

FIDELITY SELECT FUNDRANKER™

Volume 9 Issue 5

The Right Funds at the Right Time

May 2014

Broad Market Ekes out Small Gain in April

The S&P 500 Index set two new all-time highs in early April but only by small increments, lagged in the red for most of the remainder of April, and ended with a small gain for the month.

Only three funds in the *Top Eight Model Portfolio* gained value in April. Pharmaceuticals, Air Transportation, and Transportation had one-month gains of 1.61%, 1.34%, and 0.50%. Electronics, Health Care, Medical Equipment & Systems, Banking, and Medical Delivery dragged down the *Top Eight* with one-month losses ranging from 1.45% to 4.56%.

In April, the *Top Eight Model Portfolio* lost 3.206%, its second down month in a row. The Nasdaq Composite Index lost 1.946%, and the S&P 500 Index had a fractional gain of 0.732%. For 2014 YTD through April 30, the *Top Eight Model Portfolio* lost 0.554%, the Nasdaq Composite lost 1.224%, and the S&P 500 gained 2.532%.

Final Performance of Funds Sold on April 4

Fundranker exchanged four funds on April 4. Here are the returns they contributed to the *Top Eight Model Portfolio*:

Fund	Bought	Sold	Return
Biotechnology (FBIOX)	3/6/2013	4/4/2014	45.79%
IT Services (FBSOX)	3/5/2014	4/4/2014	(5.95)%
Software & Comp Svcs (FSCSX)	1/2/2014	4/4/2014	(0.99)%
Technology (FSPTX)	3/5/2014	4/4/2014	(7.76)%

Energy Takes Off in April

Fidelity's four best performing Select funds in April were Natural Gas, Energy, Natural Resources, and Energy Service. Natural Gas and Energy made it into our *Top Eight Model Portfolio* for May, and you can see in our ratings on page 2 that Natural Resources and Energy Service almost made it as well, ranking at numbers 9 and 10.

Fundranker has not owned Natural Gas in its *Top Eight Model Portfolio* since July, 2008, and Energy last appeared in the *Top Eight Model Portfolio* in August, 2011. Energy has not played much of a role in the current bull market. Maybe its time is here.

Fed Continues to Taper

The Federal Open Market Committee met April 29 and 30. They viewed a winter slowdown as mostly weather-related and noted that the economy picked up again more recently, so they felt comfortable cutting another \$10 billion off their bond buying program, which now is down to \$45 billion per month.

They expect to continue measured reductions, which would completely wind down the program by December, 2014. They emphasized, however, that the asset purchases are not on a preset course and that future FOMC decisions about their pace are mainly contingent on the FOMC's outlook for the labor market and inflation.

The FOMC also reiterated that it plans to keep interest rates low for a considerable time after its bond buying program ends.

Stock indexes reacted in muted manner with small gains, although the DJIA hit a new all-time high by just a few points.

Avoiding Roundtrip Transactions

Fidelity's frequent trading policy for Select Funds discourages roundtrip transactions, which Fidelity defines as selling new shares before the 31st day of ownership. The more roundtrip transactions an investor incurs, the more progressively Fidelity restricts that investor's ability to make exchanges, so *Fundranker* avoids roundtrip transactions altogether.

Because *Fundranker* is going to sell funds in May that it bought on April 4, *Fundranker* will wait until May 5 to make *Top Eight Model Portfolio* exchanges in order to avoid roundtrip transactions.

Here is another example of avoiding a roundtrip transaction: If *Fundranker* had purchased Banking on April 7, in order to avoid a roundtrip transaction, *Fundranker* would wait until May 7, its 31st day of ownership, to sell the fund.

Investing New Money

Hypothetically, let's say *Fidelity Select Fundranker* wanted to start an entirely new *Top Eight* based portfolio or just add to an existing *Top Eight* based portfolio in May. We would make those exchanges on May 2, rather than making them along with *Fundranker's* regular exchanges on May 5, so that we could avoid roundtrip transactions more easily in June.

If we wanted to start an entirely new portfolio, we would exchange (on May 2) equal amounts (from elsewhere in our Fidelity funds) into all eight funds listed in the *Top Eight Model Portfolio* below.

If we just wanted to add to an existing portfolio, we would exchange (on May 2) varying amounts (from elsewhere in our Fidelity funds) only into those *Top Eight* funds listed below which *Fundranker* doesn't plan to sell on May 5. We would calculate those varying amounts to equalize our dollar balances in those funds as much as possible.

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Questions and Suggestions

Do you have a question about the *Fundranker* system or a suggestion for the newsletter or website? Check out our FAQs, peruse our *Fundranker Blog*, or use our *Contact Us* form at www.fundranker.com. We welcome your input.

Top Eight Model Portfolio for May 2014

Fund Name (Symbol)	Purchase	Return to 4/30
1. Natural Gas (FSNGX)	5/5/2014	
2. Electronics (FSELX)	3/5/2014	0.44%
3. Pharmaceuticals (FPHAX)	2/3/2014	14.88%
4. Transportation (FSRFEX)	4/4/2014	0.35%
5. Air Transportation (FSAIX)	10/2/2013	18.27%
6. Energy (FSENX)	5/5/2014	
7. Health Care (FSPHX)	8/5/2013	22.21%
8. Industrials (FCYIX)	5/5/2014	

Funds to be sold on May 5:

23. Medical Eqpt & Systems (FSMEX)	4/4/2014	(4.32)%
24. Banking (FSRBX)	4/4/2014	(4.07)%
28. Medical Delivery (FSHCX)	4/4/2014	(3.43)%

Fundranker Exchanges for May 5

Sell Medical Eqpt & Systems (FSMEX), buy Natural Gas (FSNGX)
Sell Banking (FSRBX), buy Energy (FSENX)
Sell Medical Delivery (FSHCX), buy Industrials (FCYIX)

Invest New Money Date

If *Fundranker* were to invest new money, it would do so on May 2.

Upcoming Fundranker Exchange Date

If all funds to be exchanged in June have been held more than one month, *Fundranker* will exchange on June 2; otherwise, to avoid roundtrip transactions, *Fundranker* will exchange on June 4.

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Fundranker Ratings for 4/30/14 Fund (Symbol)	12-Month Return %	6-Month Return %	3-Month Return %	1-Month Return %	Fundranker Rating**	Fundranker Ranking
Air Transportation (FSAIX)	35.08*	11.34*	4.49	1.34*	16.063	5
Automotive (FSAVX)	29.14*	2.94	4.36	(0.58)	9.965	18
Banking (FSRBX)	26.10	7.18	2.75	(4.42)	7.903	24
Biotechnology (FBIOX)	30.01*	7.10	(11.63)	(6.77)	5.678	29
Brokerage & Investment Mgmt (FSLBX)	20.24	4.07	(0.21)	(2.96)	5.285	32
Chemicals (FSCHX)	24.99	9.50*	8.27*	0.22	12.745	13
Communications Equipment (FSDCX)	30.22*	11.78*	2.85	(1.05)	12.950	12
Computers (FDCPX)	22.92	9.53*	3.49	(2.74)	9.300	21
Construction & Housing (FSHOX)	10.46	4.80	2.91	(2.22)	3.988	37
Consumer Discretionary (FSCPX)	19.97	4.28	4.64	(1.35)	6.885	25
Consumer Finance (FSVLX)	16.70	3.15	2.64	(1.94)	5.138	34
Consumer Staples (FDFAX)	9.46	5.27	12.35*	3.05*	9.533	19
Defense & Aerospace (FSDAX)	33.32*	8.21	1.93	0.24	11.925	14
Electronics (FSELX)	39.62*	18.93*	9.68*	(1.45)	19.695	2
Energy (FSENX)	22.53	7.69	14.59*	5.73*	14.635	6
Energy Service (FSESX)	23.14	5.78	14.46*	3.45*	13.708	9
Environment & Alternative Energy (FSLEX)	25.38	7.63	5.44	(0.85)	9.400	20
Financial Services (FIDSX)	18.51	6.84	2.98	(2.08)	6.563	27
Gold (FSAGX)	(15.11)	(0.33)	5.23	2.77*	(0.860)	39
Health Care (FSPHX)	39.21*	15.34*	(1.20)	(3.78)	14.393	7
Industrial Equipment (FSCGX)	26.88	7.86	4.75	0.86*	11.088	15
Industrials (FCYIX)	28.68*	8.86*	4.89	1.19*	13.905	8
Insurance (FSPCX)	21.18	5.37	6.83*	1.16*	10.635	16
IT Services (FBSOX)	26.20	2.68	(2.88)	(4.32)	5.420	31
Leisure (FDLSX)	19.73	4.15	2.19	(3.38)	5.673	30
Materials (FSDPX)	18.91	8.29*	6.94*	(0.39)	10.438	17
Medical Delivery (FSHCX)	23.88	7.73	(0.84)	(4.56)	6.553	28
Medical Equipment & Systems (FSMEX)	28.39	8.18	(0.37)	(4.27)	7.983	23
Multimedia (FBMPX)	19.67	2.41	0.24	(1.79)	5.133	35
Natural Gas (FSNGX)	30.91*	13.23*	17.13*	7.07*	21.085	1
Natural Resources (FNARX)	20.94	6.07	13.61*	5.18*	13.450	10
Pharmaceuticals (FPHAX)	32.66*	19.20*	8.32*	1.61*	19.448	3
Retailing (FSRPX)	21.12	(0.79)	0.40	(2.88)	4.463	36
Software & Computer Services (FSCSX)	31.56*	7.00	(3.75)	(4.87)	8.485	22
Technology (FSPTX)	25.34	6.78	(1.80)	(3.44)	6.720	26
Telecommunications (FSTCX)	5.67	(0.11)	0.65	(1.50)	1.178	38
Transportation (FSRFX)	33.26*	14.61*	5.82*	0.50	16.548	4
Utilities (FSUTX)	13.94	14.26*	10.19*	2.79*	13.295	11
Wireless (FWRLX)	15.74	3.90	1.70	(0.71)	5.158	33

*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

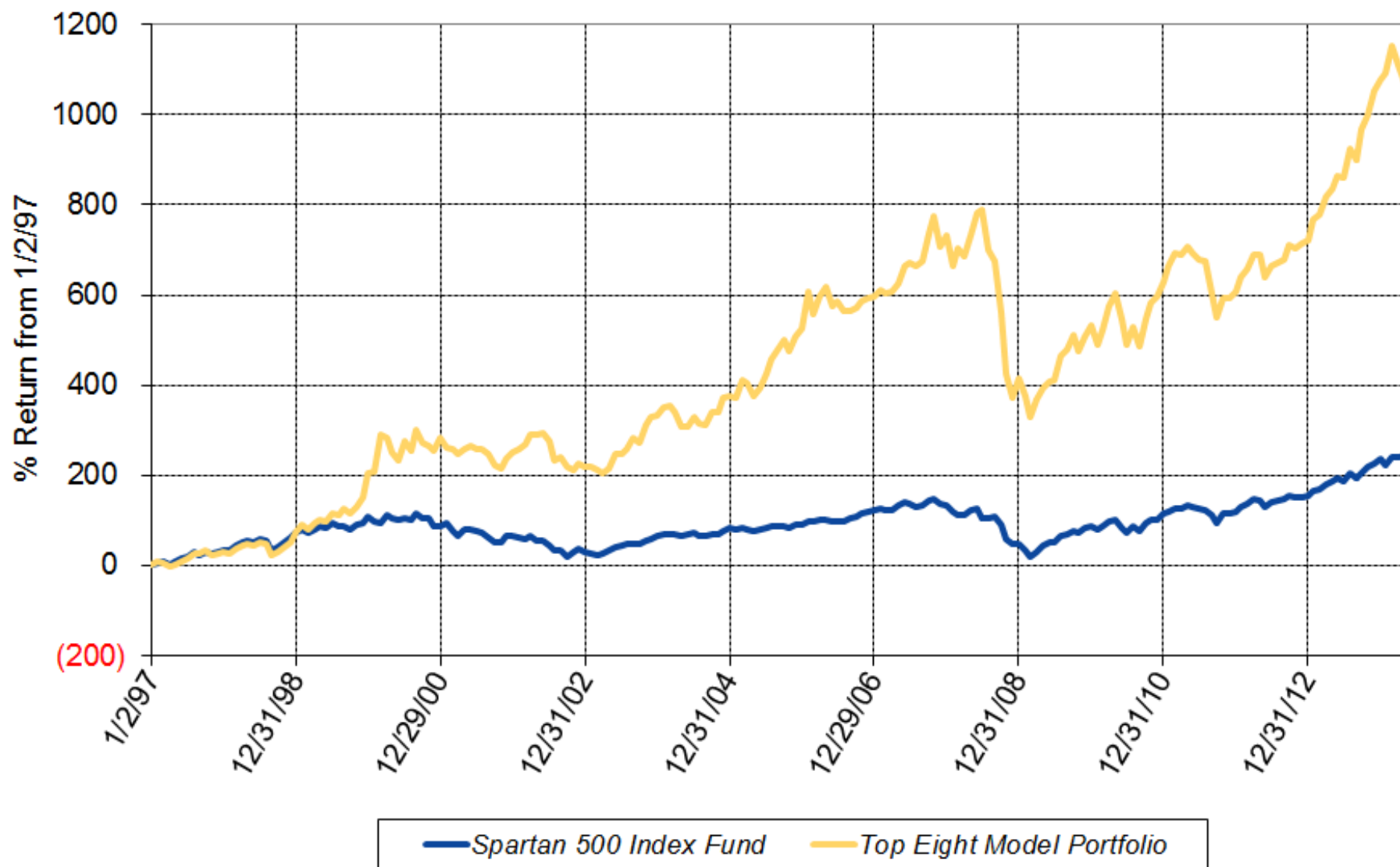
Sell on May 5, 2014

Buy on May 5, 2014

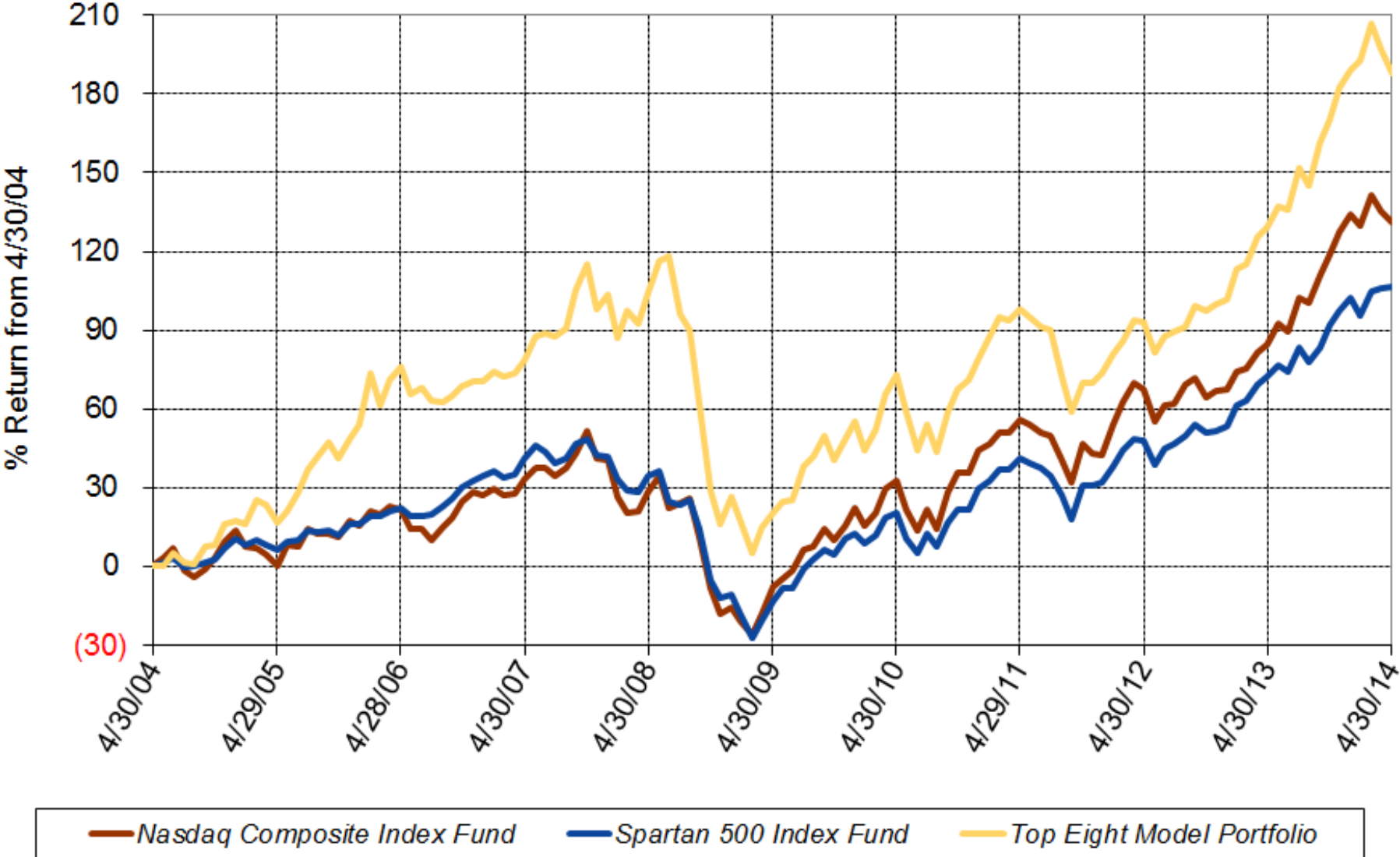
Hold

Fundranker Performance for April 2014													
3/31 Funds	3/31 Shares	3/31 Amount	<=4/4 Div Shrs	4/4 Shares	4/4 Amount	4/4 Funds	4/4 Shares	4/4 Amount	>4/4 Div Shrs	4/30 Shares	4/30 Amount	Apr Return	
FBIOX	168.930	32,916.01	none	168.930	31,165.90	FSELX	507.606	35,598.42	0.402	508.008	35,352.28		
FSPHX	173.063	35,860.38	none	173.063	35,021.03	FSPHX	175.916	35,598.42	10.093	186.009	35,072.00		
FPHAX1	1,758.619	36,614.45	none	1,758.619	35,963.76	FSRFX	453.714	35,598.42	6.857	460.571	35,721.89		
FSCSX	303.118	36,352.94	none	303.118	35,264.75	FPHAX1	1,740.754	35,598.42	99.632	1,840.386	36,826.12		
FSELX	548.839	38,786.45	none	548.839	38,490.08	FSMEX	928.009	35,598.42	52.744	980.753	34,061.55		
FBSOX1	1,002.543	36,462.49	none	1,002.543	35,790.79	FSRBX1	1,312.626	35,598.42	42.553	1,355.179	34,150.51		
FSPTX	286.829	35,991.30	none	286.829	35,102.13	FSHCX	469.079	35,598.42	19.175	488.254	34,377.96		
FSAIX	614.013	37,675.84	none	614.013	37,988.98	FSAIX	575.374	35,598.42	3.270	578.644	35,777.56		
Top Eight		290,659.86			284,787.42			284,787.40			281,339.87	(3.206)	
FNCMX1	1,611.486	89,421.36	none						none	1,611.486	87,680.95	(1.946)	
FUSEX1	1,229.550	81,949.51	none						none	1,229.550	82,195.42	0.300	
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	2014 YTD							
				Return %	Return %	Return %							
<i>Top Eight Model Portfolio</i>				16.302	43.354	(0.554)							
Nasdaq Composite Index Fund				17.325	39.746	(1.224)							
Spartan 500 Index Fund - Investor Class				15.929	32.251	2.092							
Lifetime Summary				1/2/97 to 4/30/14		1/2/97 to 4/30/14							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				1,072.249		15.259							
Nasdaq Composite Index Fund				N/A		N/A							
Spartan 500 Index Fund - Investor Class				242.481		7.360							
10-Year Summary				4/30/04 to 4/30/14		4/30/04 to 4/30/14							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				187.543		11.140							
Nasdaq Composite Index Fund				130.945		8.730							
Spartan 500 Index Fund - Investor Class				106.791		7.536							
5-Year Summary				4/30/09 to 4/30/14		4/30/09 to 4/30/14							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				138.230		18.960							
Nasdaq Composite Index Fund				150.833		20.192							
Spartan 500 Index Fund - Investor Class				137.886		18.925							
3-Year Summary				4/29/11 to 4/30/14		4/29/11 to 4/30/14							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				45.079		13.206							
Nasdaq Composite Index Fund				47.921		13.940							
Spartan 500 Index Fund - Investor Class				46.468		13.566							
1-Year Summary				4/30/13 to 4/30/14		4/30/13 to 4/30/14							
				Total Return %		Total Return %							
<i>Top Eight Model Portfolio</i>				25.331		25.331							
Nasdaq Composite Index Fund				24.921		24.921							
Spartan 500 Index Fund - Investor Class				19.815		19.815							

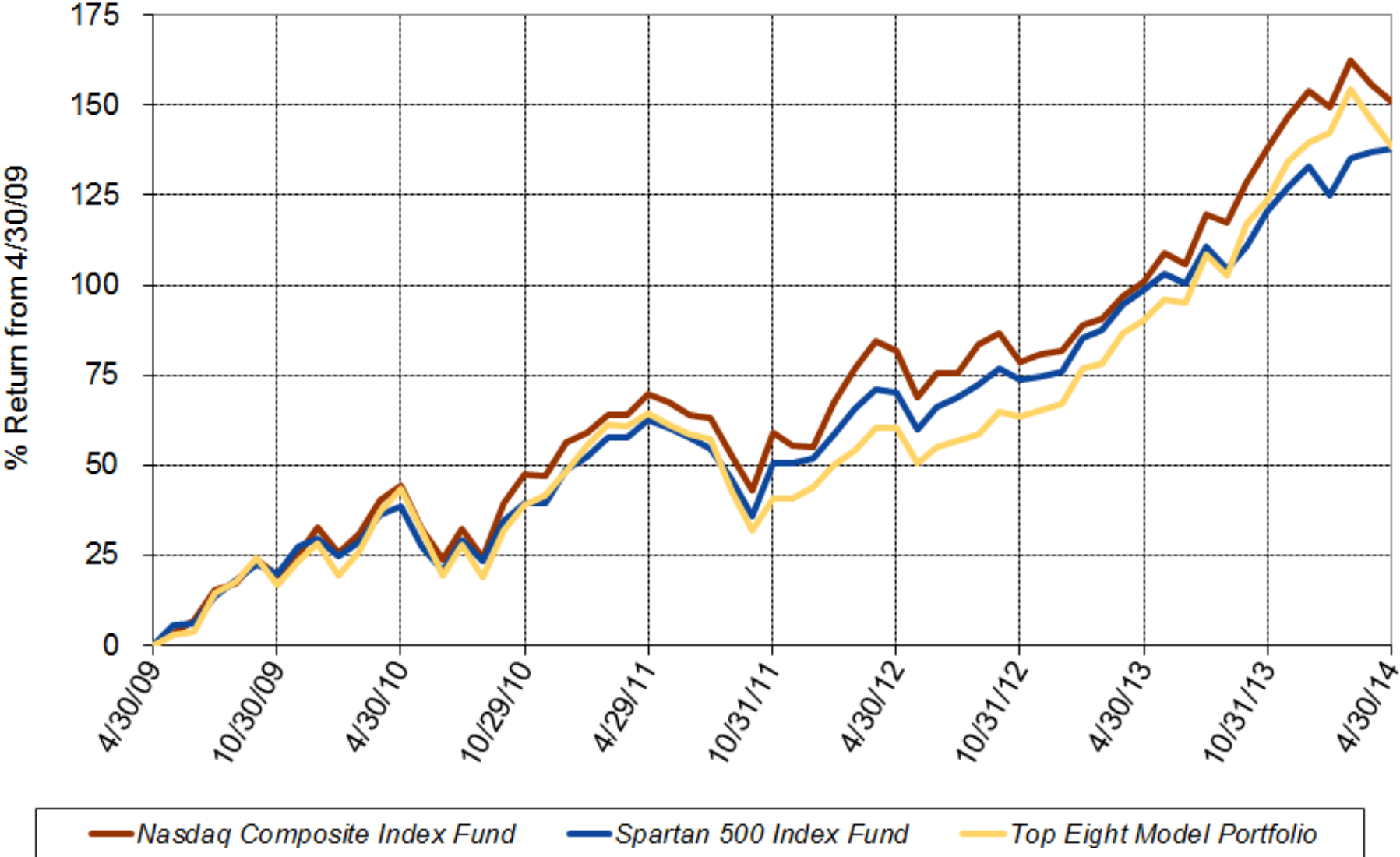
Lifetime Chart



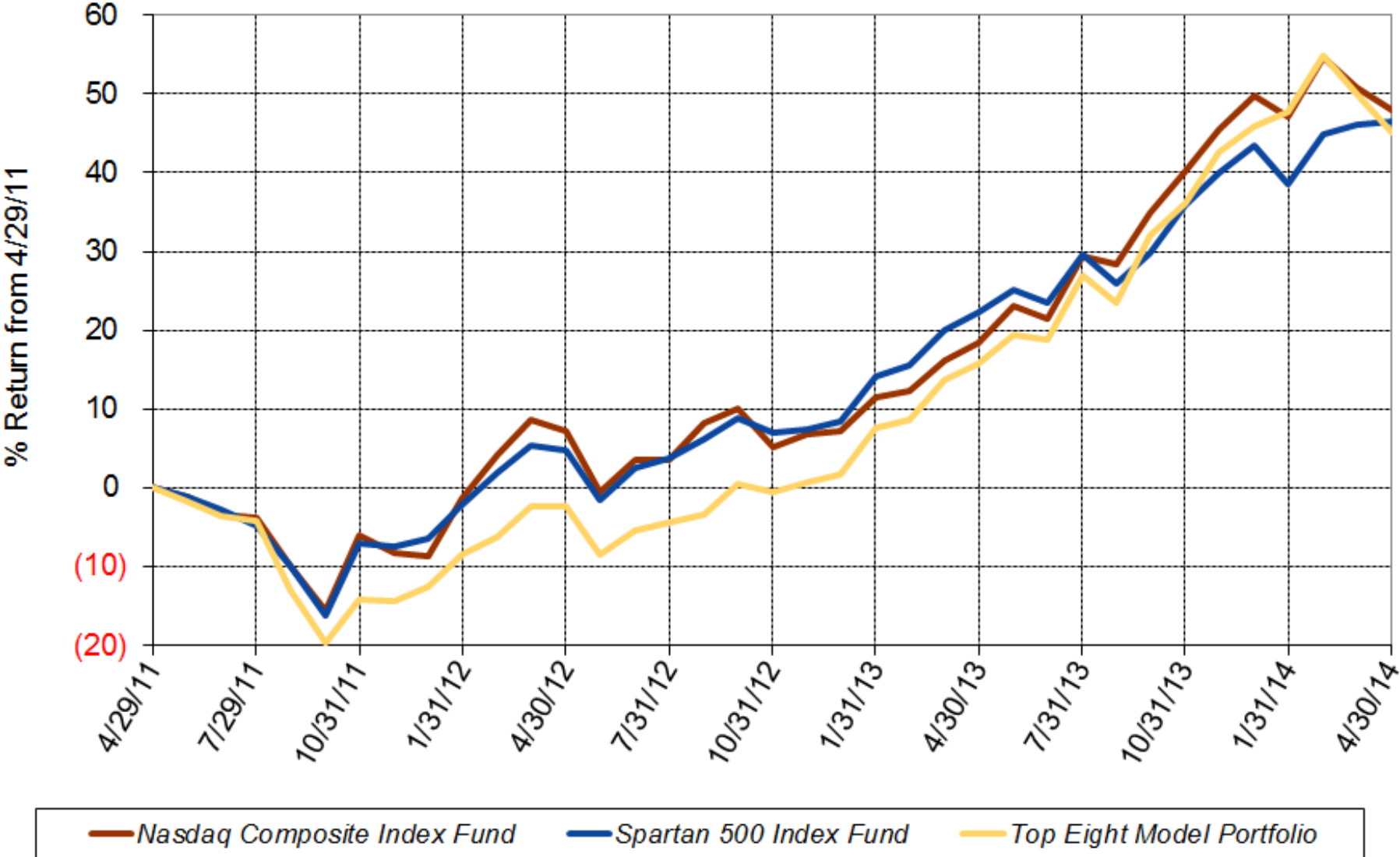
10-Year Chart



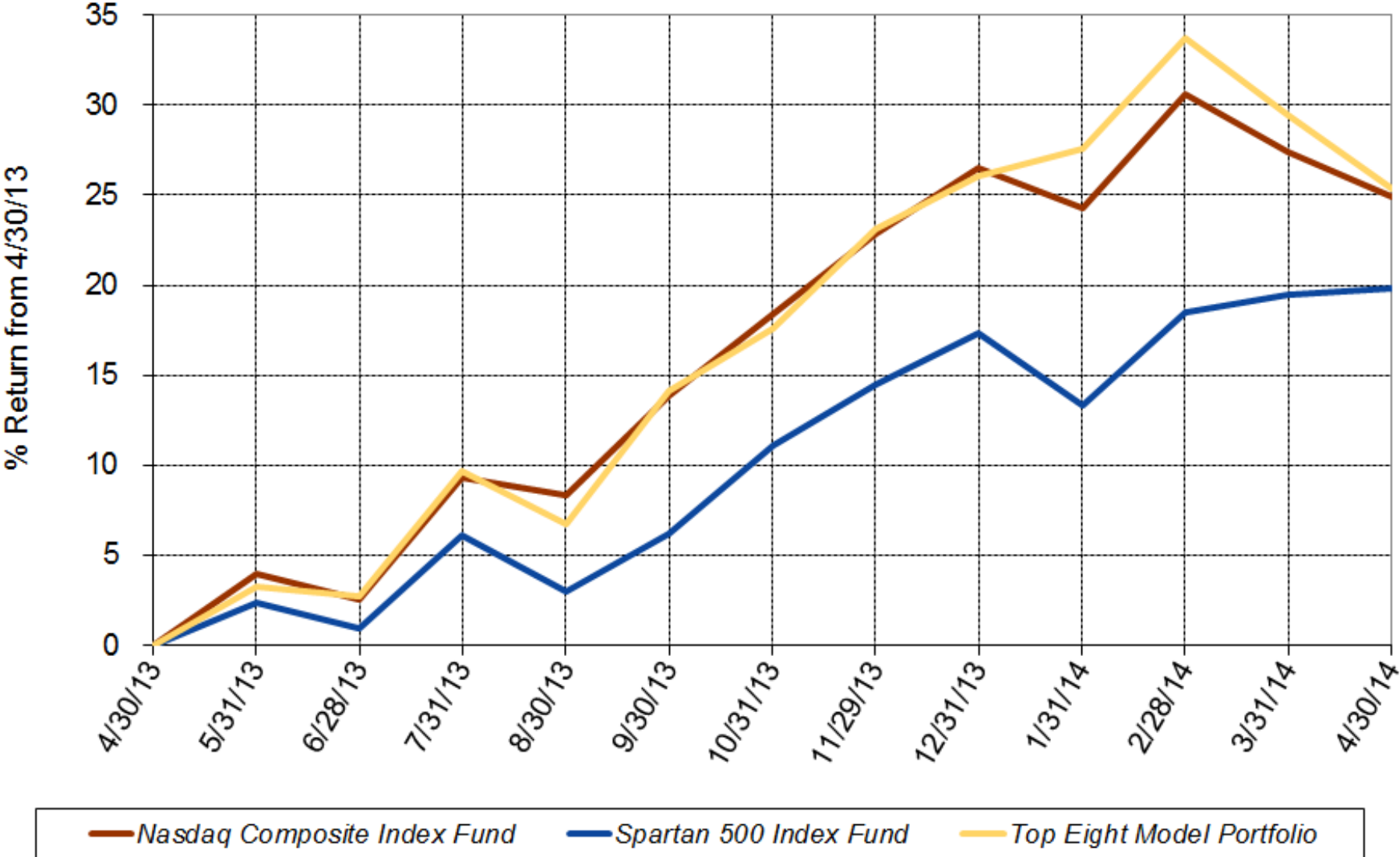
5-Year Chart



3-Year Chart



1-Year Chart



Daily Chart April 2014

