

# FIDELITY SELECT FUNDRANKER™

Volume 11 Issue 5

The Right Funds at the Right Time

May 2016

## Broad Market Ekes Out Gain in April

The broad market S&P 500 Index peaked on April 20 at a new all-time high on a total return basis (see discussion at right), and held on to eke out a gain for April.

Four of our *Top Eight Model Portfolio* funds gained value in April. Gold soared with a one-month gain of 23.71%. Environment & Alternative Energy, Industrial Equipment, and Telecommunications followed with one-month gains of 2.85%, 1.62%, and 0.33%. Consumer Staples, Software & IT Services, Utilities, and Technology had one-month losses ranging from 0.21% to 2.34%.

In April, the *Top Eight Model Portfolio* gained 3.085%, the Nasdaq Composite Index lost 1.830%, and the S&P 500 Index gained 0.378%. For YTD through April, the *Top Eight Model Portfolio* gained 0.446%, the Nasdaq Composite Index lost 4.228%, and the S&P 500 Index gained 1.707%.

## Final Performance of Funds Sold on April 4

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

Fund	Bought	Sold	Return
Industrials (FCYIX)	3/4/2016	4/4/2016	3.90%
Leisure (FDLSX)	3/4/2016	4/4/2016	1.03%
Retailing (FSRPX)	7/2/2015	4/4/2016	10.00%

## GDP Watch

The Bureau of Economic Analysis of the U.S. Department of Commerce released its "advance" estimate of first quarter 2016 Gross Domestic Product on Friday, April 28. Real gross domestic product increased at an annual rate of 0.5% in the first quarter. Clearly, the downtrend in growth from 3.9% in second quarter 2015, 2.0% in third quarter 2015, and 1.4% in fourth quarter 2015 continued. A slower first quarter also was manifested in 2014 and 2015 before growth picked up in the second quarter. The BEA will release its "second" estimate of first quarter 2016 GDP on May 27.

Trading Economics' [United States GDP Annual Growth Rate Forecast](#) shows growth steadying in 2016 and early 2017 with growth of 2.0%, 2.8%, 2.5%, and 2.0% for the next four quarters.

## Fed Watch

Market expectations for rate increases from the Federal Open Market Committee in 2016 are somewhat lower than last month. On April 30, CME Group's [FedWatch Tool](#) showed market expectations of the Fed rate remaining at ¼% to ½% at 88.8%, 71.8%, 58.9%, 56.5%, and 40.3% at the Fed's remaining 2016 meetings on June 14-15, July 26-27, September 20-21, November 1-2, and December 20-21. The 40.3% 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.

## Two Social Security Rules Change in April

The "file and suspend" strategy, which allowed a person to file for social security benefits, allow his or her spouse to collect spousal benefits, and suspend his or her own benefit to let it increase has been phased out. Now if you suspend, all benefits are suspended.

The "restricted spousal benefits" strategy, which allows a person to file just for spousal benefits, while allowing his or her own benefit to grow, has been phased out for anyone less than 62 at the end of 2015. A couple who both were at least 62 at the end of 2015 still can file for benefits at full retirement age for the lesser earner, "restricted" spousal benefits for the higher earner at FRA, and then switch to the higher earner's benefit and spousal benefit at age 70.

## Gold Update

Select Gold turned in another stellar performance in April, gaining 23.71% since March 31, making it far and away our top ranked fund, with a rating (see page 2) more than four times that of our number two fund for May.

Even after such spectacular performance, the gold sector may still have room to perform well. [Fidelity Viewpoints' April Themes](#) points out that the gold sector was mired in a four-year slump as 2015 ended, that real interest rates below 3% have historically been supportive of gold prices, and that real interest rates in many countries are well below 3%. Rising global inflation also could push gold prices higher.

## Broad Market Hits New All-Time High in April

You probably have not seen headlines proclaiming the new all-time high on a total return basis that the S&P 500 Index hit on April 20. That would be because the index itself has yet to surpass the all-time high of 2,130.82 it hit on May 21, 2015. Since then, it has hit interim highs of 2,128.28 on July 20, 2015, 2,109.79 on November 3, 2015, and most recently, 2,102.40 on April 20.

The problem with determining an all-time high on a total return basis arises from the fact that the S&P 500 Index takes into account the total capitalization of each of its 500 component stocks, but it does not take into account dividends paid by those components.

Instead of tracking the S&P 500 Index directly, *Fundranker* tracks Fidelity's Spartan 500 Index Fund – Investor Class (FUSEX), an index fund which closely approximates the performance of the S&P 500 Index. The Spartan 500 Index Fund pays dividends in April, July, October, and December, and we include those dividends in the returns we calculate.

When dividends are included, the July 20, 2015, and April 20, 2016 interim highs for the S&P 500 Index were in fact all-time highs on a total return basis. The November 3 interim high fell short.

## 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 May 2016

Fund Name (Symbol)	Purchase	Return to 4/29
1. Gold (FSAGX)	3/4/2016	27.05%
2. Medical Eqpt & Systems (FSMEX)	5/4/2016	
3. Chemicals (FSCHX)	5/4/2016	
4. Telecommunications (FSTCX)	2/3/2016	10.11%
5. Industrial Equipment (FSCGX)	2/3/2016	13.13%
6. Env & Alternative Energy (FSLEX)	4/4/2016	4.28%
7. Utilities (FSUTX)	2/3/2016	5.77%
8. Industrials (FCYIX)	5/4/2016	
Funds to be sold on May 4:		
9. Consumer Staples (FDFAV)	1/4/2016	6.21%
23. Software and IT Services (FSCSX)	4/4/2016	(1.09)%
29. Technology (FSPTX)	4/4/2016	(2.68)%

## Fundranker Exchanges for May 4

Sell Consumer Staples (FDFAV), buy Med Eqpt & Systems (FSMEX)  
Sell Software and IT Services (FSCSX), buy Chemicals (FSCHX)  
Sell Technology (FSPTX), buy Industrials (FCYIX)

## Start a New Portfolio

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

## Optional Rebalancing Exchange Dates

Held funds: May 2; New funds: May 4 ([see rebalancing FAQ](#))

## Upcoming Fundranker Exchange Dates

If no new funds are to be exchanged, *Fundranker* will exchange on June 2, our [early exchange date](#); otherwise, *Fundranker* will exchange on June 3, our [late exchange date](#).

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<i>Fundranker Ratings for 4/29/16</i>	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)	(2.28)	(2.79)	11.64	(1.93)	1.160	26
Automotive (FSAVX)	(11.93)	(6.68)	11.17	(0.62)	(2.015)	32
Banking (FSRBX)	(1.28)	(3.33)	9.33	6.70*	3.855	20
Biotechnology (FBIOX)	(22.00)	(20.32)	3.72	5.14*	(7.365)	38
Brokerage & Investment Mgmt (FSLBX)	(15.72)	(8.58)	7.45	0.81	(4.010)	36
<b>Chemicals (FSCHX)</b>	<b>(3.23)</b>	<b>4.40*</b>	<b>16.86*</b>	<b>3.66*</b>	<b>8.423</b>	<b>3</b>
Communications Equipment (FSDCX)	(10.16)	(6.43)	9.65	(2.20)	(2.285)	34
Computers (FDCPX)	(16.74)	(11.06)	3.63	(7.29)	(7.865)	39
Construction & Housing (FSHOX)	4.08*	0.78	9.20	(1.36)	4.175	18
Consumer Discretionary (FSCPX)	2.76*	(2.38)	6.02	0.25	2.663	24
Consumer Finance (FSVLX)	(7.31)	(3.43)	12.72*	4.32*	3.575	21
<b>Consumer Staples (FDFAX)</b>	<b>5.64*</b>	<b>7.58*</b>	<b>5.70</b>	<b>(0.21)</b>	<b>6.678</b>	<b>9</b>
Defense & Aerospace (FSDAX)	(0.72)	2.43*	10.25	3.74*	5.925	12
Electronics (FSELX)	(4.17)	(1.42)	7.13	(4.01)	(0.618)	28
Energy (FSENX)	(15.67)	1.72	18.19*	11.81*	6.013	11
Energy Service (FSESX)	(21.49)	2.32*	20.33*	12.03*	6.298	10
Environment & Alternative Energy (FSLEX)	0.56	3.73*	13.97*	2.85	7.278	6
Financial Services (FIDSX)	(6.77)	(3.53)	6.36	1.83	(0.528)	27
<b>Gold (FSAGX)</b>	<b>33.23*</b>	<b>62.67*</b>	<b>68.37*</b>	<b>23.71*</b>	<b>50.995</b>	<b>1</b>
Health Care (FSPHX)	(10.84)	(4.79)	2.79	4.14*	(1.175)	31
Health Care Services (FSHCX)	0.36	2.62*	8.89	2.85	4.680	17
Industrial Equipment (FSCGX)	6.00*	5.39*	11.45	1.62	8.115	5
<b>Industrials (FCYIX)</b>	<b>2.32</b>	<b>3.57*</b>	<b>12.14*</b>	<b>0.83</b>	<b>6.715</b>	<b>8</b>
Insurance (FSPCX)	6.14*	0.13	7.54	1.39	4.800	16
IT Services (FBSOX)	6.19*	(3.34)	6.03	(0.22)	3.165	22
Leisure (FDLSX)	(3.34)	(5.04)	2.16	(3.70)	(2.480)	35
Materials (FSDPX)	(7.77)	(0.64)	17.34*	3.62	4.138	19
<b>Medical Equipment &amp; Systems (FSMEX)</b>	<b>4.43*</b>	<b>8.41*</b>	<b>12.17*</b>	<b>6.74*</b>	<b>11.938</b>	<b>2</b>
Multimedia (FBMPX)	(4.98)	(5.67)	6.24	0.95	(0.865)	30
Natural Gas (FSNGX)	(28.87)	(0.35)	28.15*	16.26*	5.798	13
Natural Resources (FNARX)	(18.37)	0.83	18.71*	11.54*	5.178	14
Pharmaceuticals (FPHAX)	(11.73)	(7.28)	(2.09)	2.92	(4.545)	37
Retailing (FSRPX)	12.68*	(1.31)	5.33	(0.05)	5.163	15
<b>Software &amp; IT Services (FSCSX)</b>	<b>5.99*</b>	<b>(1.68)</b>	<b>4.18</b>	<b>(0.77)</b>	<b>2.930</b>	<b>23</b>
Technology (FSPTX)	(2.38)	(3.31)	5.54	(2.34)	(0.623)	29
Telecommunications (FSTCX)	6.44*	8.86*	10.00	0.33	8.408	4
Transportation (FSRFX)	(7.01)	(1.75)	13.20*	(1.65)	1.698	25
Utilities (FSUTX)	2.62*	9.72*	8.54	(0.85)	7.008	7
Wireless (FWRLX)	(5.76)	(4.09)	4.10	(2.98)	(2.183)	33

\*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

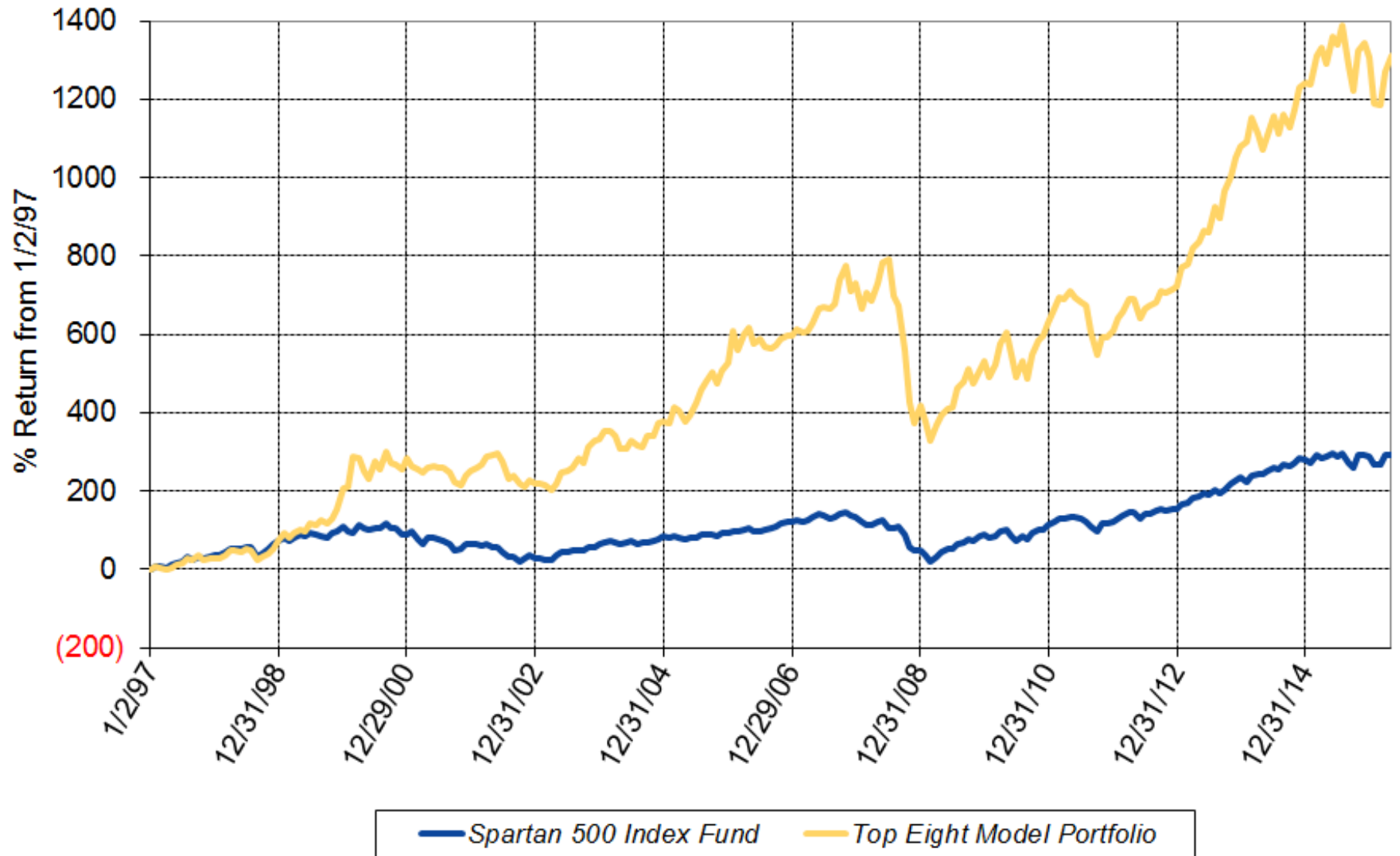
Sell on May 4, 2016

Buy on May 4, 2016

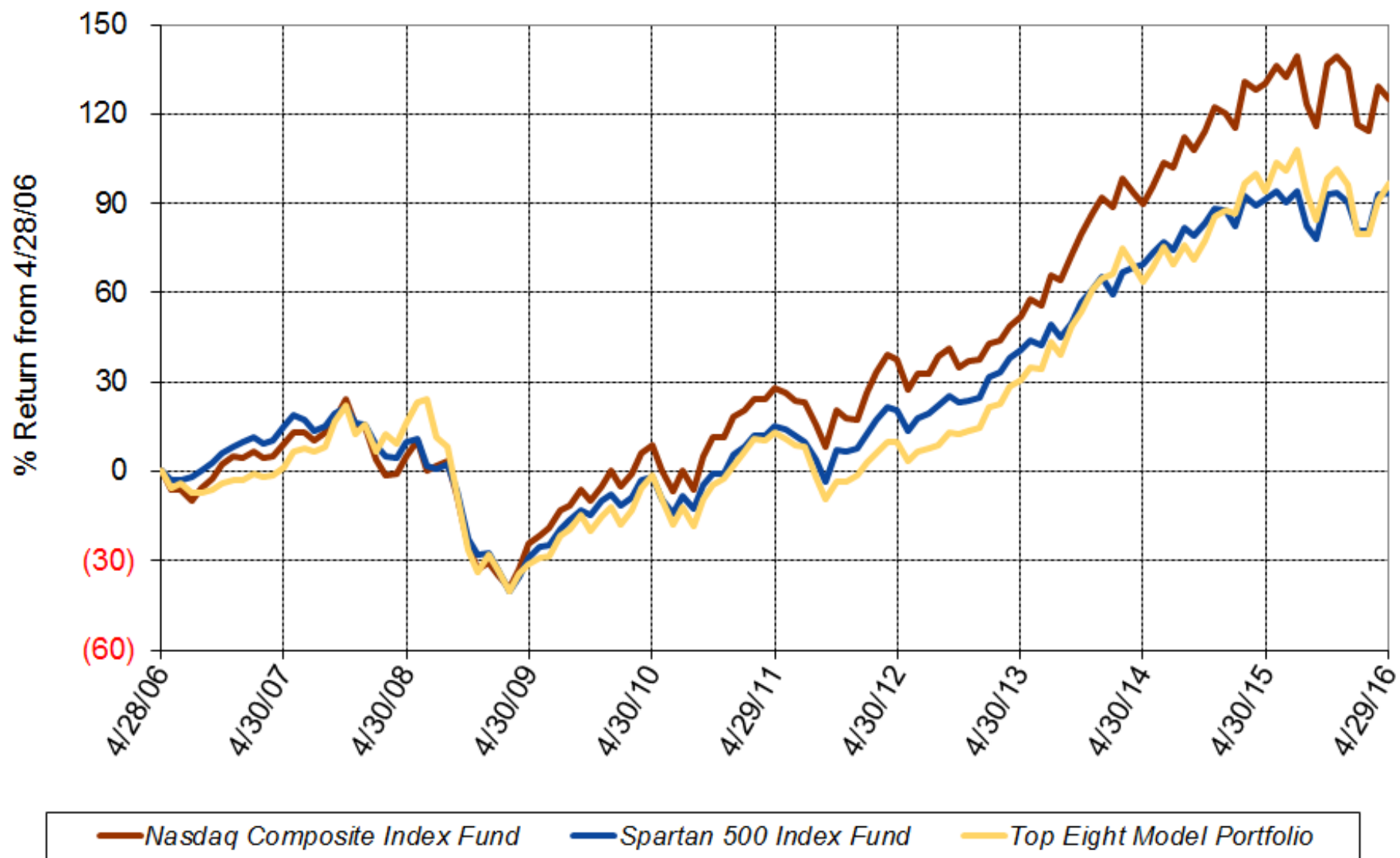
Hold

Fundranker Performance for April 2016													
3/31	3/31	3/31	<=4/4	4/4	4/4	4/4	4/4	4/4	4/4	>4/4	4/29	4/29	Apr
Funds	Shares	Amount	Div Shrs	Shares	Amount	Funds	Shares	Amount	Div Shrs	Shares	Amount	Return	
FSAGX2	1,142.598	40,795.07	none	2,142.598	40,045.16	FSAGX2	1,192.014	40,968.74	24.887	2,216.901	51,631.62		
FSTCX	618.076	41,046.43	none	618.076	41,454.36	FSTCX	610.836	40,968.74	1.094	611.930	40,699.46		
FDFA	427.966	41,003.42	none	427.966	41,264.48	FSUTX	568.773	40,968.74	0.625	569.398	40,746.12		
FSUTX	579.486	41,867.86	none	579.486	41,740.38	FDFA	424.899	40,968.74	3.358	428.257	40,624.46		
FSCGX1	1,091.612	41,088.28	none	1,091.612	40,869.95	FSCGX1	1,094.251	40,968.74	none	1,094.251	41,855.10		
FSRPX	390.944	40,986.57	none	390.944	40,967.02	FSCSX	340.640	40,968.74	2.123	342.763	40,521.44		
FCYIX	1,372.151	41,493.85	none	1,372.151	41,274.30	FSLEX	2,111.791	40,968.74	4.151	2,115.942	42,720.87		
FDLSX	301.898	40,249.04	none	301.898	40,134.32	FSPTX	348.314	40,968.74	none	348.314	39,871.50		
<b>Top Eight</b>		<b>328,530.52</b>			<b>327,749.97</b>			<b>327,749.90</b>			<b>338,670.57</b>		<b>3.086</b>
FNCMX1	1,658.228	106,010.52	none						none	1,658.228	104,070.39		(1.830)
FUSEX	1,291.114	93,928.54	none						6.492	1,297.606	94,284.05		0.378
<b>Yearly Summaries</b>					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)			
<b>Yearly Summaries</b>					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)			
<b>Yearly Summaries</b>					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			
<b>Yearly Summaries</b>					2015	2016 YTD							
					Return %	Return %							
<i>Top Eight Model Portfolio</i>					4.592	0.446							
Nasdaq Composite Index Fund					6.818	(4.228)							
Spartan 500 Index Fund - Investor Class					1.366	1.707							
<b>Lifetime Summary</b>					1/2/97 to 4/29/16			1/2/97 to 4/29/16					
					Total Return %			Average Annual Return %					
<i>Top Eight Model Portfolio</i>					1,311.127			14.673					
Nasdaq Composite Index Fund					N/A			N/A					
Spartan 500 Index Fund - Investor Class					292.850			7.334					
<b>10-Year Summary</b>					4/28/06 to 4/29/16			4/28/06 to 4/29/16					
					Total Return %			Average Annual Return %					
<i>Top Eight Model Portfolio</i>					96.961			7.013					
Nasdaq Composite Index Fund					125.005			8.447					
Spartan 500 Index Fund - Investor Class					93.572			6.828					
<b>5-Year Summary</b>					4/29/11 to 4/29/16			4/29/11 to 4/29/16					
					Total Return %			Average Annual Return %					
<i>Top Eight Model Portfolio</i>					74.643			11.797					
Nasdaq Composite Index Fund					75.571			11.916					
Spartan 500 Index Fund - Investor Class					68.009			10.934					
<b>3-Year Summary</b>					4/30/13 to 4/29/16			4/30/13 to 4/29/16					
					Total Return %			Average Annual Return %					
<i>Top Eight Model Portfolio</i>					50.871			14.692					
Nasdaq Composite Index Fund					48.272			14.030					
Spartan 500 Index Fund - Investor Class					37.437			11.182					
<b>1-Year Summary</b>					4/30/15 to 4/29/16			4/30/15 to 4/29/16					
					Total Return %								
<i>Top Eight Model Portfolio</i>					1.554								
Nasdaq Composite Index Fund					(2.187)								
Spartan 500 Index Fund - Investor Class					1.128								

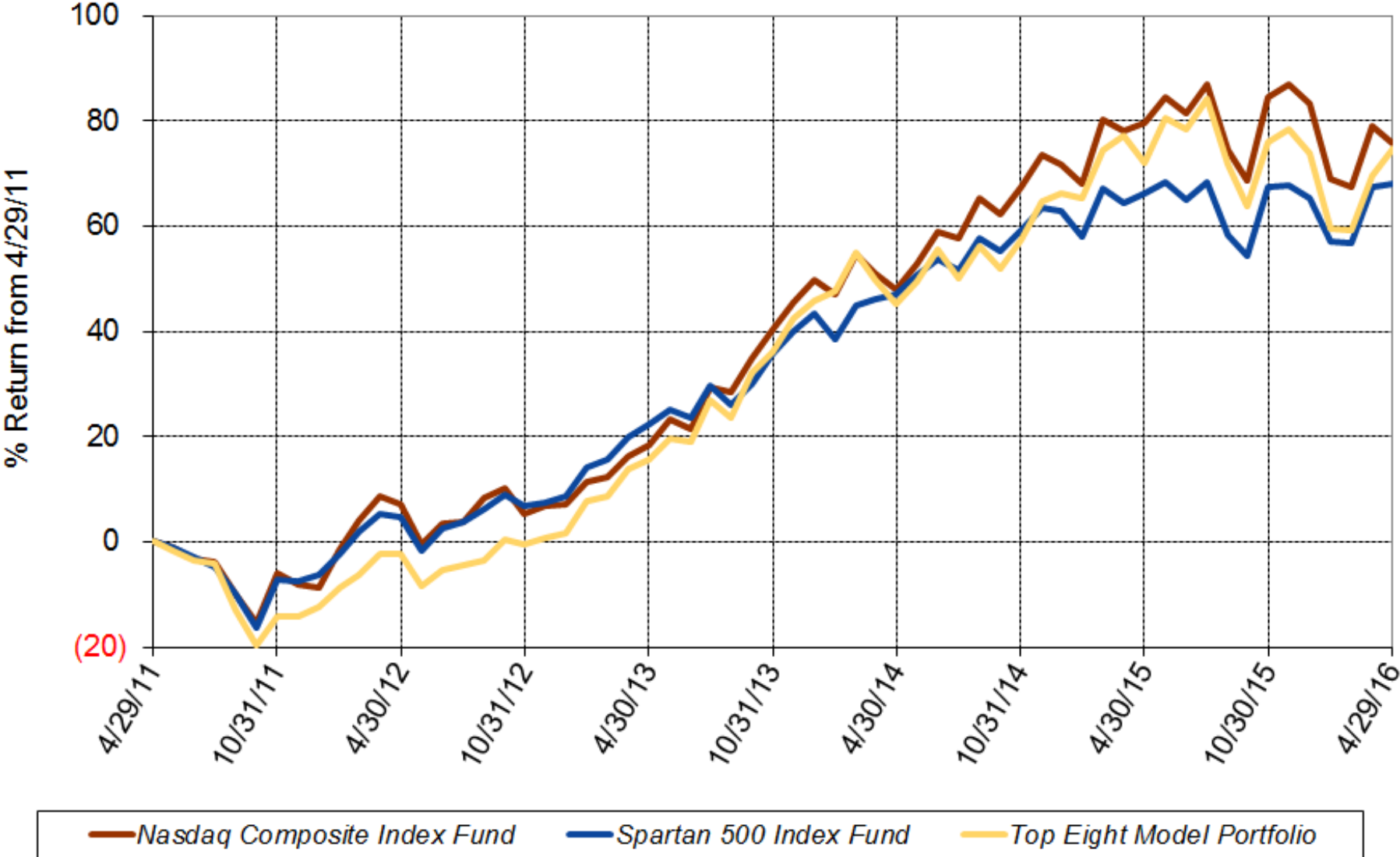
### Lifetime Chart



### 10-Year Chart

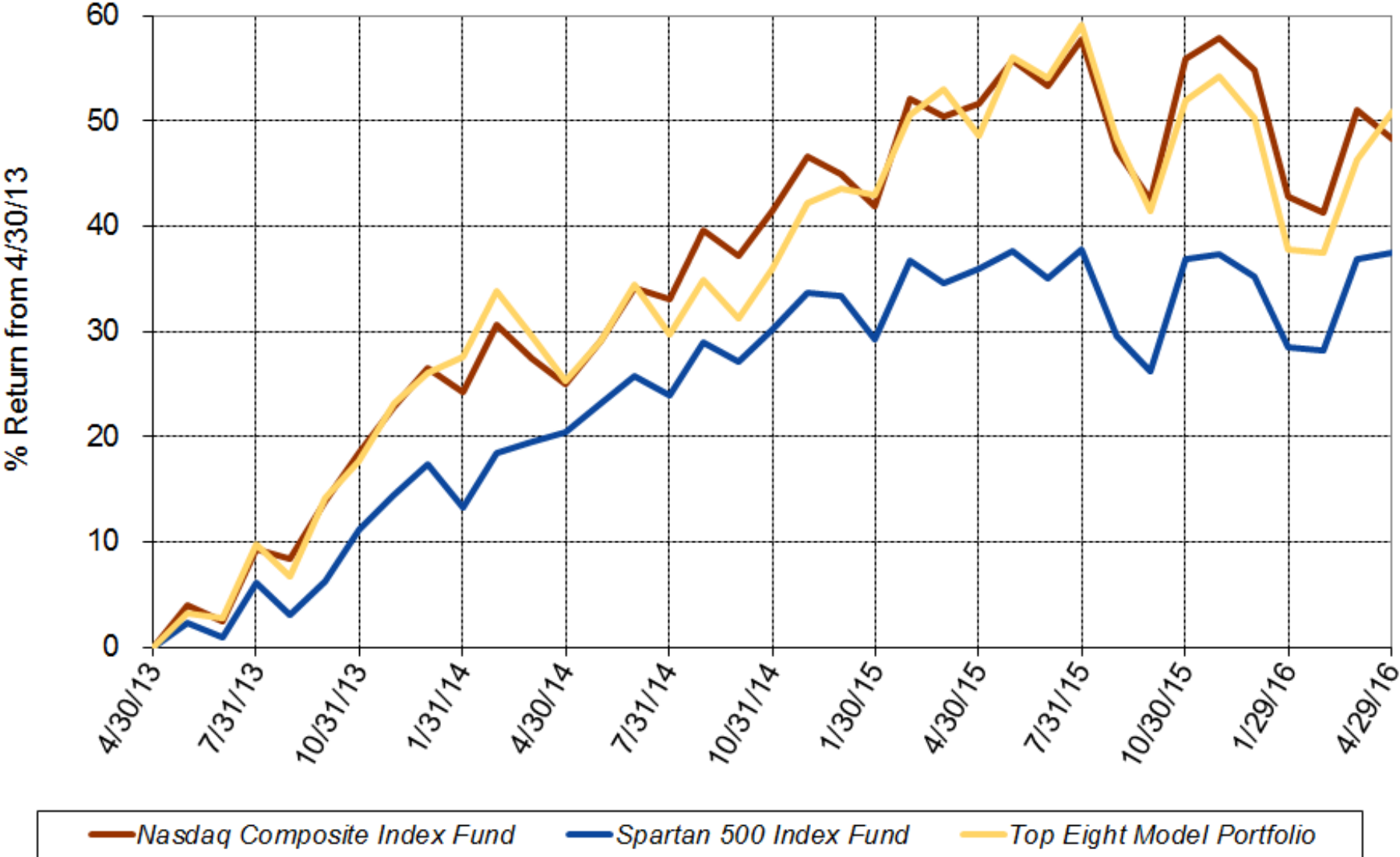


### 5-Year Chart

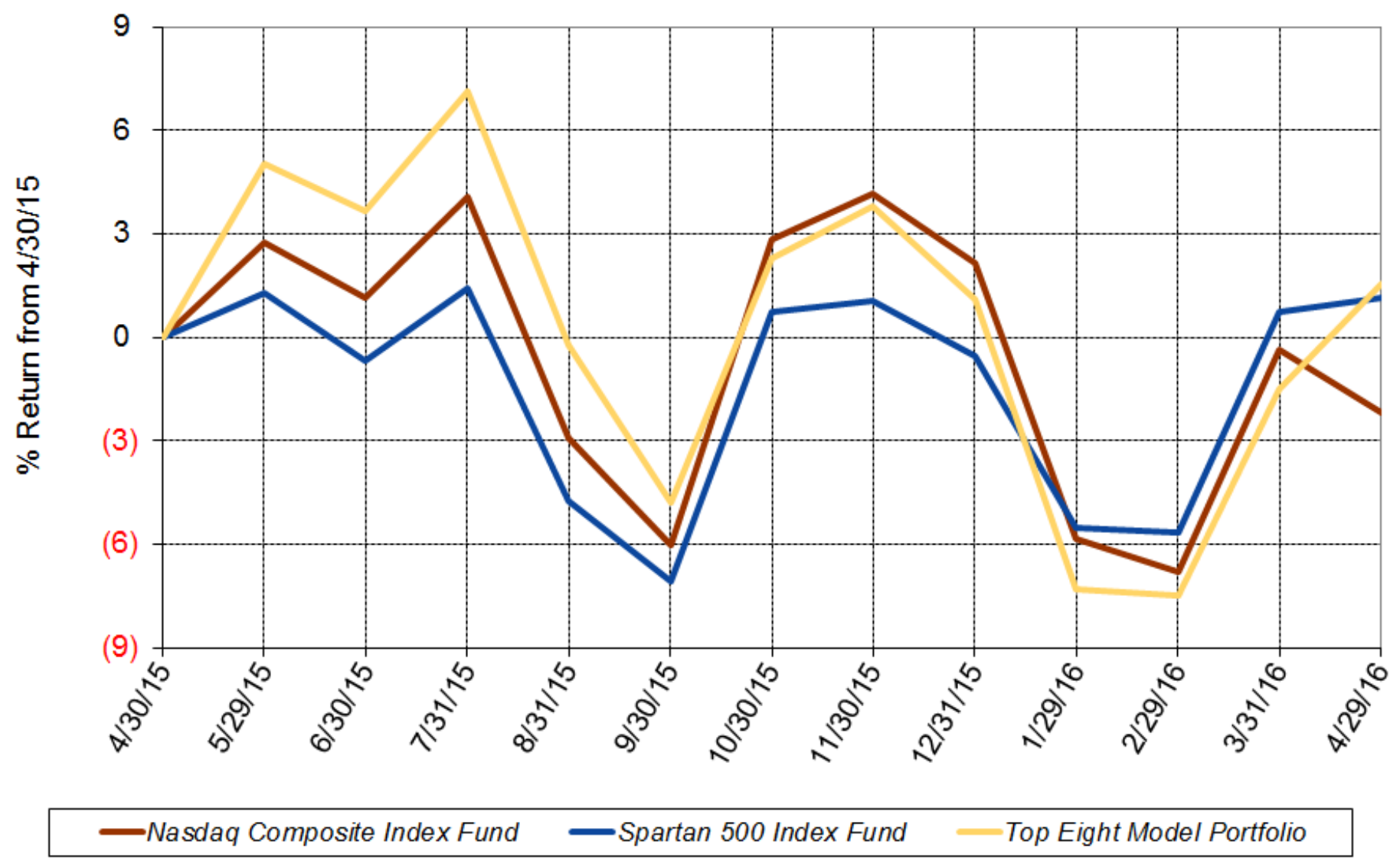




### 3-Year Chart



### 1-Year Chart





### Daily Chart April 2016

