

# FIDELITY SELECT FUNDRANKER™

Volume 11 Issue 1

The Right Funds at the Right Time

January 2016

## Broad Market Drifts Lower in December

The broad market S&P 500 Index spent 19 of 22 trading days in December in negative territory, but it did manage to hold on for a year-long gain on a total return basis for 2015.

All eight funds in our *Top Eight Model Portfolio* lost value in December. Ranked from worst to least losses, Banking, IT Services, Consumer Discretionary, Construction & Housing, Insurance, Electronics, Retailing, and Software & Computer Services had one-month losses ranging from 4.62% to 1.15%.

In December, the *Top Eight Model Portfolio* lost 2.591%, while the Nasdaq Composite and S&P 500 Indexes lost 1.930% and 1.582%. For the entire year 2016 on a total return basis, the *Top Eight Model Portfolio* gained 4.592%, the Nasdaq Composite Index gained 6.818%, and the S&P 500 Index gained 1.366%.

## Final Performance of Funds Sold on December 2

*Fundranker* exchanged two funds on December 2. Here are the returns they contributed to the *Top Eight Model Portfolio*:

Fund	Bought	Sold	Return
Industrial Equipment (FSCGX)	11/2/2015	12/2/2015	0.54%
Technology (FSPTX)	11/2/2015	12/2/2015	1.41%

## GDP Watch

The Bureau of Economic Analysis of the U.S. Department of Commerce released its "third" (and final) estimate of third quarter Gross Domestic Product on Tuesday, December 22. Real gross domestic product increased at an annual rate of 2.0% in the third quarter, very nearly the same as its "second" estimate of 2.1% released in November. The slight downward revision was due to a slight downward revision to private inventory investment.

The "advance" (first) estimate of fourth quarter Gross Domestic Product will be released at the end of January.

## Fed Watch

The Federal Open Market Committee met December 15 and 16. As was widely expected, the Committee raised the federal funds rate for the first time in nearly 10 years by 25 basis points from a range of 0% to ¼% to a range of ¼% to ½%. Various members of the Committee have made it clear that normalization of rates will be very gradual.

However, what "very gradual" means is up to varying interpretations. Market forces are predicting two or three increases in 2016, but the FOMC's dot chart, which indicates its probable path of future rate hikes, shows four hikes.

Lou Brien, strategist at DRW Trading Group, speaking recently on CNBC's *Squawk Box*, said he thinks "one hike is more likely than four." He pointed out that three of the last four quarterly GDP estimates came in at 2.1% or lower, fourth quarter GDP is predicted at 1.3%, and that first quarter GDP has been weak the last two years, as well. He also noted that the ISM manufacturing index fell over the last 16 months to 48.6 and that 15 years ago, after a similar fall, the Fed cut rates. Lastly, he mentioned that lower oil prices have not as yet translated into significant increases in consumer spending, which is a major economic driver.

## Lackluster Year Ends with a Whimper

The S&P 500 Index ended 2015 at 2,043.94, 0.726% lower than its December 31, 2014, level of 2058.90. On a total return basis, that is, including dividends, though, it eked out a 1.366% gain.

That sounds pretty much like a ho-hum year, but there was some excitement along the way. Through July 20, when the S&P 500 Index hit its most recent all-time high on a total return basis, the index hit 15 new all-time highs. *Fundranker's Top Eight Model Portfolio* hit 22 new all-time highs over that same time period.

The S&P 500 Index fell into correction territory, down more than 10%, over a five-trading-day period in August over fears of a global economic slowdown led by China. Although the S&P 500 Index

quickly rose out of correction territory, it lingered below its July 20 all-time high for the remainder of the year, and even fell into correction territory again at the end of September for a couple of days.

## Fidelity Fund Name Changes

Fidelity Investments officially changed the names of two Select funds as of today, January 1, 2016. Select Software & Computer Services (FSCSX) became Select Software & IT Services. Select Medical Delivery (FSHCX) became Select Health Care Services. The funds' ticker symbols did not change, nor did their investment strategies.

Because the funds did not officially change names until January 1, 2016, our December 31 ratings and performance pages included in this issue do not reflect the new names. However, note that Software & IT Services is listed in the *Top Eight Model Portfolio* below with its new name. Beginning with our February 2016 issue, the new names will be used throughout the issue.

Historical information in issues prior to 2016 in our online [newsletter archive](#) and on our online [ratings](#) and [results](#) pages prior to 2016 still will reflect the old names for these Select funds. Going forward, of course, new newsletter issues added to our online newsletter archive and new ratings and results pages uploaded to our website will reflect the new names.

## 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 the [Contact Us](#) form at [www.fundranker.com](http://www.fundranker.com). We welcome your input.

## Top Eight Model Portfolio for January 2016

Fund Name (Symbol)	Purchase	Return to 12/31
1. Retailing (FSRPX)	7/2/2015	10.44%
2. Software & IT Services (FSCSX)	10/2/2015	10.11%
3. Technology (FSPTX)	1/4/2016	
4. Consumer Staples (FDFAX)	1/4/2016	
5. Medical Eqpt & Systems (FSMEX)	1/4/2016	
6. IT Services (FBSOX)	5/6/2015	4.92%
7. Defense & Aerospace (FSDAX)	1/4/2016	
8. Biotechnology (FBIOX)	1/4/2016	
Funds to be sold on January 4:		
11. Electronics (FSELX)	11/2/2015	0.54%
12. Construction & Housing (FSHOX)	12/2/2015	(2.68)%
16. Insurance (FSPCX)	8/3/2015	(3.57)%
17. Consumer Discretionary (FSCPX)	10/2/2015	2.78%
22. Banking (FSRBX)	12/2/2015	(4.10)%

## Fundranker Exchanges for January 4

Sell Construction & Housing (FSHOX), buy Technology (FSPTX)  
Sell Banking (FSRBX), buy Consumer Staples (FDFAX)  
Sell Cons Discretionary (FSCPX), buy Med Eqpt & Sys (FSMEX)  
Sell Electronics (FSELX), buy Defense & Aerospace (FSDAX)  
Sell Insurance (FSPCX), buy Biotechnology (FBIOX)

## Start a New Portfolio

January 4 ([see new portfolio FAQ](#))

## Optional Rebalancing Exchange Dates

Held funds: None; New funds: January 4 ([see rebalancing FAQ](#))

## Upcoming Fundranker Exchange Dates

If no new funds above are to be exchanged in February, *Fundranker* will exchange on February 2, our [early exchange date](#); otherwise, to avoid roundtrip transactions, *Fundranker* will exchange on February 3, our [late exchange date](#) for February.

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<i>Fundranker</i> Ratings for 12/31/15 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)	(8.61)	(1.04)	2.96	(2.83)	(2.380)	26
Automotive (FSAVX)	0.17	(5.30)	7.66	(2.70)	(0.043)	20
Banking (FSRBX)	0.65	(4.69)	4.28	(4.62)	(1.095)	22
Biotechnology (FBIOX)	13.67*	(9.49)	12.82*	(0.68)	6.080	8
Brokerage & Investment Mgmt (FSLBX)	(9.71)	(10.94)	4.85	(5.90)	(5.425)	33
Chemicals (FSCHX)	(5.10)	(6.21)	12.88*	(2.69)	0.720	19
Communications Equipment (FSDCX)	(10.18)	(6.52)	1.03	(1.38)	(4.263)	30
Computers (FDCPX)	(13.15)	(7.41)	3.18	(3.08)	(5.115)	32
Construction & Housing (FSHOX)	6.91*	2.72*	4.49	(3.00)	4.780	12
Consumer Discretionary (FSCPX)	5.43*	(0.03)	5.43	(3.10)	2.933	17
Consumer Finance (FSVLX)	(4.96)	(8.34)	(0.81)	(4.19)	(4.575)	31
Consumer Staples (FDFAX)	1.90	2.62*	8.17*	3.60*	7.073	4
Defense & Aerospace (FSDAX)	3.60*	0.34*	9.82*	(1.01)	6.188	7
Electronics (FSELX)	2.24	0.86*	11.68*	(2.42)	5.090	11
Energy (FSENX)	(20.53)	(19.62)	(1.38)	(11.60)	(13.283)	36
Energy Service (FSESX)	(26.41)	(24.02)	(2.91)	(11.77)	(16.278)	38
Environment & Alternative Energy (FSLEX)	(4.59)	(6.37)	6.69	(4.63)	(2.225)	25
Financial Services (FIDSX)	(3.91)	(4.47)	4.87	(2.45)	(1.490)	23
Gold (FSAGX)	(17.88)	(16.36)	0.30	1.58*	(7.090)	34
Health Care (FSPHX)	6.57*	(5.82)	9.69*	1.40*	5.960	9
Industrial Equipment (FSCGX)	2.47	0.73*	11.13*	(1.44)	5.223	10
Industrials (FCYIX)	(1.97)	(2.01)	8.25*	(2.91)	1.340	18
Insurance (FSPCX)	3.47	2.03*	5.24	(2.82)	2.980	16
IT Services (FBSOX)	13.13*	2.36*	5.24	(3.42)	6.328	6
Leisure (FDLSX)	3.32	(3.87)	1.34	(1.52)	(0.183)	21
Materials (FSDPX)	(8.68)	(9.56)	6.99	(4.71)	(3.990)	29
Medical Delivery (FSHCX)	6.95*	(7.84)	2.84	2.43*	3.095	15
Medical Equipment & Systems (FSMEX)	7.11*	(1.60)	9.63*	1.02*	7.040	5
Multimedia (FBMPX)	(2.17)	(8.18)	3.23	(4.46)	(2.895)	28
Natural Gas (FSNGX)	(36.82)	(33.19)	(10.33)	(17.71)	(24.513)	39
Natural Resources (FNARX)	(21.64)	(21.33)	(1.78)	(11.58)	(14.083)	37
Pharmaceuticals (FPHAX)	8.19*	(6.00)	6.08	1.20*	4.368	13
Retailing (FSRPX)	18.41*	11.28*	7.86*	(1.72)	11.958	1
Software & Computer Services (FSCSX)	10.47*	9.90*	12.64*	(1.15)	10.965	2
Technology (FSPTX)	7.40*	0.47*	10.66*	(1.73)	7.200	3
Telecommunications (FSTCX)	2.31	(1.34)	7.76	0.10*	3.208	14
Transportation (FSRFX)	(18.51)	(6.17)	(1.89)	(5.76)	(8.083)	35
Utilities (FSUTX)	(10.89)	(2.01)	0.22	0.55*	(2.033)	24
Wireless (FWRLX)	(3.09)	(6.33)	3.60	(3.85)	(2.418)	27

\*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

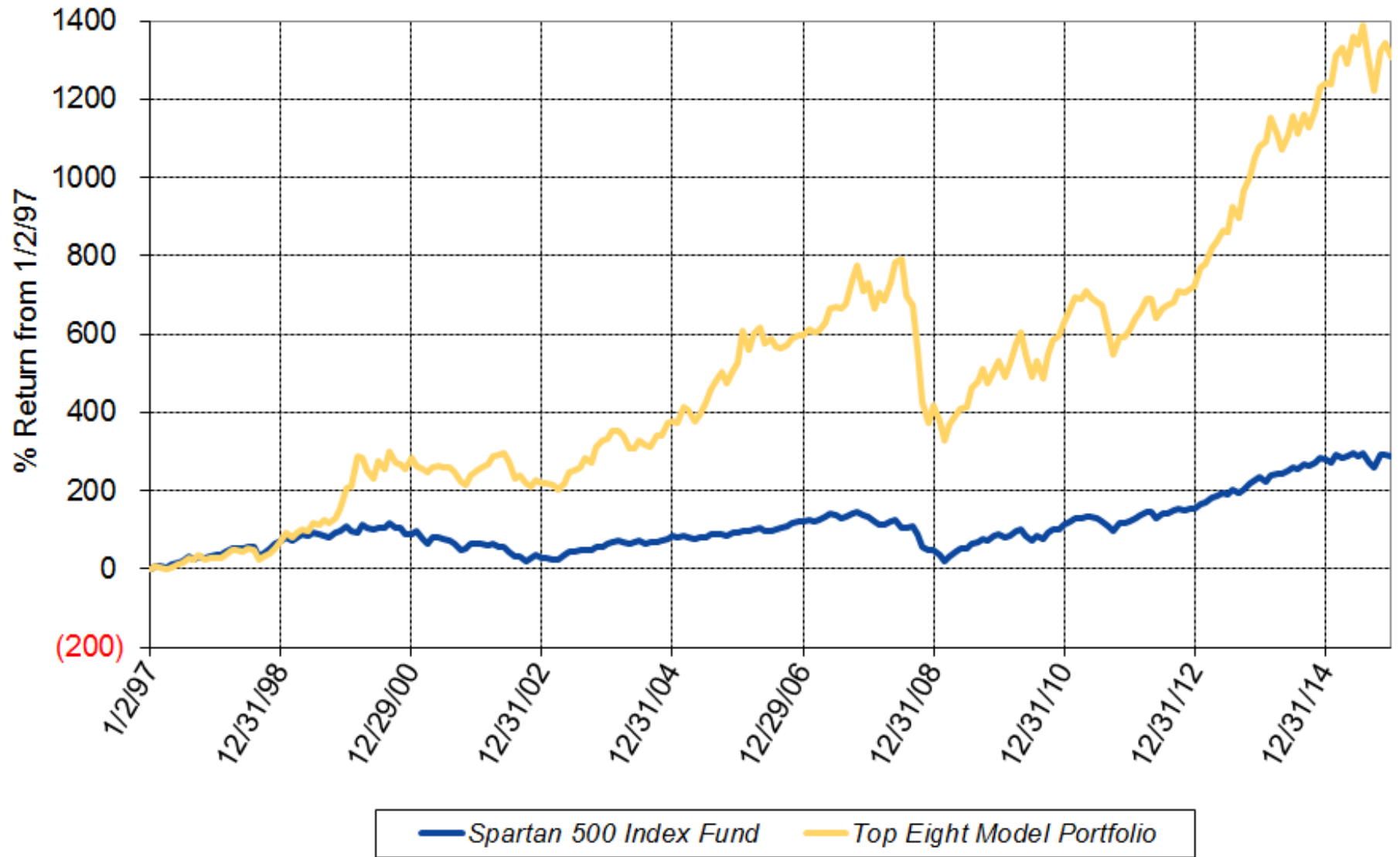
Sell on January 4, 2016

Buy on January 4, 2016

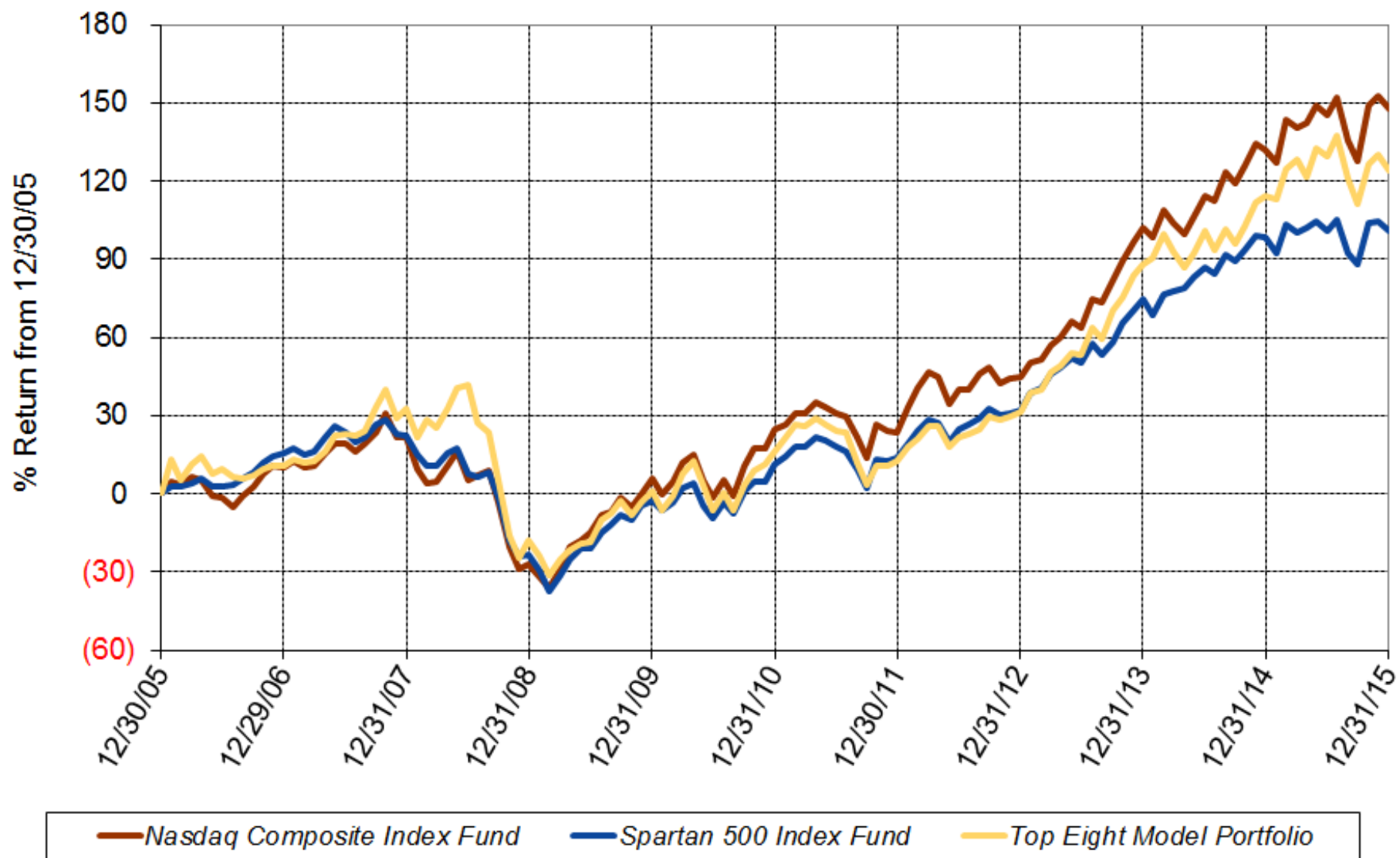
Hold

Fundranker Performance for December 2015													
11/30 Funds	11/30 Shares	11/30 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	
FSRPX	403.370	43,213.03	none	403.370	43,636.57	FSRPX	401.952	43,483.15	0.312	402.264	42,322.20		
FBSOX	1,031.921	43,093.02	none	1,031.921	42,979.51	FSCSX	339.792	43,483.15	10.074	349.866	42,477.23		
FSCSX	341.648	43,208.22	none	341.648	43,720.69	FBSOX	1,044.013	43,483.15	9.399	1,053.412	42,104.88		
FSPTX	349.430	43,158.10	none	349.430	43,563.44	FSHOX	717.544	43,483.15	11.545	729.089	42,316.33		
FSCPX1	1,191.316	42,696.77	none	1,191.316	42,946.94	FSRBX1	1,581.205	43,483.15	48.908	1,630.113	41,698.29		
FSELX	527.167	44,260.94	none	527.167	44,571.97	FSCPX1	1,206.190	43,483.15	19.736	1,225.926	41,889.89		
FSCGX1	1,155.119	43,282.31	none	1,155.119	43,189.90	FSELX	514.289	43,483.15	43.148	557.437	42,136.66		
FSPCX	606.764	43,219.80	none	606.764	43,256.21	FSPCX	609.947	43,483.15	13.960	623.907	42,219.79		
<b>Top Eight</b>		<b>346,132.19</b>			<b>347,865.23</b>			<b>347,865.20</b>			<b>337,165.27</b>	<b>(2.591)</b>	
FNCMX1	1,632.105	110,803.61	none						24.882	1,656.987	108,665.21	<b>(1.930)</b>	
FUSEX1	1,280.133	94,192.19	none						10.981	1,291.114	92,701.99	<b>(1.582)</b>	
<b>Yearly Summaries</b>				<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>					
				Return %	Return %	Return %	Return %	Return %					
<i>Top Eight Model Portfolio</i>				29.144	33.441	76.892	25.824	<b>(8.468)</b>					
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	<b>(9.132)</b>	<b>(12.054)</b>					
<b>Yearly Summaries</b>				<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>					
				Return %	Return %	Return %	Return %	Return %					
<i>Top Eight Model Portfolio</i>				<b>(9.333)</b>	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				<b>(22.173)</b>	28.487	10.733	4.858	15.712					
<b>Yearly Summaries</b>				<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>					
				Return %	Return %	Return %	Return %	Return %					
<i>Top Eight Model Portfolio</i>				19.463	<b>(37.882)</b>	22.518	15.464	<b>(3.133)</b>					
Nasdaq Composite Index Fund				10.497	<b>(40.041)</b>	44.959	17.811	<b>(0.957)</b>					
Spartan 500 Index Fund - Investor Class				5.426	<b>(37.047)</b>	26.502	14.842	2.036					
<b>Yearly Summaries</b>				<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>						
				Return %	Return %	Return %	Return %						
<i>Top Eight Model Portfolio</i>				16.302	43.354	13.946	4.592						
Nasdaq Composite Index Fund				17.325	39.746	14.602	6.818						
Spartan 500 Index Fund - Investor Class				15.929	32.251	13.590	1.366						
<b>Lifetime Summary</b>				<b>1/2/97 to 12/31/15</b>		<b>1/2/97 to 12/31/15</b>							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				1,304.855		14.922							
Nasdaq Composite Index Fund				N/A		N/A							
Spartan 500 Index Fund - Investor Class				286.258		7.371							
<b>10-Year Summary</b>				<b>12/30/05 to 12/31/15</b>		<b>12/30/05 to 12/31/15</b>							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				124.003		8.399							
Nasdaq Composite Index Fund				147.486		9.485							
Spartan 500 Index Fund - Investor Class				100.966		7.229							
<b>5-Year Summary</b>				<b>12/31/10 to 12/31/15</b>		<b>12/31/10 to 12/31/15</b>							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				92.475		13.992							
Nasdaq Composite Index Fund				98.791		14.731							
Spartan 500 Index Fund - Investor Class				80.127		12.491							
<b>3-Year Summary</b>				<b>12/31/12 to 12/31/15</b>		<b>12/31/12 to 12/31/15</b>							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				70.847		19.546							
Nasdaq Composite Index Fund				71.072		19.599							
Spartan 500 Index Fund - Investor Class				52.277		15.048							
<b>1-Year Summary</b>				<b>12/31/14 to 12/31/15</b>									
				Total Return %									
<i>Top Eight Model Portfolio</i>				4.592									
Nasdaq Composite Index Fund				6.818									
Spartan 500 Index Fund - Investor Class				1.366									

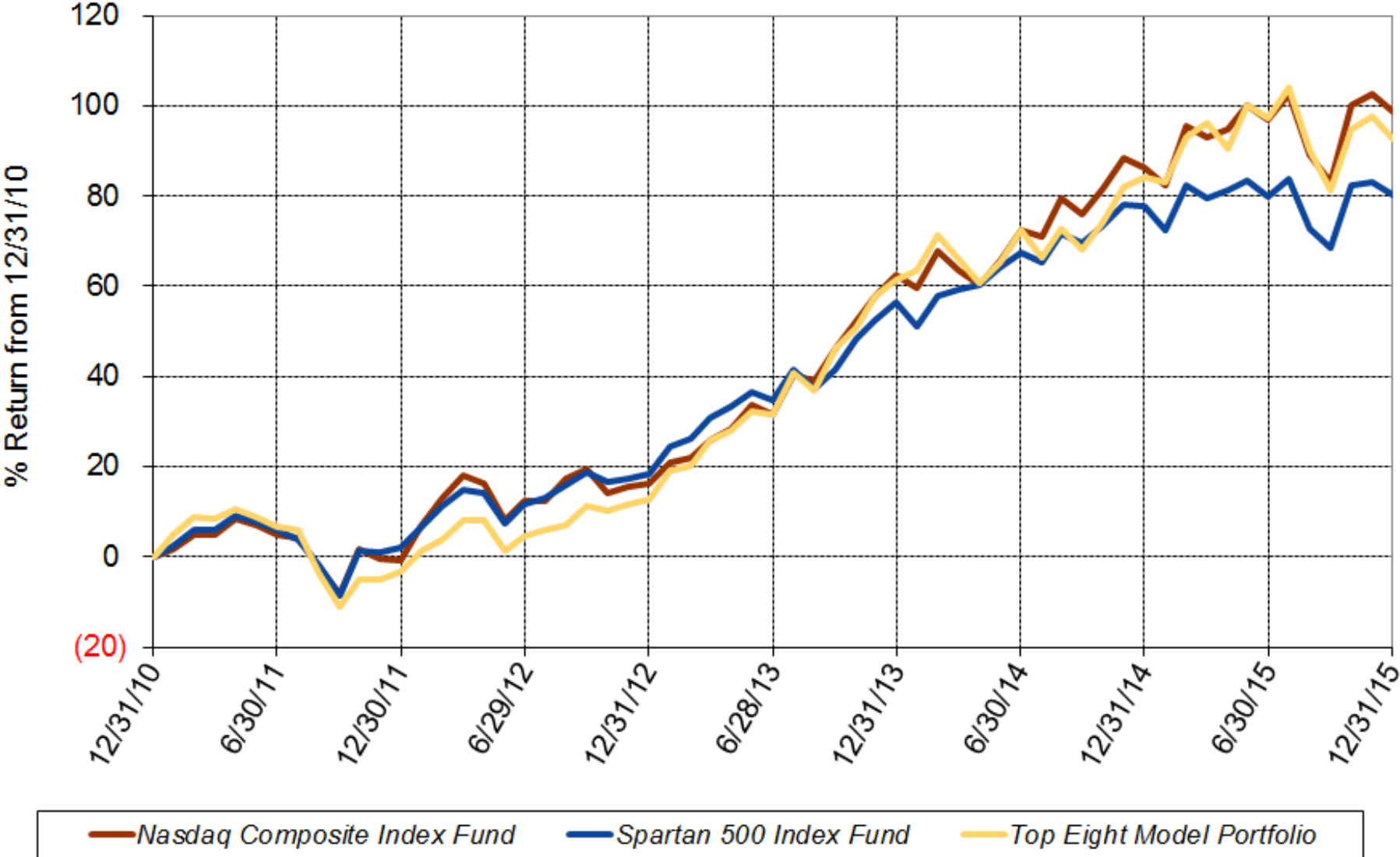
### Lifetime Chart



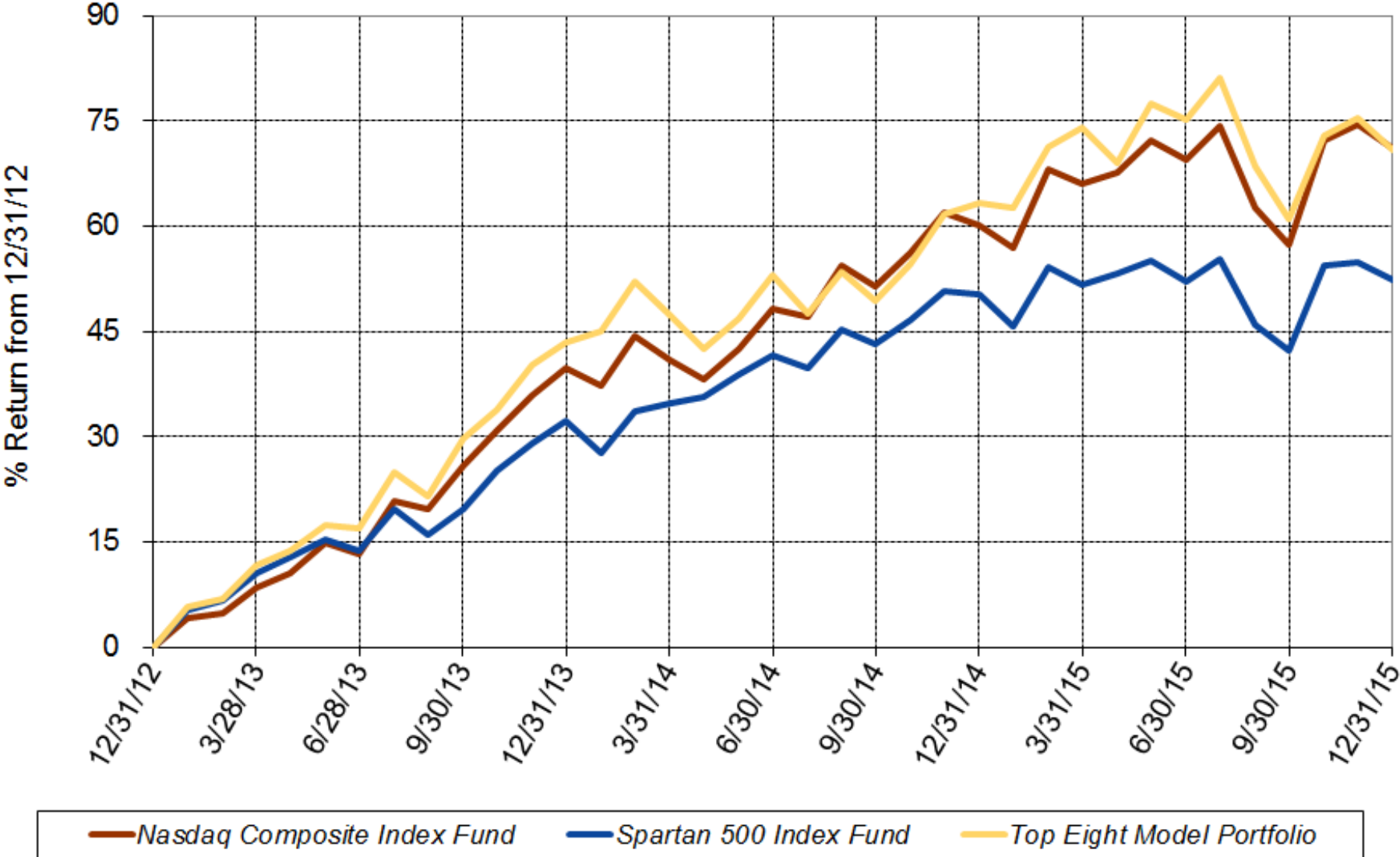
### 10-Year Chart



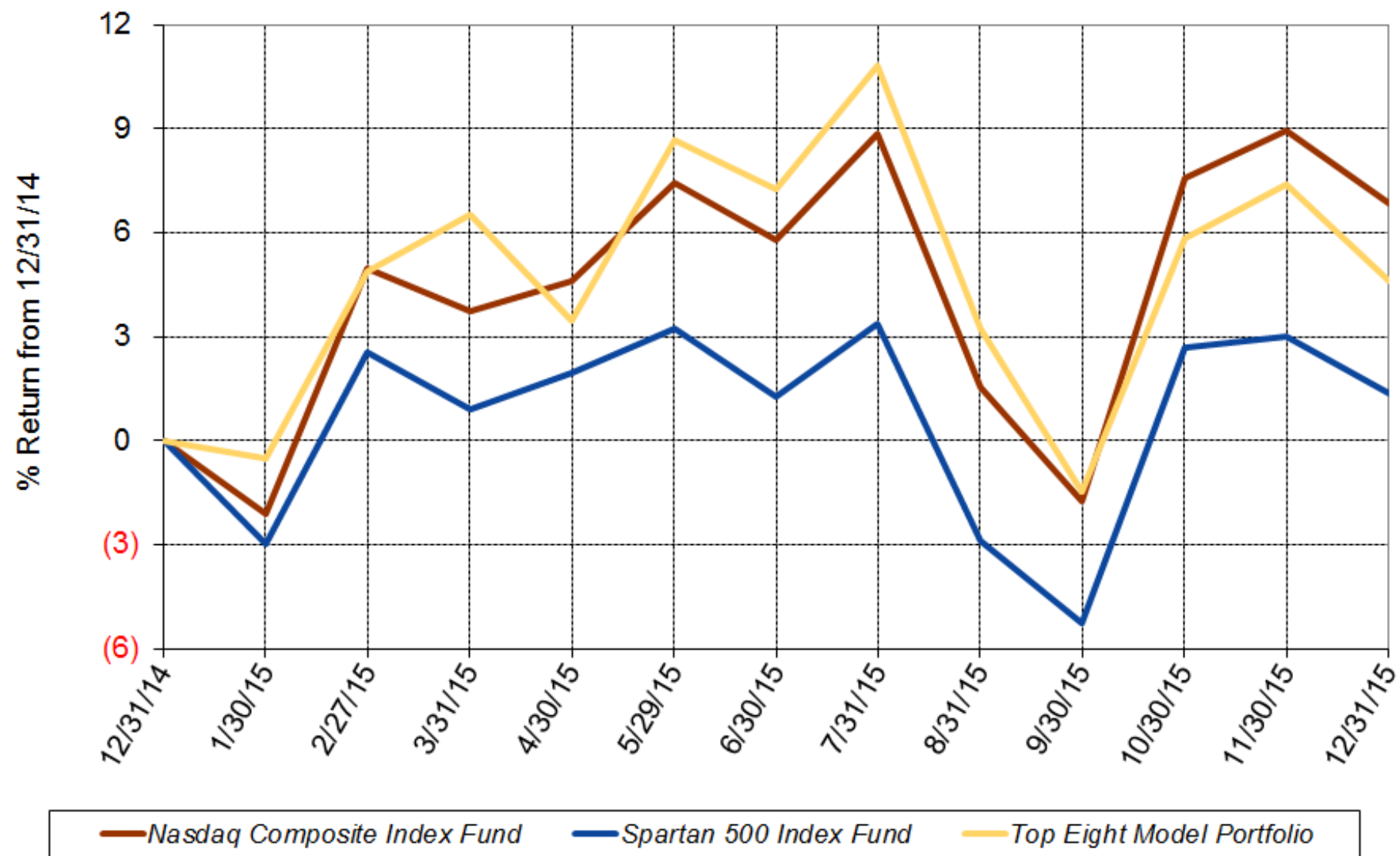
### 5-Year Chart



### 3-Year Chart



### 1-Year Chart





### Daily Chart December 2015

