

FIDELITY SELECT FUNDRANKER™

Volume 11 Issue 4

The Right Funds at the Right Time

April 2016

Broad Market Surges in March

The broad market S&P 500 Index rose strongly and steadily in March, ended the first quarter in the black for 2016, and lies just 1.7% below its July 20, 2015, all-time high (on a total return basis).

All of our *Top Eight Model Portfolio* funds gained value in March. Utilities and Industrials led with one-month gains of 8.03% and 7.62%. Industrial Equipment, Telecommunications, Retailing, Consumer Staples, and Gold followed with one-month gains ranging from 6.78% to 5.08%. Leisure performed worst but still had a one-month gain of 3.90%.

In March, the *Top Eight Model Portfolio* gained 6.486%, while the Nasdaq Composite and S&P 500 Indexes gained 6.924% and 6.781%. For YTD through March, the *Top Eight Model Portfolio* lost 2.561%, the Nasdaq Composite Index lost 2.443%, and the S&P 500 Index gained 1.323%.

Final Performance of Funds Sold on March 4

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

Fund	Bought	Sold	Return
Insurance (FSPCX)	2/3/2016	3/4/2016	4.90%
IT Services (FBSOX)	5/6/2015	3/4/2016	0.59%
Software & IT Services (FSCSX)	10/2/2015	3/4/2016	4.04%

GDP Watch

The Bureau of Economic Analysis of the U.S. Department of Commerce released its "third" estimate of fourth quarter 2015 Gross Domestic Product on Friday, March 25. Real gross domestic product increased at an annual rate of 1.4% in the fourth quarter, a better reading than the "second" estimate of 1.0% released in February, and double the "advance" estimate of 0.7% released in January. The 1.4% increase shows that the downtrend in growth from 3.9% in second quarter 2015 and 2.0% in third quarter 2015 was not quite as steep as previously estimated.

BEA will release its "advance" estimate of first quarter 2016 GDP on April 28. Expectations for first quarter GDP growth are at about 2%. See [United States GDP Annual Growth Rate Forecast](#) online on the Trading Economics website. The "further slowing" we mentioned last month apparently was overcome with March's surge.

Fed Watch

Despite a pickup in GDP growth expectations, market expectations for rate increases from the Federal Open Market Committee still show just one increase in 2016. Early on April 1, CME Group's [FedWatch Tool](#) shows market expectations of the Fed rate remaining at ¼% to ½% at 94.2%, 80.1%, 64.8%, 57.0%, 53.5%, and 43.3% at the Fed's remaining 2016 meetings on April 26-27, June 14-15, July 26-27, September 20-21, November 1-2, and December 20-21. The 43.3% market expectation for the Fed rate remaining at ¼% to ½% at the Fed's December 20-21 meeting shows a significant chance of no rate change in 2016 at all.

Gold Update

Select Gold was the best performer of Select funds in the first quarter of 2016 with a three-month gain of 41.04% (3.63% increase in January, 29.52% in February, and 5.08% in March). Its March gain of 5.08%, while significant in its own right, still put it in the bottom seven Select funds for performance for the month. Because of that stellar three-month gain, Gold remains at the top of our *Top Eight Model Portfolio* for April.

We suggested last month that every investor should consider his or her own level of comfort with owning a volatile sector such as Gold, and that more risk averse investors might compromise with the #9 ranked Select fund (as of February 29), Select Air Transportation. For what it is worth, Air Transportation outperformed Gold by a little in March, rising 6.82%, but fell to #15 in our March 31 rankings. For investors who wish to pursue this avenue, our #9 ranked Select fund

as of March 31 is Select Industrials.

Is It Time to Invest in Oil?

Fidelity Viewpoints published an article back in February about opportunity for long-term investors: [Time for oil stocks?](#) They point out that there has been an unprecedented pullback in oil since late 2013, and consequently, energy stocks look really cheap compared with their history. So the article asks, "Are energy stocks a buy—or are today's prices a value trap?" The answer, they contend, depends on your time frame and tolerance for some gut-wrenching ups and downs. Finally, they point out that the seeds of a recovery in oil have already been planted.

We see this as a golden opportunity to combine a cautiously optimistic outlook in energy with the tried and true dollar cost averaging investing technique. Investors with an appetite for long-term returns could begin now to invest a set amount periodically in four Fidelity Select funds: Energy, Energy Service, Natural Gas, and Natural Resources. With dollar cost averaging, an investor would buy more shares when net asset values fall and fewer shares when they rise, thus lowering the average cost per share over the long run.

Despite these four funds performing at the top end of Select funds in March, they still dwell in the bottom half of our *Fundranker* rankings. Unless they continue to outperform, they could languish in the bottom rankings for some time. For investors who want to take advantage of their possible rise in our rankings before they advance into the *Top Eight Model Portfolio*, and who are willing to take on the associated risk of underperformance, now may be a good time to begin investing in energy sector Select funds.

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. We welcome your input.

Top Eight Model Portfolio for April 2016

Fund Name (Symbol)	Purchase	Return to 3/31
1. Gold (FSAGX)	3/4/2016	2.70%
2. Telecommunications (FSTCX)	2/3/2016	9.75%
3. Utilities (FSUTX)	2/3/2016	6.67%
4. Consumer Staples (FDLAX)	1/4/2016	6.44%
5. Industrial Equipment (FSCGX)	2/3/2016	11.33%
6. Software and IT Services (FSCSX)	4/4/2016	
7. Env & Alternative Energy (FSLEX)	4/4/2016	
8. Technology (FSPTX)	4/4/2016	
Funds to be sold on April 4:		
9. Industrials (FCYIX)	3/4/2016	4.46%
11. Retailing (FSRPX)	7/2/2015	10.05%
18. Leisure (FDLSX)	3/4/2016	1.32%

Fundranker Exchanges for April 4

Sell Retailing (FSRPX), buy Software and IT Services (FSCSX)
Sell Industrials (FCYIX), buy Env & Alternative Energy (FSLEX)
Sell Leisure (FDLSX), buy Technology (FSPTX)

Start a New Portfolio

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

Optional Rebalancing Exchange Dates

Held funds: none; New funds: April 4 ([see rebalancing FAQ](#))

Upcoming Fundranker Exchange Dates

If no new funds are to be exchanged, *Fundranker* will exchange on May 2, our [early exchange date](#); otherwise, *Fundranker* will exchange on May 4, our [late exchange date](#).

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<i>Fundranker</i> Ratings for 3/31/16	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)	(3.28)	7.00	3.92*	6.82	4.615	16
Automotive (FSAVX)	(11.09)	1.42	(5.79)	10.97*	(0.123)	30
Banking (FSRBX)	(6.44)	(5.06)	(8.95)	7.33	(3.280)	36
Biotechnology (FBIOX)	(29.90)	(19.28)	(28.45)	4.15	(18.370)	39
Brokerage & Investment Mgmt (FSLBX)	(15.28)	(2.90)	(7.39)	8.62*	(3.238)	35
Chemicals (FSCHX)	(3.89)	14.79*	1.69	7.96	6.138	12
Communications Equipment (FSDCX)	(7.94)	2.97	1.91	5.65	0.648	26
Computers (FDCPX)	(8.18)	4.24	1.03	10.36*	2.863	21
Construction & Housing (FSHOX)	(0.21)	5.89	1.34	10.63*	5.413	14
Consumer Discretionary (FSCPX)	1.60*	5.89	0.44	5.99	4.480	17
Consumer Finance (FSVLX)	(9.88)	(4.89)	(4.11)	6.67	(3.053)	34
Consumer Staples (FDFAX)	5.20*	13.54*	4.96*	5.89	10.398	4
Defense & Aerospace (FSDAX)	(7.46)	7.77*	(1.87)	4.39	1.708	23
Electronics (FSELX)	(0.35)	12.51*	0.74	8.99*	7.473	10
Energy (FSENX)	(18.87)	1.85	3.27*	11.31*	1.390	24
Energy Service (FSESX)	(20.45)	(1.26)	1.71	11.19*	(1.203)	32
Environment & Alternative Energy (FSLEX)	(2.76)	10.87*	3.91*	8.08*	8.025	7
Financial Services (FIDSX)	(8.26)	0.06	(4.58)	6.89	(1.473)	33
Gold (FSAGX)	17.10*	41.46*	41.04*	5.08	29.170	1
Health Care (FSPHX)	(16.36)	(3.78)	(12.28)	1.16	(7.815)	37
Health Care Services (FSHCX)	(4.66)	0.83	(1.95)	5.32	(0.115)	29
Industrial Equipment (FSCGX)	3.31*	14.66*	3.18*	6.78	9.983	5
Industrials (FCYIX)	(0.18)	12.06*	3.53*	7.62	7.758	9
Insurance (FSPCX)	4.07*	5.21	(0.03)	7.13	5.095	15
IT Services (FSOX)	7.04*	5.38	0.13	7.70	6.063	13
Leisure (FDLSX)	0.67*	3.97	2.60	3.90	3.785	18
Materials (FSDPX)	(9.47)	6.76	(0.22)	8.39*	2.365	22
Medical Equipment & Systems (FSMEX)	(5.29)	7.37	(2.06)	4.09	1.028	25
Multimedia (FBMPX)	(5.22)	2.35	(0.85)	5.99	0.568	28
Natural Gas (FSNGX)	(30.86)	(5.59)	5.28*	18.52*	(1.163)	31
Natural Resources (FNARX)	(21.07)	1.09	2.92*	11.61*	0.637	27
Pharmaceuticals (FPHAX)	(13.63)	(6.25)	(11.62)	(0.11)	(7.903)	38
Retailing (FSRPX)	11.54*	7.48	(0.35)	6.11	7.195	11
Software & IT Services (FSCSX)	7.92*	11.22*	(1.26)	7.89	8.443	6
Technology (FSPTX)	1.26*	9.84*	(0.75)	8.75*	7.775	8
Telecommunications (FSTCX)	9.40*	18.20*	9.70*	6.12	13.855	2
Transportation (FSRFX)	(8.00)	4.94	6.96*	6.53	3.608	19
Utilities (FSUTX)	3.27*	12.85*	12.61*	8.03	12.190	3
Wireless (FWRLX)	(2.20)	6.40	2.70	6.75	3.413	20

*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

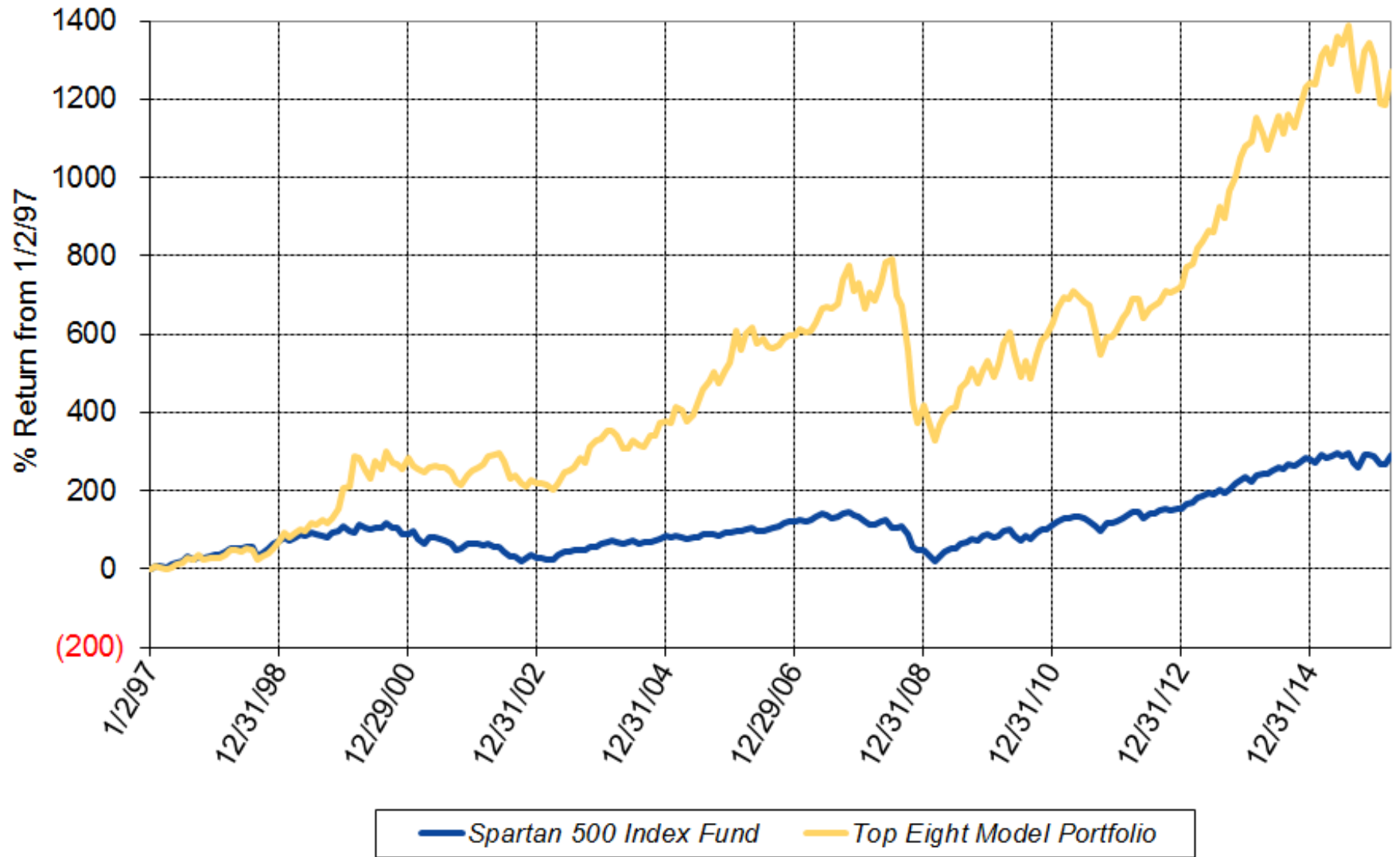
Sell on April 4, 2016

Buy on April 4, 2016

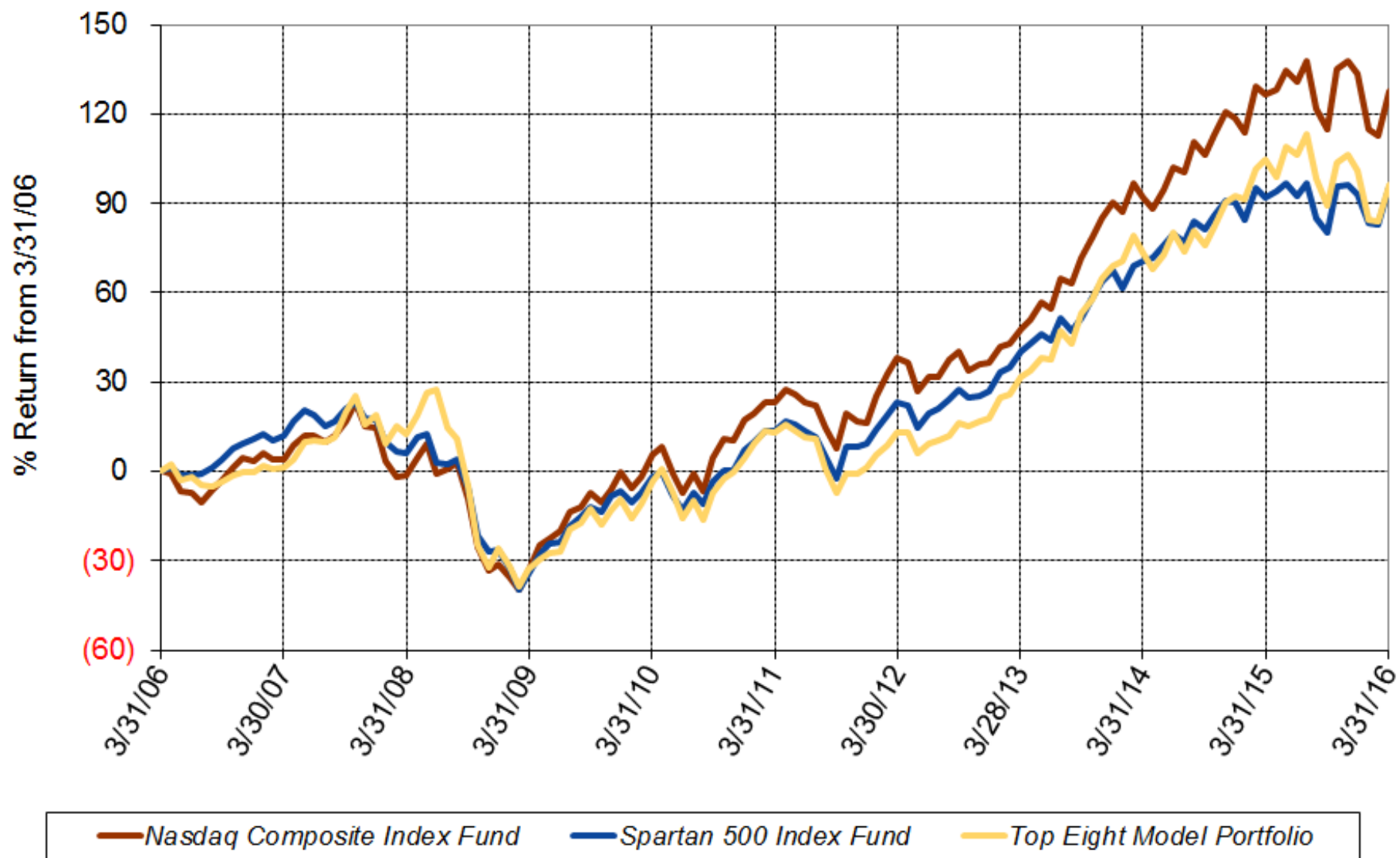
Hold

Fundranker Performance for March 2016													
2/29 Funds	2/29 Shares	2/29 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	
FSTCX	629.371	39,386.04	none	629.371	40,449.67	FSAGX2	1,142.598	39,723.77	none	2,142.598	40,795.07		
FDFAX	424.563	38,414.46	none	424.563	39,407.94	FSTCX	618.076	39,723.77	none	618.076	41,046.43		
FSRPX	393.992	38,926.41	none	393.992	40,033.53	FDFAX	427.966	39,723.77	none	427.966	41,003.42		
FSUTX	562.281	37,605.35	none	562.281	38,544.36	FSUTX	579.486	39,723.77	none	579.486	41,867.86		
FSCSX	340.485	37,831.29	none	340.485	39,060.44	FSCGX1	1,091.612	39,723.77	none	1,091.612	41,088.28		
FBSOX1	1,027.057	38,165.44	none	1,027.057	39,356.82	FSRPX	390.944	39,723.77	none	390.944	40,986.57		
FSCGX1	1,126.390	39,705.25	none	1,126.390	40,989.33	FCYIX	1,372.151	39,723.77	none	1,372.151	41,493.85		
FSPCX	609.430	38,485.50	none	609.430	39,948.14	FDLSX	301.898	39,723.77	none	301.898	40,249.04		
Top Eight		308,519.74			317,790.23			317,790.20			328,530.52	6.486	
FNCMX1	1,658.228	99,145.45	none						none	1,658.228	106,010.52	6.924	
FUSEX1	1,291.114	87,963.60	none						none	1,291.114	93,928.54	6.781	
Yearly Summaries				1997	1998	1999	2000	2001	2002				
				Return %	Return %	Return %	Return %	Return %	Return %				
<i>Top Eight Model Portfolio</i>				29.144	33.441	76.892	25.824	(8.468)	(9.333)				
Nasdaq Composite Index Fund				N/A	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)	(22.173)				
Yearly Summaries				2003	2004	2005	2006	2007	2008				
				Return %	Return %	Return %	Return %	Return %	Return %				
<i>Top Eight Model Portfolio</i>				35.952	10.340	31.341	10.863	19.463	(37.882)				
Nasdaq Composite Index Fund				N/A	8.598	1.902	10.031	10.497	(40.041)				
Spartan 500 Index Fund - Investor Class				28.487	10.733	4.858	15.712	5.426	(37.047)				
Yearly Summaries				2009	2010	2011	2012	2013	2014				
				Return %	Return %	Return %	Return %	Return %	Return %				
<i>Top Eight Model Portfolio</i>				22.518	15.464	(3.133)	16.302	43.354	13.946				
Nasdaq Composite Index Fund				44.959	17.811	(0.957)	17.325	39.746	14.602				
Spartan 500 Index Fund - Investor Class				26.502	14.842	2.036	15.929	32.251	13.590				
Yearly Summaries				2015	2016 YTD								
				Return %	Return %								
<i>Top Eight Model Portfolio</i>				4.592	(2.561)								
Nasdaq Composite Index Fund				6.818	(2.443)								
Spartan 500 Index Fund - Investor Class				1.366	1.323								
Lifetime Summary				1/2/97 to 3/31/16		1/2/97 to 3/31/16							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				1,268.877		14.560							
Nasdaq Composite Index Fund				N/A		N/A							
Spartan 500 Index Fund - Investor Class				291.369		7.345							
10-Year Summary				3/31/06 to 3/31/16		3/31/06 to 3/31/16							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				96.015		6.962							
Nasdaq Composite Index Fund				127.530		8.568							
Spartan 500 Index Fund - Investor Class				95.424		6.930							
5-Year Summary				3/31/11 to 3/31/16		3/31/11 to 3/31/16							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				73.178		11.609							
Nasdaq Composite Index Fund				84.749		13.062							
Spartan 500 Index Fund - Investor Class				72.322		11.498							
3-Year Summary				3/28/13 to 3/31/16		3/28/13 to 3/31/16							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				48.987		14.213							
Nasdaq Composite Index Fund				53.919		15.460							
Spartan 500 Index Fund - Investor Class				39.534		11.745							
1-Year Summary				3/31/15 to 3/31/16		3/31/15 to 3/31/16							
				Total Return %									
<i>Top Eight Model Portfolio</i>				(4.341)									
Nasdaq Composite Index Fund				0.469									
Spartan 500 Index Fund - Investor Class				1.772									

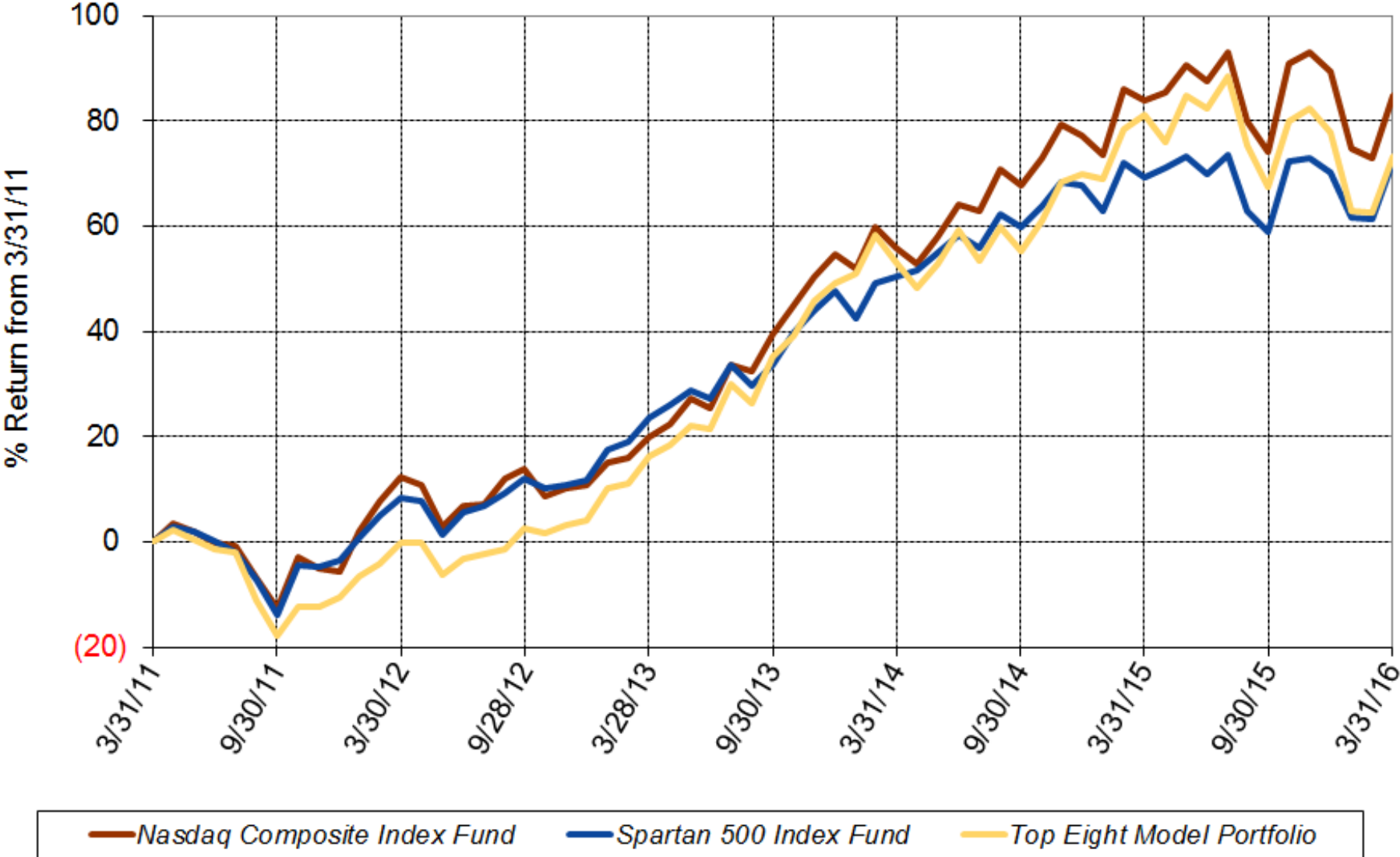
Lifetime Chart



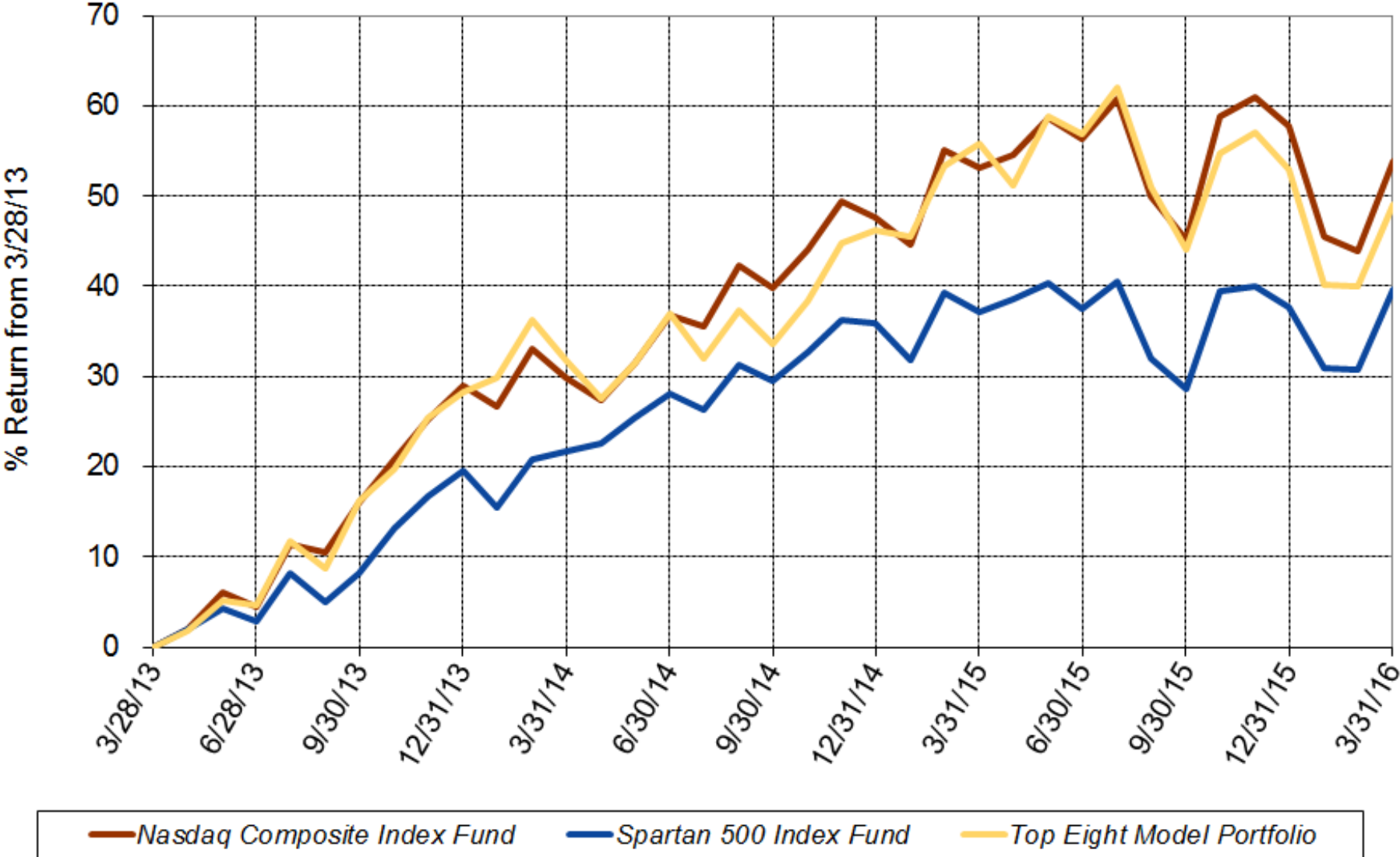
10-Year Chart



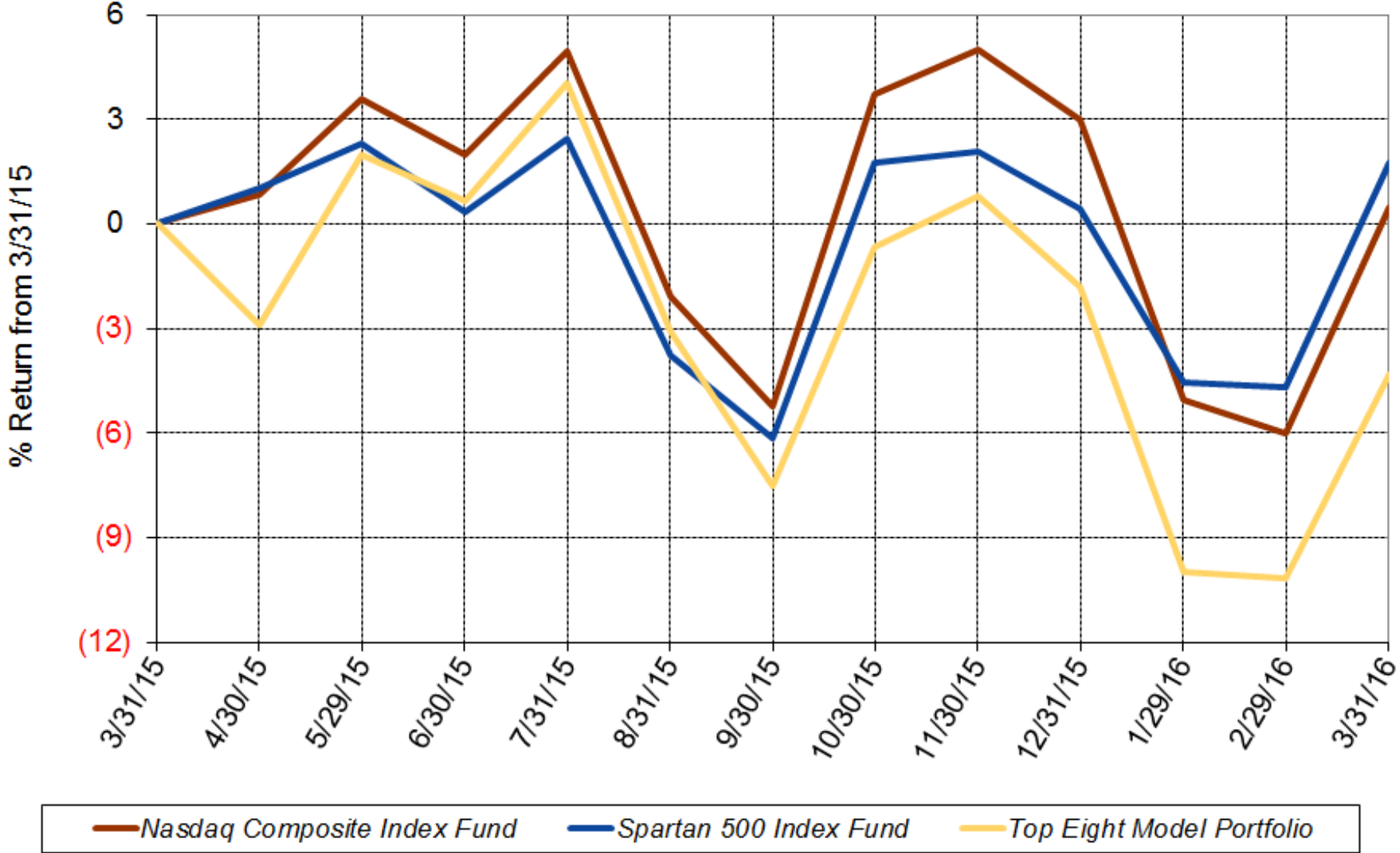
5-Year Chart



3-Year Chart



1-Year Chart



Daily Chart March 2016

