

FIDELITY SELECT FUNDRANKER™

Volume 9 Issue 8

The Right Funds at the Right Time

August 2014

Broad Market Extends Monthly All-Time Highs

The S&P 500 Index set a handful of new all-time highs in July, most recently on July 24. On a total return basis, it now has set new all-time highs 12 months in a row. A dramatic selloff of 2% on the last day of the month put it in the red for July and ended its five-month run of monthly gains.

All eight funds in the *Top Eight Model Portfolio* lost value in July. Health Care put in the best showing with a one-month loss of only 0.07%. Electronics, Pharmaceuticals, and Gold followed with one-month losses of 2.12%, 2.77%, and 2.77%. Our four energy funds trailed with one-month losses ranging from 4.36% to 5.35%.

In July, the *Top Eight Model Portfolio* lost 3.574%, the Nasdaq Composite Index lost 0.839%, and the S&P 500 Index lost 1.386%. For 2014 YTD through July, the *Top Eight Model Portfolio* gained 2.894%, the Nasdaq Composite gained 5.185%, and the S&P 500 gained 5.604%.

Final Performance of Funds Sold on July 7

Fundranker exchanged four funds on July 7. Here are the returns they contributed to the *Top Eight Model Portfolio*:

Fund	Bought	Sold	Return
Air Transportation (FSAIX)	10/2/2013	7/7/2014	22.28%
Communications Eqpt (FSDCX)	6/4/2014	7/7/2014	0.00%
Transportation (FSRFX)	4/4/2014	7/7/2014	5.13%
Utilities (FSUTX)	6/4/2014	7/7/2014	(3.68)%

Markets Plunge on July 31

Markets plunged on July 31. The Dow Jones Industrial lost over 300 points, wiping out all of its gain for 2014. The Nasdaq Composite and S&P 500 Indexes each lost 2%, although they still are up over 5% on a total return basis for 2014.

Several factors have been blamed--Argentina apparently has defaulted on its debt still again, several major companies disappointed on earnings reports, Ukraine/ Russia and Israel/Hamas political upheavals continue, and the U.S. economy strengthens, so the Fed might have to raise interest rates sooner--sounds like a perfect storm.

GDP Roars Back in Second Quarter

The Commerce Department reported on Wednesday that U.S. gross domestic product expanded at a 4% annual rate in the second quarter, significantly higher than the 3% rate generally expected by economists.

The government also revised upward first quarter GDP from an earlier reported 2.9% contraction to a smaller 2.1% contraction, but growth for the first half of 2014 is still considerably below economic potential. The economy continues to mend from the Great Recession, albeit at apace below that of recoveries from other recessions.

FAQs Update

We reorganized and updated our FAQs about how *Fundranker* sets [exchange dates](#), when an investor should start a [new portfolio](#) based on the *Top Eight Model Portfolio*, and general rules for [rebalancing](#) a portfolio based on the *Top Eight Model Portfolio*.

Also, we renamed our *Invest New Money* box at right to more aptly reflect this new structure, and brought back our *Optional Rebalancing Exchange Dates* box by popular demand.

The new structure is built around how we set our exchange dates. Our *early* exchange date each month is the first business day after the first of the month, our *late* exchange date is the first business day at least 30 days after the date of the previous month's exchanges, and our *regular* exchange date is either our *early* exchange date or our *late* exchange date, depending on whether we need to avoid roundtrip transactions.

The *Start a New Portfolio* box always will show our *early* exchange date and the date these new funds can be exchanged while avoiding roundtrip transactions. The *Optional Rebalancing Exchange Dates* box will show our *early* exchange date as the date to rebalance held funds and our *regular* exchange date as the date to rebalance new funds. If our *early* exchange date is less than 30 days before the *early* exchange date for the following month, we suggest not rebalancing held funds, and we'll put *none* for held funds, like we did this month.

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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 August 2014

Fund Name (Symbol)	Purchase	Return to 7/31
1. Electronics (FSELX)	3/5/2014	9.99%
2. Health Care (FSPHX)	8/5/2013	33.85%
3. Energy Service (FSSEX)	6/4/2014	1.72%
4. Medical Delivery (FSHCX)	8/6/2014	
5. Natural Gas (FSNGX)	5/5/2014	1.69%
6. Transportation (FSRFX)	8/6/2014	
7. Medical Eqpt & Systems (FSMEX)	8/6/2014	
8. Computers (FDCPX)	8/6/2014	
Funds to be sold on August 6:		
9. Pharmaceuticals (FPHAX)	7/7/2014	(3.41)%
11. Natural Resources (FNARX)	7/7/2014	(3.83)%
13. Energy (FSENX)	7/7/2014	(3.97)%
17. Gold (FSAGX)	7/7/2014	(1.76)%

Fundranker Exchanges for August 6

Sell Gold (FSAGX), buy Medical Delivery (FSHCX)
Sell Natural Resources (FNARX), buy Transportation (FSRFX)
Sell Pharmaceuticals (FPHAX), buy Med Eqpt & Systems (FSMEX)
Sell Energy (FSENX), buy Computers (FDCPX)

Start a New Portfolio

August 4 (Hold new funds until September 3, [see new portfolio FAQ](#))

Optional Rebalancing Exchange Dates

Held funds: none; New funds: August 6 ([see rebalancing FAQ](#))

Upcoming Fundranker Exchange Dates

If funds to be exchanged in September have been held more than one month, *Fundranker* will exchange on September 2 (*early* exchange date); otherwise, to avoid roundtrip transactions, *Fundranker* will exchange on September 5 (*late* exchange date).

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<i>Fundranker Ratings for 7/31/14</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)	27.72*	7.21	2.60	(2.98)	9.638	12
Automotive (FSAVX)	15.20	8.35	3.82	(2.80)	6.143	20
Banking (FSRBX)	10.73	3.77	0.99	(2.97)	3.130	32
Biotechnology (FBIOX)	17.14	(5.90)	6.48*	(3.43)	4.573	26
Brokerage & Investment Mgmt (FSLBX)	13.25	2.83	3.05	(1.04)	4.523	27
Chemicals (FSCHX)	20.63*	9.83*	1.44	(2.75)	9.288	14
Communications Equipment (FSDCX)	18.65	5.59	2.66	(2.20)	6.175	19
Computers (FDCPX)	18.26	9.49*	5.79*	1.12*	11.665	8
Construction & Housing (FSHOX)	6.13	2.53	(0.36)	(3.54)	1.190	37
Consumer Discretionary (FSCPX)	10.07	4.30	(0.32)	(3.53)	2.630	33
Consumer Finance (FSVLX)	7.44	3.67	1.00	(3.01)	2.275	35
Consumer Staples (FDFAX)	8.71	11.99*	(0.32)	(2.77)	5.403	22
Defense & Aerospace (FSDAX)	10.79	(4.23)	(6.04)	(5.76)	(1.310)	39
Electronics (FSELX)	35.66*	20.11*	9.51*	(2.12)	18.790	1
Energy (FSENX)	18.87	16.85*	1.97	(4.36)	9.333	13
Energy Service (FSESX)	23.21*	20.37*	5.16*	(5.35)	13.848	3
Environment & Alternative Energy (FSLEX)	14.13	5.07	(0.34)	(4.26)	3.650	31
Financial Services (FIDSX)	12.61	6.04	2.97	(1.23)	5.098	25
Gold (FSAGX)	4.63	13.70*	8.05*	(2.77)	7.903	17
Health Care (FSPHX)	35.44*	8.22	9.53*	(0.07)	15.280	2
Industrial Equipment (FSCGX)	10.94	0.30	(4.25)	(5.45)	0.385	38
Industrials (FCYIX)	12.74	1.48	(3.26)	(5.63)	1.333	36
Insurance (FSPCX)	11.96	6.76	(0.06)	(3.69)	3.743	30
IT Services (FBSOX)	15.58	(0.02)	2.94	(2.35)	4.038	29
Leisure (FDLSX)	14.97	3.68	1.46	(3.71)	4.100	28
Materials (FSDPX)	15.47	7.71	0.72	(3.43)	5.118	24
Medical Delivery (FSHCX)	21.18*	8.14	9.06*	2.17*	13.138	4
Medical Equipment & Systems (FSMEX)	25.21*	8.04	8.44*	(1.23)	12.115	7
Multimedia (FBMPX)	16.63	6.14	5.88*	(1.51)	7.785	18
Natural Gas (FSNGX)	28.41*	19.25*	1.81	(5.01)	13.115	5
Natural Resources (FNARX)	19.75	17.14*	3.11	(4.52)	9.870	11
Pharmaceuticals (FPHAX)	28.23*	10.38*	1.90	(2.77)	11.435	9
Retailing (FSRPX)	9.05	1.21	0.81	(1.68)	2.348	34
Software & Computer Services (FSCSX)	23.49*	0.94	4.87*	(1.25)	9.013	15
Technology (FSPTX)	22.61*	5.90	7.84*	(1.27)	10.770	10
Telecommunications (FSTCX)	11.78	6.31	5.62*	0.46*	8.043	16
Transportation (FSRFX)	29.85*	10.87*	4.77	(2.24)	12.813	6
Utilities (FSUTX)	16.80	8.75*	(1.31)	(6.67)	5.393	23
Wireless (FWRLX)	19.30	3.68	1.95	(0.74)	6.048	21

*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

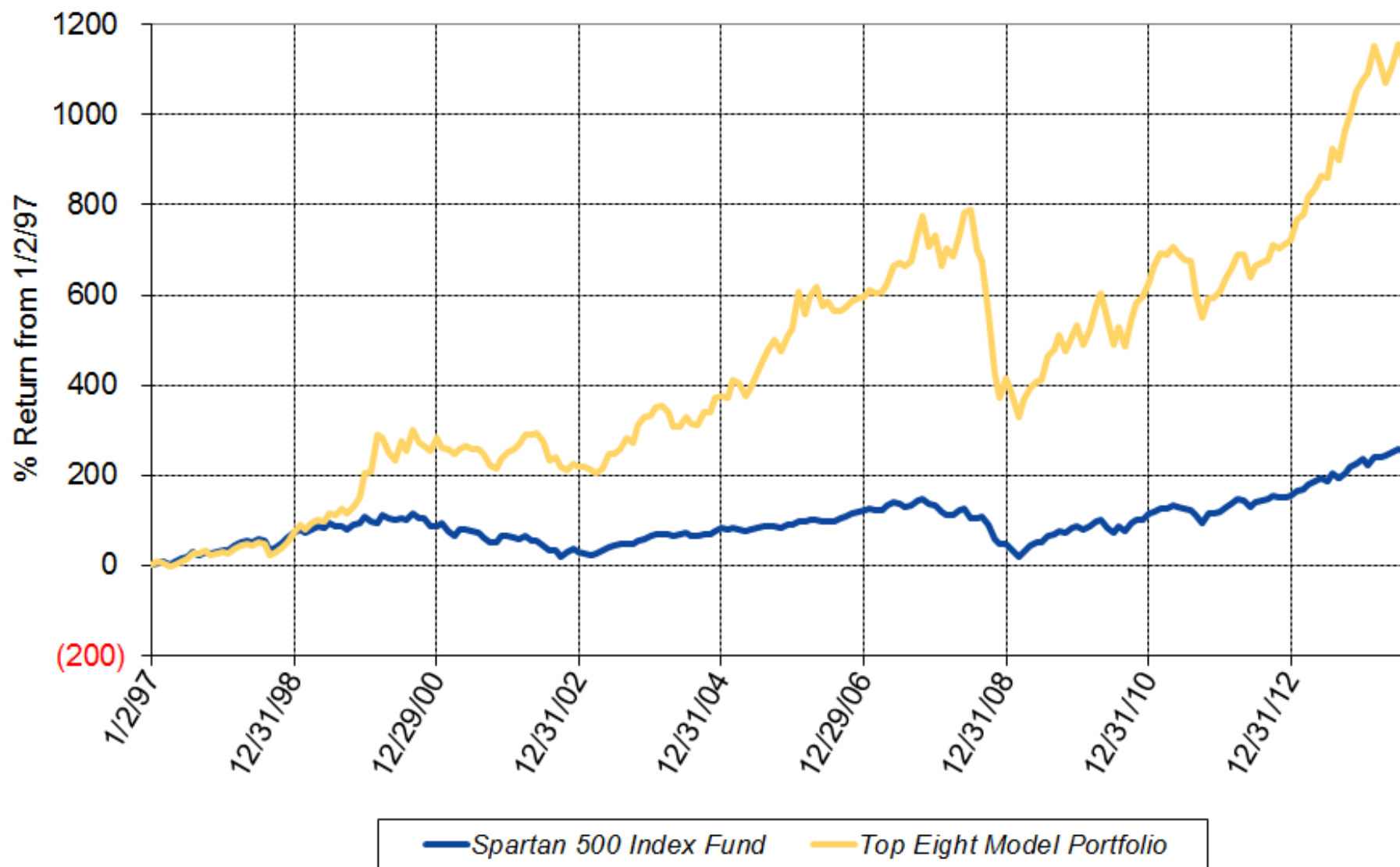
Sell on August 6, 2014

Buy on August 6, 2014

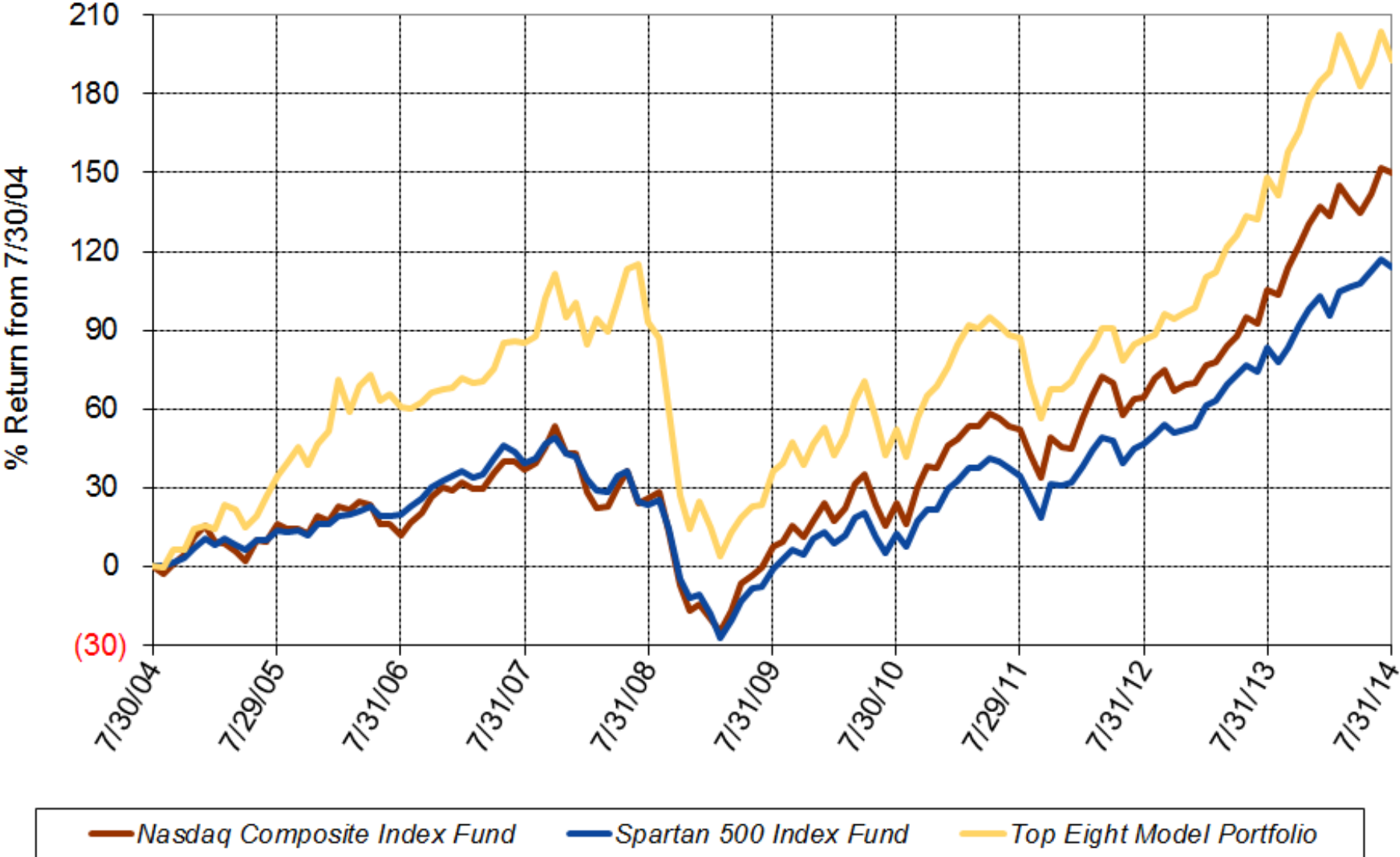
Hold

Fundranker Performance for July 2014													
6/30 Funds	6/30 Shares	6/30 Amount	<=7/7 Div Shrs	7/7 Shares	7/7 Amount	7/7 Funds	7/7 Shares	7/7 Amount	>7/7 Div Shrs	7/31 Shares	7/31 Amount	7/31 Amount	Jul Return
FSELX	491.380	38,258.85	none	491.380	38,568.42	FSELX	478.566	37,562.67	none	478.566	36,471.51		
FSRFX	442.105	36,747.77	none	442.105	36,544.40	FSNGX	825.190	37,562.67	none	825.190	36,168.08		
FSAIX	550.348	35,987.26	none	550.348	35,783.63	FSAGX1	616.294	37,562.67	none	1,616.294	36,899.99		
FSNGX	832.868	38,428.53	none	832.868	37,912.15	FSESX	385.456	37,562.67	none	385.456	35,835.84		
FSUTX	484.531	37,677.13	none	484.531	36,475.49	FSPHX	180.338	37,562.67	none	180.338	37,243.40		
FSPHX	184.993	38,232.50	none	184.993	38,532.19	FNARX	871.928	37,562.67	none	871.928	36,123.98		
FSDCX1	1,155.574	37,325.04	none	1,155.574	37,764.16	FPHAX1	1,779.378	37,562.67	none	1,779.378	36,281.52		
FSESX	399.394	39,228.48	none	399.394	38,920.95	FSENX	611.272	37,562.67	none	611.272	36,071.16		
Top Eight		301,885.56			300,501.39			300,501.40			291,095.48		(3.574)
FNCMX1	611.486	94,159.13	none						none	1,611.486	93,369.50		(0.839)
FUSEX1	1,234.849	86,217.16	none						5.630	1,240.479	85,022.43		(1.386)
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	2.894							
Nasdaq Composite Index Fund				17.325	39.746	5.185							
Spartan 500 Index Fund - Investor Class				15.929	32.251	5.604							
Lifetime Summary				1/2/97 to 7/31/14		1/2/97 to 7/31/14							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				1,112.898		15.250							
Nasdaq Composite Index Fund				N/A		N/A							
Spartan 500 Index Fund - Investor Class				254.260		7.459							
10-Year Summary				7/30/04 to 7/31/14		7/30/04 to 7/31/14							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				193.008		11.349							
Nasdaq Composite Index Fund				149.728		9.584							
Spartan 500 Index Fund - Investor Class				114.171		7.914							
5-Year Summary				7/31/09 to 7/31/14		7/31/09 to 7/31/14							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				115.283		16.574							
Nasdaq Composite Index Fund				131.608		18.291							
Spartan 500 Index Fund - Investor Class				116.187		16.672							
3-Year Summary				7/29/11 to 7/31/14		7/29/11 to 7/31/14							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				56.720		16.156							
Nasdaq Composite Index Fund				63.917		17.907							
Spartan 500 Index Fund - Investor Class				59.099		16.741							
1-Year Summary				7/31/13 to 7/31/14		7/31/13 to 7/31/14							
				Total Return %		Total Return %							
<i>Top Eight Model Portfolio</i>				18.198		18.198							
Nasdaq Composite Index Fund				21.734		21.734							
Spartan 500 Index Fund - Investor Class				16.825		16.825							

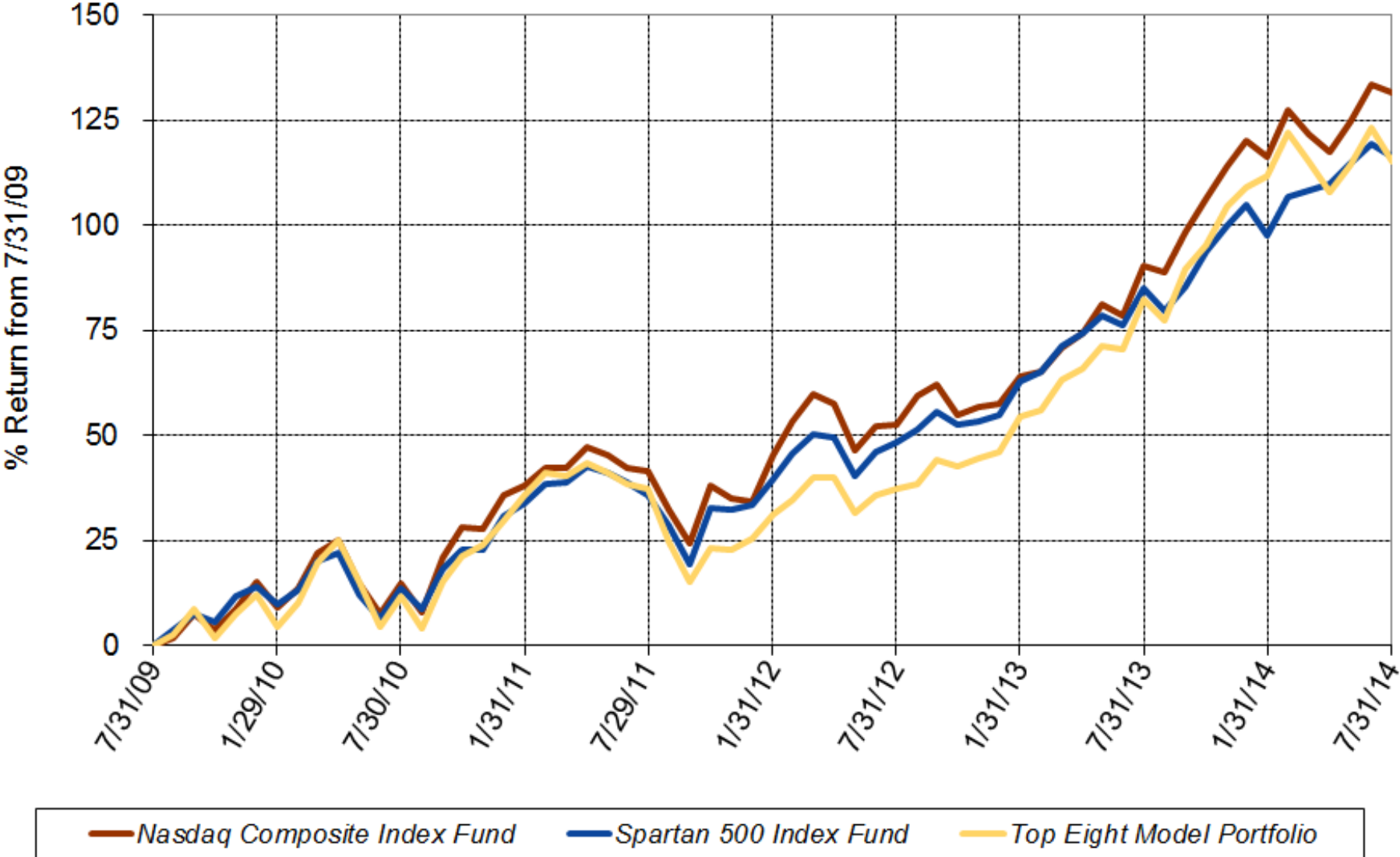
Lifetime Chart



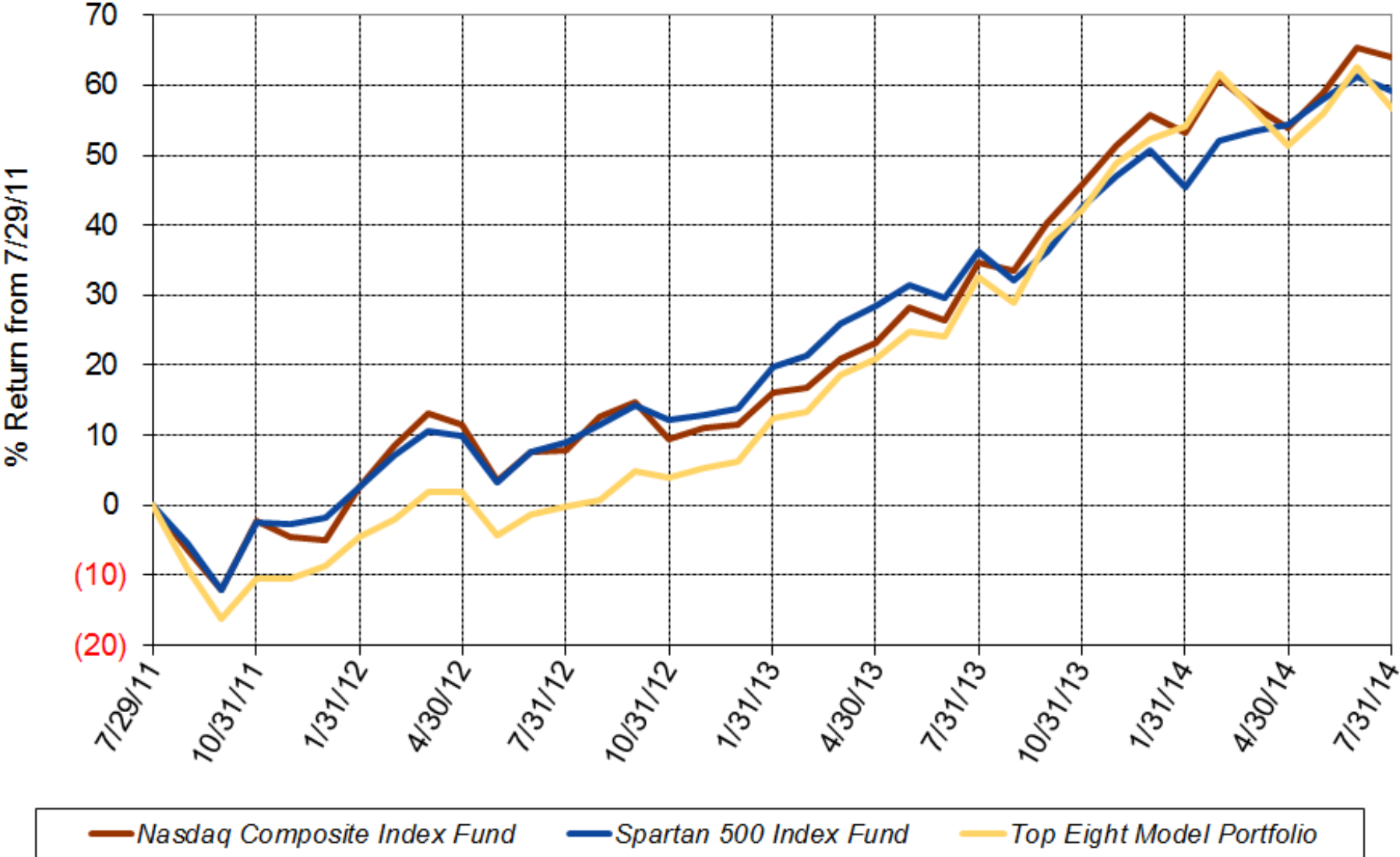
10-Year Chart



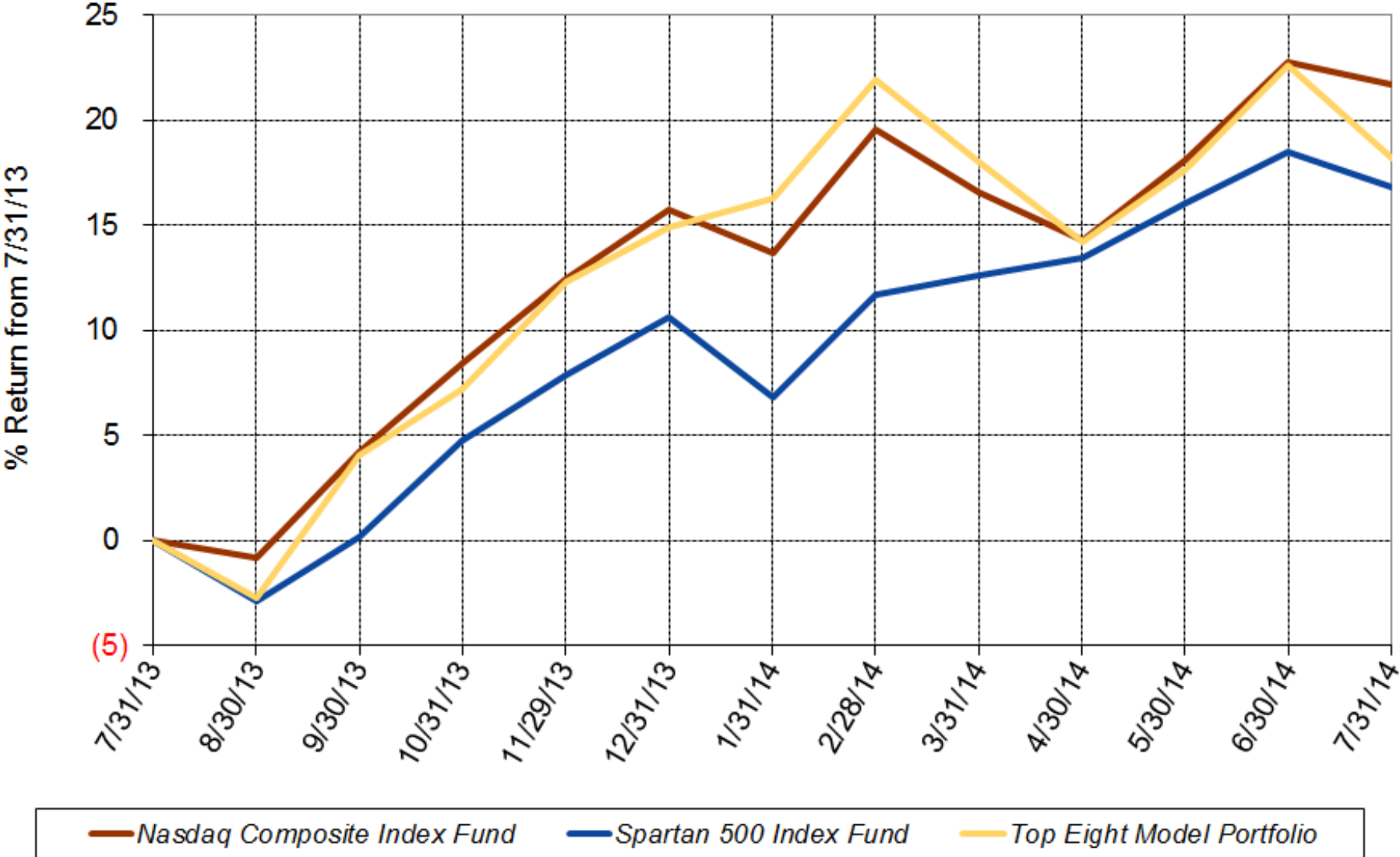
5-Year Chart



3-Year Chart



1-Year Chart



(5)

Daily Chart July 2014

