

FIDELITY SELECT FUNDRANKER™

Volume 9 Issue 6

The Right Funds at the Right Time

June 2014

Broad Market Rises for Fourth Month in a Row

The S&P 500 Index set several new all-time highs in May and ended the month at an all-time high. Although the broad market has not broken out to significant new highs in 2014, it still has set incrementally higher all-time highs every month so far this year.

All eight funds in the *Top Eight Model Portfolio* gained value in May. Transportation, Air Transportation, Electronics, and Health Care outperformed with one-month gains ranging from 5.79% to 4.20%. Energy, Natural Gas, Industrials, and Pharmaceuticals followed with one-month gains ranging from 1.09% to 0.65%.

In May, the *Top Eight Model Portfolio* gained 2.970%, the Nasdaq Composite Index gained 3.290%, and the S&P 500 Index gained 2.334%. For 2014 YTD through May, the *Top Eight Model Portfolio* gained 2.400%, the Nasdaq Composite gained 2.206%, and the S&P 500 gained 4.925%.

Final Performance of Funds Sold on May 5

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

Fund	Bought	Sold	Return
Banking (FSRBX)	4/4/2014	5/5/2014	(4.68)%
Medical Delivery (FSHCX)	4/4/2014	5/5/2014	(3.50)%
Medical Eqpt & Systems (FSMEX)	4/4/2014	5/5/2014	(3.33)%

GDP Shrinks in First Quarter

On Thursday, the Commerce Department reported that GDP contracted at an annual rate of 1% in the first quarter of 2014, revising downward its initial, late April estimate of very slight growth in the first quarter. The economy had not suffered a quarterly contraction since the first quarter of 2011.

A frigid winter got much of the blame for the slowdown. Outlook for the second quarter is much more robust, however, with expansion predicted to come in at an annual rate of 3% to 4%.

Labor Market Improves

The Labor Department reported on Thursday that initial claims for unemployment were much lower than economists had anticipated. The four-week moving average, a less volatile reading which is more closely followed by economists, fell to 311,500, a lower level than before the 2007 recession, clearly indicating a strengthening labor market.

Market Paradoxes

Jurrien Timmer, Director of Global Macro at Fidelity Viewpoints, recently published a great [article](#) on three market paradoxes he sees in the performance of financial markets so far in 2014:

- The U.S. economy is recovering, yet Treasury yields are falling.
- The Dow reached an all-time high, yet 8 of 10 stocks are down.
- U.S. and European economies are accelerating, yet China is vulnerable.

Fidelity Viewpoints

Speaking of Fidelity Viewpoints, it's a wonderful resource for financial information. Click [here](#) for an overview.

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 June that it bought on May 5, *Fundranker* will wait until June 4 (our 31st day of ownership) to make *Top Eight Model Portfolio* exchanges in order to

avoid roundtrip transactions.

Investing New Money

If *Fundranker* wanted to start an entirely new *Top Eight* based portfolio or add to an existing *Top Eight* based portfolio in June, we would make those exchanges on June 2, rather than making them along with *Fundranker's* regular exchanges on June 4, so that we could avoid roundtrip transactions more easily in July.

If *Fundranker* wanted to start an entirely new portfolio, we would exchange 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 varying amounts (from elsewhere in our Fidelity funds) only into those *Top Eight* funds listed below which *Fundranker* doesn't plan to sell on June 4. We would calculate those varying amounts to balance those funds as much as possible.

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As a subscriber, you will receive new issues of *Fidelity Select Fundranker* via email on the first day of each month. You also will receive an Alert email a few days in advance of each issue. *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.

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 June 2014

Fund Name (Symbol)	Purchase	Return to 5/30
1. Electronics (FSELX)	3/5/2014	5.09%
2. Transportation (FSRFY)	4/4/2014	6.16%
3. Air Transportation (FSAIX)	10/2/2013	25.54%
4. Natural Gas (FSNGX)	5/5/2014	0.88%
5. Utilities (FSUTX)	6/4/2014	
6. Health Care (FSPHX)	8/5/2013	27.33%
7. Communications Eqpt (FSDCX)	6/4/2014	
8. Energy Service (FSESX)	6/4/2014	
Funds to be sold on June 4:		
9. Pharmaceuticals (FPHAX)	2/3/2014	11.13%
11. Energy (FSENX)	5/5/2014	0.58%
22. Industrials (FCYIX)	5/5/2014	1.34%

Fundranker Exchanges for June 4

Sell Pharmaceuticals (FPHAX), buy Utilities (FSUTX)
Sell Energy (FSENX), buy Communications Eqpt (FSDCX)
Sell Industrials (FCYIX), buy Energy Service (FSESX)

Invest New Money Date

If *Fundranker* were to invest new money, we would do so on June 2.

Upcoming Fundranker Exchange Date

If all funds to be exchanged in July have been held more than one month, *Fundranker* will exchange on July 2; otherwise, to avoid roundtrip transactions, *Fundranker* will exchange on July 7.

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<i>Fundranker</i> Ratings for 5/30/14	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)	39.57*	11.39*	7.34*	5.34*	19.910	3
Automotive (FSAVX)	24.62	3.51	1.60	3.17	8.225	23
Banking (FSRBX)	19.83	2.47	0.35	0.67	5.830	29
Biotechnology (FBIOX)	27.74*	4.03	(15.81)	2.65	5.653	32
Brokerage & Investment Mgmt (FSLBX)	13.00	(1.02)	(2.10)	0.16	2.510	37
Chemicals (FSCHX)	25.98	10.37*	4.34*	3.10	12.948	10
Communications Equipment (FSDCX)	26.06*	12.36*	1.90	3.35*	13.918	7
Computers (FDCPX)	15.98	5.65	0.48	1.20	5.828	30
Construction & Housing (FSHOX)	6.42	5.76	(3.38)	1.01	2.453	38
Consumer Discretionary (FSCPX)	19.50	2.80	(0.32)	1.84	5.955	28
Consumer Finance (FSVLX)	13.85	2.75	1.13	1.93	4.915	35
Consumer Staples (FDFAX)	14.14	7.23	8.27*	2.27	8.978	19
Defense & Aerospace (FSDAX)	26.87*	4.16	0.19	0.59	8.953	20
Electronics (FSELX)	35.45*	23.00*	6.66*	4.63*	21.435	1
Energy (FSENX)	21.90	11.41*	9.29*	1.09	12.923	11
Energy Service (FSESX)	23.63	10.84*	8.82*	2.42	13.428	8
Environment & Alternative Energy (FSLEX)	21.47	6.67	0.90	1.29	7.583	25
Financial Services (FIDSX)	15.52	3.89	1.71	1.70	5.705	31
Gold (FSAGX)	(17.17)	6.94	(11.33)	(5.96)	(6.880)	39
Health Care (FSPHX)	40.09*	12.70*	(4.21)	4.20*	16.195	6
Industrial Equipment (FSCGX)	20.58	5.63	0.73	0.05	6.748	27
Industrials (FCYIX)	23.42	6.58	2.07	0.87	8.235	22
Insurance (FSPCX)	18.68	2.25	4.20*	1.14	7.568	26
IT Services (FBSOX)	22.98	1.30	(5.46)	2.86	5.420	34
Leisure (FDLSX)	20.77	1.37	(1.91)	1.85	5.520	33
Materials (FSDPX)	18.84	8.40	2.07	1.80	7.778	24
Medical Delivery (FSHCX)	25.15	6.94	2.24	5.40*	10.933	14
Medical Equipment & Systems (FSMEX)	27.60*	8.26	(0.04)	3.57*	11.848	13
Multimedia (FBMPX)	22.60	4.87	(0.98)	4.33*	8.705	21
Natural Gas (FSNGX)	30.85*	16.22*	11.23*	1.00	17.825	4
Natural Resources (FNARX)	20.85	11.25*	7.78*	0.95	12.208	12
Pharmaceuticals (FPHAX)	32.30*	13.12*	(0.45)	0.65	13.405	9
Retailing (FSRPX)	18.07	(2.49)	(4.39)	2.39	3.395	36
Software & Computer Services (FSCSX)	28.58*	5.68	(5.36)	3.18*	10.020	16
Technology (FSPTX)	23.87	8.03	(3.61)	3.97*	9.065	18
Telecommunications (FSTCX)	15.37	6.56	6.32*	4.95*	10.300	15
Transportation (FSRFX)	37.28*	14.97*	9.19*	5.79*	20.808	2
Utilities (FSUTX)	26.83*	18.79*	9.05*	2.04	17.178	5
Wireless (FWRLX)	22.28	6.87	2.54	3.57*	9.815	17

*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

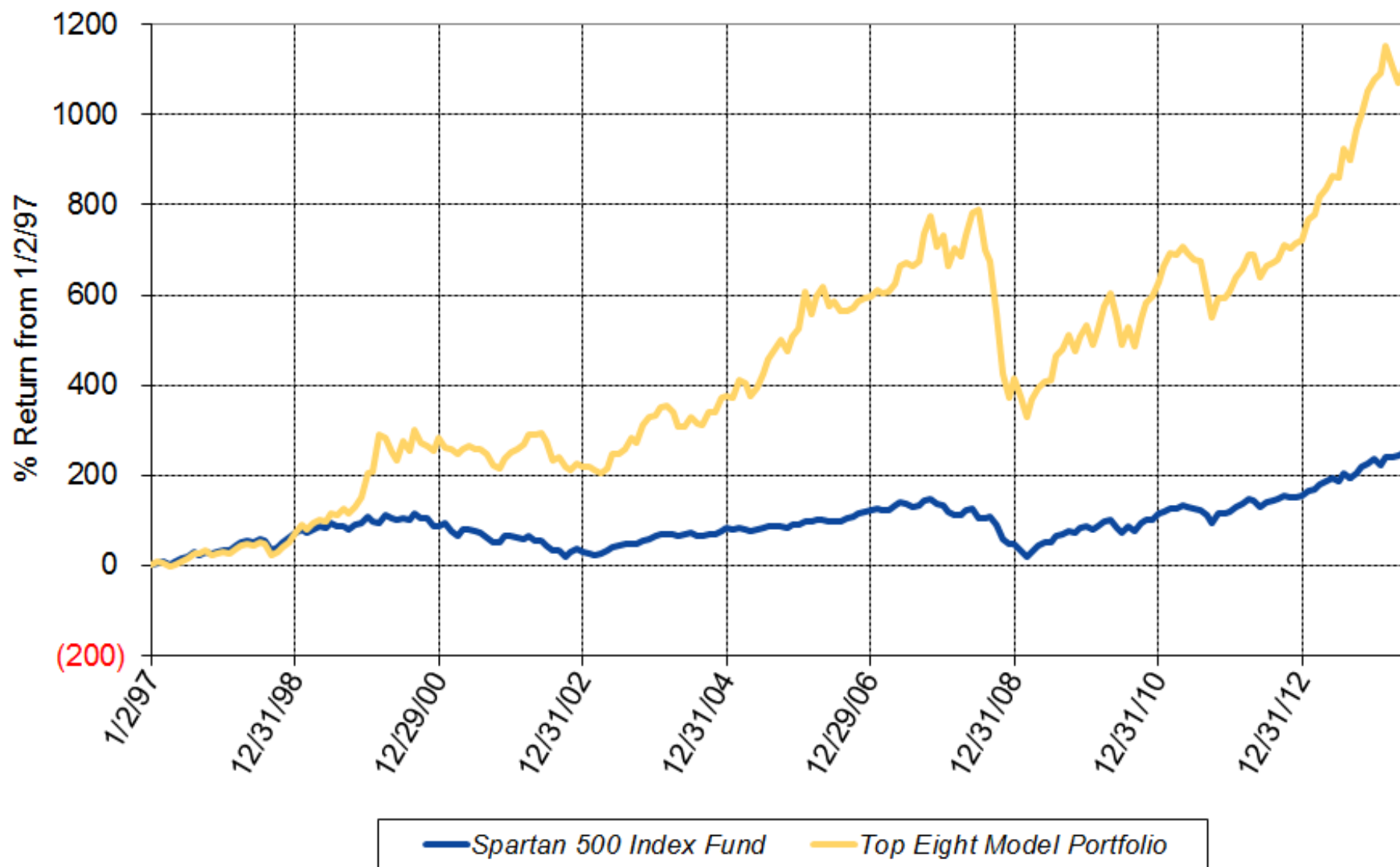
Sell on June 4, 2014

Buy on June 4, 2014

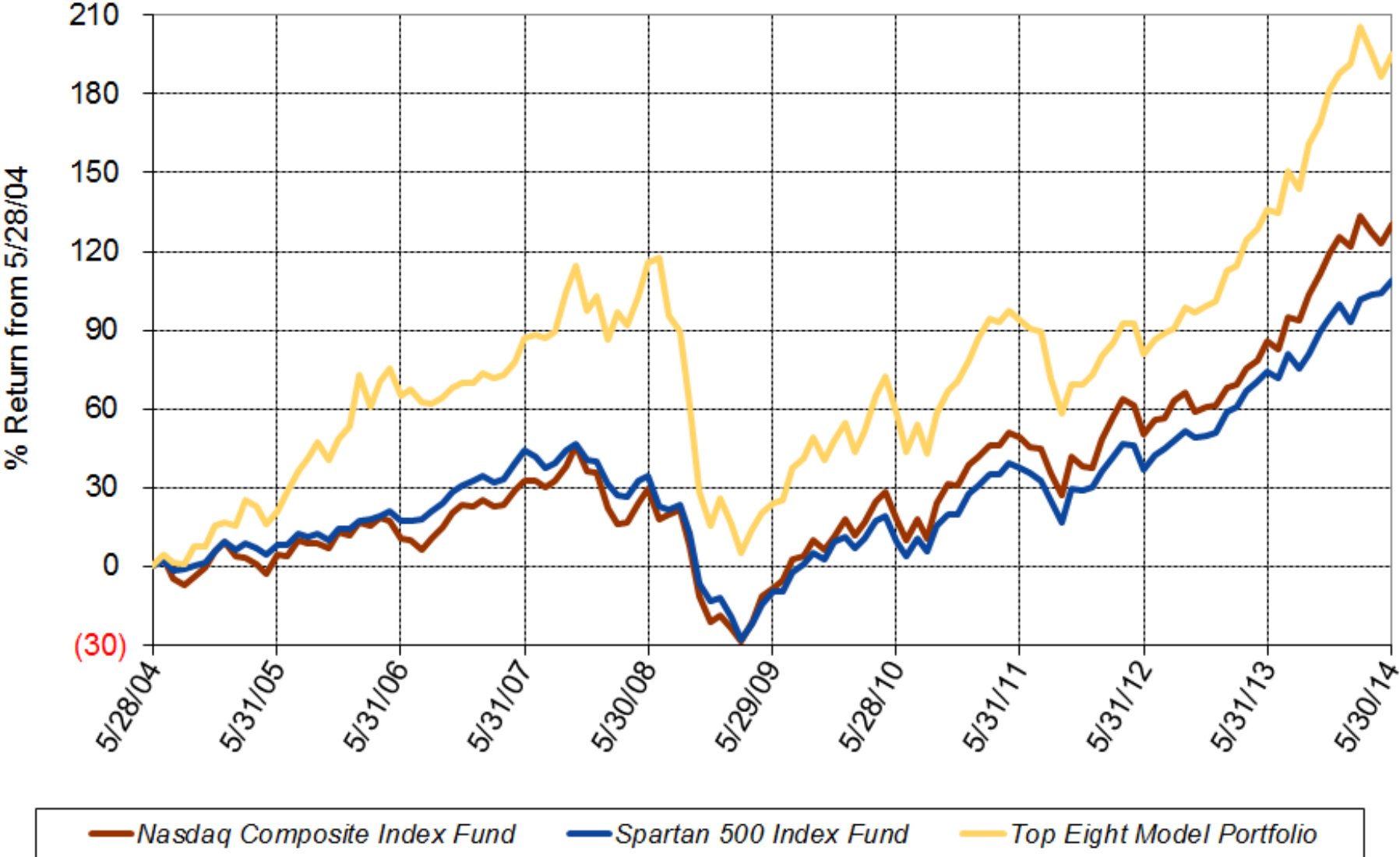
Hold

Fundranker Performance for May 2014													
4/30 Funds	4/30 Shares	4/30 Amount	<=5/5 Div Shrs	5/5 Shares	5/5 Amount	5/5 Funds	5/5 Shares	5/5 Amount	>5/5 Div Shrs	5/30 Shares	5/30 Amount	May Return	
FSELX	508.008	35,352.28	none	508.008	35,281.16	FSNGX	818.671	35,284.71	none	818.671	35,595.82		
FSPHX	186.009	35,072.00	none	186.009	35,505.40	FSELX	508.059	35,284.71	none	508.059	36,991.78		
FSRFX	460.571	35,721.89	none	460.571	35,634.38	FPHAX	1,757.207	35,284.71	none	1,757.207	35,390.15		
FPHAX	1,840.386	36,826.12	none	1,840.386	36,954.95	FSRFX	456.052	35,284.71	none	456.052	37,419.07		
FSMEX	980.753	34,061.55	none	980.753	34,414.62	FSAIX	564.014	35,284.71	none	564.014	36,734.23		
FSRBX	1,355.179	34,150.51	none	1,355.179	33,933.68	FSENX	606.683	35,284.71	none	606.683	35,490.96		
FSHCX	488.254	34,377.96	none	488.254	34,353.55	FSPHX	184.853	35,284.71	none	184.853	36,316.22		
FSAIX	578.644	35,777.56	none	578.644	36,199.97	FCYIX	1,100.240	35,284.71	none	1,100.240	35,757.80		
Top Eight		281,339.87			282,277.71			282,277.70			289,696.03	2.970	
FNCMX	1,611.486	87,680.95	none						none	1,611.486	90,565.51	3.290	
FUSEX	1,229.550	82,195.42	none						none	1,229.550	84,113.52	2.334	
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	2.400							
Nasdaq Composite Index Fund				17.325	39.746	2.026							
Spartan 500 Index Fund - Investor Class				15.929	32.251	4.475							
Lifetime Summary				1/2/97 to 5/30/14		1/2/97 to 5/30/14							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				1,107.067		15.374							
Nasdaq Composite Index Fund				N/A		N/A							
Spartan 500 Index Fund - Investor Class				250.473		7.466							
10-Year Summary				5/28/04 to 5/30/14		5/28/04 to 5/30/14							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				195.047		11.427							
Nasdaq Composite Index Fund				130.393		8.704							
Spartan 500 Index Fund - Investor Class				108.784		7.639							
5-Year Summary				5/29/09 to 5/30/14		5/29/09 to 5/30/14							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				137.894		18.926							
Nasdaq Composite Index Fund				150.611		20.171							
Spartan 500 Index Fund - Investor Class				130.537		18.181							
3-Year Summary				5/31/11 to 5/30/14		5/31/11 to 5/30/14							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				52.082		14.999							
Nasdaq Composite Index Fund				54.693		15.653							
Spartan 500 Index Fund - Investor Class				51.612		14.880							
1-Year Summary				5/31/13 to 5/30/14		5/31/13 to 5/30/14							
				Total Return %		Total Return %							
<i>Top Eight Model Portfolio</i>				25.017		25.017							
Nasdaq Composite Index Fund				24.075		24.075							
Spartan 500 Index Fund - Investor Class				19.818		19.818							

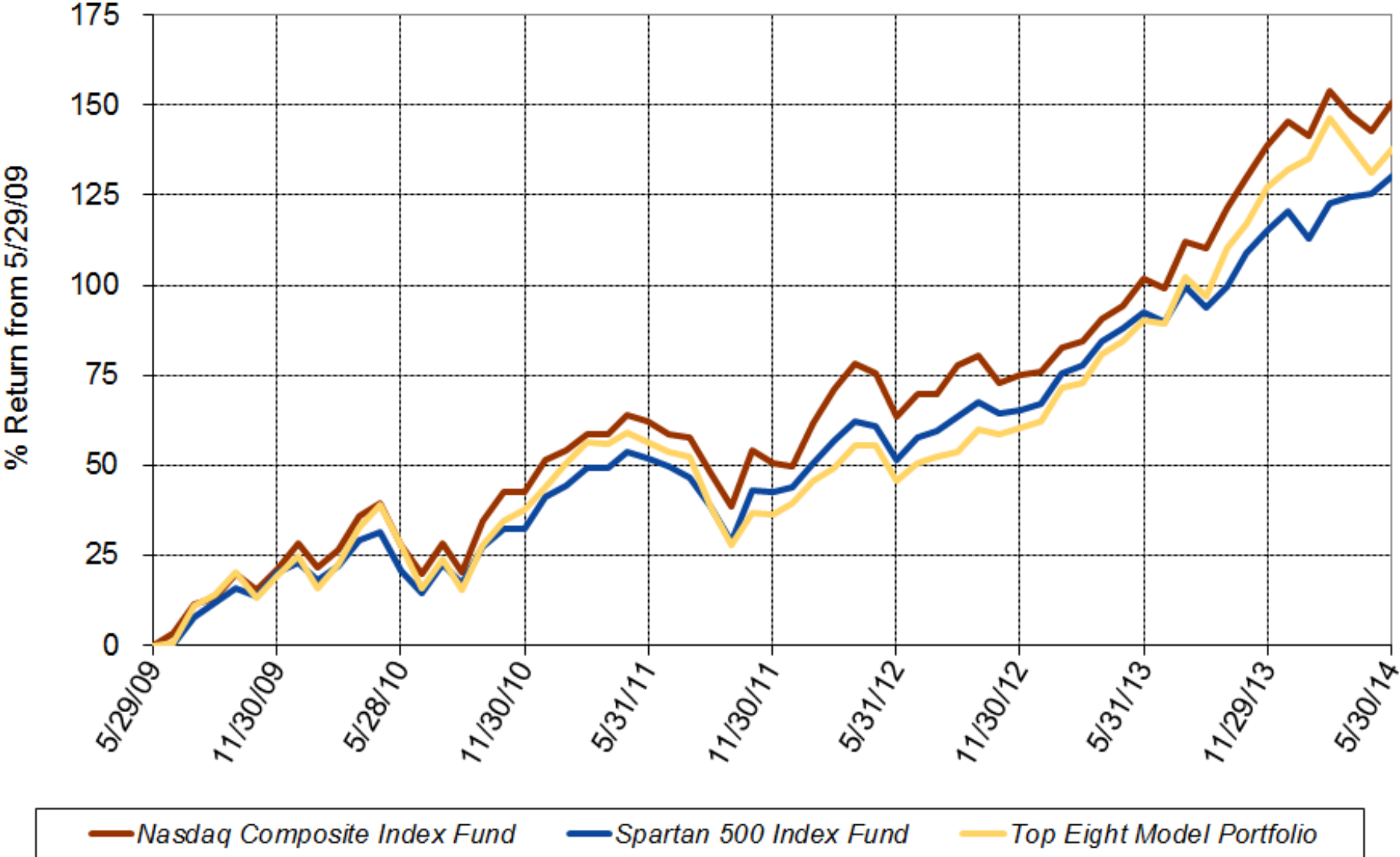
Lifetime Chart



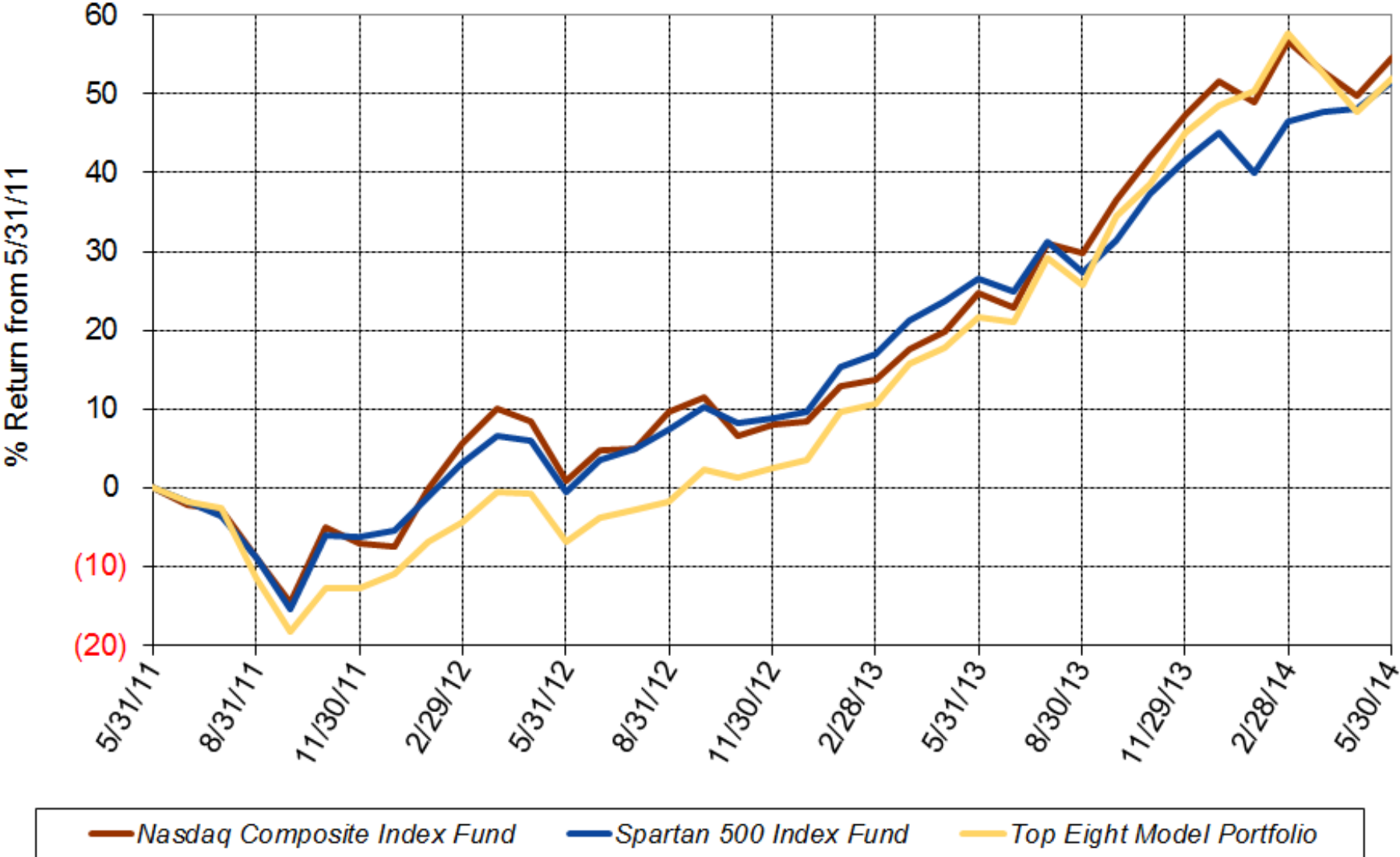
10-Year Chart



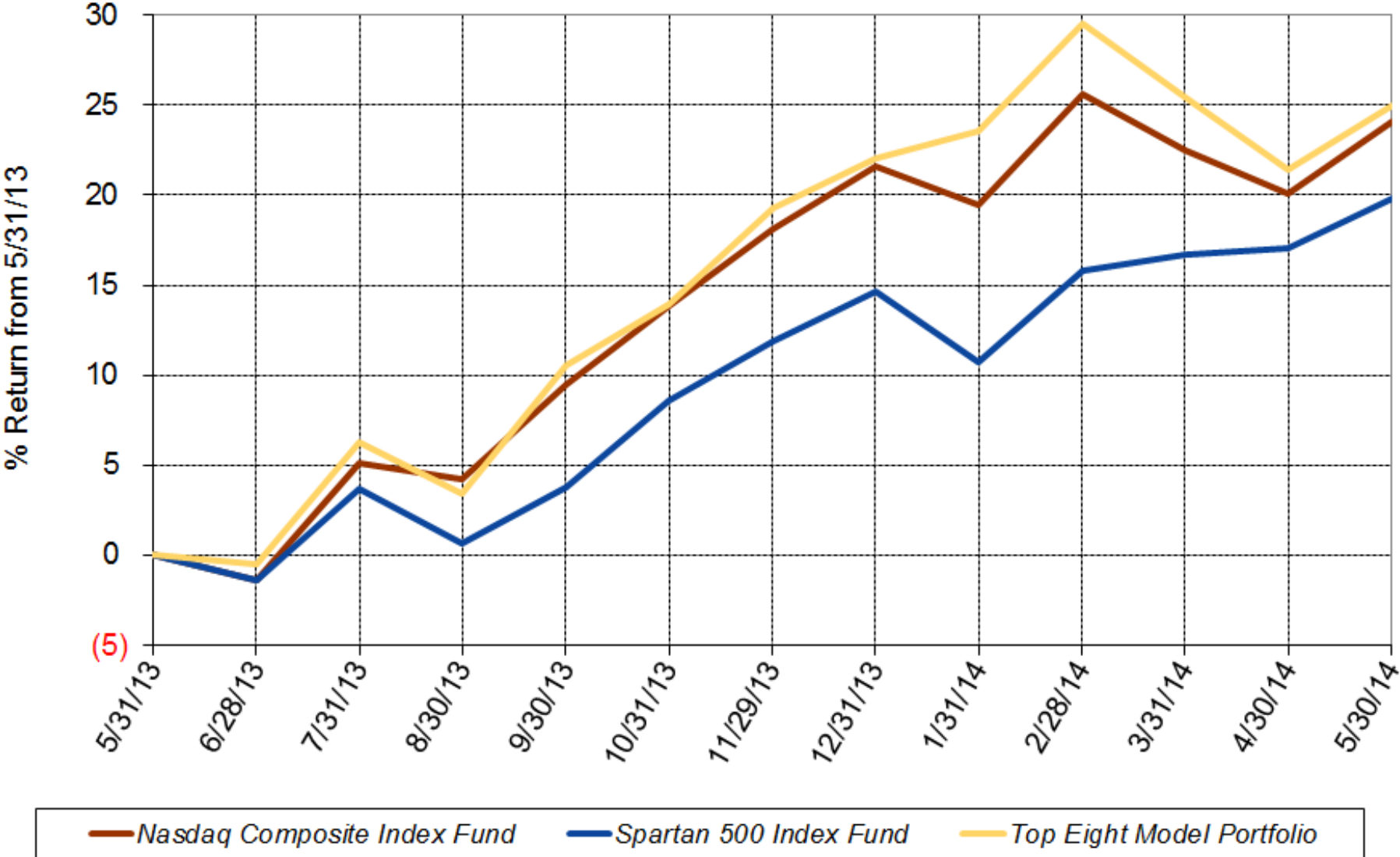
5-Year Chart



3-Year Chart



1-Year Chart



Daily Chart May 2014

