

# FIDELITY SELECT FUNDRANKER™

Volume 9 Issue 9

The Right Funds at the Right Time

September 2014

## Broad Market Ends August at All-Time High

On a total return basis, the broad market S&P 500 Index ended August at an all-time high. It now has set new all-time highs 13 months in a row.

All eight funds in the *Top Eight Model Portfolio* gained value in August. Health Care, Electronics, and Medical Delivery excelled with one-month gains over 5%. Transportation, Computers, Natural Gas, Medical Equipment & Systems, and Energy Service followed with one-month gains ranging from 4.18% to 1.30%.

In August, the *Top Eight Model Portfolio* gained 4.043%, the Nasdaq Composite Index gained 4.988%, and the S&P 500 Index gained 3.998%. For 2014 YTD through August, the *Top Eight Model Portfolio* gained 7.054%, the Nasdaq Composite gained 10.431%, and the S&P 500 gained 9.825%.

## Final Performance of Funds Sold on August 6

*Fundranker* exchanged four funds on August 6. Here are the returns they contributed to the *Top Eight Model Portfolio*:

Fund	Bought	Sold	Return
Energy (FSENX)	7/7/2014	8/6/2014	(4.75)%
Gold (FSAGX)	7/7/2014	8/6/2014	0.47%
Natural Resources (FNARX)	7/7/2014	8/6/2014	(4.43)%
Pharmaceuticals (FPHAX)	7/7/2014	8/6/2014	(5.12)%

## Best August Since 2003

The *Top Eight Model Portfolio* gained more in August 2014 than it has since August 2003. A review of our [Average Chart](#), which shows average returns for each month since 1997, shows that August is the only month of the year in which the *Top Eight Model Portfolio* has a negative average return. It almost seems as if we should just sit out during August, but then we would miss out on months like we just enjoyed.

One of the founding principles of the *Fundranker* system is to stay 100% invested, which we adopted to make sure that we don't miss any of the best market days. Missing even a few of the best days in the market can significantly reduce long-term returns.

## Jackson Hole Conference 2014

The Federal Reserve Bank of Kansas City sponsors an economic symposium each year at Jackson Hole, Wyoming. This year's conference took place August 21 to 23. The economic issue under discussion this year was titled "Re-Evaluating Labor Market Dynamics," obviously a topic of special interest world-wide, as world economies still are struggling to recover from the Great Recession.

Notable attendees included Janet Yellen, Chair, Board of Governors of Federal Reserve System, Mario Draghi, President, European Central Bank, Ben Broadbent, Deputy Governor for Monetary Policy, Bank of England, Haruhiko Kuroda, Governor, Bank of Japan, and Alexandre Antonio Tombini, Governor, Central Bank of Brazil.

In European Central Bank President Mario Draghi's remarks, he appeared to be laying the groundwork for a bond-buying program, apparently an effort to reinvigorate the stalled euro zone recovery. He also seemed to hint at renewed concerns about deflation, saying "We stand ready to adjust our policy stance further" in his prepared speech.

In Fed Chair Janet Yellen's keynote address, she acknowledged that the job market improved faster than she expected this year. She seems to be a little less convinced that there still is substantial slack in the U.S. economy than she was earlier this year.

Since March, the Fed has been assuring financial markets that it would wait a "considerable time" after ending its current bond-buying program to raise interest rates. Many Fed officials still see mid-2015 as the likely date to begin raising interest rates, but some

are open to moving that timing forward if the economy surprises.

Bank of Japan Governor Haruhiko Kuroda likes Japan's economic prospects, said the Bank of Japan is sticking to its economic forecasts, and argued that Japan is gradually escaping its prolonged deflation trap thanks in part to the central bank's aggressive efforts.

For a more in-depth read of the agenda, prepared remarks, and handouts of the conference, see the Federal Reserve Bank of Kansas City [2014 Economic Policy Symposium webpage](#).

For more in-depth discussion of the symposium, see the Wall Street Journal's [coverage of Fed's Jackson Hole Conference](#).

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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 September 2014

Fund Name (Symbol)	Purchase	Return to 8/29
1. Electronics (FSELX)	3/5/2014	16.14%
2. Health Care (FSPHX)	8/5/2013	41.75%
3. Biotechnology (FBIOX)	9/5/2014	
4. Medical Delivery (FSHCX)	8/6/2014	4.86%
5. Transportation (FSRFX)	8/6/2014	5.81%
6. Air Transportation (FSAIX)	9/5/2014	
7. Natural Gas (FSNGX)	5/5/2014	4.57%
8. Utilities (FSUTX)	9/5/2014	
Funds to be sold on September 5:		
10. Computers (FDCPX)	8/6/2014	4.43%
11. Medical Eqpt & Systems (FSMEX)	8/6/2014	2.54%
18. Energy Service (FSESX)	6/4/2014	3.04%

## Fundranker Exchanges for September 5

Sell Energy Service (FSESX), buy Biotechnology (FBIOX)  
Sell Med Eqpt & Systems (FSMEX), buy Air Transportation (FSAIX)  
Sell Computers (FDCPX), buy Utilities (FSUTX)

## Start a New Portfolio

September 2 ([see new portfolio FAQ](#))

## Optional Rebalancing Exchange Dates

Held funds: Sep 2; New funds: Sep 5 ([see rebalancing FAQ](#))

## Upcoming Fundranker Exchange Dates

If funds to be exchanged in October have been held more than one month, *Fundranker* will exchange on October 2 ([early exchange date](#)); otherwise, to avoid roundtrip transactions, *Fundranker* will exchange on October 6 ([late exchange date](#)).

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Fundranker Ratings for 8/29/14 Fund (Symbol)	12-Month Return %	6-Month Return %	3-Month Return %	1-Month Return %	Fundranker Rating**	Fundranker Ranking
Air Transportation (FSAIX)	38.37*	8.50*	1.07	3.77	14.928	6
Automotive (FSAVX)	18.05	4.24	2.60	1.96	6.713	29
Banking (FSRBX)	17.64	2.65	2.29	1.96	6.135	32
Biotechnology (FBIOX)	36.12*	(1.16)	17.39*	13.17*	19.380	3
Brokerage & Investment Mgmt (FSLBX)	23.34	5.18	7.43*	4.41	11.090	19
Chemicals (FSCHX)	27.03*	7.35	2.89	4.57*	12.460	15
Communications Equipment (FSDCX)	24.31	3.73	1.79	2.47	8.075	23
Computers (FDCPX)	24.58	8.91*	8.39*	3.69	13.393	10
Construction & Housing (FSHOX)	22.41	3.91	7.55*	9.03*	12.725	13
Consumer Discretionary (FSCPX)	18.33	1.83	2.15	4.37	6.670	30
Consumer Finance (FSVLX)	14.06	3.05	1.90	2.84	5.463	36
Consumer Staples (FDFAX)	17.97	10.37*	1.94	4.60*	10.720	20
Defense & Aerospace (FSDAX)	19.18	(1.79)	(1.98)	4.94*	6.088	33
Electronics (FSELX)	45.50*	17.88*	10.52*	5.59*	23.873	1
Energy (FSENX)	22.54	13.50*	3.85	2.95	11.710	17
Energy Service (FSESX)	22.96	13.18*	4.01	1.30	11.363	18
Environment & Alternative Energy (FSLEX)	19.34	0.60	(0.30)	1.34	5.245	37
Financial Services (FIDSX)	21.90	7.11	5.30	4.00	9.578	22
Gold (FSAGX)	(0.85)	4.37	17.72*	2.45	6.923	28
Health Care (FSPHX)	46.09*	6.63	11.32*	5.90*	20.485	2
Industrial Equipment (FSCGX)	19.41	0.68	(0.05)	4.44*	7.120	26
Industrials (FCYIX)	20.62	1.75	(0.31)	3.95	6.503	31
Insurance (FSPCX)	22.80	8.68*	4.30	5.55*	12.333	16
IT Services (FBSOX)	16.08	(5.09)	0.39	0.31	2.923	39
Leisure (FDLSX)	19.30	0.25	2.20	2.59	6.085	34
Materials (FSDPX)	20.90	4.76	2.64	3.74	8.010	24
Medical Delivery (FSHCX)	30.09*	11.17*	8.73*	5.08*	17.768	4
Medical Equipment & Systems (FSMEX)	30.98*	6.41	6.45*	1.67	13.378	11
Multimedia (FBMPX)	23.13	2.62	3.64	2.12	7.878	25
Natural Gas (FSNGX)	29.88*	15.30*	3.66	2.83	14.918	7
Natural Resources (FNARX)	22.07	13.54*	5.35*	3.14	13.025	12
Pharmaceuticals (FPHAX)	35.62*	4.78	5.26	3.97	13.408	9
Retailing (FSRPX)	18.92	0.83	5.46*	7.12*	10.083	21
Software & Computer Services (FSCSX)	24.97	(2.22)	3.32	1.65	6.930	27
Technology (FSPTX)	27.13*	3.91	7.80*	3.93	12.693	14
Telecommunications (FSTCX)	15.57	6.87	0.52	(0.11)	5.713	35
Transportation (FSRFX)	39.96*	12.66*	3.18	4.18	16.995	5
Utilities (FSUTX)	28.11*	11.17*	1.95	5.40*	14.658	8
Wireless (FWRLX)	19.13	1.68	(0.84)	0.74	5.178	38

\*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

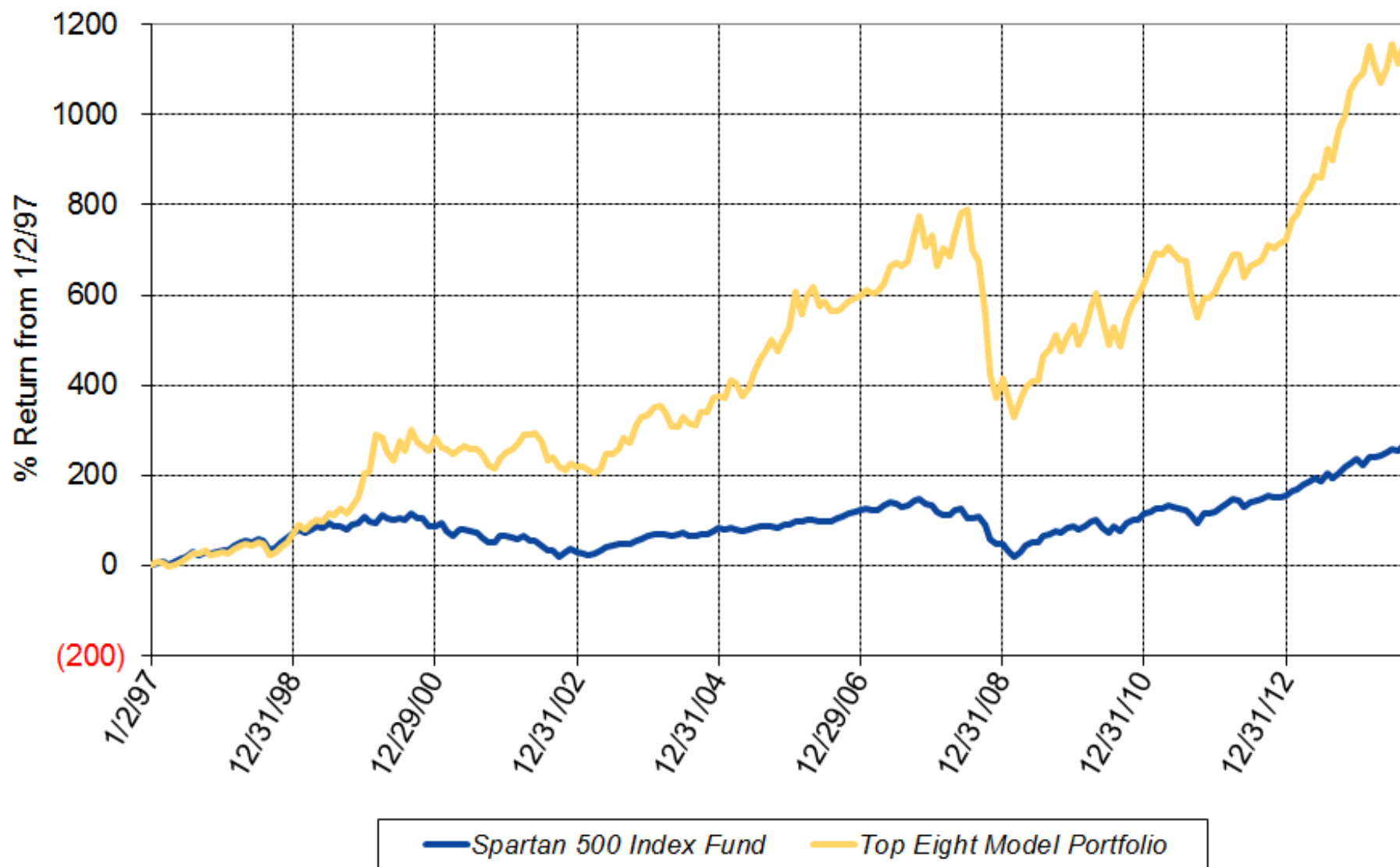
Sell on September 5, 2014

Buy on September 5, 2014

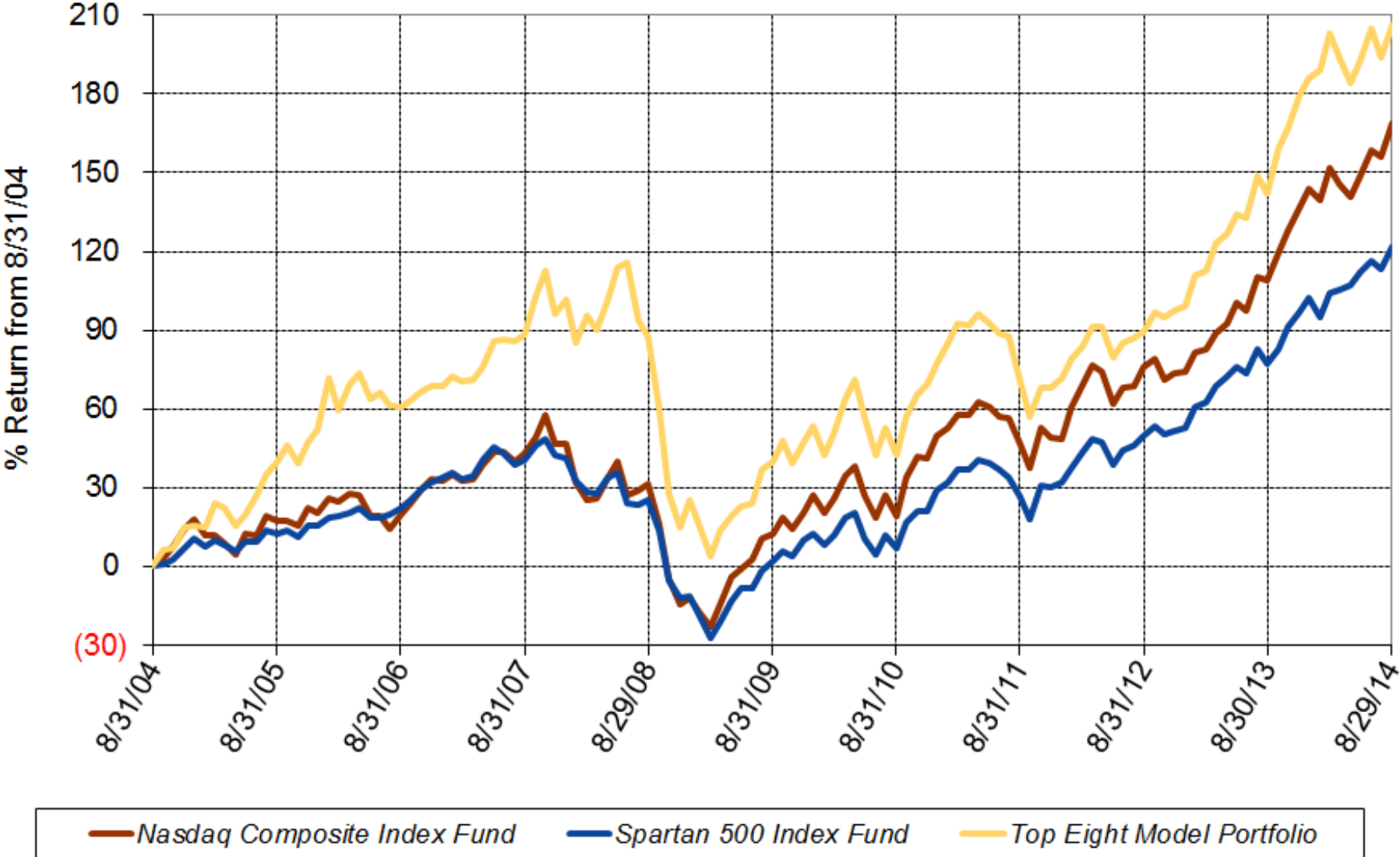
Hold

Fundranker Performance for August 2014													
7/31	7/31	7/31	<=8/6	8/6	8/6	8/6	8/6	8/6	8/6	>8/6	8/29	8/29	Aug
Funds	Shares	Amount	Div Shrs	Shares	Amount	Funds	Shares	Amount	Div Shrs	Shares	Amount	Return	
FSELX	478.566	36,471.51	none	478.566	36,304.02	FSELX	476.864	36,174.93	none	476.864	38,373.25		
FSNGX	825.190	36,168.08	none	825.190	35,648.21	FSPHX	176.601	36,174.93	none	176.601	38,622.64		
FSAGX1	1,616.294	36,899.99	none	1,616.294	37,740.46	FSESX	393.334	36,174.93	none	393.334	37,044.20		
FSESX	385.456	35,835.84	none	385.456	35,450.39	FSHCX	470.110	36,174.93	none	470.110	37,933.18		
FSPHX	180.338	37,243.40	none	180.338	36,940.44	FSNGX	837.383	36,174.93	none	837.383	37,740.85		
FNARX	871.928	36,123.98	none	871.928	35,897.28	FSRFX	452.130	36,174.93	none	452.130	38,277.33		
FPHAX1	1,779.378	36,281.52	none	1,779.378	35,640.94	FSMEX	968.798	36,174.93	none	968.798	37,095.28		
FSENX	611.272	36,071.16	none	611.272	35,777.75	FDCPX	460.534	36,174.93	none	460.534	37,777.60		
<b>Top Eight</b>		<b>291,095.48</b>			<b>289,399.49</b>			<b>289,399.40</b>			<b>302,864.33</b>	<b>4.043</b>	
FNCMX1	1,611.486	93,369.50	none						none	1,611.486	98,026.69	4.988	
FUSEX1	1,240.479	85,022.43	none						none	1,240.479	88,421.34	3.998	
<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		7.054				
Nasdaq Composite Index Fund					17.325		39.746		10.431				
Spartan 500 Index Fund - Investor Class					15.929		32.251		9.825				
<b>Lifetime Summary</b>					1/2/97 to 8/29/14					1/2/97 to 8/29/14			
					Total Return %					Average Annual Return %			
<i>Top Eight Model Portfolio</i>					1,161.935					15.431			
Nasdaq Composite Index Fund					N/A					N/A			
Spartan 500 Index Fund - Investor Class					268.422					7.661			
<b>10-Year Summary</b>					8/31/04 to 8/29/14					8/31/04 to 8/29/14			
					Total Return %					Average Annual Return %			
<i>Top Eight Model Portfolio</i>					206.056					11.836			
Nasdaq Composite Index Fund					169.043					10.403			
Spartan 500 Index Fund - Investor Class					121.859					8.295			
<b>5-Year Summary</b>					8/31/09 to 8/29/14					8/31/09 to 8/29/14			
					Total Return %					Average Annual Return %			
<i>Top Eight Model Portfolio</i>					118.363					16.906			
Nasdaq Composite Index Fund					139.332					19.069			
Spartan 500 Index Fund - Investor Class					116.996					16.759			
<b>3-Year Summary</b>					8/31/11 to 8/29/14					8/31/11 to 8/29/14			
					Total Return %					Average Annual Return %			
<i>Top Eight Model Portfolio</i>					79.547					21.542			
Nasdaq Composite Index Fund					83.606					22.451			
Spartan 500 Index Fund - Investor Class					74.976					20.502			
<b>1-Year Summary</b>					8/30/13 to 8/29/14					8/30/13 to 8/29/14			
					Total Return %								
<i>Top Eight Model Portfolio</i>					26.422								
Nasdaq Composite Index Fund					28.898								
Spartan 500 Index Fund - Investor Class					25.136								

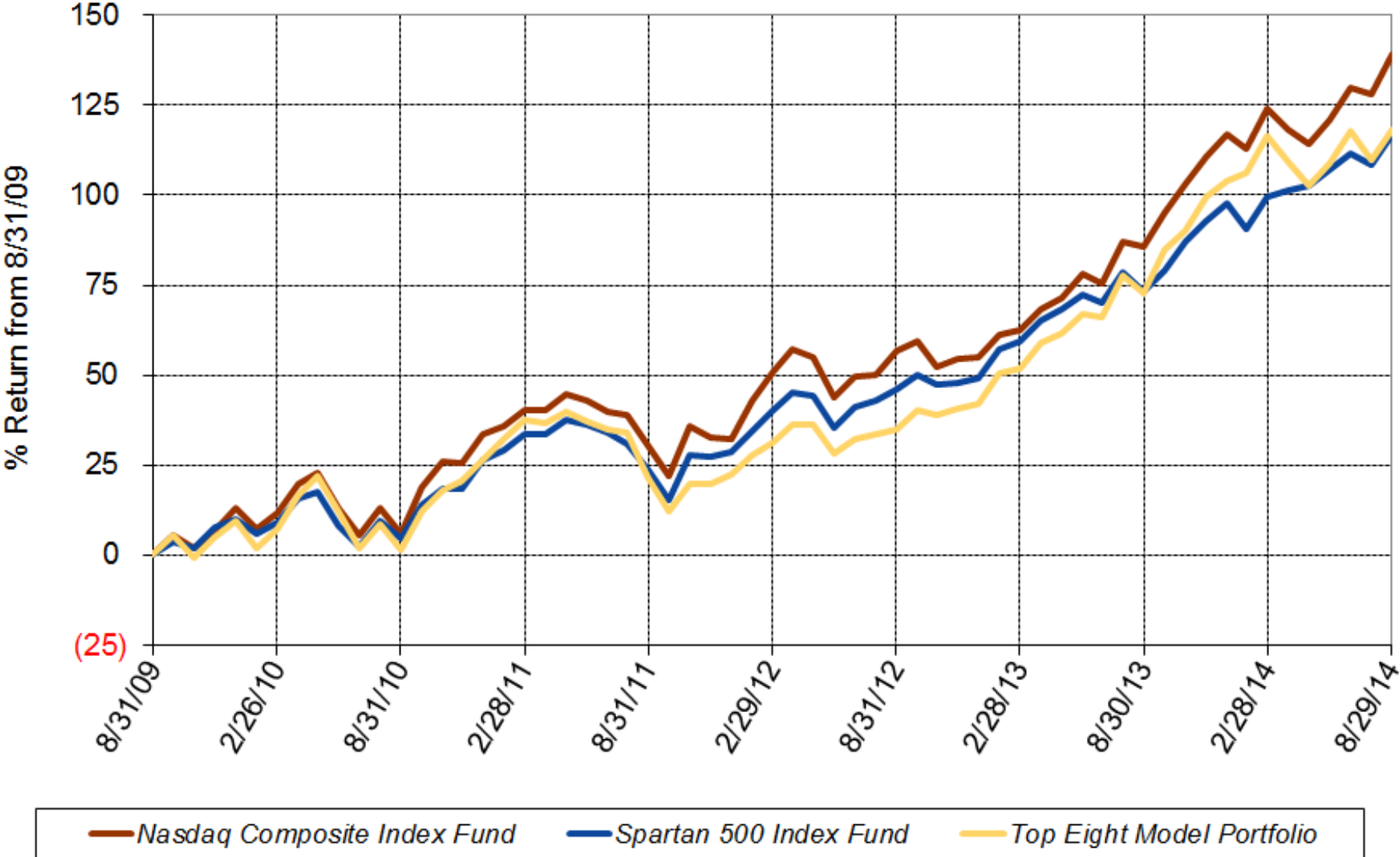
### Lifetime Chart



### 10-Year Chart

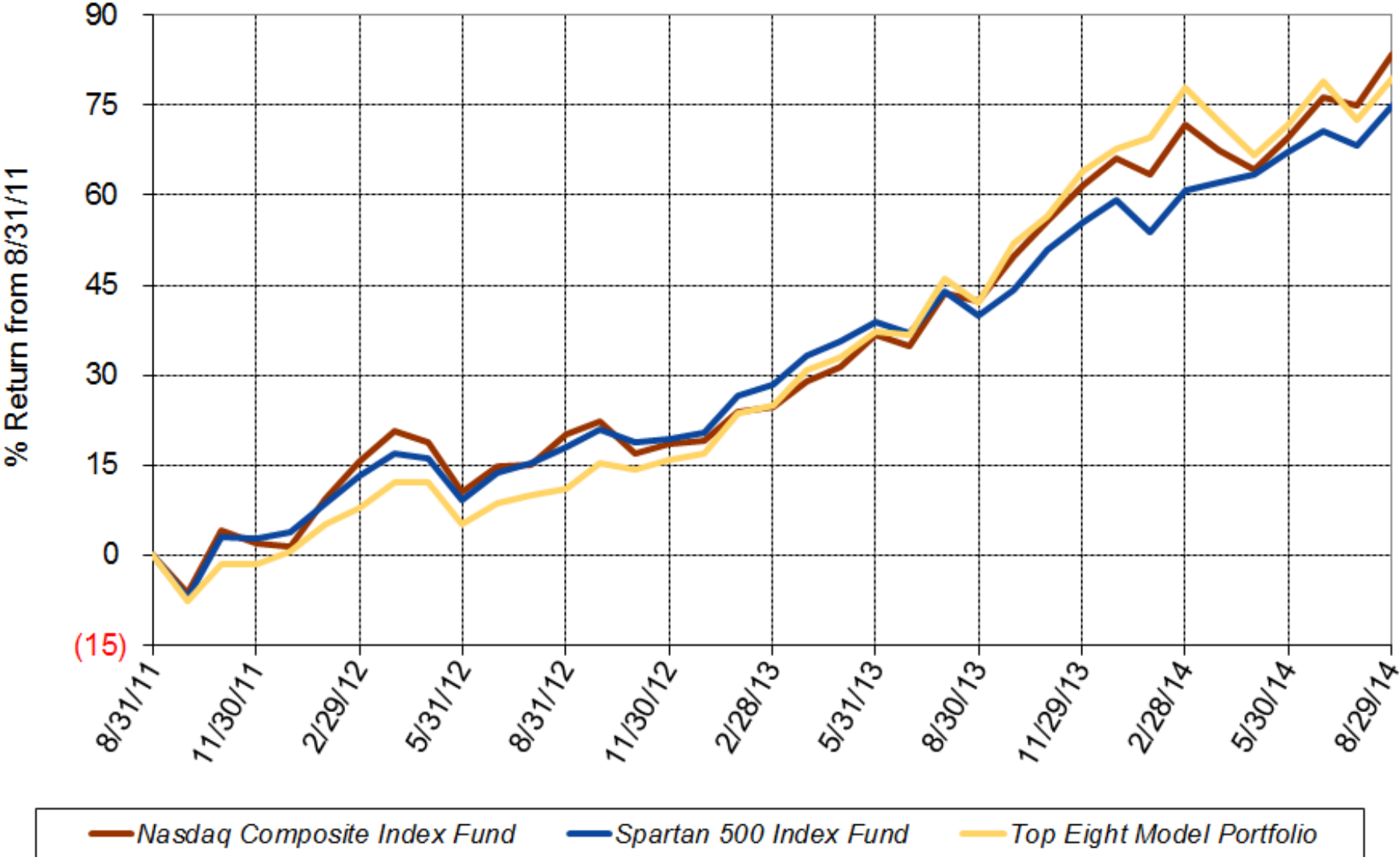


### 5-Year Chart

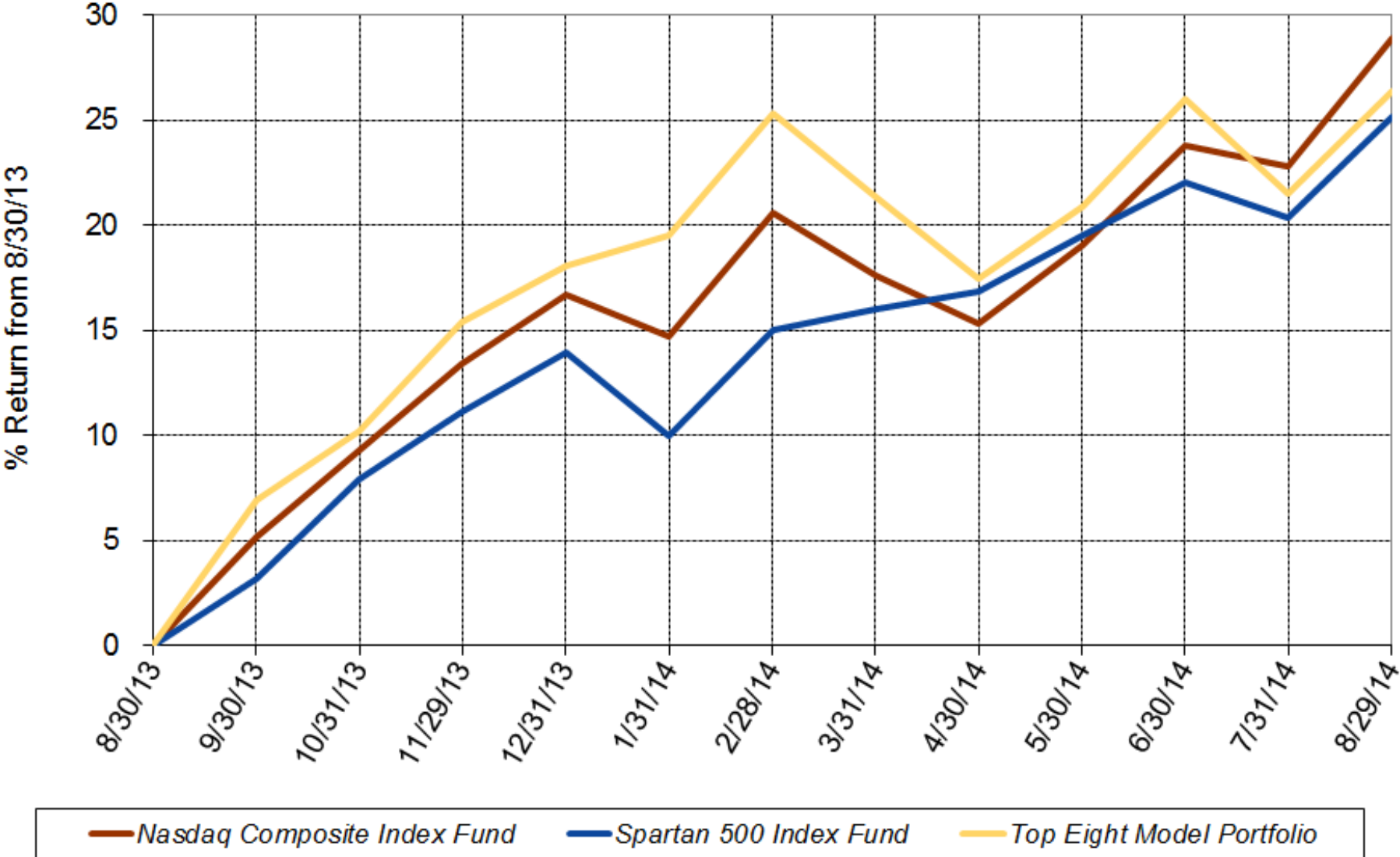




### 3-Year Chart



1-Year Chart





### Daily Chart August 2014

