCMX1	611.486	87,213.62	none						none	1,611.486	91,693.55	5.137	
FUSEX1	1,229.550	77,719.86	none						none	1,229.550	81,273.26	4.572	
<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	(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	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					
<b>Yearly Summaries</b>				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					
<b>Yearly Summaries</b>				2012	2013	2014 YTD							
				Return %	Return %	Return %							
<i>Top Eight Model Portfolio</i>				16.302	43.354	6.125							
Nasdaq Composite Index Fund				17.325	39.746	3.297							
Spartan 500 Index Fund - Investor Class				15.929	32.251	0.947							
<b>Lifetime Summary</b>				1/2/97 to 2/28/14		1/2/97 to 2/28/14							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				1,150.982		15.856							
Nasdaq Composite Index Fund				N/A		N/A							
Spartan 500 Index Fund - Investor Class				238.639		7.364							
<b>10-Year Summary</b>				2/27/04 to 2/28/14		2/27/04 to 2/28/14							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				175.724		10.674							
Nasdaq Composite Index Fund				128.560		8.618							
Spartan 500 Index Fund - Investor Class				98.187		7.080							
<b>5-Year Summary</b>				2/27/09 to 2/28/14		2/27/09 to 2/28/14							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				191.569		23.865							
Nasdaq Composite Index Fund				227.280		26.760							
Spartan 500 Index Fund - Investor Class				180.391		22.900							
<b>3-Year Summary</b>				2/28/11 to 2/28/14		2/28/11 to 2/28/14							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				57.457		16.338							
Nasdaq Composite Index Fund				59.798		16.912							
Spartan 500 Index Fund - Investor Class				49.167		14.259							
<b>1-Year Summary</b>				2/28/13 to 2/28/14		2/28/13 to 2/28/14							
				Total Return %		Total Return %							
<i>Top Eight Model Portfolio</i>				42.528		42.528							
Nasdaq Composite Index Fund				37.725		37.725							
Spartan 500 Index Fund - Investor Class				25.267		25.267							

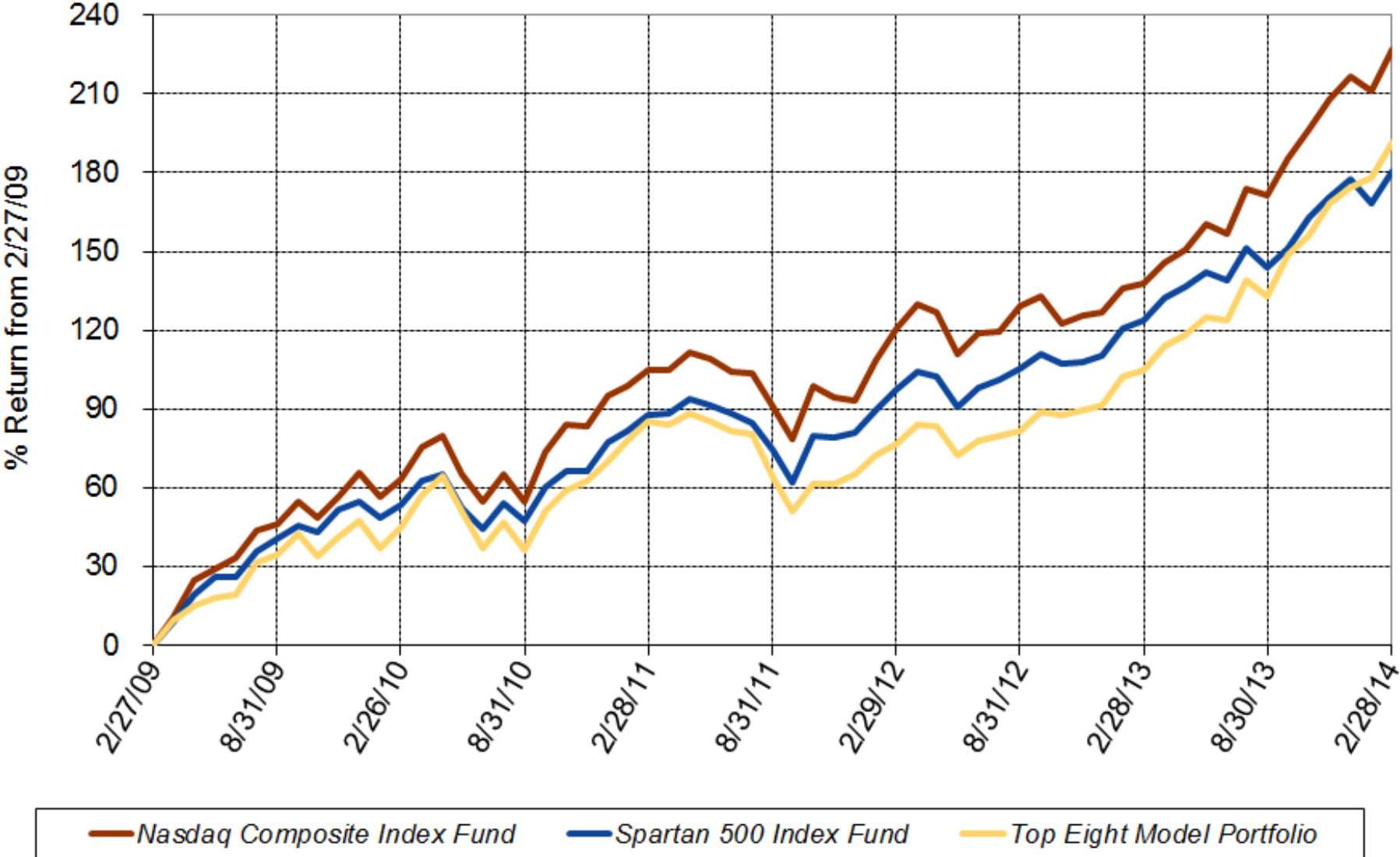
### Lifetime Chart



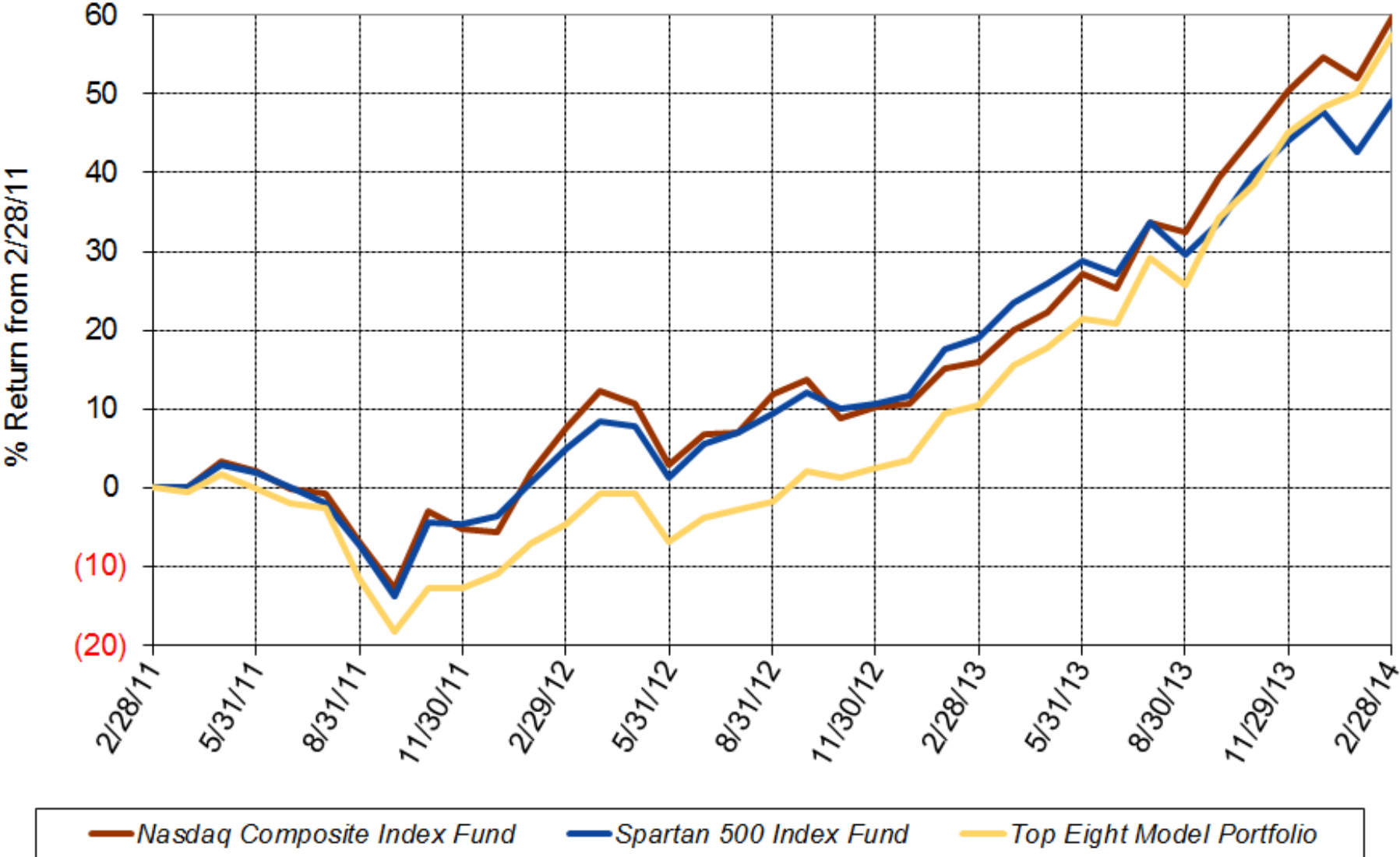
### 10-Year Chart



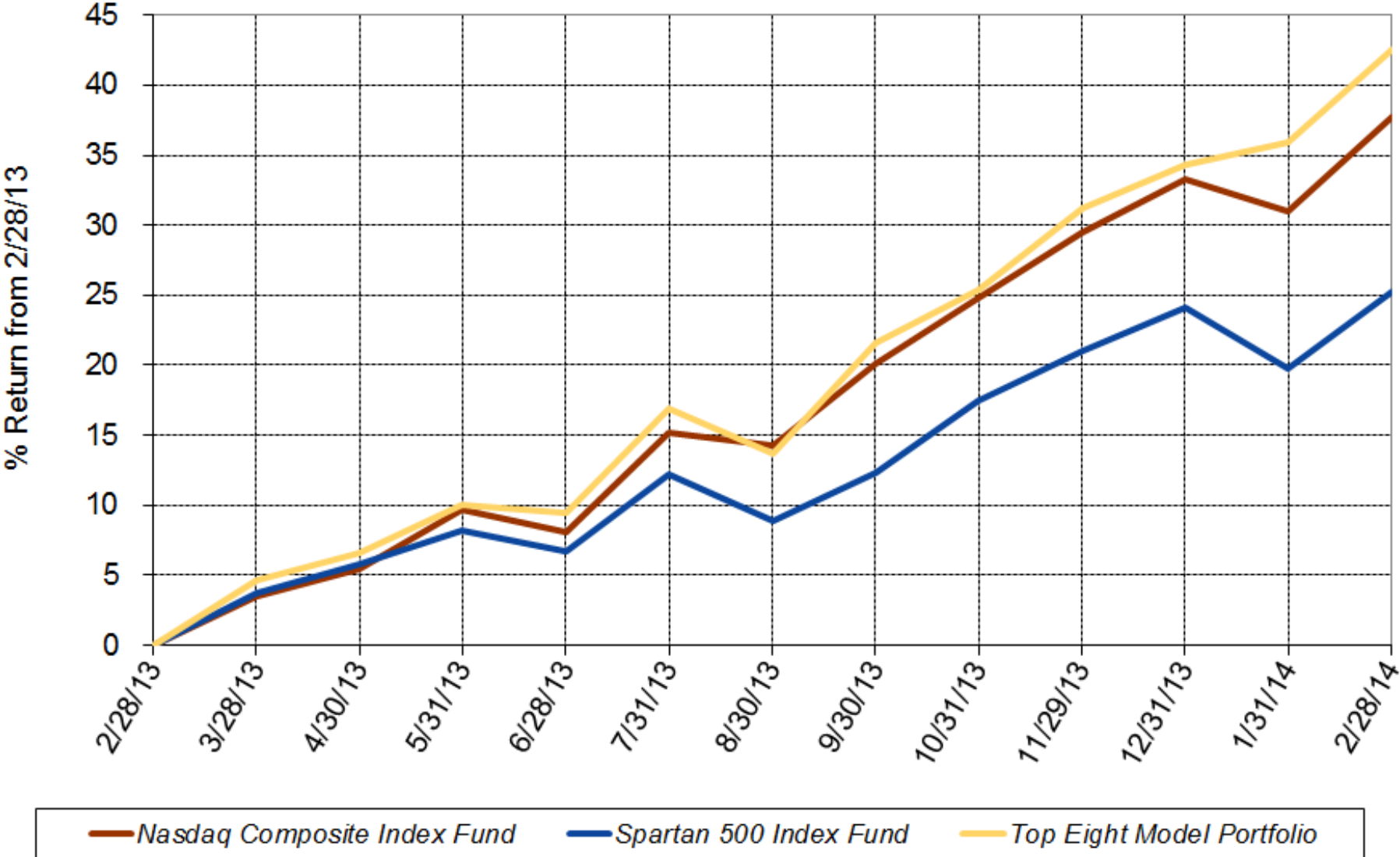
### 5-Year Chart



### 3-Year Chart



### 1-Year Chart





### Daily Chart February 2014

