

FIDELITY SELECT FUNDRANKER™

Volume 10 Issue 4

The Right Funds at the Right Time

April 2015

Broad Market Meanders in Red in March

The broad market S&P 500 Index set a new all-time high early in March, but it spent the remainder of the month meandering mostly below breakeven. The technology heavy Nasdaq Composite Index set a couple of new bull market highs in March, but it also ended the month in the red.

Five funds in our *Top Eight Model Portfolio* gained value in March. Biotechnology and Medical Delivery led the way, both with one-month gains of 3.51%. Health Care, Medical Equipment & Systems, and Pharmaceuticals followed with one-month gains ranging from 2.91% to 2.56%. Retailing and Consumer Discretionary had fractional one-month losses of 0.02% and 0.48%. Electronics trailed with a one-month loss of 2.05%. The *Top Eight Model Portfolio* set six new all-time highs in March, giving it a six-month run of setting new all-time highs.

In March, the *Top Eight Model Portfolio* gained 1.570%, while the Nasdaq Composite and S&P 500 Indexes lost 1.192% and 1.593%. For YTD through March, the *Top Eight Model Portfolio* gained 6.539%, while the Nasdaq Composite and S&P 500 Indexes gained only 3.722% and 0.920%.

Final Performance of Funds Sold on March 4

Fundranker exchanged two funds on March 4. Here are the returns they contributed to the *Top Eight Model Portfolio*:

Fund	Bought	Sold	Return
Air Transportation (FSAIX)	9/5/2014	3/4/2015	11.41%
Consumer Staples (FDFAX)	2/2/2015	3/4/2015	1.65%

Health Care Funds Excel in March

Fundranker went all in on Fidelity's five Select funds listed in Morningstar's Health category in February, and April will mark our third month in a row to hold all five. Not only were the five health care funds the best performers in our *Top Eight Model Portfolio* in March, they also were the top five performers of all 39 Select Funds in March, and those stellar performances propelled them into the top five positions in our *Top Eight Model Portfolio*, as well.

When Will Federal Reserve Raise Rates?

The Federal Open Market Committee met most recently on March 17 and 18. Its policy statement released at the end of that meeting no longer referred to being "patient" on raising rates. But Fed Chair Janet Yellen emphasized in her press conference after the statement, "Just because we removed the word 'patient' from the statement doesn't mean we're going to be impatient... In particular, this change does not mean that an increase will necessarily occur in June, although we can't rule that out."

Federal Reserve Bank of Richmond President Jeffrey Lacker, in remarks Tuesday, March 31, at the Richmond Fed, said "... the case for raising rates will remain strong at the June meeting." Lacker is considered to be hawkish on rates. He dissented at all eight FOMC meetings in 2012 in favor of tighter monetary policy, but he has voted with the majority at both meetings held in 2015. Lacker was not a voting member of the FOMC in 2013 and 2014.

Federal Reserve Bank of Atlanta President Dennis Lockhart, in remarks to reporters after a speech in Athens, Georgia, on March 20, said, "I think liftoff in one of the meetings starting in June through September represents appropriate policy, given what I can see today."

At the March 17-18 meeting, officials also cut their median estimate for the federal funds rate at the end of 2015 to 0.625% from 1.125% in their December forecasts, leading many market participants to expect the FOMC's rate "lift-off" to be in the fall rather than mid-year.

The Federal Open Market Committee will meet six more times this year in April, June, July, September, October, and December.

Secular Bull and Bear Markets

Doug Short at Advisor Perspectives has a great article this month on [Secular Bull and Bear Markets](#). With great charts, straightforward analysis, and a little humor thrown in, he succeeds in imparting a general understanding of secular bull and bear markets.

The bull market we currently are enjoying meets the generally recognized definition of a secular bull market, that is, it is a secular trend that has led to new all-time real (inflation-adjusted) highs. He points out that it is unusual in that the March 2009 bear market low was not nearly as far below the regression trend line as the beginnings of other secular bull markets. Demographic shifts coming with our aging population also look troublesome.

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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 April 2015

Fund Name (Symbol)	Purchase	Return to 3/31
1. Biotechnology (FBIOX)	9/5/2014	33.13%
2. Medical Eqpt & Systems (FSMEX)	11/5/2014	16.81%
3. Health Care (FSPHX)	8/5/2013	71.62%
4. Medical Delivery (FSHCX)	1/2/2015	10.12%
5. Pharmaceuticals (FPHAX)	2/2/2015	8.18%
6. Construction & Housing (FSHOX)	4/6/2015	
7. Retailing (FSRPX)	3/4/2015	0.49%
8. Defense & Aerospace (FSDAX)	4/6/2015	
Funds to be sold on April 6:		
10. Electronics (FSELX)	3/5/2014	30.21%
12. Consumer Discretionary (FSCPX)	3/4/2015	(0.51)%

Fundranker Exchanges for April 6

Sell Electronics (FSELX), buy Construction & Housing (FSHOX)
Sell Consumer Discretionary (FSCPX),
buy Defense & Aerospace (FSDAX)

Start a New Portfolio

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

Optional Rebalancing Exchange Dates

Held funds: Apr 2; New funds: Apr 6 ([see rebalancing FAQ](#))

Upcoming Fundranker Exchange Dates

If no new funds are to be exchanged, *Fundranker* will exchange on May 4, our [early exchange date](#); otherwise, to avoid roundtrip transactions on funds purchased on April 6, *Fundranker* will exchange on May 6, our [late exchange date](#).

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<i>Fundranker</i> Ratings for 3/31/15	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)	21.54*	14.79*	(1.81)	0.23*	11.688	11
Automotive (FSAVX)	9.38	12.46	6.14*	(0.12)	7.965	14
Banking (FSRBX)	1.31	3.77	(2.05)	0.30*	1.833	31
Biotechnology (FBIOX)	46.13*	31.81*	16.02*	3.51*	28.368	1
Brokerage & Investment Mgmt (FSLBX)	6.33	3.57	(1.31)	(0.29)	2.075	28
Chemicals (FSCHX)	2.31	(3.54)	0.41	(3.91)	(1.183)	33
Communications Equipment (FSDCX)	8.34	5.71	(0.57)	(4.03)	2.363	27
Computers (FDCPX)	5.49	1.79	(4.44)	(5.00)	(0.540)	32
Construction & Housing (FSHOX)	21.85*	19.86*	8.58*	1.89*	17.045	6
Consumer Discretionary (FSCPX)	15.14	14.67*	4.22	(0.48)	9.388	12
Consumer Finance (FSVLX)	8.34	8.10	1.13	1.78*	5.838	19
Consumer Staples (FDFAX)	15.93*	8.14	1.68	(2.62)	6.783	16
Defense & Aerospace (FSDAX)	13.61	16.31*	9.86*	0.33*	13.028	8
Electronics (FSELX)	27.76*	14.25*	3.36	(2.05)	12.830	10
Energy (FSENX)	(13.80)	(15.17)	1.16	(0.68)	(7.123)	36
Energy Service (FSESX)	(31.53)	(31.34)	(5.92)	(2.56)	(17.838)	39
Environment & Alternative Energy (FSLEX)	1.03	5.58	1.96	(0.67)	1.975	29
Financial Services (FIDSX)	9.51	5.97	(0.06)	0.00	3.855	22
Gold (FSAGX)	(20.91)	(14.47)	(1.09)	(12.11)	(12.145)	37
Health Care (FSPHX)	35.12*	20.95*	11.77*	2.91*	21.688	3
Industrial Equipment (FSCGX)	2.53	6.65	2.34	(0.98)	2.635	25
Industrials (FCYIX)	7.51	9.12	1.67	(1.13)	4.293	21
Insurance (FSPCX)	11.31	6.55	(0.61)	0.31*	5.390	20
IT Services (FBSOX)	15.74*	18.14*	5.82*	0.03	12.933	9
Leisure (FDLSX)	12.85	12.56	5.30*	(0.39)	8.580	13
Materials (FSDPX)	(1.94)	(2.03)	0.66	(3.99)	(1.825)	34
Medical Delivery (FSHCX)	29.21*	21.00*	9.99*	3.51*	19.928	4
Medical Equipment & Systems (FSMEX)	30.83*	26.77*	10.77*	2.63*	21.750	2
Multimedia (FBMPX)	13.61	8.72	2.34	(0.34)	6.083	18
Natural Gas (FSNGX)	(21.74)	(23.90)	(3.80)	(2.84)	(13.070)	38
Natural Resources (FNARX)	(13.93)	(14.82)	2.17	(1.33)	(6.978)	35
Pharmaceuticals (FPHAX)	26.48*	14.67*	10.71*	2.56*	17.605	5
Retailing (FSRPX)	21.98*	19.01*	5.79*	(0.02)	14.690	7
Software & Computer Services (FSCSX)	8.22	7.37	1.07	(1.87)	3.698	23
Technology (FSPTX)	14.23	7.63	5.28*	(0.28)	7.715	15
Telecommunications (FSTCX)	6.07	4.04	2.58	(2.52)	2.543	26
Transportation (FSRFX)	19.69*	9.43	(5.25)	(3.05)	6.205	17
Utilities (FSUTX)	7.22	3.03	(2.83)	0.22*	2.910	24
Wireless (FWRLX)	4.69	4.09	1.76	(2.94)	1.900	30

*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

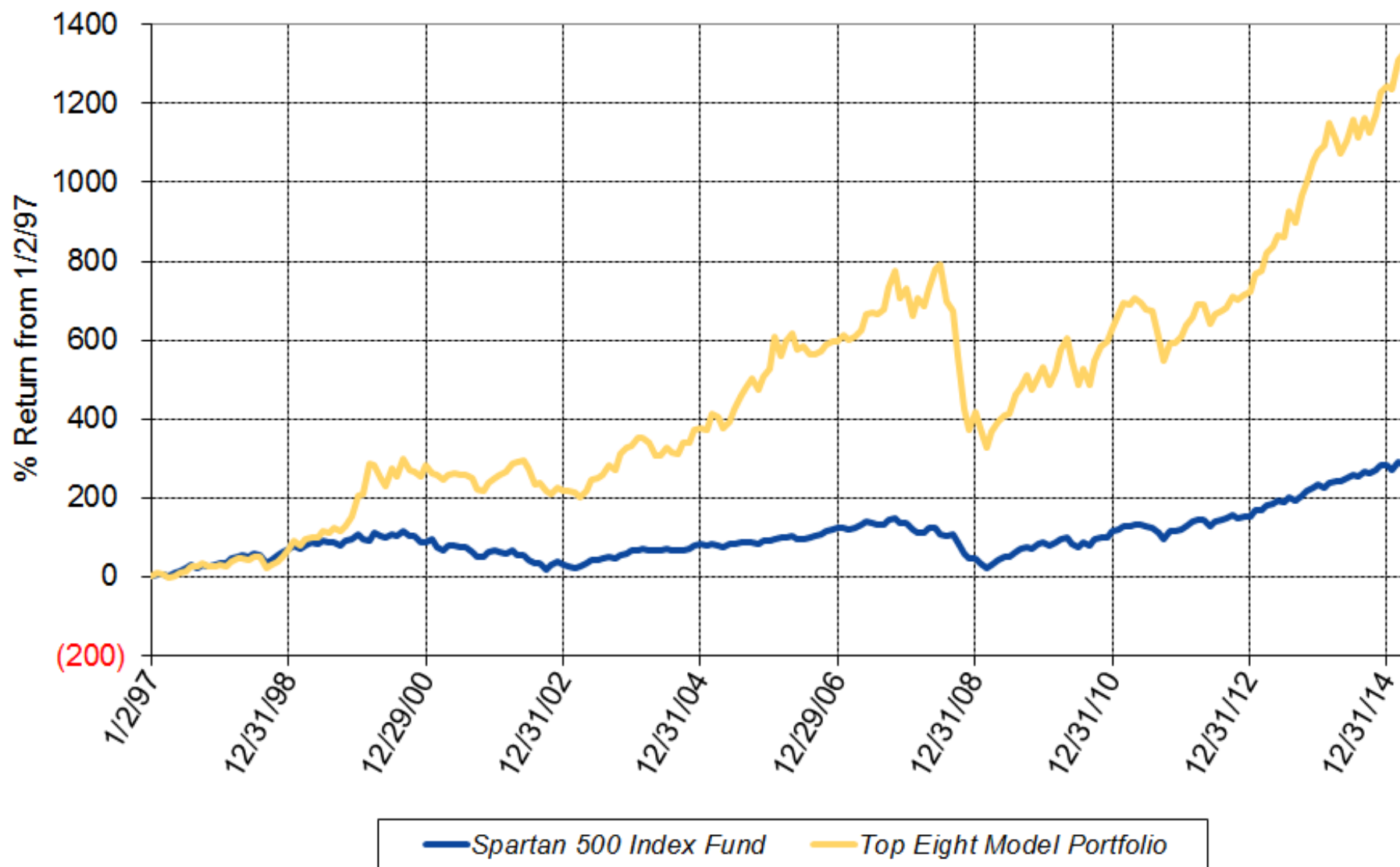
Sell on April 6, 2015

Buy on April 6, 2015

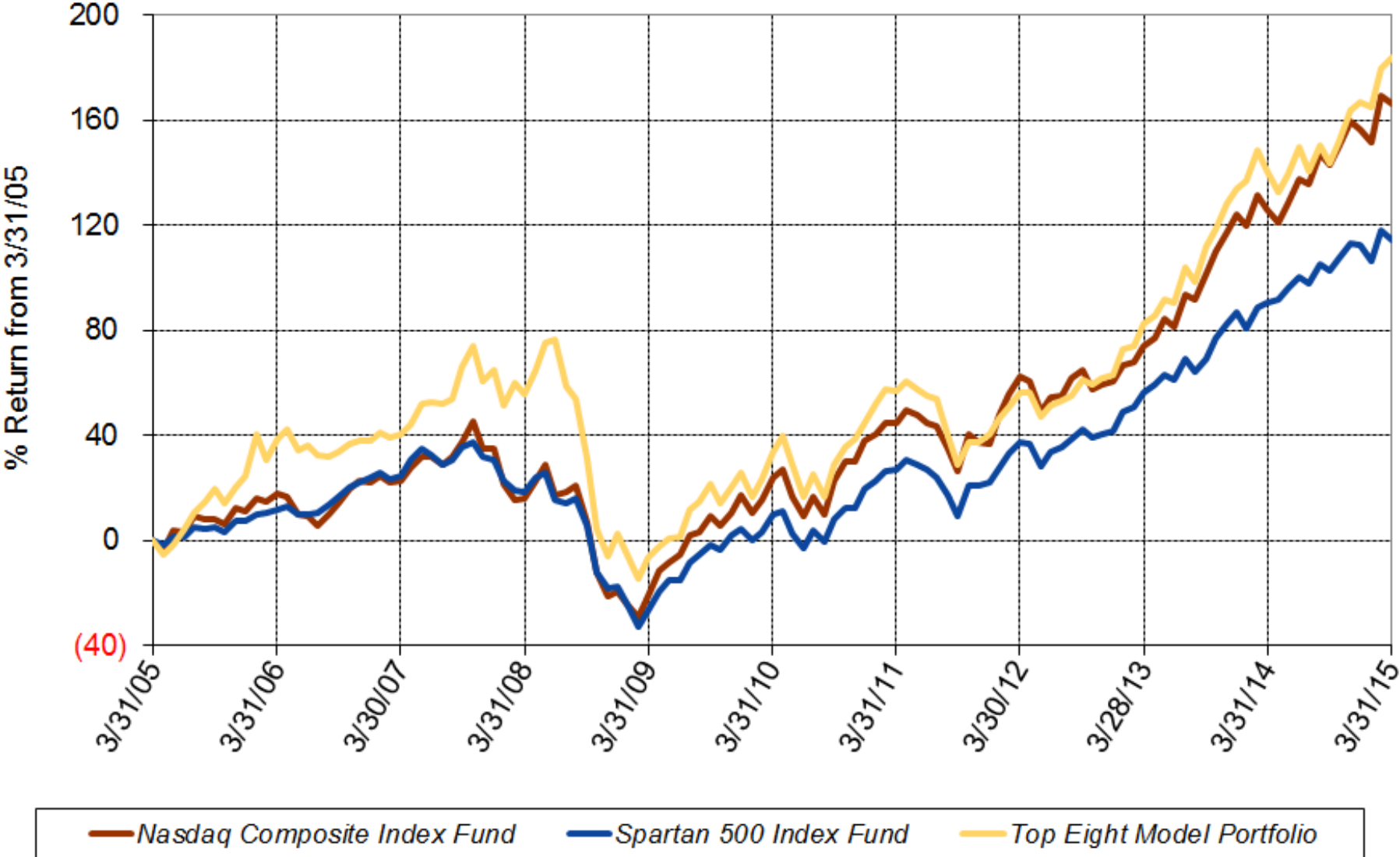
Hold

Fundranker Performance for March 2015													
2/27 Funds	2/27 Shares	2/27 Amount	<=3/4 Div Shrs	3/4 Shares	3/4 Amount	3/4 Funds	3/4 Shares	3/4 Amount	>3/4 Div Shrs	3/31 Shares	3/31 Amount	Mar Return	
FBIOX	172.702	42,830.10	none	172.702	43,619.34	FSELX	470.281	42,471.05	none	470.281	41,210.72		
FSPHX	180.670	42,717.61	none	180.670	42,910.93	FBIOX	168.156	42,471.05	none	168.156	43,167.33		
FSELX	481.355	43,062.02	none	481.355	43,471.17	FSMEX1	1,015.325	42,471.05	none	1,015.325	43,658.98		
FSMEX1	1,016.871	42,606.89	none	1,016.871	42,535.71	FSPHX	178.818	42,471.05	none	178.818	43,510.00		
FDFA	404.275	41,252.22	none	404.275	40,880.29	FSHCX	483.065	42,471.05	none	483.065	43,630.43		
FSHCX	486.597	42,460.45	none	486.597	42,781.61	FSRPX	448.054	42,471.05	none	448.054	42,677.14		
FPHAX	1,838.082	42,422.93	none	1,838.082	42,643.50	FPHAX	1,830.649	42,471.05	none	1,830.649	43,331.46		
FSAIX	557.953	40,780.78	none	557.953	40,925.85	FSCPX	1,205.194	42,471.05	none	1,205.194	42,254.10		
Top Eight		338,133.00			339,768.40			339,768.40			343,440.16	1.570	
FNCMX1	1,632.105	106,788.63	none						none	1,632.105	105,515.59	(1.192)	
FUSEX	1,255.352	93,787.35	none						none	1,255.352	92,293.48	(1.593)	
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	2015 YTD						
				Return %	Return %	Return %	Return %						
<i>Top Eight Model Portfolio</i>				16.302	43.354	13.946	6.539						
Nasdaq Composite Index Fund				17.325	39.746	14.602	3.722						
Spartan 500 Index Fund - Investor Class				15.929	32.251	13.590	0.920						
Lifetime Summary				1/2/97 to 3/31/15		1/2/97 to 3/31/15							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				1,331.001		15.697							
Nasdaq Composite Index Fund				N/A		N/A							
Spartan 500 Index Fund - Investor Class				284.556		7.660							
10-Year Summary				3/31/05 to 3/31/15		3/31/05 to 3/31/15							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				184.022		11.003							
Nasdaq Composite Index Fund				166.241		10.288							
Spartan 500 Index Fund - Investor Class				114.404		7.925							
5-Year Summary				3/31/10 to 3/31/15		3/31/10 to 3/31/15							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				112.171		16.235							
Nasdaq Composite Index Fund				114.903		16.533							
Spartan 500 Index Fund - Investor Class				95.673		14.368							
3-Year Summary				3/30/12 to 3/31/15		3/30/12 to 3/31/15							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				81.431		21.966							
Nasdaq Composite Index Fund				63.784		17.876							
Spartan 500 Index Fund - Investor Class				56.137		16.012							
1-Year Summary				3/31/14 to 3/31/15		3/31/14 to 3/31/15							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				18.159									
Nasdaq Composite Index Fund				17.998									
Spartan 500 Index Fund - Investor Class				12.622									

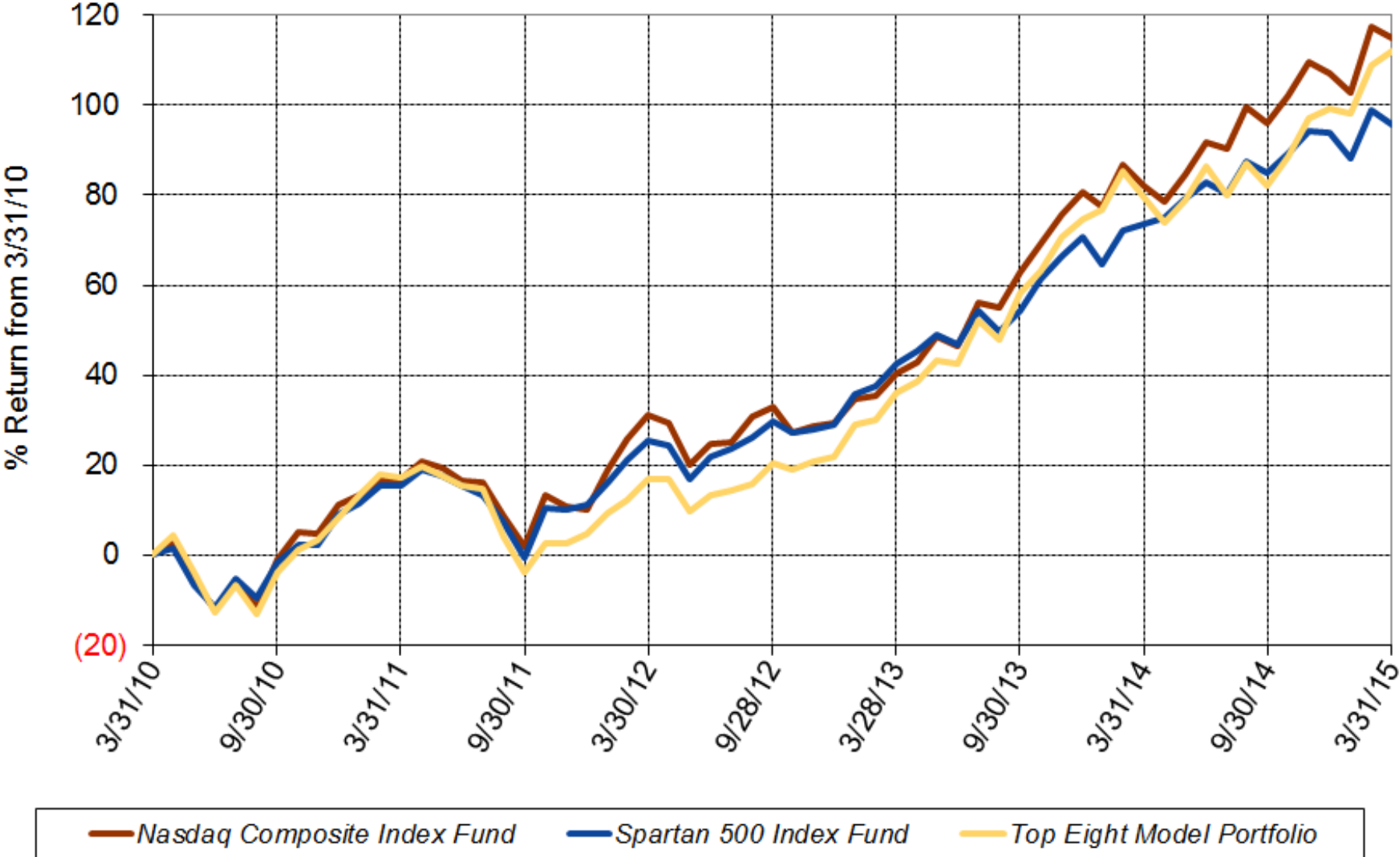
Lifetime Chart



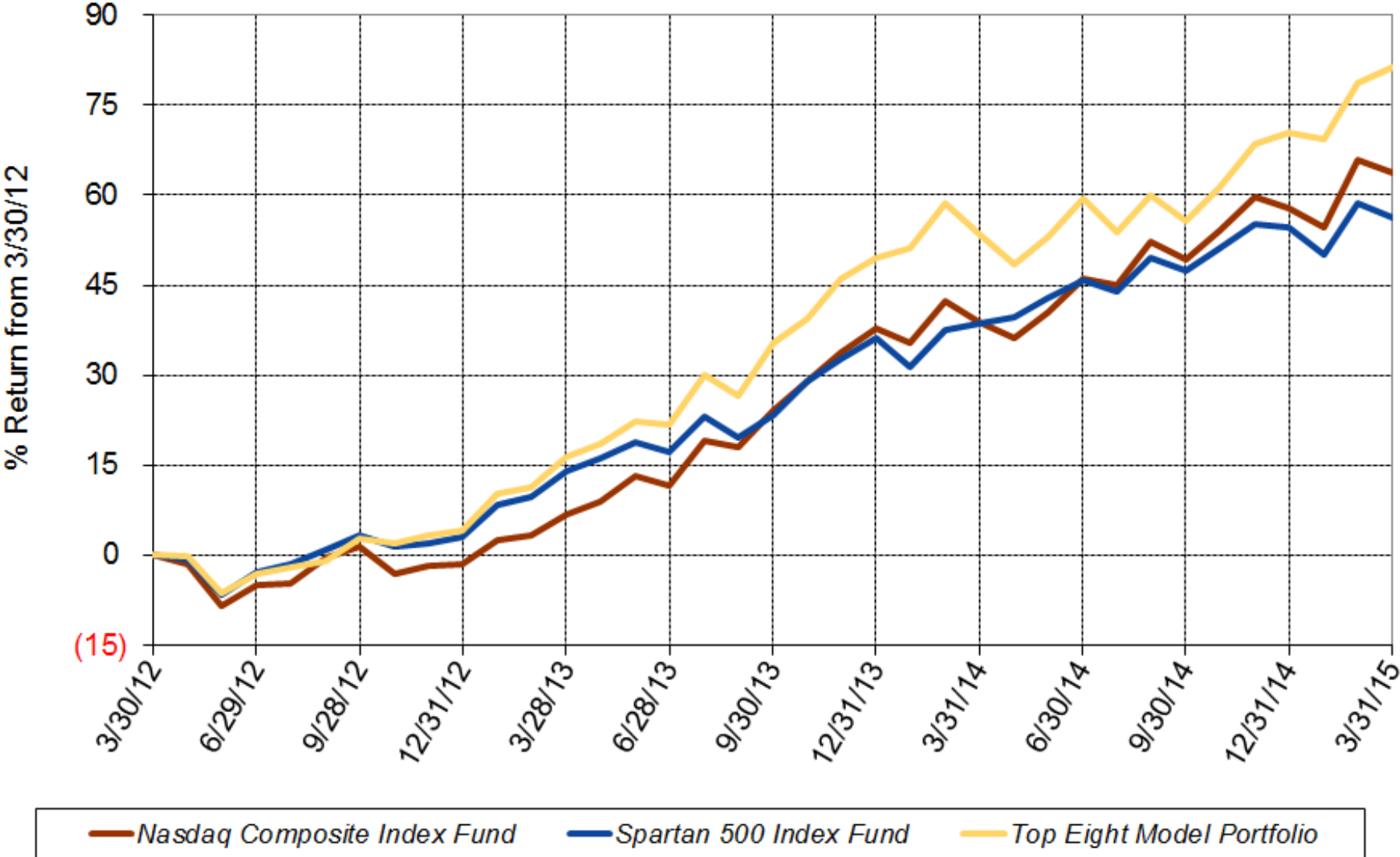
10-Year Chart



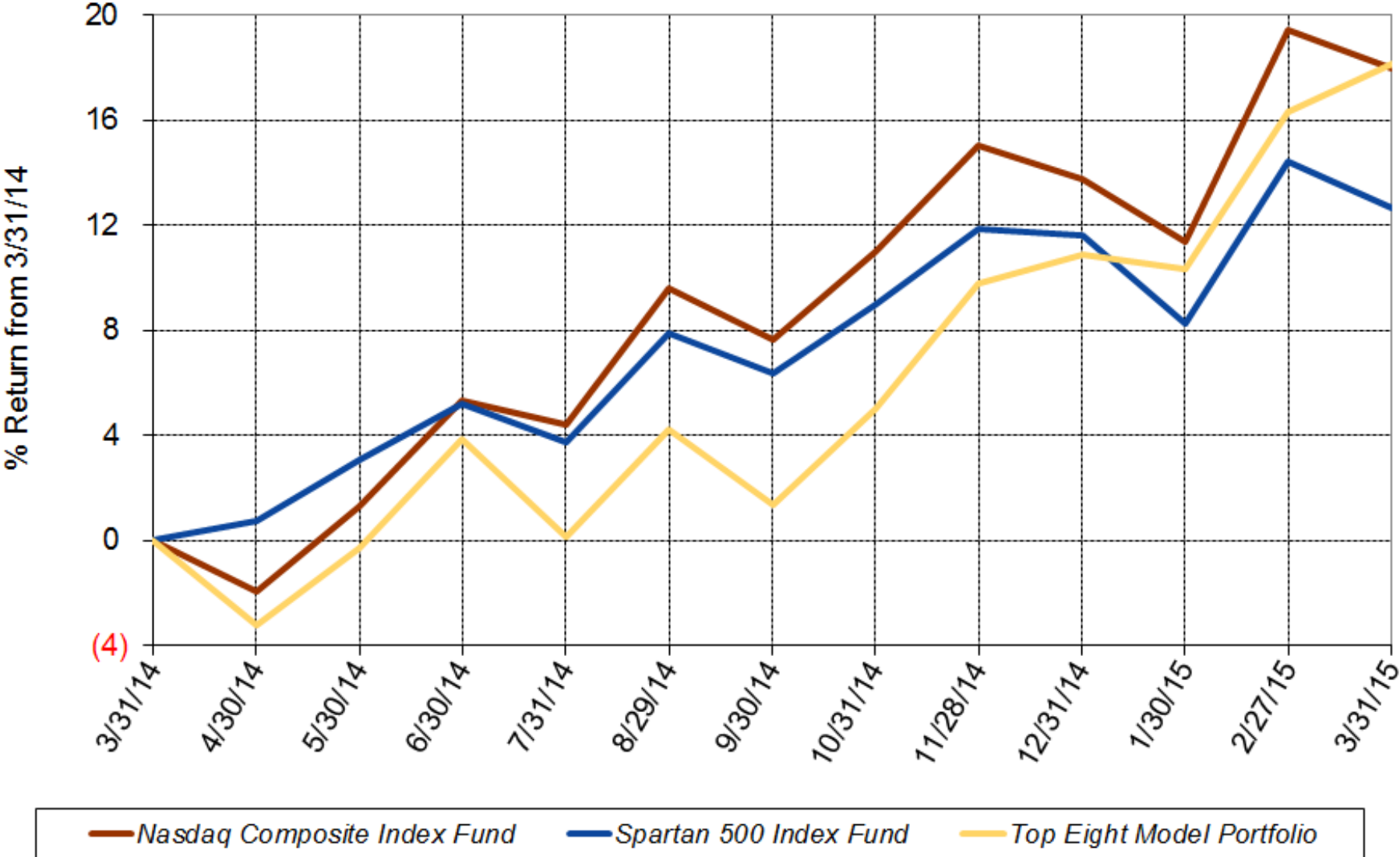
5-Year Chart



3-Year Chart



1-Year Chart



Daily Chart March 2015

