

# FIDELITY SELECT FUNDRANKER™

Volume 9 Issue 4

The Right Funds at the Right Time

April 2014

## Broad Market Muddles through March

The S&P 500 Index set several new all-time highs in early March but only by small increments, muddled through the remainder of March in a tight range, and ended with a small gain for the month.

Only two funds in the *Top Eight Model Portfolio* gained value in March. Electronics and Air Transportation had one-month gains of 3.44% and 0.56%. Pharmaceuticals, Software & Computer Services, IT Services, Technology, Health Care, and Biotechnology suffered one-month losses ranging from 2.66% to 12.02%.

In March, the *Top Eight Model Portfolio* lost 3.189%, its first down month since last August. The Nasdaq Composite Index lost 2.478%, but the S&P 500 Index had a fractional gain of 0.832%. For 2014 YTD through March 31, the *Top Eight Model Portfolio* gained 2.740%, the Nasdaq Composite Index gained 0.737%, and the S&P 500 Index gained 1.787%.

## Final Performance of Funds Sold on March 5

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

Fund	Bought	Sold	Return
Defense & Aerospace (FSDAX)	7/5/2013	3/5/2014	23.77%
Medical Eqpt & Systems (FSMEX)	2/3/2014	3/5/2014	7.48%
Transportation (FSRFX)	12/2/2013	3/5/2014	7.85%

## Biotechnology Was Battered in March

After climbing 84.34% in the 12-month period that ended on February 28, Biotechnology fell 14.77% as of March 28. After a last day surge on March 31, it still ended March down 12.02%. Even with that huge one-month loss, it just barely fell out of the *Top Eight Model Portfolio* to rank number 9, and it still is up 53.98% from March 6, 2013, when we bought it. It's anybody's guess whether the biotech correction will continue, but if you are worried about it falling further before April 4, you could exchange it as early as April 1.

## Janet Yellen Takes Over at Federal Reserve

Janet Yellen, new chair of the Federal Reserve, definitely is following in the footsteps of her predecessors. Alan Greenspan and Ben Bernanke both affected stock markets significantly with their comments and statements, despite their disinclination to do so.

Remember Greenspan's "irrational exuberance" comment back in 1996? How about Bernanke's statement last May, that the Federal Reserve could begin winding down QE3 bond buying at one of its "next few meetings." Stock markets dropped significantly both times. Almost certainly, they didn't intend their comments to affect the markets as they did.

Janet Yellen spoke in a press conference after the March 18 and 19 Federal Open Market Committee meeting. When asked what a "considerable time" (wording from the FOMC statement) for keeping interest rates low after ending the QE3 bond buying program meant, she rather innocently said, "something on the order of around six months." That was much sooner than markets expected, so interest rates immediately rose and stocks immediately fell.

In her first major speech as Fed chair on March 31 at a conference on community investment, however, she reiterated that "I think this extraordinary commitment [to low interest rates] is still needed and will be for some time, and I believe that view is widely held by my fellow policymakers at the Fed." Stocks were already up, but they rose further after her remarks.

## Holding Period Alert

If you purchased shares after March 5 of any funds which are being exchanged on April 4, 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 IT Services on March 6, you should wait a full 30 days and exchange IT Services on April 7

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 April 2014

Fund Name (Symbol)	Purchase	Return to 3/31
1. Electronics (FSELX)	3/5/2014	1.92%
2. Health Care (FSPHX)	8/5/2013	27.01%
3. Transportation (FSRFX)	4/4/2014	
4. Pharmaceuticals (FPHAX)	2/3/2014	8.66%
5. Medical Eqpt & Systems (FSMEX)	4/4/2014	
6. Banking (FSRBX)	4/4/2014	
7. Medical Delivery (FSHCX)	4/4/2014	
8. Air Transportation (FSAIX)	10/2/2013	17.60%
Funds to be sold on April 4:		
9. Biotechnology (FBIOX)	3/6/2013	53.98%
10. Software & Comp Srvcs (FSCSX)	1/2/2014	2.07%
23. Technology (FSPTX)	3/5/2014	(5.43)%
29. IT Services (FBSOX)	3/5/2014	(4.19)%

## Fundranker Exchanges for April 4

Sell Biotechnology (FBIOX), buy Transportation (FSRFX)  
Sell Soft & Comp Srvcs (FSCSX), buy Medical Eqpt & Sys (FSMEX)  
Sell IT Services (FBSOX), buy Banking (FSRBX)  
Sell Technology (FSPTX), buy Medical Delivery (FSHCX)

## Fundranker Invest New Money Date

Invest new money on April 2.

## Optional Rebalancing Exchange Dates

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

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<i>Fundranker Ratings for 3/31/14</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)	32.56*	18.63*	3.47	0.56	15.805	8
Automotive (FSAVX)	36.43*	5.52	0.12	(0.95)	11.280	18
Banking (FSRBX)	31.37*	16.53*	4.01	4.29*	17.050	6
Biotechnology (FBIOX)	47.57*	11.30	7.22*	(12.02)	15.518	9
Brokerage & Investment Mgmt (FSLBX)	29.87	13.35*	(2.33)	0.74	11.408	16
Chemicals (FSCHX)	26.82	13.31	2.61	0.99	10.933	19
Communications Equipment (FSDCX)	28.53	13.17	5.53*	(0.35)	12.720	13
Computers (FDCPX)	22.97	15.24*	3.93	2.08*	13.055	12
Construction & Housing (FSHOX)	13.80	9.30	3.14	(2.17)	6.018	37
Consumer Discretionary (FSCPX)	26.12	8.86	(0.24)	(0.78)	8.490	27
Consumer Finance (FSVLX)	19.70	7.51	(0.06)	1.18	7.083	34
Consumer Staples (FDFAX)	9.43	7.39	0.79	2.72*	6.083	36
Defense & Aerospace (FSDAX)	32.53*	12.43	(0.47)	(0.63)	11.965	15
Electronics (FSELX)	38.91*	21.86*	11.94*	3.44*	23.038	1
Energy (FSENX)	14.85	5.88	2.51	2.26*	7.375	32
Energy Service (FSESX)	18.76	6.61	4.25*	2.71*	10.083	22
Environment & Alternative Energy (FSLEX)	27.21	12.33	2.80	0.47	10.703	20
Financial Services (FIDSX)	25.82	12.49	1.05	2.14*	11.375	17
Gold (FSAGX)	(32.96)	(3.70)	14.41*	(8.26)	(6.628)	39
Health Care (FSPHX)	49.92*	24.38*	9.92*	(4.45)	22.943	2
Industrial Equipment (FSCGX)	22.57	11.77	0.28	(0.17)	8.613	26
Industrials (FCYIX)	24.34	11.82	0.06	0.00	9.055	24
Insurance (FSPCX)	23.04	8.77	(1.87)	1.85*	8.948	25
IT Services (FBSOX)	29.68	10.62	(2.83)	(3.94)	8.383	29
Leisure (FDLSX)	26.75	12.98	1.07	(0.33)	10.118	21
Materials (FSDPX)	18.63	11.65	2.93	0.66	8.468	28
Medical Delivery (FSHCX)	32.46*	16.25*	5.26*	1.64	16.903	7
Medical Equipment & Systems (FSMEX)	33.15*	19.44*	7.27*	0.82	18.170	5
Multimedia (FBMPX)	24.68	8.11	(2.45)	(3.36)	6.745	35
Natural Gas (FSNGX)	20.28	11.12	6.59*	2.86*	12.213	14
Natural Resources (FNARX)	12.52	5.03	4.12	1.51	5.795	38
Pharmaceuticals (FPHAX)	35.95*	21.72*	8.38*	(2.66)	18.848	4
Retailing (FSRPX)	29.51	6.78	(2.86)	(3.86)	7.393	31
Software & Computer Services (FSCSX)	38.67*	15.27*	1.07	(3.58)	14.858	10
Technology (FSPTX)	28.17	11.23	1.98	(3.99)	9.348	23
Telecommunications (FSTCX)	15.65	6.63	0.20	2.85*	7.333	33
Transportation (FSRFX)	32.68*	20.52*	6.08*	2.70*	19.495	3
Utilities (FSUTX)	16.34	16.05*	10.25*	3.96*	14.650	11
Wireless (FWRLX)	20.53	9.72	0.09	(0.28)	7.515	30

\*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

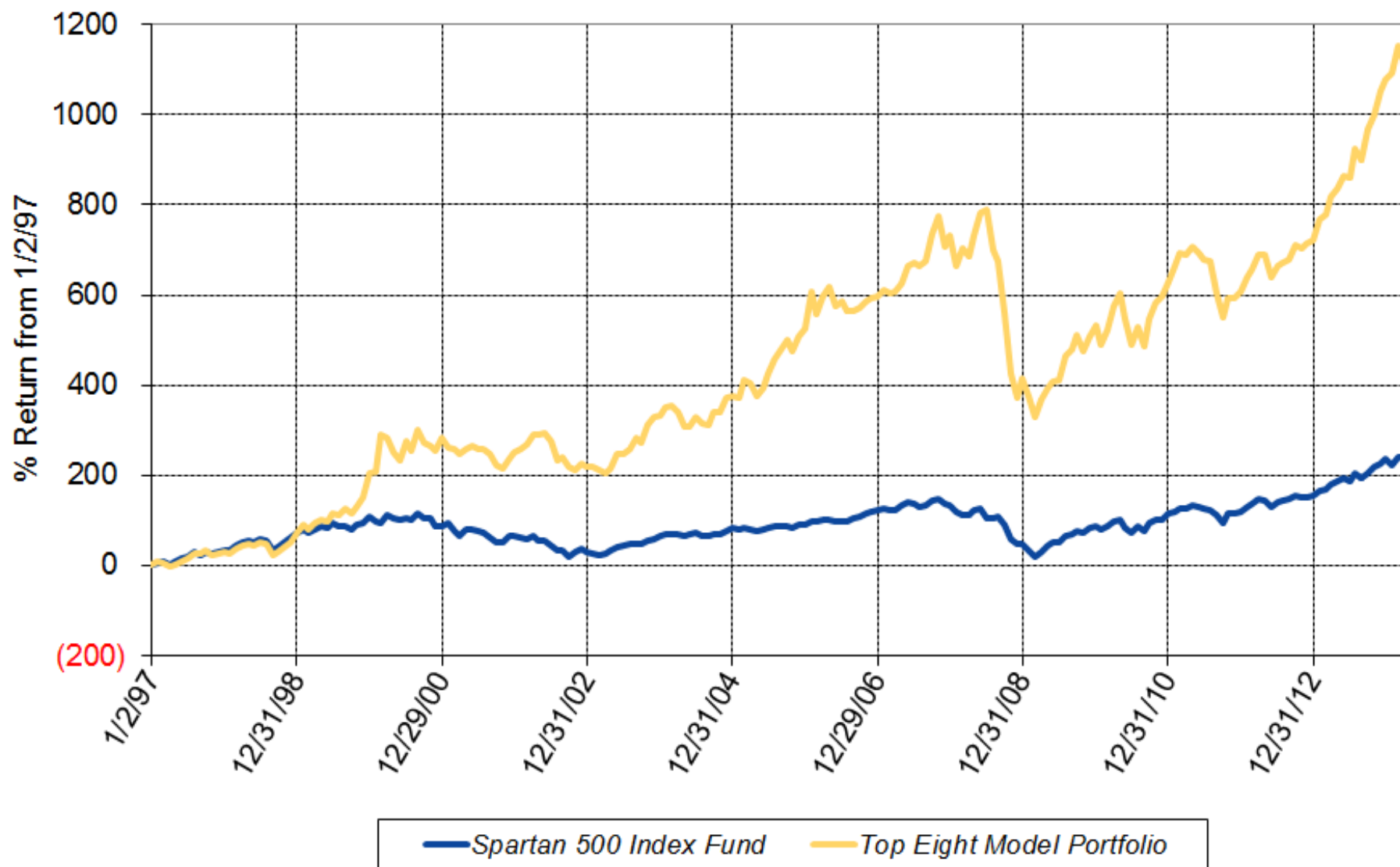
Sell on April 4, 2014

Buy on April 4, 2014

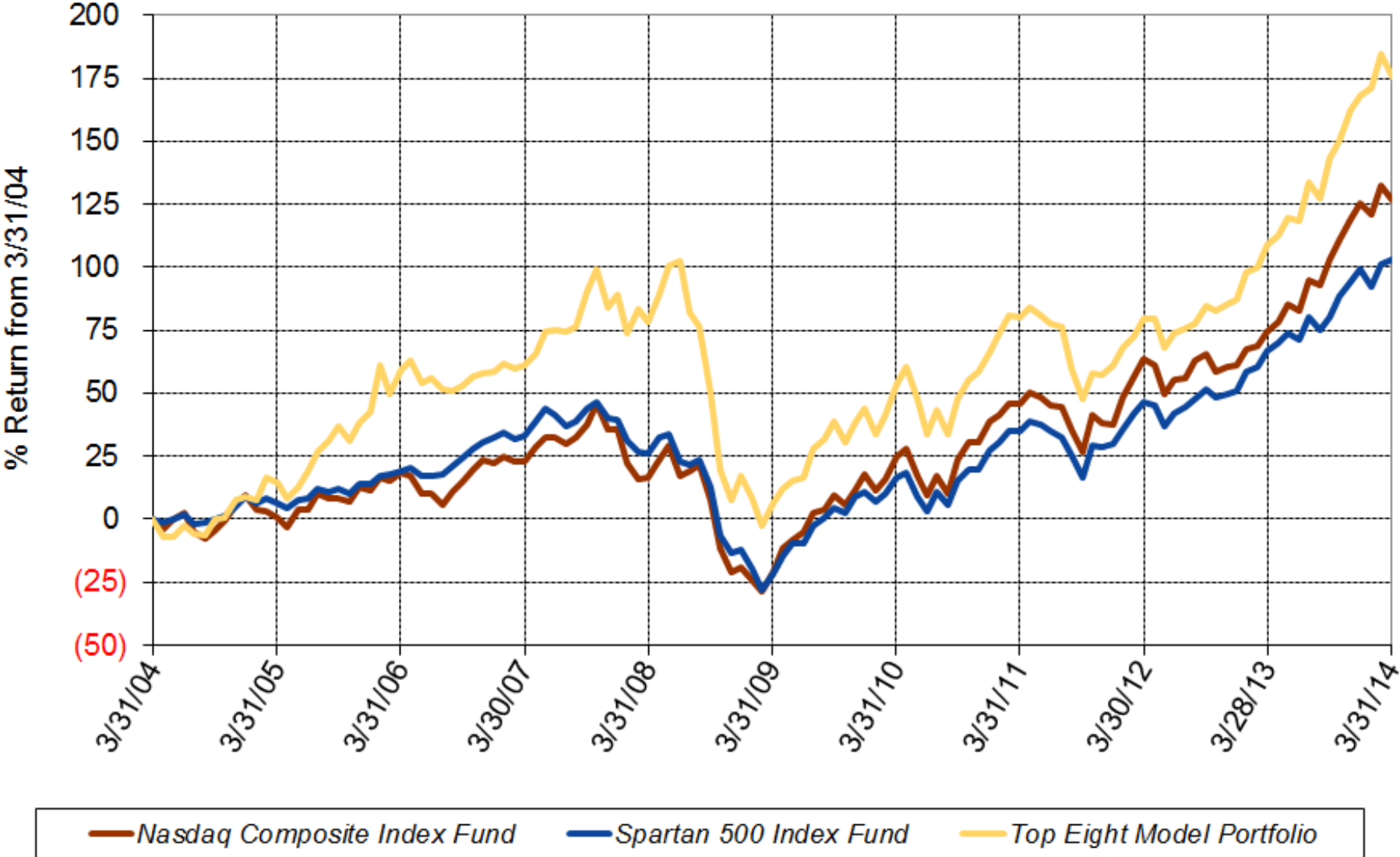
Hold

Fundranker Performance for March 2014													
2/28 Funds	2/28 Shares	2/28 Amount	<=3/5 Div Shrs	3/5 Shares	3/5 Amount	3/5 Funds	3/5 Shares	3/5 Amount	>3/5 Div Shrs	3/31 Shares	3/31 Amount	Mar Return	
FBIOX	175.037	38,767.19	none	175.037	39,432.34	FBIOX	168.930	38,056.52	none	168.930	32,916.01		
FSPHX	177.204	38,430.23	none	177.204	38,967.16	FSPHX	173.063	38,056.52	none	173.063	35,860.38		
FSCSX	302.440	37,617.49	none	302.440	37,971.34	FPHAX1	1,758.619	38,056.52	none	1,758.619	36,614.45		
FSAIX	597.399	36,453.29	none	597.399	37,026.79	FSCSX	303.118	38,056.52	none	303.118	36,352.94		
FSRFX	479.650	36,587.70	none	479.650	37,484.65	FSELX	548.839	38,056.52	none	548.839	38,786.45		
FPHAX1	1,814.958	38,821.95	none	1,814.958	39,275.69	FBSOX1	1,002.543	38,056.52	none	1,002.543	36,462.49		
FSMEX	970.003	36,889.21	none	970.003	37,374.22	FSPTX	286.829	38,056.52	none	286.829	35,991.30		
FSDAX	299.214	36,668.68	none	299.214	36,920.02	FSAIX	614.013	38,056.52	none	614.013	37,675.84		
<b>Top Eight</b>		<b>300,235.74</b>			<b>304,452.21</b>			<b>304,452.20</b>			<b>290,659.86</b>	<b>(3.189)</b>	
FNCMX1	1,611.486	91,693.55	none						none	1,611.486	89,421.36	<b>(2.478)</b>	
FUSEX1	1,229.550	81,273.26	none						none	1,229.550	81,949.51	0.832	
<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	2013	2014 YTD							
				Return %	Return %	Return %							
<i>Top Eight Model Portfolio</i>				16.302	43.354	2.740							
Nasdaq Composite Index Fund				17.325	39.746	0.737							
Spartan 500 Index Fund - Investor Class				15.929	32.251	1.787							
<b>Lifetime Summary</b>				1/2/97 to 3/31/14		1/2/97 to 3/31/14							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				1,111.083		15.556							
Nasdaq Composite Index Fund				N/A		N/A							
Spartan 500 Index Fund - Investor Class				241.456		7.379							
<b>10-Year Summary</b>				3/31/04 to 3/31/14		3/31/04 to 3/31/14							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				175.607		10.670							
Nasdaq Composite Index Fund				126.815		8.534							
Spartan 500 Index Fund - Investor Class				102.916		7.333							
<b>5-Year Summary</b>				3/31/09 to 3/31/14		3/31/09 to 3/31/14							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				158.419		20.911							
Nasdaq Composite Index Fund				187.505		23.518							
Spartan 500 Index Fund - Investor Class				159.914		21.050							
<b>3-Year Summary</b>				3/31/11 to 3/31/14		3/31/11 to 3/31/14							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				53.215		15.284							
Nasdaq Composite Index Fund				55.838		15.938							
Spartan 500 Index Fund - Investor Class				50.345		14.559							
<b>1-Year Summary</b>				3/28/13 to 3/31/14									
				Total Return %									
<i>Top Eight Model Portfolio</i>				31.813									
Nasdaq Composite Index Fund				29.833									
Spartan 500 Index Fund - Investor Class				21.739									

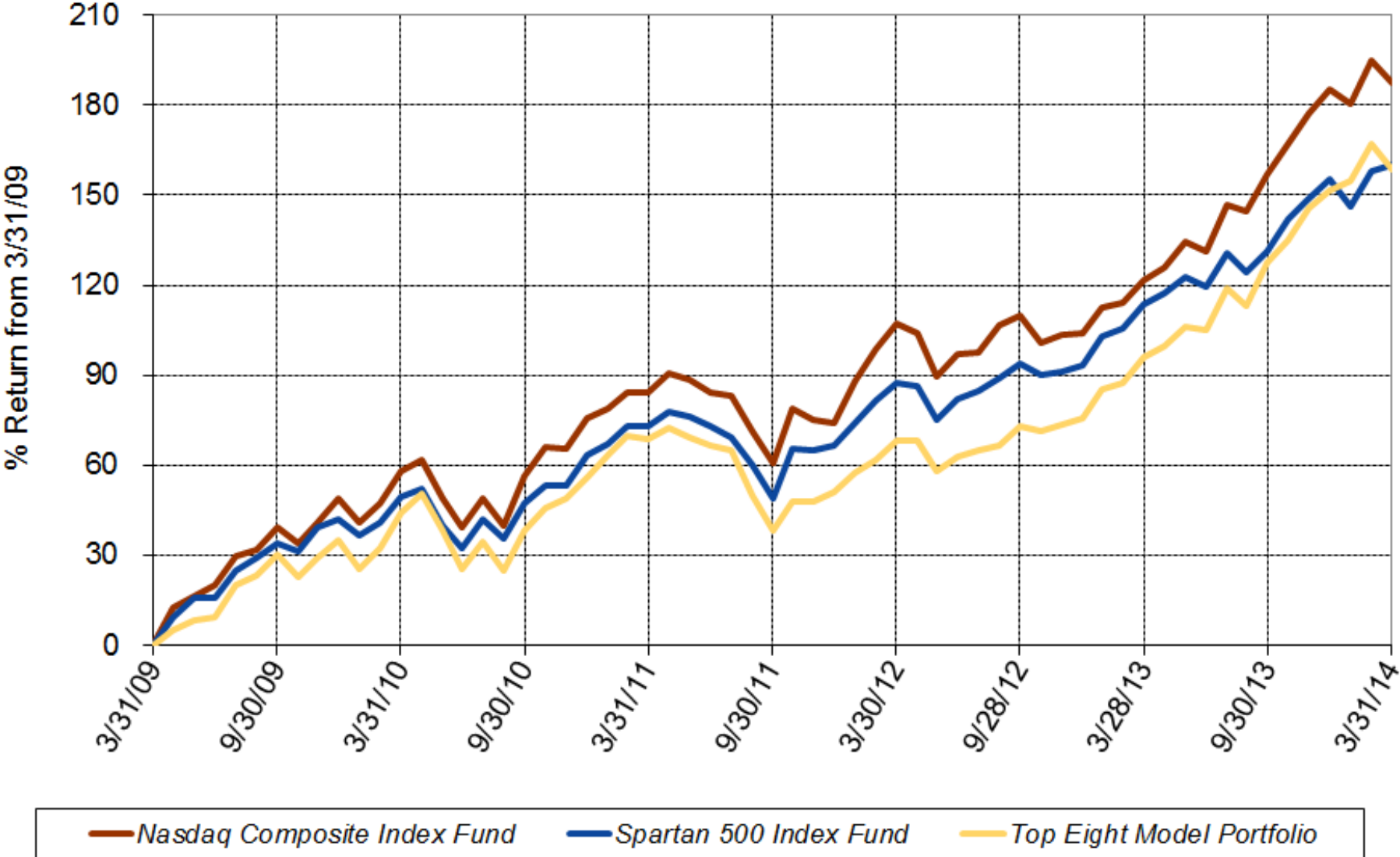
### Lifetime Chart



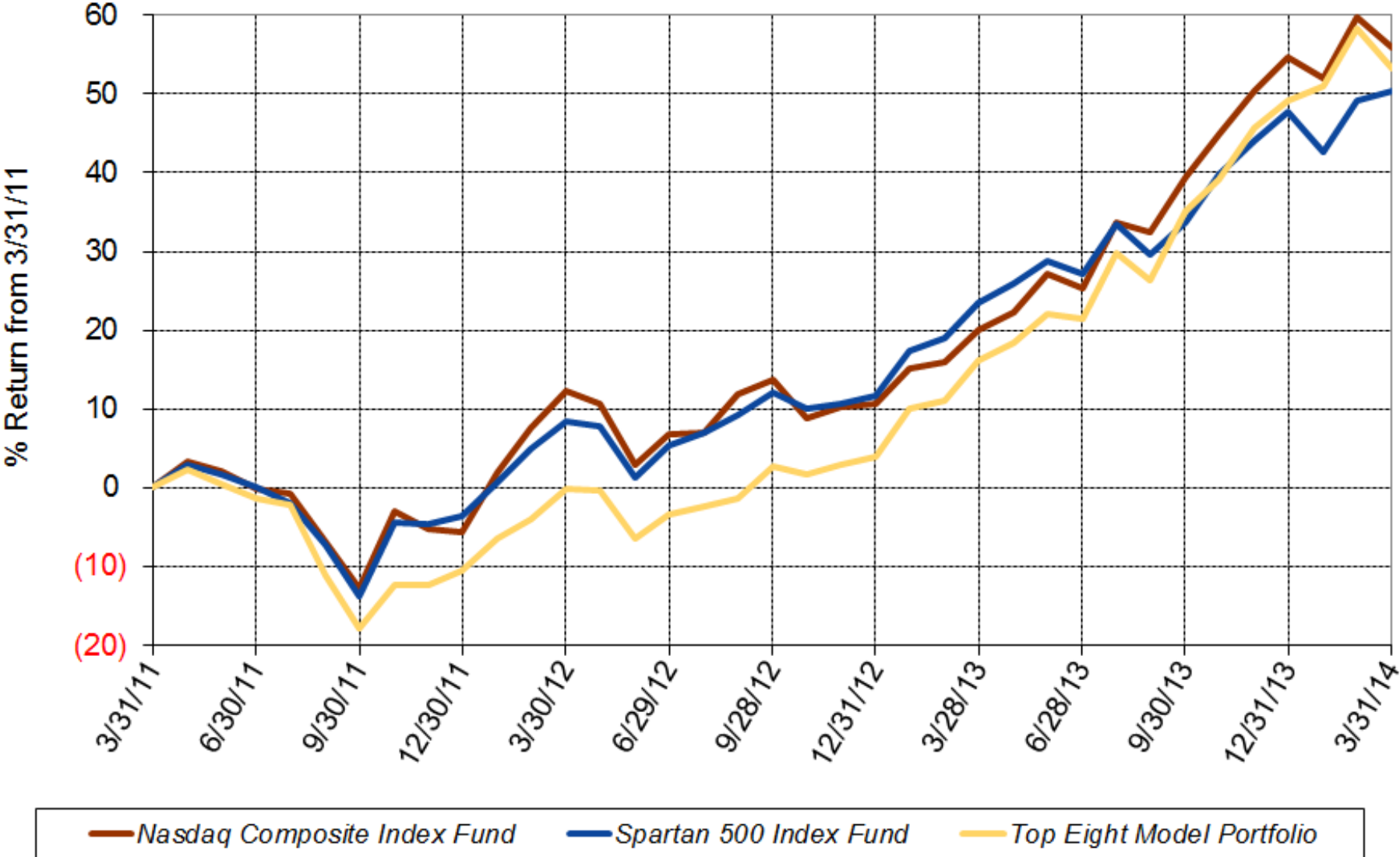
### 10-Year Chart



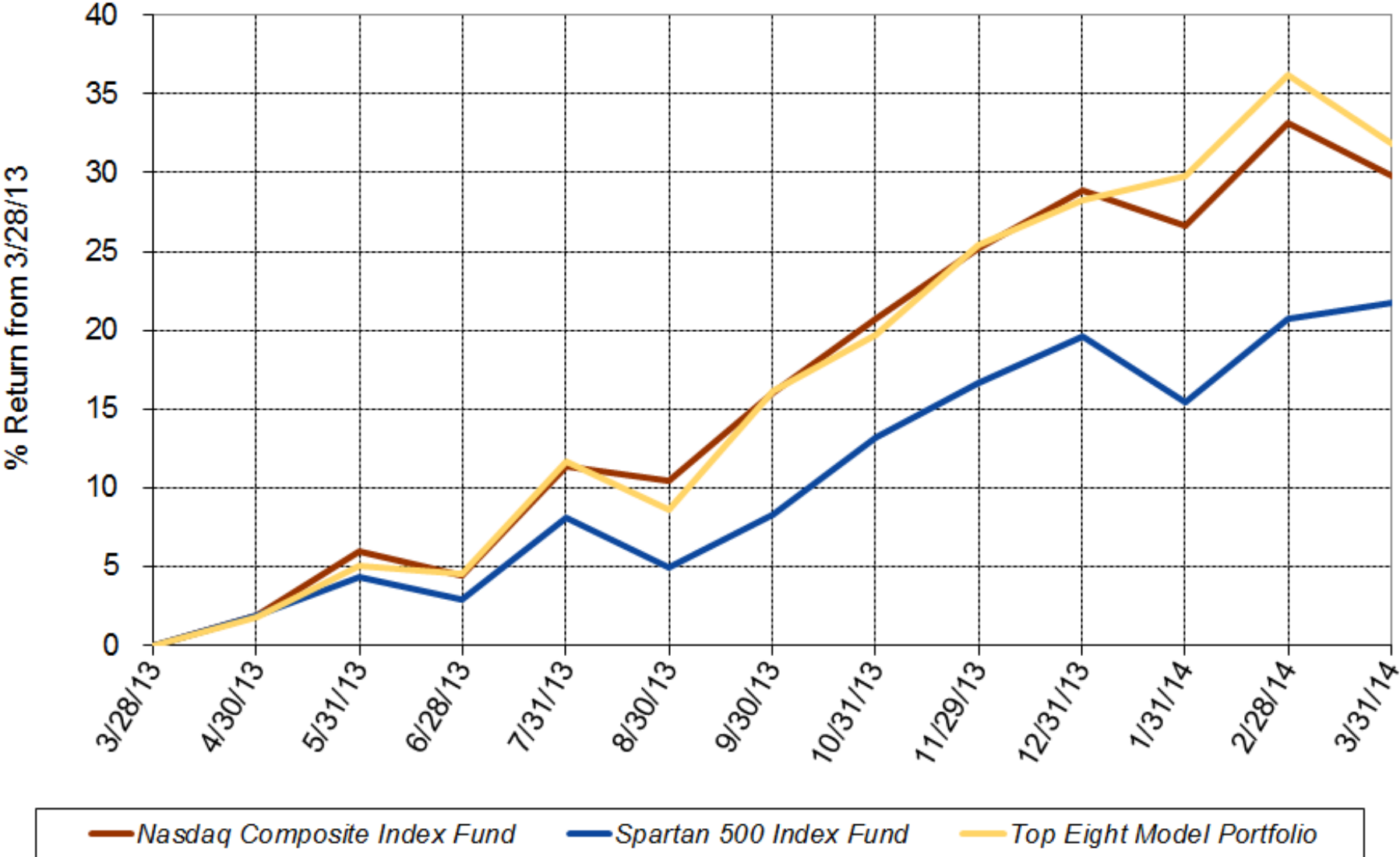
### 5-Year Chart



### 3-Year Chart



### 1-Year Chart





### Daily Chart March 2014

