

FIDELITY SELECT FUNDRANKER™

Volume 10 Issue 1

The Right Funds at the Right Time

January 2015

Broad Market Muddles through December

The broad market S&P 500 Index muddled through December, falling over 4 percent mid-month, and ending the month down fractionally. Despite that unimpressive performance, it set six new all-time highs, most recently on December 29, and extended its run of monthly all-time highs to 17 months in a row.

Six *Top Eight Model Portfolio* funds gained value in December. Electronics led the way with a one-month gain of 4.08%. Biotechnology, Air Transportation, Medical Equipment & Systems, Transportation, and Health Care added one-month gains ranging from 2.30% to 0.35%. Consumer Staples and Pharmaceuticals trailed with one-month losses of 1.95% and 1.97%.

In December, the *Top Eight Model Portfolio* gained 1.036%, while the Nasdaq Composite and S&P 500 Indexes lost 1.116% and 0.258%. For the full year 2014, the *Top Eight Model Portfolio* gained 13.946%, the Nasdaq Composite gained 14.602%, and the S&P 500 gained 13.590%.

Final Performance of Fund Sold on December 2

Fundranker exchanged one fund on December 2. Here is the return it contributed to the *Top Eight Model Portfolio*:

Fund	Bought	Sold	Return
Medical Delivery (FSHCX)	8/6/2014	12/2/2014	10.86%

Fundranker Sets More New All-Time Highs

Fundranker's Top Eight Model Portfolio set five more all-time highs in December, most recently on December 29. From its inception on January 2, 1997, through December 29, 2014, an 18-year period, *Fundranker's* hypothetical *Top Eight Model Portfolio* gained 1,246.178% on a total return basis. Its value increased from \$24,000 on January 2, 1997, to \$324,845.83 on December 29, 2014.

Fundranker Still Heavily Weights Health Care

As you can see at right, *Fundranker* still is heavily invested in Select funds listed in Morningstar's Health category for our January *Top Eight Model Portfolio*. We continue to hold Biotechnology, Medical Equipment & Systems, and Health Care, and Medical Delivery rejoins the *Top Eight* to replace Pharmaceuticals after a one-month hiatus.

Exchange Traded Funds

Fidelity has entered the commission-free ETF market in a big way. They offer 14 of their own ETFs as well as 70 iShares ETFs from BlackRock commission-free on Fidelity's brokerage platform.

We have started collecting data back to December of 2005 so that we can begin ranking them similarly to the way we rank Fidelity's Select funds. We plan to start listing an ETF model portfolio in some form or another as early as our February issue, but we have a lot of number crunching to do first.

Fidelity offers 10 commission-free sector index ETFs: MSCI Consumer Discretionary Index, MSCI Consumer Staples Index, MSCI Energy Index, MSCI Financials Index, MSCI Health Care Index, MSCI Industrials Index, MSCI Information Technology Index, MSCI Materials Index, MSCI Telecommunication Services Index, and MSCI Utilities Index, all with the lowest expense ratio in the industry—0.12%. Fidelity's three actively managed commission-free fixed income ETFs, Total Bond, Limited Term Bond, and Corporate Bond, also have low expense ratios—0.45%. Fidelity's Nasdaq Composite Index ETF rounds out their in-house commission-free ETFs with an expense ratio of 0.51% (0.30% is waived through 1/31/2015).

Fidelity offers 70 BlackRock iShares index ETF's commission-free on their brokerage platform. They include a broad array of domestic equity ETFs: small-cap, mid-cap, large-cap, growth, blend, value, and specialty. International equity ETFs are well represented:

global/broad, developed markets, emerging markets, and specialty. Fixed income ETFs include domestic multi-sector, domestic corporate bonds, U.S. Treasury bonds, domestic collateralized debt, municipal bonds, and international. Finally, commodities ETFs include gold, silver, metals, and agriculture.

With 84 ETF's across such a widely diversified selection of offerings, we're anxious to see how well *Fundranker's* ranking methodology translates into investment returns. We plan to compare performance of various hypothetical model portfolios starting January 2, 2007. That starting point allows us to include the end of the previous bull market, the entire financial crisis bear market, and our current bull market, but we'll have to start with a smaller set of only 26 (of the 84) ETFs that existed at that time. We'll add the remaining 58 ETFs as they became available between then and now.

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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 January 2015

Fund Name (Symbol)	Purchase	Return to 12/31
1. Biotechnology (FBIOX)	9/5/2014	14.75%
2. Transportation (FSRFX)	8/6/2014	21.85%
3. Electronics (FSELX)	3/5/2014	25.97%
4. Air Transportation (FSAIX)	9/5/2014	13.33%
5. Medical Eqpt & Systems (FSMEX)	11/5/2014	5.46%
6. Health Care (FSPHX)	8/5/2013	53.55%
7. Medical Delivery (FSHCX)	1/2/2015	
8. Retailing (FSRPX)	1/2/2015	
Funds to be sold on January 2:		
11. Pharmaceuticals (FPHAX)	10/6/2014	3.82%
16. Consumer Staples (FDFA X)	12/2/2014	(1.37)%

Fundranker Exchanges for January 2

Sell Pharmaceuticals (FPHAX), buy Medical Delivery (FSHCX)
Sell Consumer Staples (FDFA X), buy Retailing (FSRPX)

Start a New Portfolio

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

Optional Rebalancing Exchange Dates

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

Upcoming Fundranker Exchange Date

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

Fidelity Select Fundranker is published via email on the first day of each month and is edited by Harvey J. Poorbaugh. *Fidelity Select Fundranker* is not affiliated with Fidelity Investments. All facts and figures are obtained from reliable sources. Past results are never an assurance of future performance. The information in this newsletter is not intended as individualized investment advice. All your investment decisions are made by you, individually or with your investment advisor, and are at your own risk. © 2015 *Fidelity Select Fundranker*

<i>Fundranker</i> Ratings for 12/31/14 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)	28.08*	15.49*	16.91*	1.85*	19.583	4
Automotive (FSAVX)	3.19	(2.95)	5.96	(0.65)	1.388	28
Banking (FSRBX)	7.58	3.96	5.94	2.13*	5.903	19
Biotechnology (FBIOX)	35.05*	22.54*	13.62*	2.30*	22.378	1
Brokerage & Investment Mgmt (FSLBX)	5.24	6.63	4.95	1.93*	5.688	20
Chemicals (FSCHX)	4.56	(2.53)	(3.93)	(0.26)	(0.540)	33
Communications Equipment (FSDCX)	14.97*	4.89	6.31	1.29*	8.865	13
Computers (FDCPX)	14.73	8.50*	6.53	0.08	8.460	15
Construction & Housing (FSHOX)	15.74*	11.11*	10.39*	1.45*	13.673	9
Consumer Discretionary (FSCPX)	10.21	8.38*	10.03*	1.29*	10.478	10
Consumer Finance (FSVLX)	7.06	4.91	6.89	(1.17)	4.423	25
Consumer Staples (FDFAX)	14.91*	7.92	6.35	(1.95)	7.808	16
Defense & Aerospace (FSDAX)	2.92	3.48	5.88	(0.03)	3.063	27
Electronics (FSELX)	38.37*	12.10*	10.54*	4.08*	20.273	3
Energy (FSENX)	(12.64)	(24.41)	(16.14)	(0.78)	(13.493)	36
Energy Service (FSESX)	(24.13)	(36.68)	(27.02)	(6.30)	(23.533)	39
Environment & Alternative Energy (FSLEX)	1.86	(3.99)	3.55	(0.11)	0.328	32
Financial Services (FIDSX)	10.73	7.33	6.03	0.16	6.063	18
Gold (FSAGX)	(8.51)	(29.98)	(13.52)	0.31	(12.925)	35
Health Care (FSPHX)	32.88*	14.63*	8.21*	0.35	17.018	6
Industrial Equipment (FSCGX)	0.47	(1.91)	4.21	0.02	0.698	30
Industrials (FCYIX)	5.81	1.94	7.33*	0.39	4.868	24
Insurance (FSPCX)	9.90	6.68	7.20	1.30*	7.270	17
IT Services (FBSOX)	6.28	8.43*	11.63*	1.25	8.898	12
Leisure (FDLSX)	8.33	5.27	6.90	(0.02)	5.120	22
Materials (FSDPX)	0.27	(6.23)	(2.68)	(0.31)	(2.238)	34
Medical Delivery (FSHCX)	23.66*	15.31*	10.01*	1.75*	16.683	7
Medical Equipment & Systems (FSMEX)	26.70*	12.37*	14.44*	1.61*	17.780	5
Multimedia (FBMPX)	8.29	5.14	6.24	0.24	4.978	23
Natural Gas (FSNGX)	(13.29)	(29.11)	(20.89)	(4.27)	(16.890)	38
Natural Resources (FNARX)	(12.29)	(25.83)	(16.63)	(1.04)	(13.948)	37
Pharmaceuticals (FPHAX)	23.82*	7.28	3.58	(1.97)	9.178	11
Retailing (FSRPX)	12.02	15.80*	12.50*	2.56*	13.720	8
Software & Computer Services (FSCSX)	8.22	5.99	6.23	0.80	5.310	21
Technology (FSPTX)	10.65	2.87	2.24	(1.26)	3.625	26
Telecommunications (FSTCX)	3.61	(0.15)	1.42	(2.62)	0.565	31
Transportation (FSRFX)	34.01*	17.29*	15.49*	1.32*	21.028	2
Utilities (FSUTX)	21.66*	1.51	6.03	0.79	8.498	14
Wireless (FWRLX)	2.98	0.89	2.29	(1.89)	1.068	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

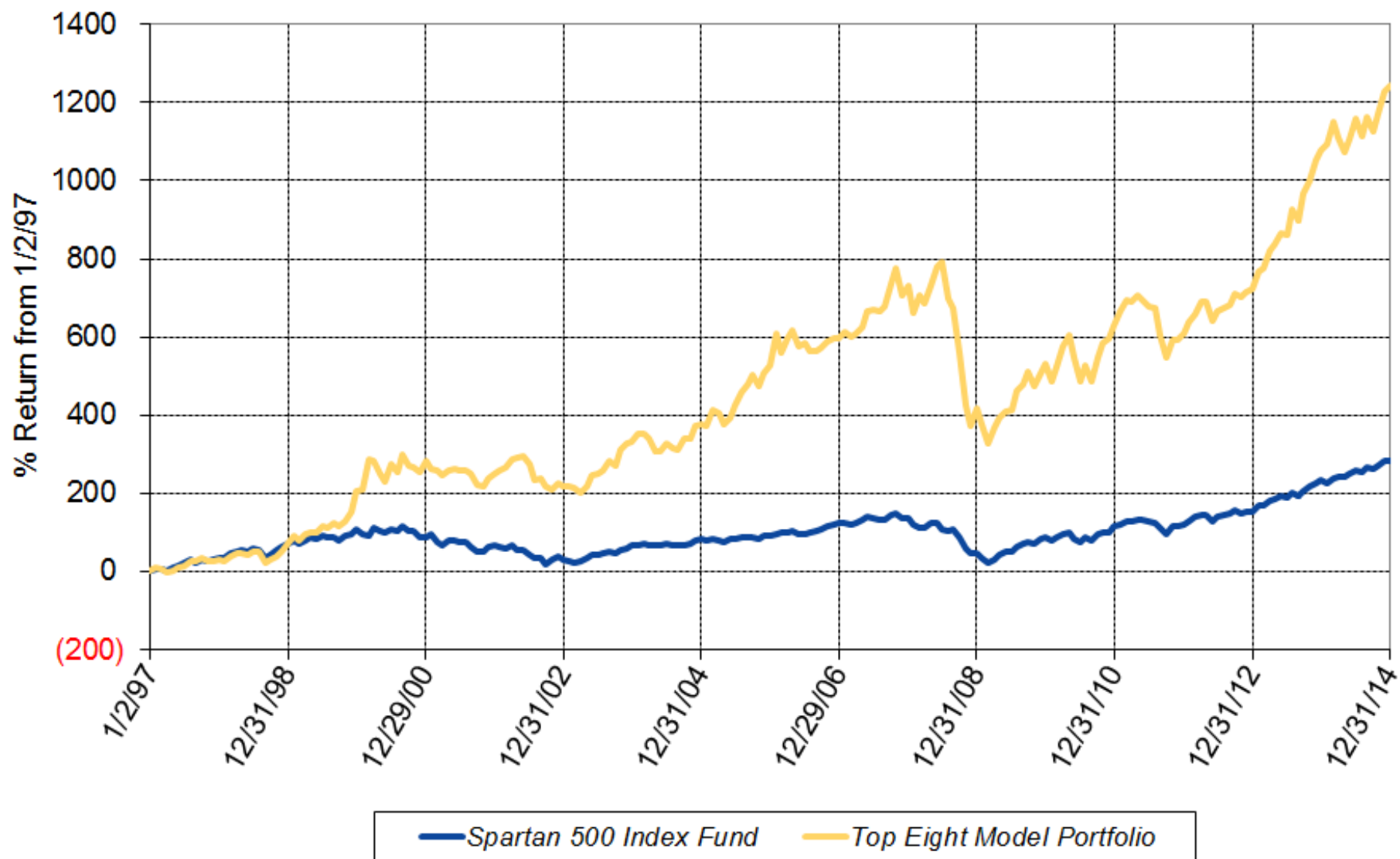
Sell on January 2, 2015

Buy on January 2, 2015

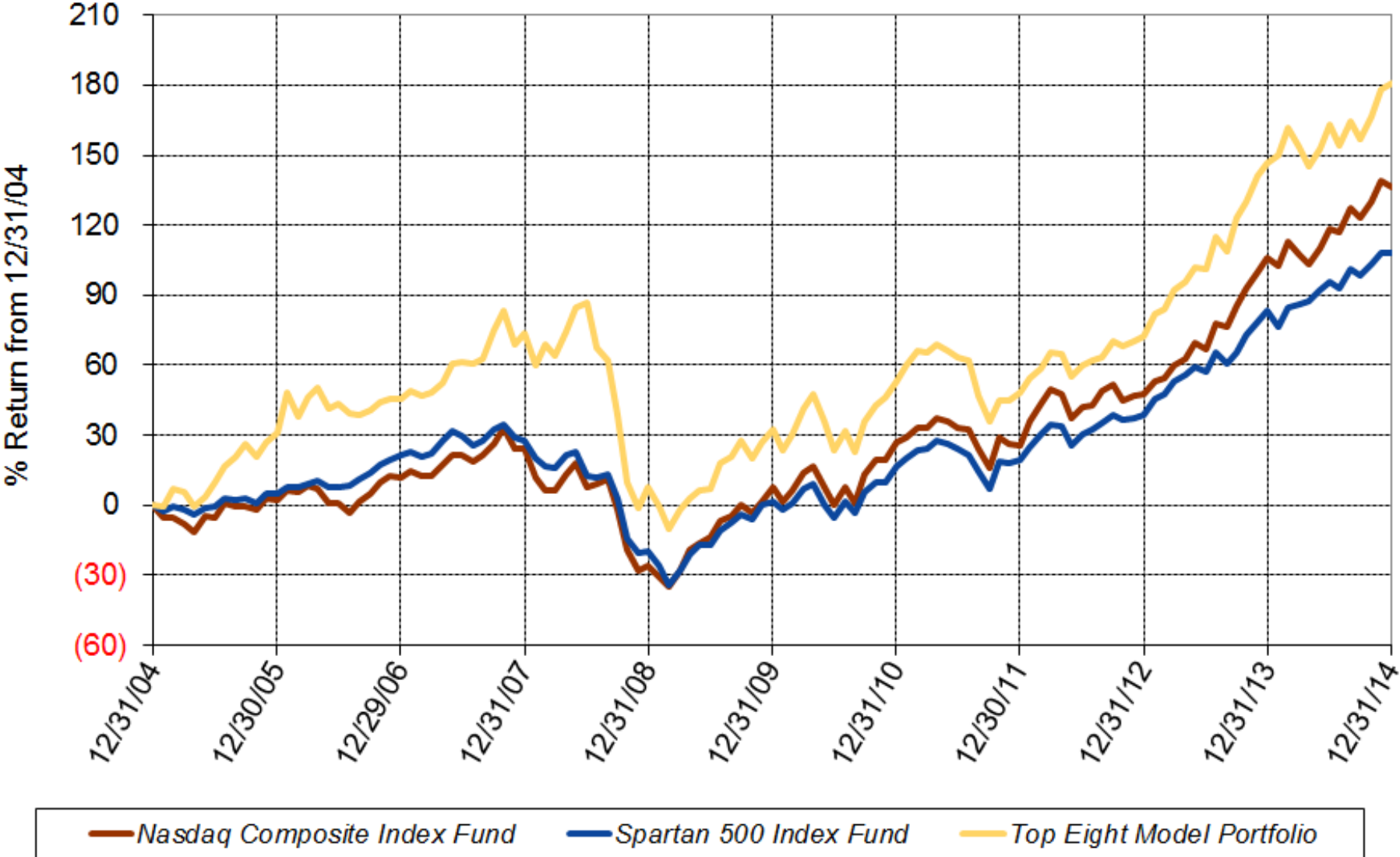
Hold

Fundranker Performance for December 2014													
11/28 Funds	11/28 Shares	11/28 Amount	<=12/2 Div Shrs	12/2 Shares	12/2 Amount	12/2 Funds	12/2 Shares	12/2 Amount	>12/2 Div Shrs	12/31 Shares	12/31 Amount	Dec Return	
FBIOX	167.909	40,281.37	none	167.909	40,393.87	FSRFX	417.239	39,842.14	5.504	422.743	40,676.33		
FSPHX	167.179	39,467.62	none	167.179	39,539.51	FBIOX	165.616	39,842.14	18.077	183.693	40,645.75		
FSRFX	419.134	40,329.07	none	419.134	40,023.11	FSAIX	543.401	39,842.14	6.643	550.044	41,038.78		
FSHCX	460.571	39,231.44	none	460.571	39,291.31	FSPHX	168.459	39,842.14	14.859	183.318	39,908.33		
FSMEX	936.785	39,504.22	none	936.785	39,654.11	FSELX	473.466	39,842.14	13.968	487.434	41,324.65		
FSELX	473.579	39,714.33	none	473.579	39,851.67	FSMEX	941.227	39,842.14	97.646	1,038.873	40,329.05		
FPHAX	1,720.686	39,489.74	none	1,720.686	39,403.71	FPHAX	1,739.831	39,842.14	90.951	1,830.782	39,142.12		
FSAIX	553.462	41,039.21	none	553.462	40,579.83	FDFAF	392.031	39,842.14	10.055	402.086	39,295.86		
Top Eight		319,057.00			318,737.12			318,737.10			322,360.87		1.036
FNCMX	1,611.486	102,877.27	none						20.619	1,632.105	101,729.10		(1.116)
FUSEX	1,246.112	91,688.92	none						9.240	1,255.352	91,452.39		(0.258)
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				
					Return %		Return %		Return %				
<i>Top Eight Model Portfolio</i>					16.302		43.354		13.946				
Nasdaq Composite Index Fund					17.325		39.746		14.602				
Spartan 500 Index Fund - Investor Class					15.929		32.251		13.590				
Lifetime Summary					1/2/97 to 12/31/14					1/2/97 to 12/31/14			
					Total Return %					Average Annual Return %			
<i>Top Eight Model Portfolio</i>					1,243.170					15.524			
Nasdaq Composite Index Fund					N/A					N/A			
Spartan 500 Index Fund - Investor Class					281.052					7.715			
10-Year Summary					12/31/04 to 12/31/14					12/31/04 to 12/31/14			
					Total Return %					Average Annual Return %			
<i>Top Eight Model Portfolio</i>					181.291					10.896			
Nasdaq Composite Index Fund					136.095					8.970			
Spartan 500 Index Fund - Investor Class					107.889					7.593			
5-Year Summary					12/31/09 to 12/31/14					12/31/09 to 12/31/14			
					Total Return %					Average Annual Return %			
<i>Top Eight Model Portfolio</i>					112.480					16.269			
Nasdaq Composite Index Fund					119.249					17.000			
Spartan 500 Index Fund - Investor Class					104.074					15.334			
3-Year Summary					12/30/11 to 12/31/14					12/30/11 to 12/31/14			
					Total Return %					Average Annual Return %			
<i>Top Eight Model Portfolio</i>					89.974					23.851			
Nasdaq Composite Index Fund					87.899					23.398			
Spartan 500 Index Fund - Investor Class					74.153					20.312			
1-Year Summary					12/31/13 to 12/31/14					12/31/13 to 12/31/14			
					Total Return %								
<i>Top Eight Model Portfolio</i>					13.946								
Nasdaq Composite Index Fund					14.602								
Spartan 500 Index Fund - Investor Class					13.590								

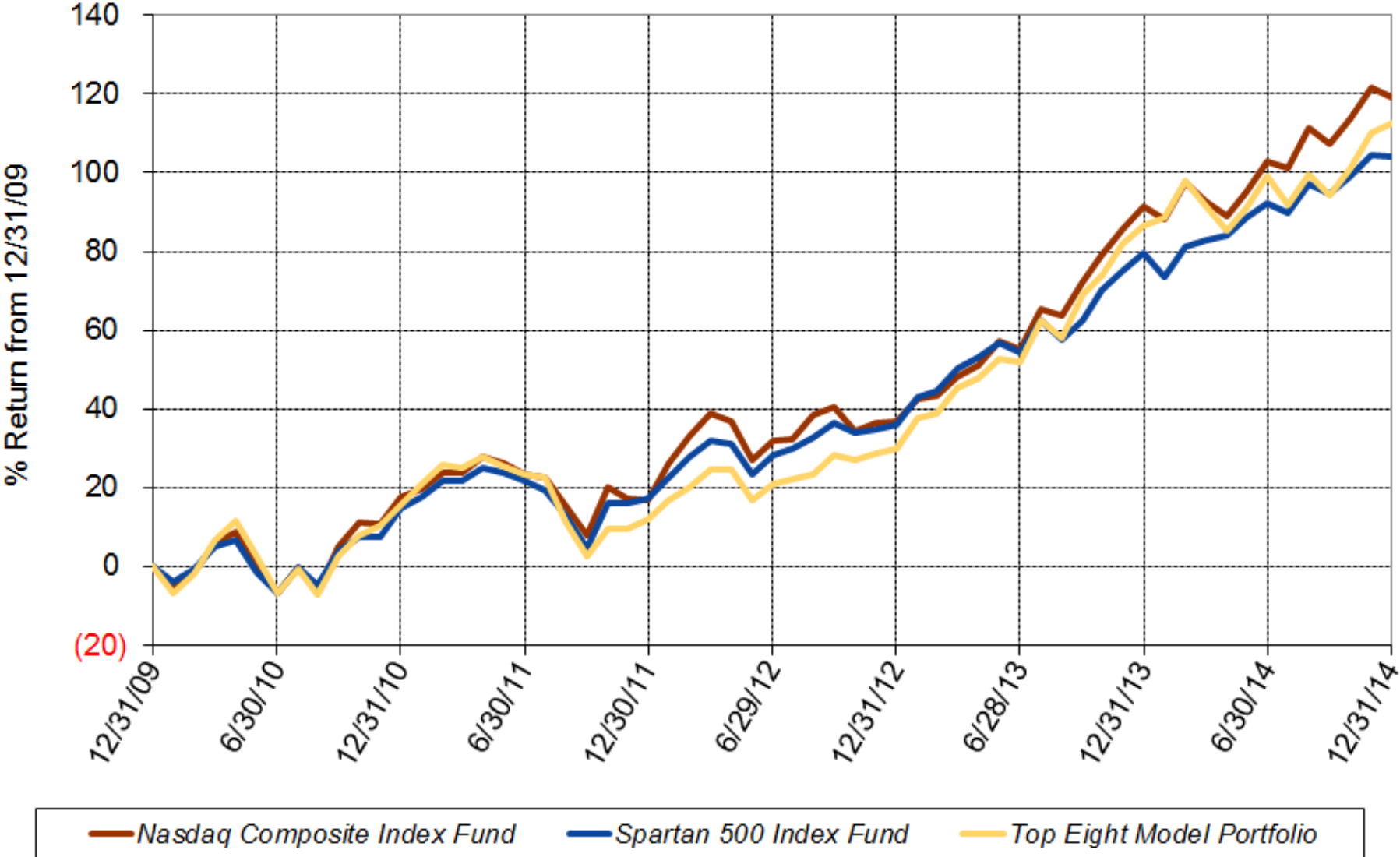
Lifetime Chart



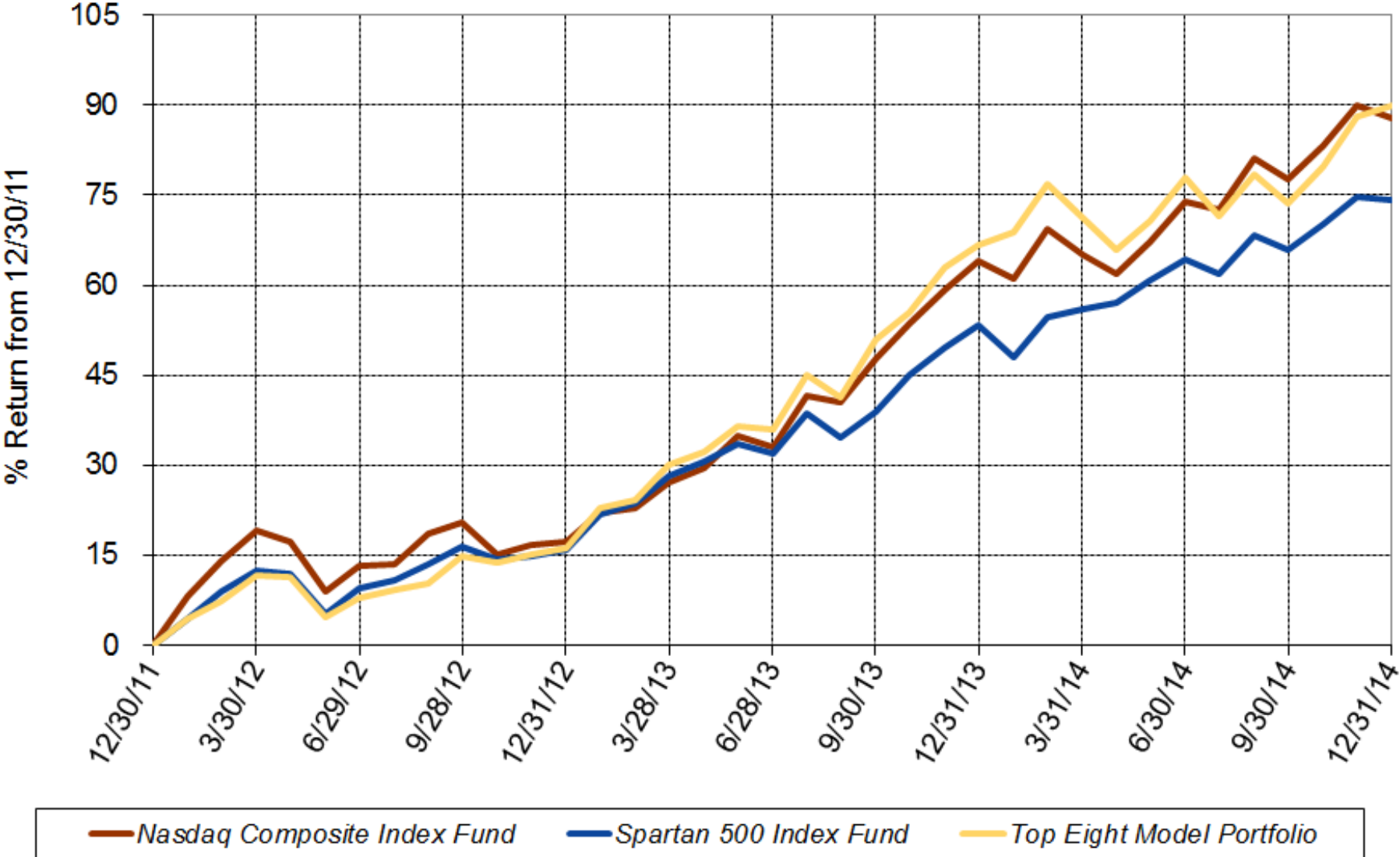
10-Year Chart



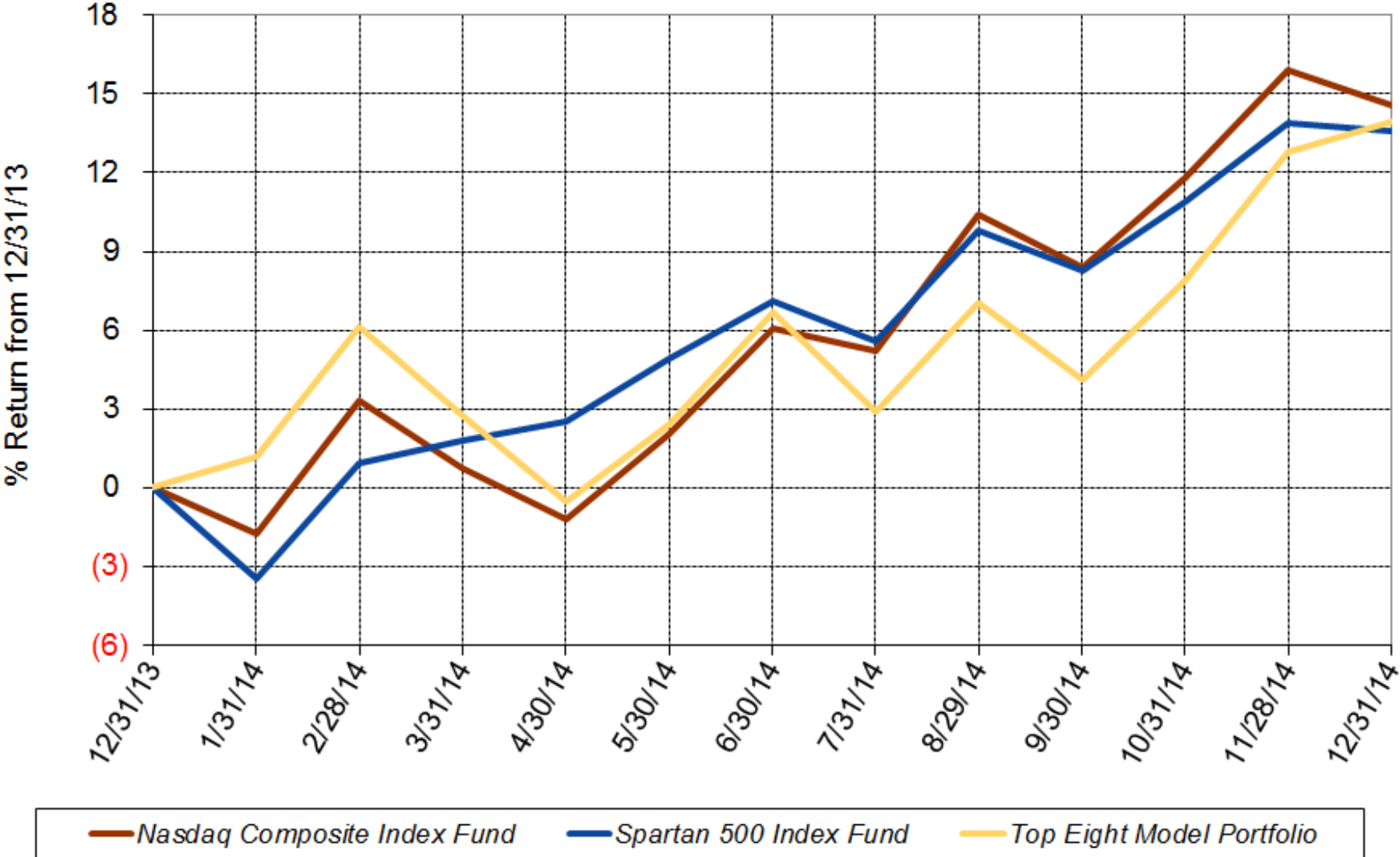
5-Year Chart



3-Year Chart



1-Year Chart



Daily Chart December 2014

