

FIDELITY SELECT FUNDRANKER™

Volume 9 Issue 12

The Right Funds at the Right Time

December 2014

Broad Market Rises in November

The broad market S&P 500 Index rose consistently in November, setting 12 new all-time highs, most recently on November 26, and extending its run of monthly all-time highs to 16 months in a row. After nearly dipping into correction territory in mid-October, the S&P 500 Index gained ground for six straight weeks through the end of November.

All eight *Top Eight Model Portfolio* funds gained value in November. Air Transportation and Transportation excelled with one-month gains of 9.77% and 7.39%. Electronics, Medical Equipment & Systems, Pharmaceuticals, Health Care, Biotechnology, and Medical Delivery added one-month gains ranging from 4.94% to 2.06%.

In November, the *Top Eight Model Portfolio* gained 4.541%, the Nasdaq Composite Index gained 3.670%, and the S&P 500 Index gained 2.679%. For 2014 YTD through November, the *Top Eight Model Portfolio* gained 12.778%, the Nasdaq Composite gained 15.896%, and the S&P 500 gained 13.884%.

Final Performance of Fund Sold on November 5

Fundranker exchanged one fund on November 5. Here is the return it contributed to the *Top Eight Model Portfolio*:

Fund	Bought	Sold	Return
Chemicals (FSCHX)	10/6/2014	11/5/2014	(2.40)%

Fundranker Ends November at New All-Time High

Fundranker's Top Eight Model Portfolio rose less consistently than the broad market S&P 500 Index during the first half of November, but it rose more rapidly in the second half of the month (see our Daily Chart on the last page), setting nine new all-time highs, most recently on November 28.

The tech-heavy Nasdaq Composite Index set a new high for the current bull market on November 28 but still is about 5% below the all-time high it set on March 10, 2000, during the "irrational exuberance" of the dot com bull market.

From its inception on January 2, 1997, through November 28, 2014, an 18-year period less one month, *Fundranker's* hypothetical *Top Eight Model Portfolio* gained 1,229.404% on a total return basis. Its value increased from \$24,000 on January 2, 1997, to \$319,057.00 on November 28, 2014.

Over the same period, the S&P 500 Index, as measured by Fidelity's Spartan 500 Index Fund - Investor Class, gained a mere 282.037% on a total return basis. The value of our hypothetical S&P 500 tracking portfolio increased from \$24,000 on January 2, 1997, to \$91,688.92 on November 28, 2014.

Fundranker Heavily Weights Health Care

Take a look at our *Top Eight Model Portfolio* for December at right. You'll note that we continue to hold four of Fidelity's five Select funds that are listed in Morningstar's Health category: Biotechnology (purchased 9/5/2014), Health Care (8/5/2013), Medical Equipment & Systems (11/5/2014), and Pharmaceuticals (10/6/2014).

We also held Fidelity's fifth Health fund, Medical Delivery, from August through November, but we will exchange it on December 2, despite its 10.7% gain from August 6 through November 28.

For our hypothetical *Top Eight Model Portfolio*, one of the fundamental principles of our system is to strictly follow the buy and sell signals it generates. We don't second-guess or try to predict future performance, thus we show selling Medical Delivery on 12/2.

If you want to consider other information in making investment decisions, however, we recommend Fidelity Viewpoints' recent articles, [Economic check-in: Goldilocks environment](#) and [How to invest using the business cycle](#), which point out that we are solidly in the mid-cycle phase of the business cycle and that while Health Care and Consumer Staples sectors show no clear pattern of over- or under-performance in mid-cycle, Health Care is better suited for late-

cycle performance. Considering that our current expansion is nearing six years, positioning for late-cycle performance may be a good idea.

Consumer Sentiment Mixed in November

The latest University of Michigan Consumer Sentiment Index reading, released November 26, was up a little from October, again at the highest level since July 2007, but below the preliminary reading for November released earlier in the month. However, the Conference Board Consumer Confidence Index, based on data collected through November 13 and released on November 25, lost ground since its October reading.

We see this conflicting evidence on consumer sentiment as somewhat bullish. See Doug Short's latest articles on [Conference Board Consumer Confidence Index](#) and [University of Michigan Consumer Sentiment Index](#) for more detailed analysis.

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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 December 2014

Fund Name (Symbol)	Purchase	Return to 11/28
1. Transportation (FSRFX)	8/6/2014	20.26%
2. Biotechnology (FBIOX)	9/5/2014	12.17%
3. Air Transportation (FSAIX)	9/5/2014	11.27%
4. Health Care (FSPHX)	8/5/2013	53.01%
5. Electronics (FSELX)	3/5/2014	21.04%
6. Medical Eqpt & Systems (FSMEX)	11/5/2014	3.79%
7. Pharmaceuticals (FPHAX)	10/6/2014	5.91%
8. Consumer Staples (FDFAX)	12/2/2014	
Fund to be sold on December 2:		
9. Medical Delivery (FSHCX)	8/6/2014	10.70%

Fundranker Exchange for December 2

Sell Medical Delivery (FSHCX), buy Consumer Staples (FDFAX)

Start a New Portfolio

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

Optional Rebalancing Exchange Dates

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

Upcoming Fundranker Exchange Date

Fundranker will exchange on January 2 ([early exchange date](#)), which date will avoid roundtrip transactions on funds purchased on or before December 3, including our new fund above, so no [late exchange date](#) will be needed to avoid roundtrip transactions.

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<i>Fundranker</i> Ratings for 11/28/14 Fund (Symbol)	12-Month Return %	6-Month Return %	3-Month Return %	1-Month Return %	<i>Fundranker</i> Rating**	<i>Fundranker</i> Ranking
Air Transportation (FSAIX)	26.82*	13.85*	12.64*	9.77*	19.770	3
Automotive (FSAVX)	4.68	1.13	(1.43)	3.91*	3.073	30
Banking (FSRBX)	7.85	5.24	2.89	0.45	4.108	27
Biotechnology (FBIOX)	33.84*	28.65*	9.59*	2.54	21.655	2
Brokerage & Investment Mgmt (FSLBX)	7.66	8.77	1.25	1.70	4.845	25
Chemicals (FSCHX)	9.13	(1.12)	(3.90)	0.32	1.108	33
Communications Equipment (FSDCX)	18.19	5.19	3.34	3.27	7.498	20
Computers (FDCPX)	18.39*	12.06*	3.39	3.84*	12.420	10
Construction & Housing (FSHOX)	18.45*	12.00*	4.14	3.54	11.533	12
Consumer Discretionary (FSCPX)	11.59	8.56	6.27*	5.03*	9.863	13
Consumer Finance (FSVLX)	11.42	8.44	6.42*	2.16	8.110	17
Consumer Staples (FDFAX)	18.31*	10.33*	8.23*	5.16*	14.508	8
Defense & Aerospace (FSDAX)	6.87	2.60	4.67	3.74*	5.470	24
Electronics (FSELX)	41.66*	15.18*	4.21	4.94*	19.498	5
Energy (FSENX)	(10.47)	(19.64)	(22.62)	(10.88)	(15.903)	37
Energy Service (FSESX)	(18.75)	(26.69)	(29.52)	(14.17)	(22.283)	39
Environment & Alternative Energy (FSLEX)	5.36	(1.23)	(0.94)	2.51	1.425	31
Financial Services (FIDSX)	14.13	9.86	4.32	2.78	7.773	19
Gold (FSAGX)	(11.79)	(17.51)	(29.93)	5.00*	(12.558)	35
Health Care (FSPHX)	35.42*	20.17*	7.95*	3.23	19.693	4
Industrial Equipment (FSCGX)	4.86	(0.73)	(0.68)	1.62	1.268	32
Industrials (FCYIX)	9.99	3.20	3.52	2.35	4.765	26
Insurance (FSPCX)	10.48	8.05	3.60	2.38	6.128	23
IT Services (FBSOX)	11.19	9.77	9.34*	3.69	9.498	15
Leisure (FDLSX)	10.42	8.93	6.58*	5.49*	9.855	14
Materials (FSDPX)	4.45	(3.64)	(6.11)	0.61	(1.173)	34
Medical Delivery (FSHCX)	22.75*	14.78*	5.56	2.06	13.288	9
Medical Equipment & Systems (FSMEX)	26.92*	17.24*	10.13*	3.84*	18.533	6
Multimedia (FBMPX)	13.34	8.08	4.29	3.43	7.285	22
Natural Gas (FSNGX)	(8.66)	(21.41)	(24.18)	(8.07)	(15.580)	36
Natural Resources (FNARX)	(10.80)	(19.82)	(23.89)	(9.52)	(16.008)	38
Pharmaceuticals (FPHAX)	28.91*	13.95*	8.25*	3.61	16.680	7
Retailing (FSRPX)	10.24	13.05*	7.20*	5.71*	12.050	11
Software & Computer Services (FSCSX)	14.37	8.22	4.75	2.49	7.458	21
Technology (FSPTX)	18.24	9.46	1.54	2.05	7.823	18
Telecommunications (FSTCX)	9.47	2.72	2.19	1.48	3.965	29
Transportation (FSRFX)	34.83*	17.27*	13.65*	7.39*	22.285	1
Utilities (FSUTX)	23.98*	4.37	2.38	0.66	8.848	16
Wireless (FWRLX)	8.99	1.98	2.84	2.20	4.003	28

*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

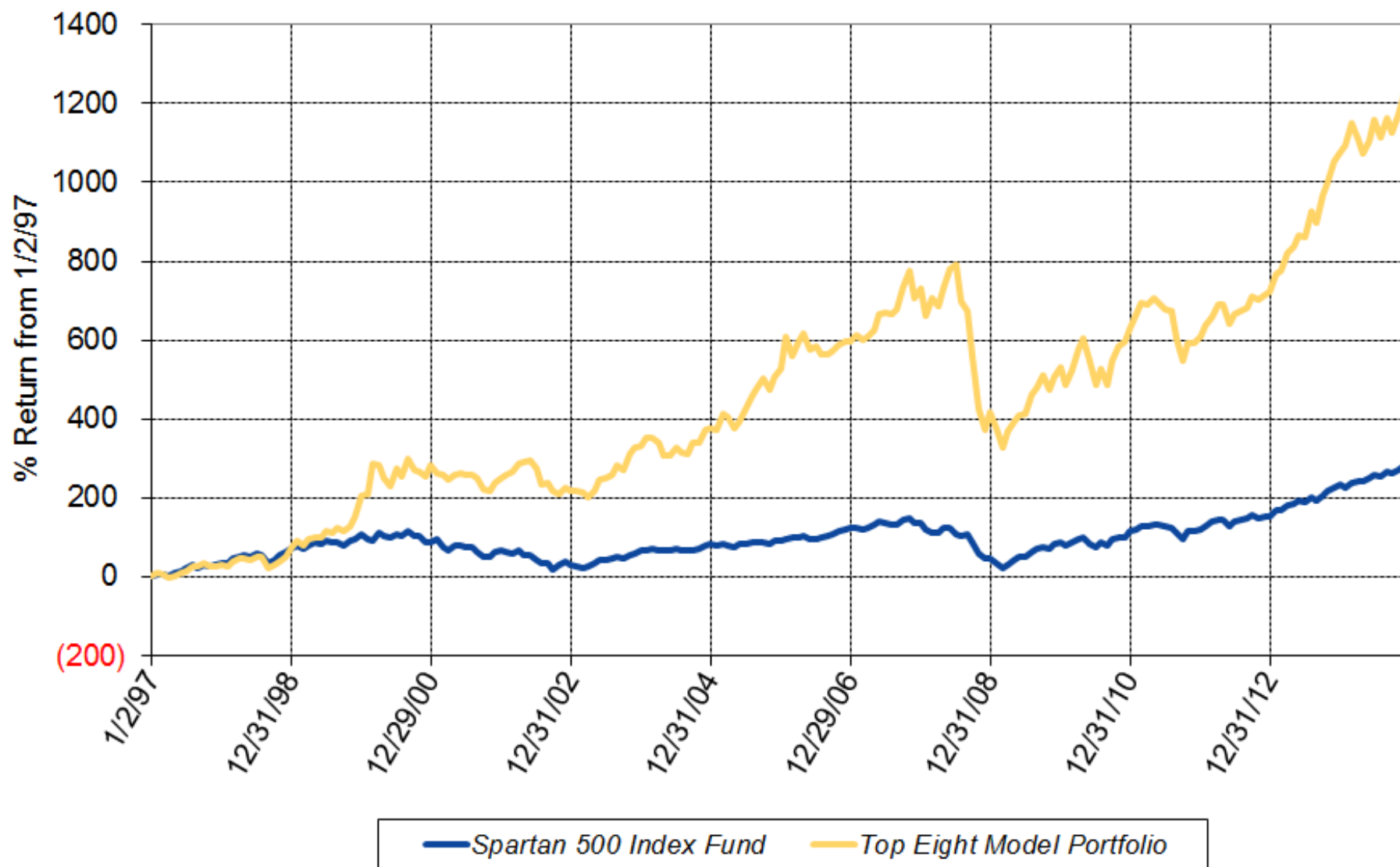
Sell on December 2, 2014

Buy on December 2, 2014

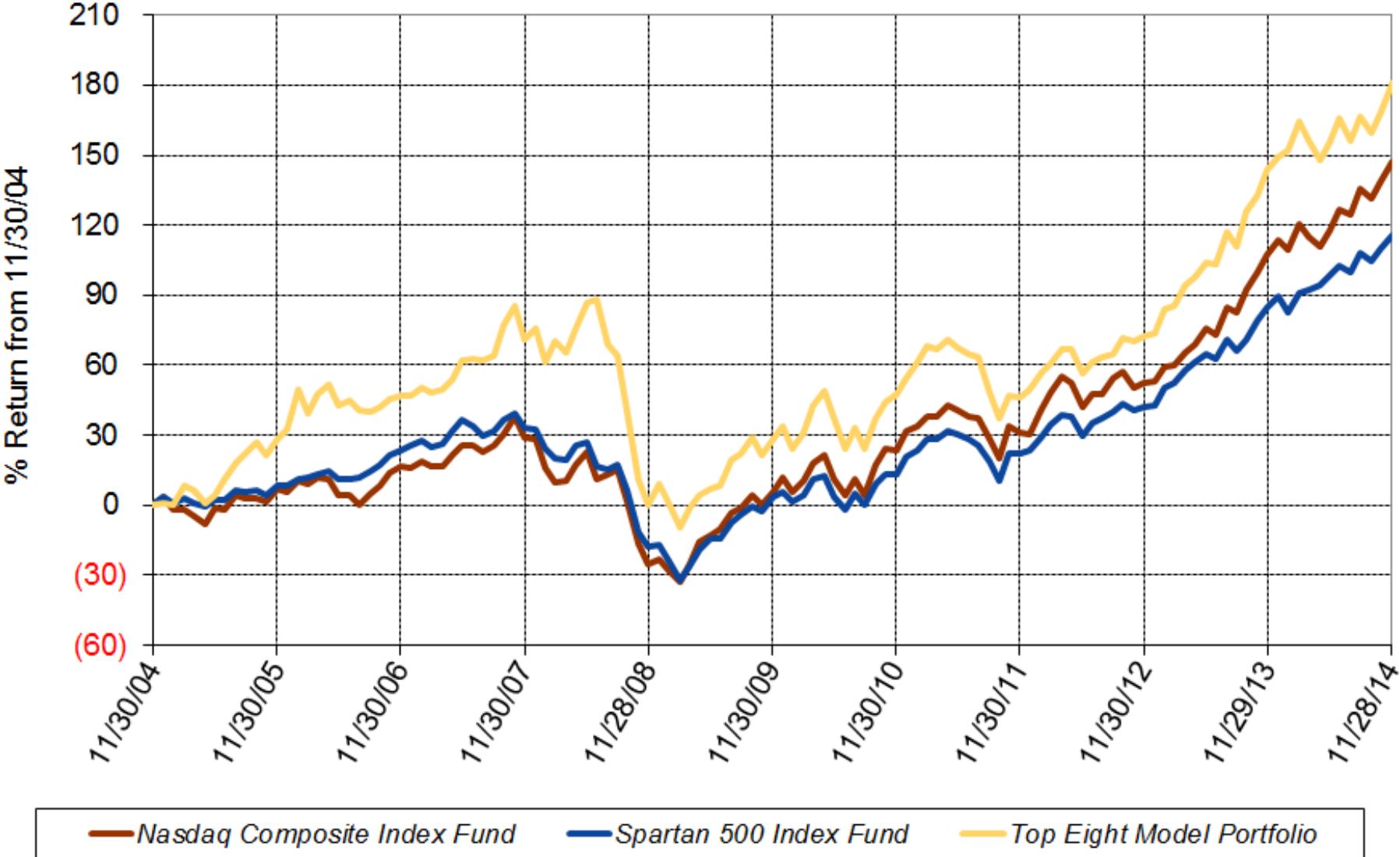
Hold

Fundranker Performance for November 2014												
10/31 Funds	10/31 Shares	10/31 Amount	<=11/5 Div Shrs	11/5 Shares	11/5 Amount	11/5 Funds	11/5 Shares	11/5 Amount	>11/5 Div Shrs	11/28 Shares	11/28 Amount	Nov Return
FSPHX	165.689	37,893.07	none	165.689	37,722.41	FBIOX	167.909	38,061.57	none	167.909	40,281.37	
FPHAX	1,683.731	37,294.64	none	1,683.731	37,244.13	FSPHX	167.179	38,061.57	none	167.179	39,467.62	
FSELX	476.014	38,038.28	none	476.014	38,257.25	FSRFX	419.134	38,061.57	none	419.134	40,329.07	
FSRFX	434.569	38,937.38	none	434.569	39,463.21	FSHCX	460.571	38,061.57	none	460.571	39,231.44	
FBIOX	170.116	39,798.64	none	170.116	38,561.89	FSMEX	936.785	38,061.57	none	936.785	39,504.22	
FSHCX	464.322	38,752.31	none	464.322	38,371.57	FSELX	473.579	38,061.57	none	473.579	39,714.33	
FSCHX	241.153	35,919.74	none	241.153	35,611.06	FPHAX	1,720.686	38,061.57	none	1,720.686	39,489.74	
FSAIX	570.904	38,564.57	none	570.904	39,261.07	FSAIX	553.462	38,061.57	none	553.462	41,039.21	
Top Eight		305,198.63			304,492.59			304,492.60			319,057.00	4.541
FNCMX1	611.486	99,235.31	none						none	1,611.486	102,877.27	3.670
FUSEX1	1,246.112	89,296.39	none						none	1,246.112	91,688.92	2.679
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	12.778						
Nasdaq Composite Index Fund				17.325	39.746	15.896						
Spartan 500 Index Fund - Investor Class				15.929	32.251	13.884						
Lifetime Summary				1/2/97 to 11/28/14		1/2/97 to 11/28/14						
				Total Return %		Average Annual Return %						
<i>Top Eight Model Portfolio</i>				1,229.404		15.536						
Nasdaq Composite Index Fund				N/A		N/A						
Spartan 500 Index Fund - Investor Class				282.037		7.768						
10-Year Summary				11/30/04 to 11/28/14		11/30/04 to 11/28/14						
				Total Return %		Average Annual Return %						
<i>Top Eight Model Portfolio</i>				181.108		10.889						
Nasdaq Composite Index Fund				147.441		9.483						
Spartan 500 Index Fund - Investor Class				115.495		7.980						
5-Year Summary				11/30/09 to 11/28/14		11/30/09 to 11/28/14						
				Total Return %		Average Annual Return %						
<i>Top Eight Model Portfolio</i>				119.245		17.000						
Nasdaq Composite Index Fund				134.806		18.616						
Spartan 500 Index Fund - Investor Class				108.541		15.835						
3-Year Summary				11/30/11 to 11/28/14		11/30/11 to 11/28/14						
				Total Return %		Average Annual Return %						
<i>Top Eight Model Portfolio</i>				92.007		24.291						
Nasdaq Composite Index Fund				89.062		23.652						
Spartan 500 Index Fund - Investor Class				76.379		20.823						
1-Year Summary				11/29/13 to 11/28/14		11/29/13 to 11/28/14						
				Total Return %		Average Annual Return %						
<i>Top Eight Model Portfolio</i>				15.395								
Nasdaq Composite Index Fund				19.276								
Spartan 500 Index Fund - Investor Class				16.752								

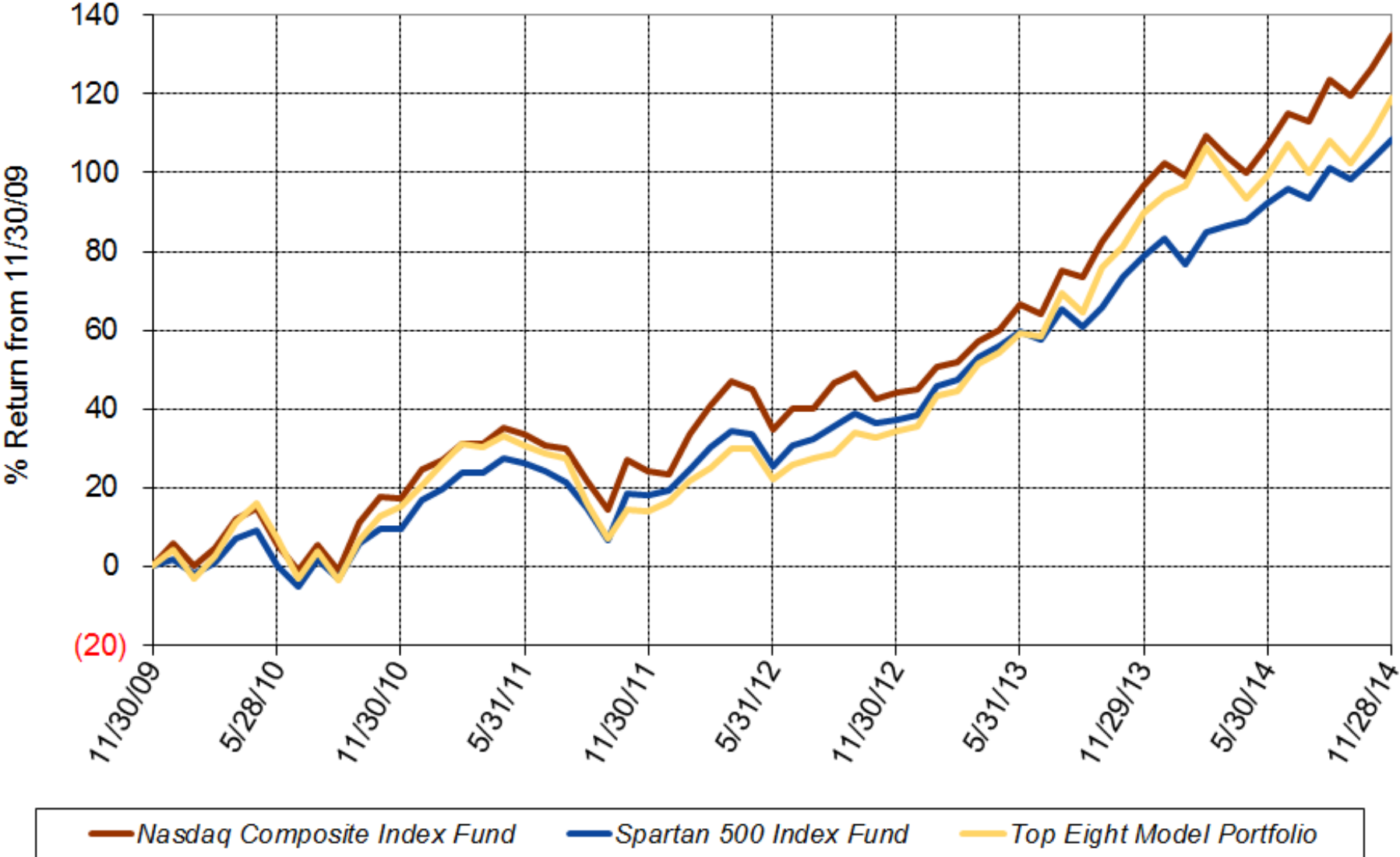
Lifetime Chart



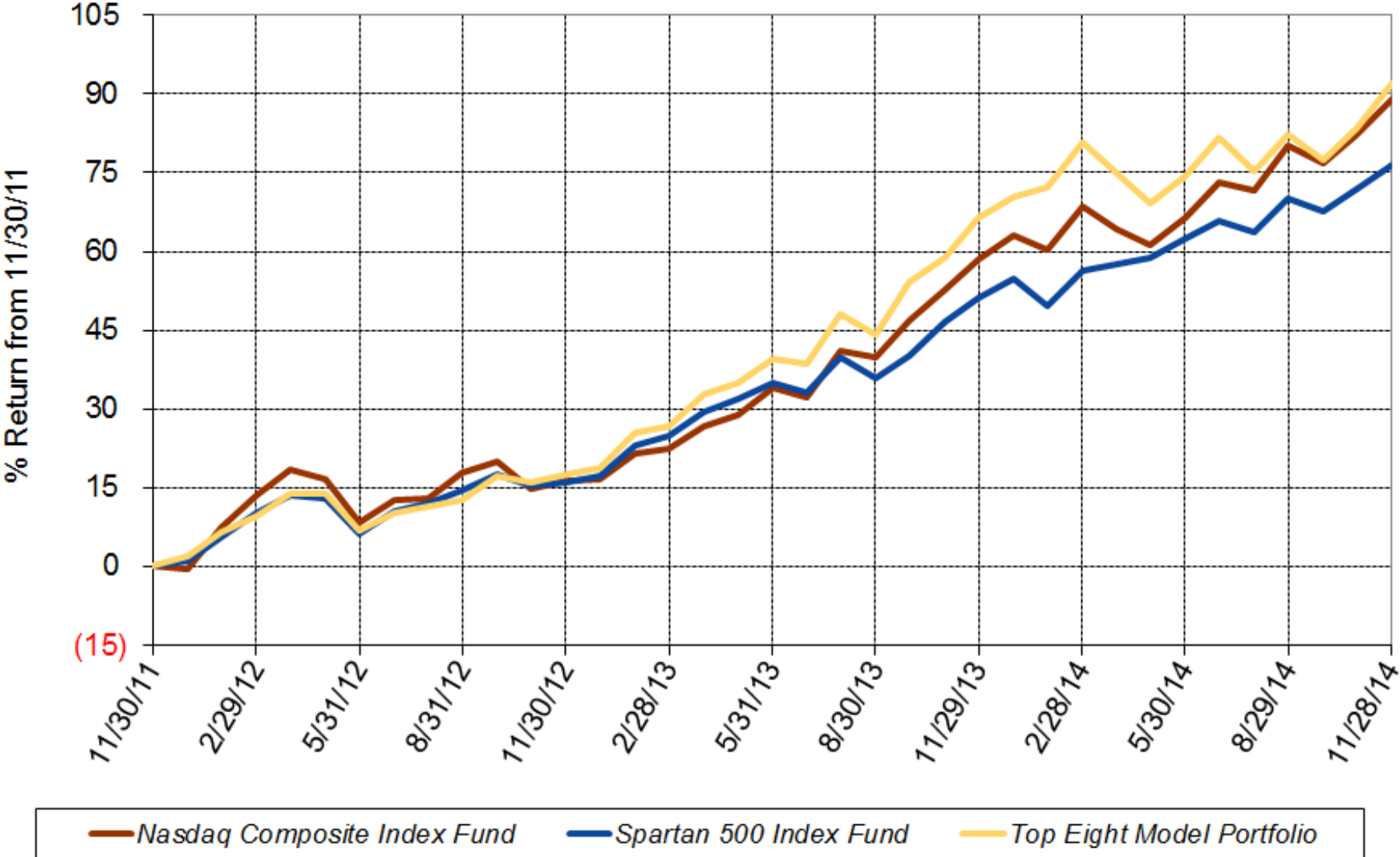
10-Year Chart



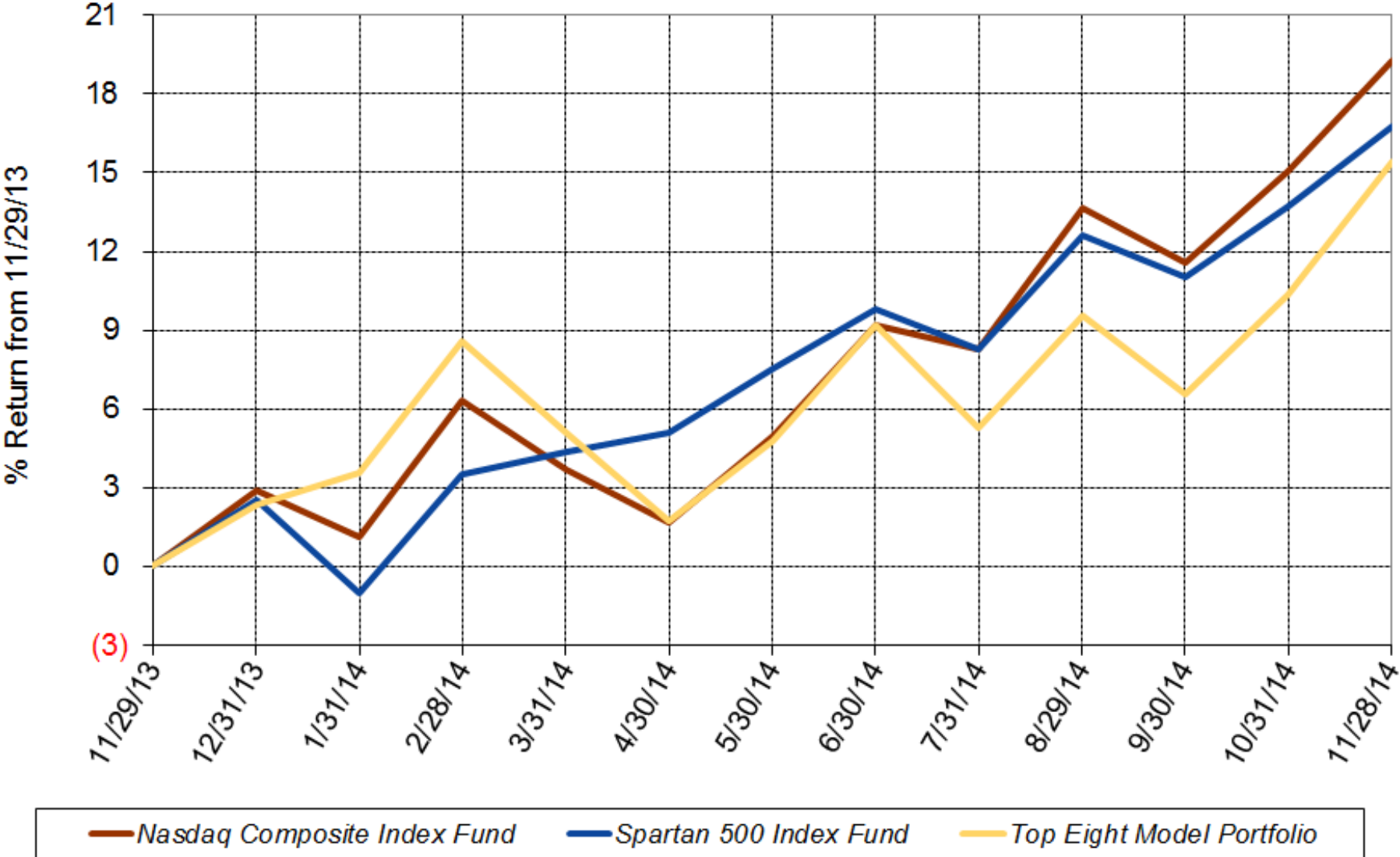
5-Year Chart



3-Year Chart



1-Year Chart



Daily Chart November 2014

