

# FIDELITY SELECT FUNDRANKER™

Volume 9 Issue 11

The Right Funds at the Right Time

November 2014

## Broad Market Falls, Recovers in October

The broad market S&P 500 Index fell dramatically in early October, but recovered to hit still another all-time high on October 31, extending its run of monthly all-time highs to 15 months in a row. Mid-month, the S&P 500 nearly dipped into correction territory—on October 16, it was down nearly 8% from its previous all-time, set on September 18.

Five *Top Eight Model Portfolio* funds performed spectacularly in October. Biotechnology, Transportation, Medical Delivery, Health Care, and Air Transportation had one-month gains ranging from 8.31% to 4.57%. Pharmaceuticals and Electronics followed with one-month gains of 1.98% and 1.20%. Chemicals trailed badly with a one-month loss of 3.98%.

In October, the *Top Eight Model Portfolio* gained 3.589%, the Nasdaq Composite Index gained 3.115%, and the S&P 500 Index gained 2.441%. For 2014 YTD through October, the *Top Eight Model Portfolio* gained 7.879%, the Nasdaq Composite gained 11.793%, and the S&P 500 gained 10.912%.

## Final Performance of Funds Sold on October 6

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

Fund	Bought	Sold	Return
Natural Gas (FSNGX)	5/5/2014	10/6/2014	(7.17)%
Utilities (FSUTX)	9/5/2014	10/6/2014	(2.79)%

## Fundranker Sets New All-Time High

*Fundranker's Top Eight Model Portfolio* fell even more dramatically than the broad market during the early part of October, briefly dropping into correction territory, that is, down a little more than 10% from the most recent all-time high it set on March 4.

*Fundranker* significantly outperformed the broad market during the later part of October (see our Daily Chart on the last page), however. Our *Top Eight Model Portfolio* set a new all-time high on October 31 along with the broad market S&P 500 Index.

The tech-heavy Nasdaq Composite Index set a new high for the current bull market on October 31 but still is about 8% below the all-time high it set in March, 2000.

From its inception on January 2, 1997, through October 31, 2014, nearly an 18-year period, *Fundranker's Top Eight Model Portfolio* gained 1,171.661% on a total return basis. Its value increased from \$24,000 on January 2, 1997, to \$305,198.63 on October 31, 2014.

Over the same period, the S&P 500 Index, as measured by Fidelity's Spartan 500 Index Fund - Investor Class, gained a mere 272.068% on a total return basis. Its value increased from \$24,000 on January 2, 1997, to \$89,296.39 on October 31, 2014.

## FOMC Meeting on October 28-29

The Federal Open Market Committee met again on October 28-29. In the Committee's view, labor conditions continue to improve, so the Committee concluded its current asset purchase program, known as quantitative easing, at the end of October. That is, the Committee will no longer add to its holdings of agency debt, agency mortgage-backed securities, and Treasury securities.

Many news articles highlighted the end of quantitative easing but gave scant attention to the important fact, in our opinion, that the Committee will continue to reinvest principal payments from their holdings of agency debt and agency mortgage-backed securities in agency mortgage-backed securities and to roll over maturing Treasury securities at auction. This will keep the Committee's holdings of longer-term securities at sizeable levels, which, in the Committee's view, should help maintain accommodative financial conditions.

The Committee reaffirmed its view that the current 0 to ¼

percent target range for the federal funds rate remains appropriate. Also, the Committee anticipates that it likely will be appropriate to maintain that target range for a "considerable time" following the end of its asset purchase program in October. The Committee added that if incoming information indicates that progress toward its dual objectives of full employment and 2% inflation is faster or slower than it currently expects, increases in the target range for the federal funds rate are likely to occur sooner or later than currently anticipated. That gives the Committee some room, doesn't it?

## Consumer Sentiment Highest since July 2007

The University of Michigan Consumer Sentiment Index ended October at the highest level since July 2007. We view consumer sentiment as a lagging indicator for the stock market, so we're somewhat concerned, but levels haven't quite reached heights that have heralded recessions in the past. [See Doug Short's article.](#)

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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](http://www.fundranker.com). We welcome your input.

## Top Eight Model Portfolio for November 2014

Fund Name (Symbol)	Purchase	Return to 10/31
1. Biotechnology (FBIOX)	9/5/2014	9.39%
2. Health Care (FSPHX)	8/5/2013	48.23%
3. Transportation (FSRFEX)	8/6/2014	11.99%
4. Medical Delivery (FSHCX)	8/6/2014	8.46%
5. Medical Eqpt & Systems (FSMEX)	11/5/2014	
6. Pharmaceuticals (FPHAX)	10/6/2014	2.22%
7. Electronics (FSELX)	3/5/2014	15.33%
8. Air Transportation (FSAIX)	9/5/2014	1.37%
Fund to be sold on November 5:		
30. Chemicals (FSCHX)	10/6/2014	(1.55)%

## Fundranker Exchange for November 5

Sell Chemicals (FSCHX), buy Medical Eqpt & Systems (FSMEX)

## Start a New Portfolio

November 3 ([see new portfolio FAQ](#))

## Optional Rebalancing Exchange Dates

Held funds: none; New funds: Nov 5 ([see rebalancing FAQ](#))

## Upcoming Fundranker Exchange Dates

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

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<i>Fundranker</i> Ratings for 10/31/14	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)	21.64*	9.25*	6.48	4.57*	13.485	8
Automotive (FSAVX)	3.36	0.41	(3.28)	2.64	0.783	32
Banking (FSRBX)	13.05	5.48	4.44	3.26	6.558	21
Biotechnology (FBIOX)	37.94*	28.79*	20.95*	8.31*	27.998	1
Brokerage & Investment Mgmt (FSLBX)	11.48	7.11	3.94	1.24	5.943	25
Chemicals (FSCHX)	11.27	1.62	0.17	(3.98)	2.270	30
Communications Equipment (FSDCX)	17.66*	5.26	2.53	1.63	7.770	20
Computers (FDCPX)	19.62*	9.21*	3.24	2.50	10.643	12
Construction & Housing (FSHOX)	14.51	9.26*	9.66*	5.10*	12.633	9
Consumer Discretionary (FSCPX)	9.77	5.26	5.60	3.42	6.013	24
Consumer Finance (FSVLX)	11.61	8.21	7.13*	5.87*	10.205	14
Consumer Staples (FDFAX)	12.95	7.30	7.64*	3.14	8.758	16
Defense & Aerospace (FSDAX)	7.65	(0.51)	5.89	2.10	3.783	28
Electronics (FSELX)	36.57*	14.83*	4.86	1.20	16.365	6
Energy (FSENX)	(1.84)	(8.85)	(10.61)	(5.16)	(6.615)	35
Energy Service (FSESX)	(7.46)	(12.52)	(16.81)	(9.25)	(11.510)	38
Environment & Alternative Energy (FSLEX)	5.04	(2.41)	(2.07)	1.11	0.418	33
Financial Services (FIDSX)	16.13	8.70	5.56	3.00	8.348	17
Gold (FSAGX)	(26.37)	(26.12)	(31.63)	(17.89)	(25.503)	39
Health Care (FSPHX)	39.90*	21.29*	10.74*	4.47*	23.100	2
Industrial Equipment (FSCGX)	5.42	(2.27)	2.07	2.53	1.938	31
Industrials (FCYIX)	10.71	1.71	5.13	4.46*	6.503	23
Insurance (FSPCX)	12.48	6.74	6.81*	3.36	8.348	17
IT Services (FBSOX)	11.81	8.89	5.78	6.34*	9.205	15
Leisure (FDLSX)	9.54	5.17	3.66	1.35	4.930	26
Materials (FSDPX)	5.59	(2.50)	(3.20)	(2.97)	(0.770)	34
Medical Delivery (FSHCX)	27.70*	18.53*	8.69*	5.94*	19.215	4
Medical Equipment & Systems (FSMEX)	26.50*	16.93*	7.83*	8.47*	18.933	5
Multimedia (FBMPX)	11.65	9.02	2.96	2.47	6.525	22
Natural Gas (FSNGX)	(2.23)	(13.66)	(15.20)	(10.11)	(10.300)	37
Natural Resources (FNARX)	(5.12)	(10.55)	(13.25)	(6.89)	(8.953)	36
Pharmaceuticals (FPHAX)	31.95*	10.69*	8.63*	1.98	16.313	7
Retailing (FSRPX)	8.64	9.51*	8.63*	3.77*	10.638	13
Software & Computer Services (FSCSX)	16.58	8.95	3.89	2.83	8.063	19
Technology (FSPTX)	19.06*	11.51*	3.40	1.46	10.858	11
Telecommunications (FSTCX)	6.11	6.23	0.58	2.63	3.888	27
Transportation (FSRFX)	32.40*	15.52*	10.26*	6.15*	20.083	3
Utilities (FSUTX)	20.90*	5.81	7.21*	4.51*	12.608	10
Wireless (FWRLX)	7.38	3.35	1.38	2.03	3.535	29

\*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

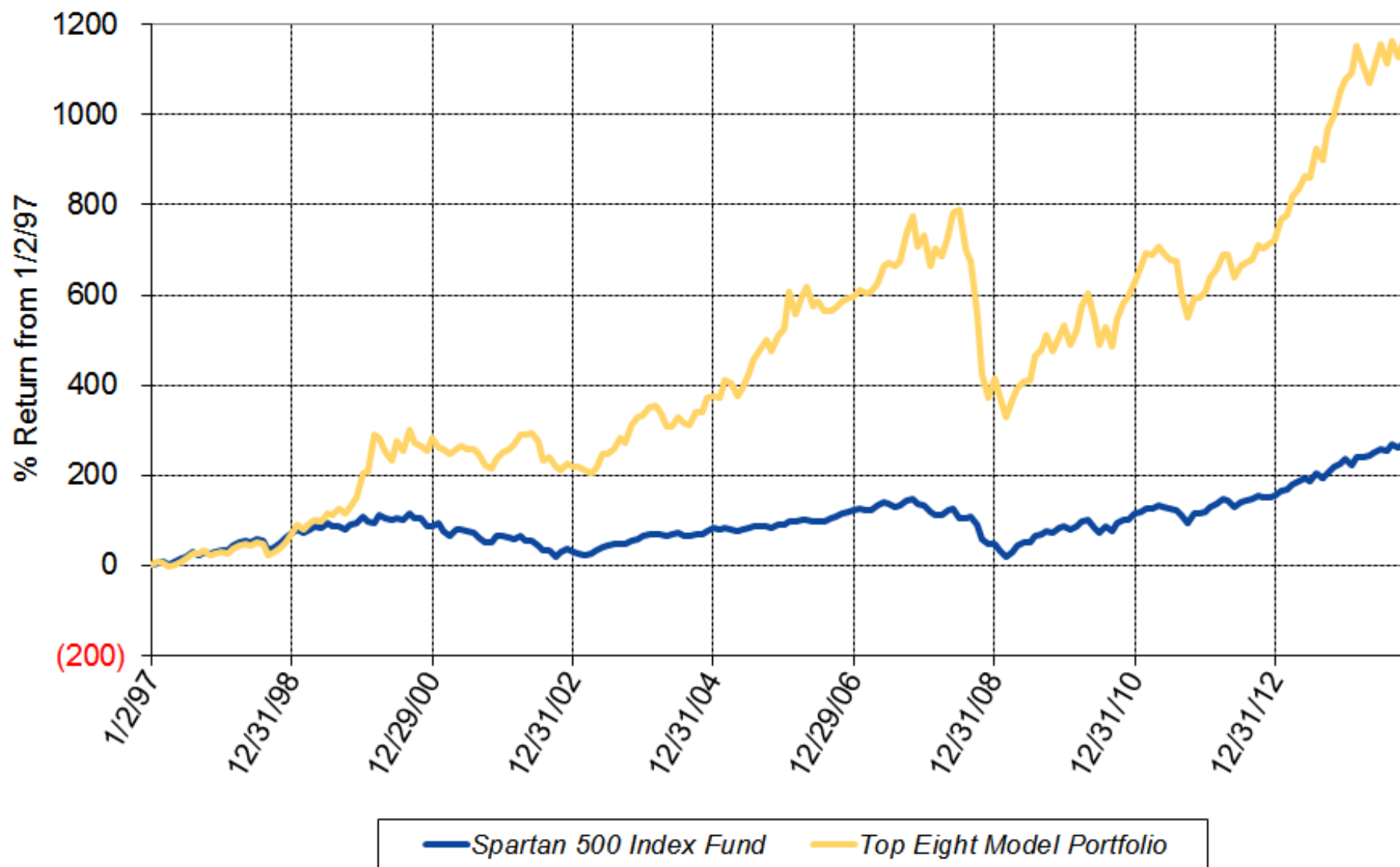
Sell on November 5, 2014

Buy on November 5, 2014

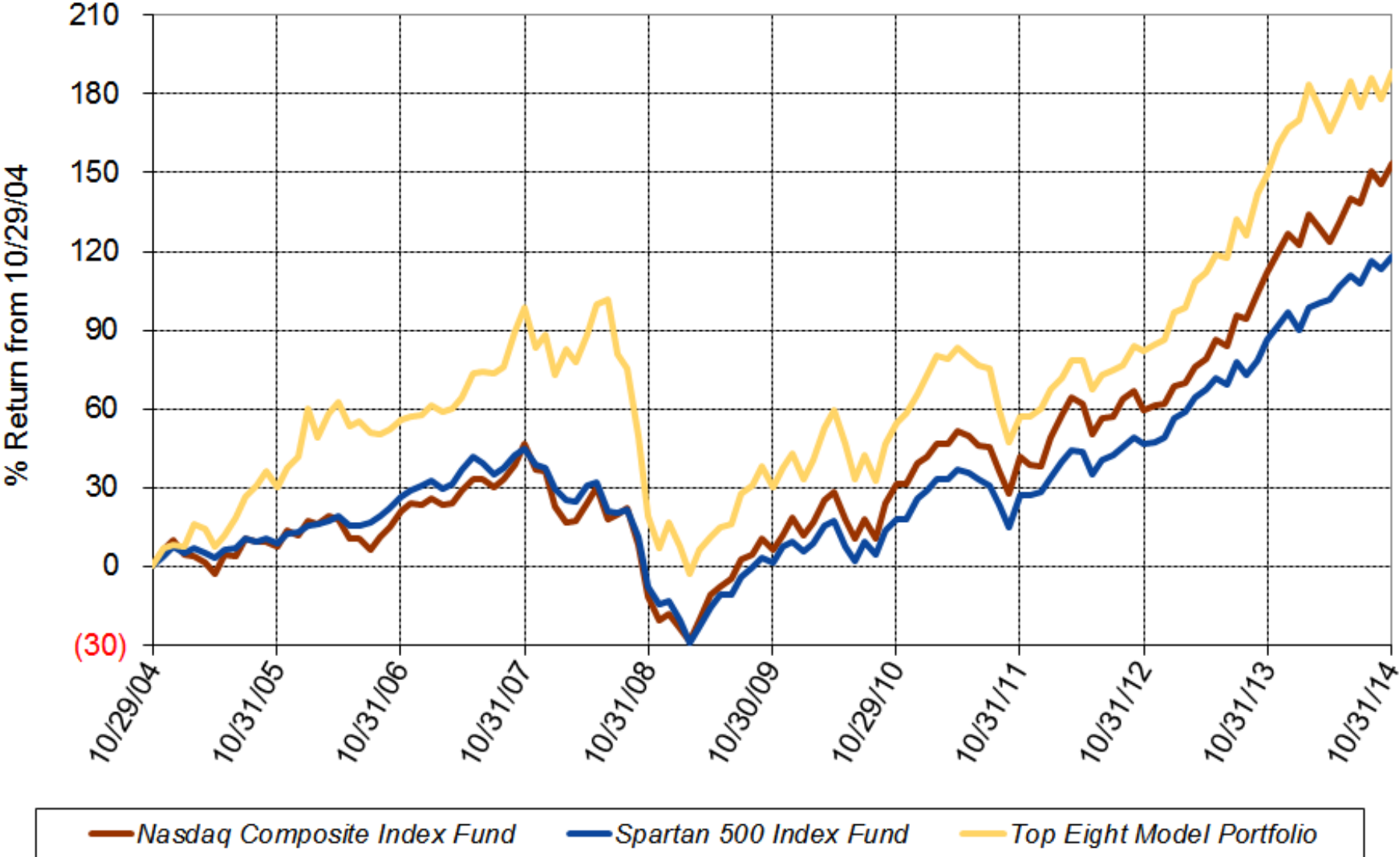
Hold

Fundranker Performance for October 2014													
9/30 Funds	9/30 Shares	9/30 Amount	<=10/6 Div Shrs	10/6 Shares	10/6 Amount	10/6 Funds	10/6 Shares	10/6 Amount	>10/6 Div Shrs	10/31 Shares	10/31 Amount	Oct Return	
FSELX	465.406	36,748.46	none	465.406	35,673.37	FSPHX	165.689	36,486.45	none	165.689	37,893.07		
FSPHX	172.703	37,808.14	none	172.703	38,030.93	FPHAX	1,683.731	36,486.45	none	1,683.731	37,294.64		
FBIOX	176.353	38,094.01	none	176.353	37,824.19	FSELX	476.014	36,486.45	none	476.014	38,038.28		
FSHCX	465.636	36,682.80	none	465.636	36,589.68	FSRFX	434.569	36,486.45	none	434.569	38,937.38		
FSRFX	437.902	36,963.31	none	437.902	36,766.25	FBIOX	170.116	36,486.45	none	170.116	39,798.64		
FSAIX	565.974	36,561.92	none	565.974	36,171.40	FSHCX	464.322	36,486.45	none	464.322	38,752.31		
FSNGX	854.088	35,316.54	none	854.088	34,172.06	FSCHX	241.153	36,486.45	none	241.153	35,919.74		
FSUTX	489.634	36,448.35	none	489.634	36,663.79	FSAIX	570.904	36,486.45	none	570.904	38,564.57		
<b>Top Eight</b>		<b>294,623.53</b>			<b>291,891.67</b>			<b>291,891.60</b>			<b>305,198.63</b>	<b>3.589</b>	
FNCMX1	611.486	96,237.94	none						none	1,611.486	99,235.31	3.115	
FUSEX1	1,240.479	87,168.46	none						5.633	1,246.112	89,296.39	2.441	
<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	7.879							
Nasdaq Composite Index Fund				17.325	39.746	11.793							
Spartan 500 Index Fund - Investor Class				15.929	32.251	10.912							
<b>Lifetime Summary</b>				1/2/97 to 10/31/14		1/2/97 to 10/31/14							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				1,171.661		15.326							
Nasdaq Composite Index Fund				N/A		N/A							
Spartan 500 Index Fund - Investor Class				272.068		7.646							
<b>10-Year Summary</b>				10/29/04 to 10/31/14		10/29/04 to 10/31/14							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				188.166		11.164							
Nasdaq Composite Index Fund				153.379		9.743							
Spartan 500 Index Fund - Investor Class				118.347		8.122							
<b>5-Year Summary</b>				10/30/09 to 10/31/14		10/30/09 to 10/31/14							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				121.484		17.238							
Nasdaq Composite Index Fund				137.914		18.928							
Spartan 500 Index Fund - Investor Class				115.286		16.574							
<b>3-Year Summary</b>				10/31/11 to 10/31/14		10/31/11 to 10/31/14							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				83.460		22.419							
Nasdaq Composite Index Fund				78.298		21.259							
Spartan 500 Index Fund - Investor Class				71.390		19.673							
<b>1-Year Summary</b>				10/31/13 to 10/31/14		10/31/13 to 10/31/14							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				15.587									
Nasdaq Composite Index Fund				19.373									
Spartan 500 Index Fund - Investor Class				17.153									

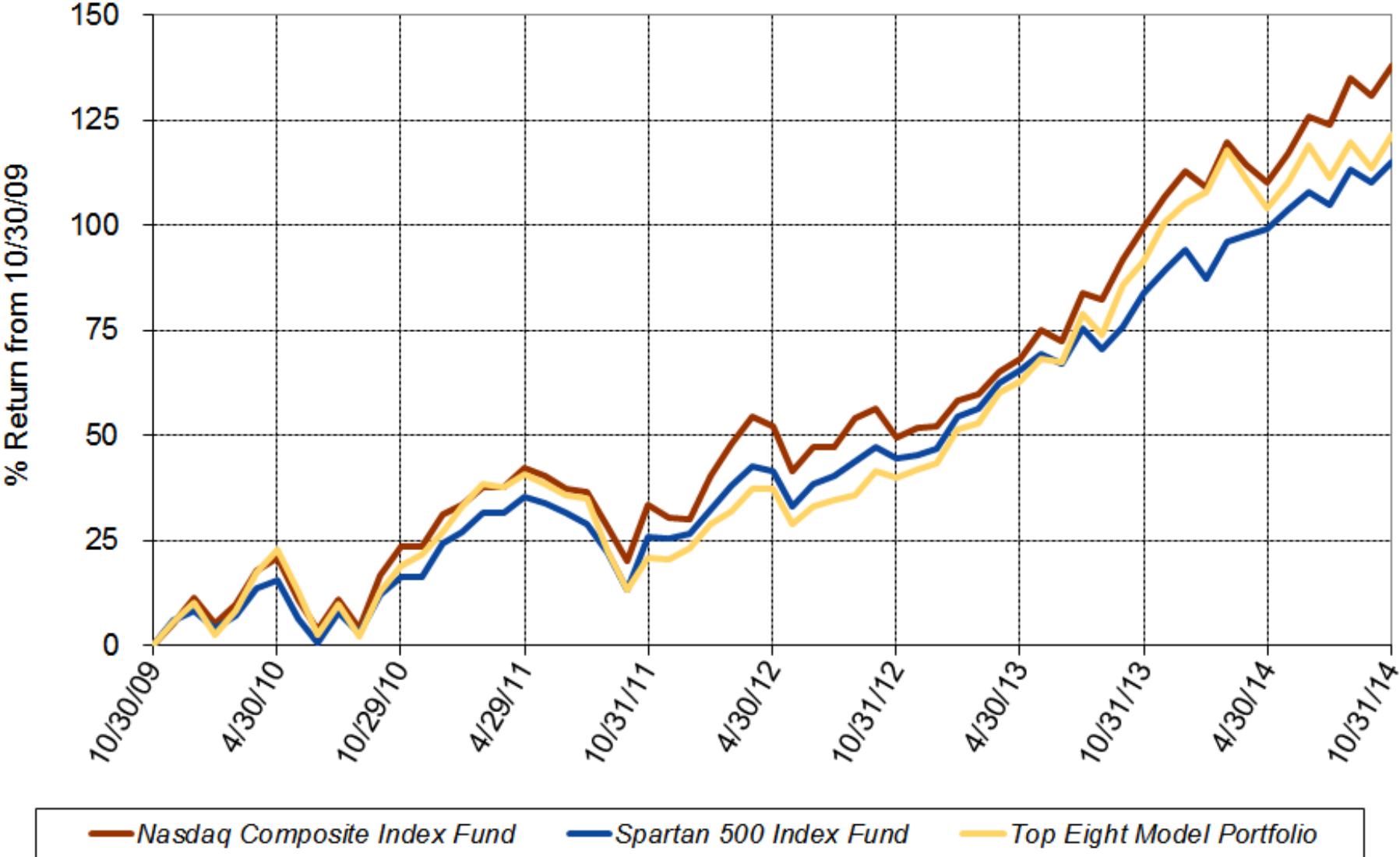
### Lifetime Chart



### 10-Year Chart

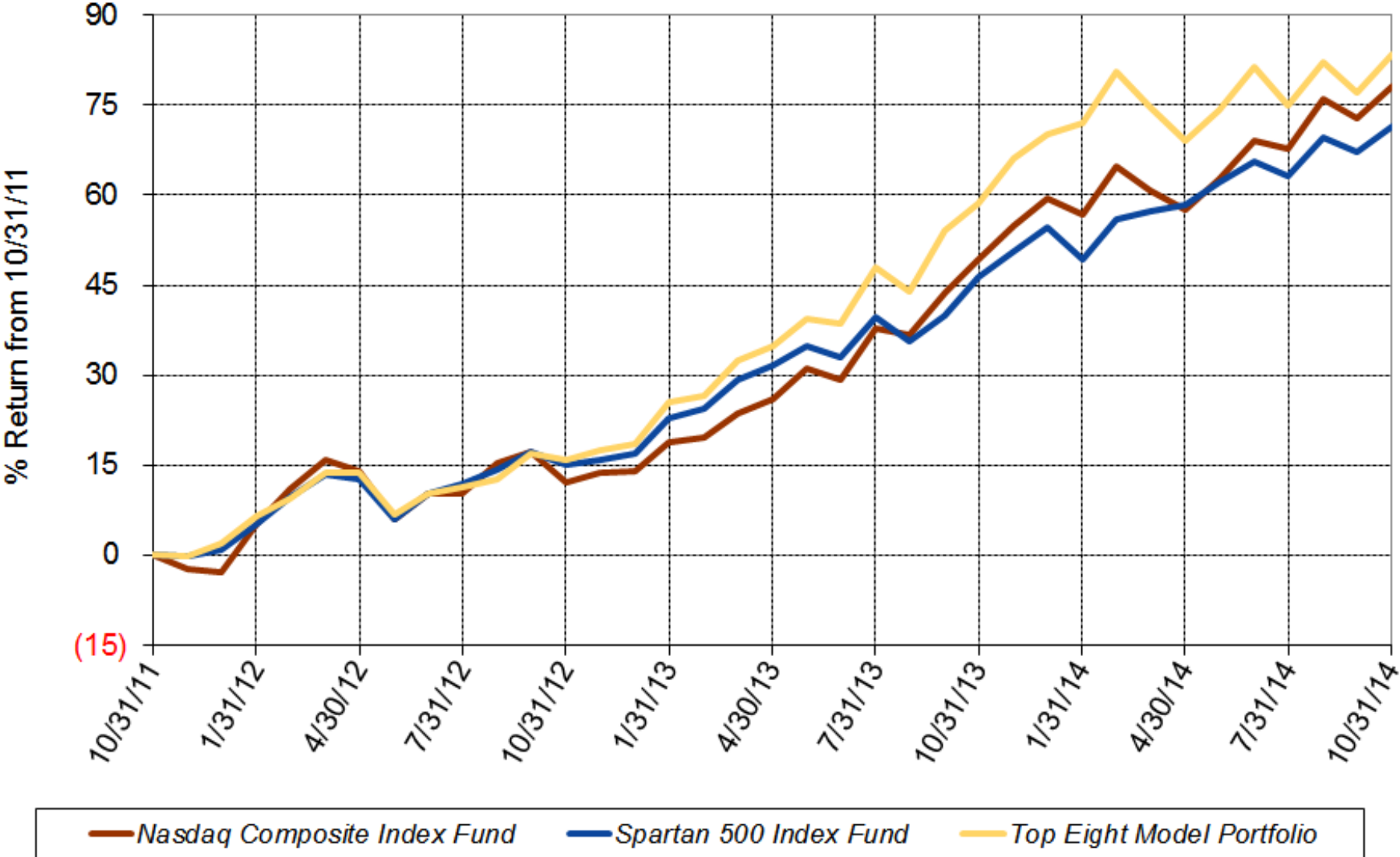


### 5-Year Chart

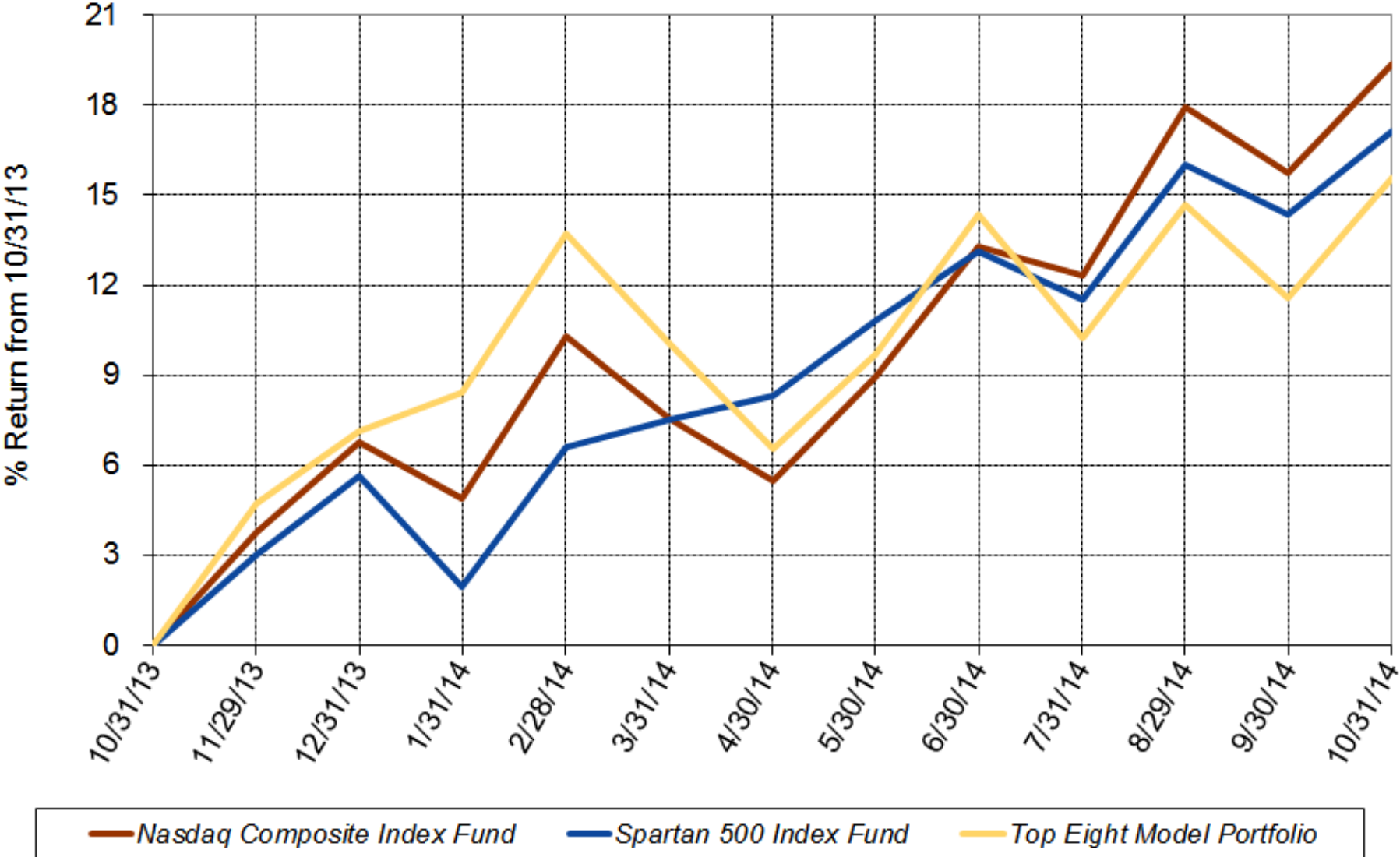




### 3-Year Chart



### 1-Year Chart





### Daily Chart October 2014

