

FIDELITY SELECT FUNDRANKER™

Volume 11 Issue 11

The Right Funds at the Right Time

November 2016

Broad Market Falls in October

The broad market S&P 500 meandered below break-even in October, ending the month with small loss.

All of our *Top Eight Model Portfolio* funds lost value in October along with all but six other Select funds. Technology, Computers, and Electronics had one-month losses of 1.28%, 2.26%, and 2.72%. Natural Gas, Energy, and Natural Resources followed with one-month losses of 4.05%, 5.14%, and 5.19%. Gold and Medical Equipment & Systems trailed badly with one-month losses of 7.29% and 7.60%.

In October, the *Top Eight Model Portfolio* lost 4.367%, the Nasdaq Composite Index lost 2.294%, and the S&P 500 Index lost 1.842%. For YTD through October, the *Top Eight Model Portfolio* gained 3.449%, the Nasdaq Composite Index gained 4.638%, and the S&P 500 Index gained 5.788%.

Final Performance of Fund Sold on October 3

Fundranker exchanged one fund on October 3. Here is the return it contributed to the *Top Eight Model Portfolio*:

Fund	Bought	Sold	Return
Software & IT Services (FSCSX)	8/4/2016	10/3/2016	3.20%

Energy Funds Stay Interesting

As you see at right, the three Energy sector funds fell out of our *Top Eight Model Portfolio* for November. They have been in and out of our *Top Eight Model Portfolio* twice beginning last July, which underscores their volatile nature, but with mostly positive returns for the periods we held them. Energy sector funds continue to pique our interest, and it is quite possible they will make a more lasting stay in our *Top Eight Model Portfolio* in the future.

Fidelity Viewpoints recently published still another article about the outlook for the energy sector: [Energy stocks: What's next?](#) John Dowd, manager of Select Energy, examines why oil prices may rise, which companies may benefit, and what the election may mean for the sector.

GDP Watch

The Bureau of Economic Analysis of the U.S. Department of Commerce released its "advance" estimate of third quarter 2016 Gross Domestic Product on Friday, October 28. Real gross domestic product increased at an annual rate of 2.9% in the third quarter, a considerable uptick from the final 1.4% reading for the second quarter.

Check out Morningstar's take on the GDP report: [Third-Quarter GDP: Half Empty or Half Full?](#) They compare quarterly annualized growth, which is what we read about in the headlines, to rolling four quarter, year over year growth, which combines four quarters worth of data, and which shows a continuing decline since third quarter 2015.

Trading Economics' [United States GDP Annual Growth Rate Forecast](#) shows fairly steady but lower growth for the fourth quarter of 2016 and the first three quarters of 2017 with annualized growth rate forecasts of 1.9%, 2.0%, 1.9%, and 1.7%, respectively.

Fed Watch

The Open Market Committee of the Federal Reserve most likely will hold fast on interest rates at its November 1-2 meeting since the 2016 election is almost upon us. The FOMC meets again on December 13-14, when the market generally expects it to nudge the Federal rate higher to ½% to ¾%.

Early on November 1, CME Group's [FedWatch Tool](#) showed market expectations for the Fed rate remaining at ¼% to ½% at 92.8% at the November 1-2 meeting and then falling to 22.0% at the December 13-14 meeting. Expectations for the Fed remaining at or below ½% to ¾% at the Fed's first six meetings in 2017 (through September) are 91.6%, 85.3%, 81.1%, 69.5%, 66.7%, and 58.1%.

Electronics Renamed to Semiconductors

Electronics was renamed to Semiconductors as of October 1. Note that we have changed the name in the *Top Eight Model Portfolio* below as well as on the Ratings page below, where it has moved down the list after Retailing. Also note that on our historical Ratings pages on our website, the Semiconductors name will begin with the October 2016 ratings, when they are posted in early December. Older ratings pages still will reflect the Electronics name.

Funds Spotlight

[Construction & Housing](#) began operations on 9/29/1986. It is one of six Select funds in Morningstar's Consumer Cyclical category. The fund primarily invests in companies engaged in the design and construction of residential, commercial, industrial and public works facilities, as well as companies engaged in the manufacture, supply, distribution, or sale of construction and housing products or services. [Holger Boerner](#) has managed the fund since January, 2012; [Neil Nabar](#) joined him as of 9/1/2016. As of 9/30/2016, the fund's top ten holdings made up 65.98% of the fund, and its top five holdings were Home Depot Inc, Lowes Cos Inc, AvalonBay Communities Inc REIT, Martin Marietta Materials Inc, and Camden Property Trust - REIT.

Since its inception on 1/2/1997, *Fundranker's Top Eight Model Portfolio* has held Construction & Housing 20 times for a total of 53 months with an average monthly loss of 0.23%. The longest we held the fund was for nine months from 11/7/11 through 8/2/12 for a gain of 21.34%.

Questions and Suggestions

Do you have a question about the *Fundranker* system or a suggestion for our newsletter? Check out our website at www.fundranker.com. Click Contact Us at the top right of our homepage.

Top Eight Model Portfolio for November 2016

Fund Name (Symbol)	Purchase	Return to 10/31
1. Semiconductors (FSELX)	8/4/2016	8.56%
2. Software & IT Services (FSCSX)	11/2/2016	
3. Technology (FSPTX)	8/4/2016	4.54%
4. Computers (FDCPX)	10/3/2016	(1.81)%
5. Gold (FSAGX)	3/4/2016	24.10%
6. Defense & Aerospace (FSDAX)	11/2/2016	
7. Banking (FSRBX)	11/2/2016	
8. Insurance (FSPCX)	11/2/2016	
Funds to be sold on November 2:		
13. Natural Gas (FSNGX)	9/6/2016	(1.56)%
15. Medical Eqpt & Systems (FSMEX)	5/4/2016	8.78%
19. Energy (FSENX)	9/6/2016	(3.81)%
23. Natural Resources (FNARX)	9/6/2016	4.80%

Fundranker Exchanges for November 2

Sell Natural Gas (FSNGX), buy Software & IT Services (FSCSX)
Sell Energy (FSENX), buy Defense & Aerospace (FSDAX)
Sell Medical Eqpt & Systems (FSMEX), buy Banking (FSRBX)
Sell Natural Resources (FNARX), buy Insurance (FSPCX)

Start a New Portfolio

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

Optional Rebalancing Exchange Dates

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

Upcoming Fundranker Exchange Dates

Fundranker will exchange on December 2, our [early exchange date](#), which is 30 days after November's exchange date above, so we won't need to set a [late exchange date](#) for December.

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<i>Fundranker</i> Ratings for 10/31/16 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)	1.41	4.32	5.53*	3.11*	5.593	11
Automotive (FSAVX)	(10.95)	(4.58)	(4.16)	(2.42)	(5.528)	35
Banking (FSRBX)	2.47	6.00*	7.82*	3.29*	7.895	7
Biotechnology (FBIOX)	(22.19)	(2.34)	(11.16)	(12.65)	(12.085)	39
Brokerage & Investment Mgmt (FSLBX)	(9.24)	(0.72)	1.07	(2.57)	(2.865)	33
Chemicals (FSCHX)	7.06*	2.55	(0.79)	(1.49)	2.833	18
Communications Equipment (FSDCX)	6.28	13.58*	3.13*	(3.10)	6.973	9
Computers (FDCPX)	6.56*	19.82*	5.61*	(2.26)	10.433	4
Construction & Housing (FSHOX)	(1.66)	(2.41)	(10.44)	(4.47)	(4.745)	34
Consumer Discretionary (FSCPX)	(2.27)	0.12	(3.51)	(3.13)	(2.198)	32
Consumer Finance (FSVLX)	(0.50)	3.04	2.17	(0.33)	1.095	24
Consumer Staples (FDFAX)	7.33*	(0.23)	(3.55)	(1.23)	1.580	22
Defense & Aerospace (FSDAX)	9.95*	7.34*	1.18	1.43*	7.975	6
Energy (FSENX)	5.18	3.41	3.64*	(5.14)	2.773	19
Energy Service (FSESX)	1.31	(0.98)	5.37*	(2.63)	1.768	21
Environment & Alternative Energy (FSLEX)	8.10*	4.21	1.15	(2.37)	3.773	16
Financial Services (FIDSX)	2.05	5.78*	2.63*	1.54*	6.000	10
Gold (FSAGX)	58.90*	(2.32)	(18.05)	(7.29)	8.810	5
Health Care (FSPHX)	(7.51)	(2.86)	(10.84)	(8.95)	(7.540)	37
Health Care Services (FSHCX)	(4.45)	(6.89)	(9.77)	(5.99)	(6.775)	36
Industrial Equipment (FSCGX)	4.48	(0.86)	(3.49)	(4.44)	(1.078)	30
Industrials (FCYIX)	3.33	(0.23)	(3.12)	(2.66)	(0.670)	28
Insurance (FSPCX)	6.48	6.35*	3.86*	0.18*	7.218	8
IT Services (FBSOX)	(0.92)	2.50	(0.61)	(1.82)	(0.213)	25
Leisure (FDLSX)	(4.10)	0.99	(2.85)	(1.77)	(1.933)	31
Materials (FSDPX)	0.69	1.34	(0.69)	(2.35)	(0.253)	26
Medical Equipment & Systems (FSMEX)	16.25*	7.23*	(6.34)	(7.60)	4.385	15
Multimedia (FBMPX)	(3.96)	1.81	0.03	(0.63)	(0.688)	29
Natural Gas (FSNGX)	5.18	5.55*	5.42*	(4.05)	5.025	13
Natural Resources (FNARX)	4.18	3.33	2.46	(5.19)	1.195	23
Pharmaceuticals (FPHAX)	(14.07)	(7.32)	(13.69)	(8.40)	(10.870)	38
Retailing (FSRPX)	0.95	2.29	(3.30)	(2.38)	(0.610)	27
Semiconductors (FSELX)	25.85*	27.67*	8.25*	(2.72)	17.763	1
Software & IT Services (FSCSX)	13.42*	15.36*	4.20*	0.89*	12.468	2
Technology (FSPTX)	12.65*	16.51*	5.16*	(1.28)	11.260	3
Telecommunications (FSTCX)	12.48*	3.32	(5.36)	(2.12)	3.080	17
Transportation (FSRFX)	3.09	4.93	2.59	(0.40)	2.553	20
Utilities (FSUTX)	13.66*	3.59	(3.75)	0.71*	5.553	12
Wireless (FWRLX)	4.87	9.35*	1.48	(0.78)	4.730	14

*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

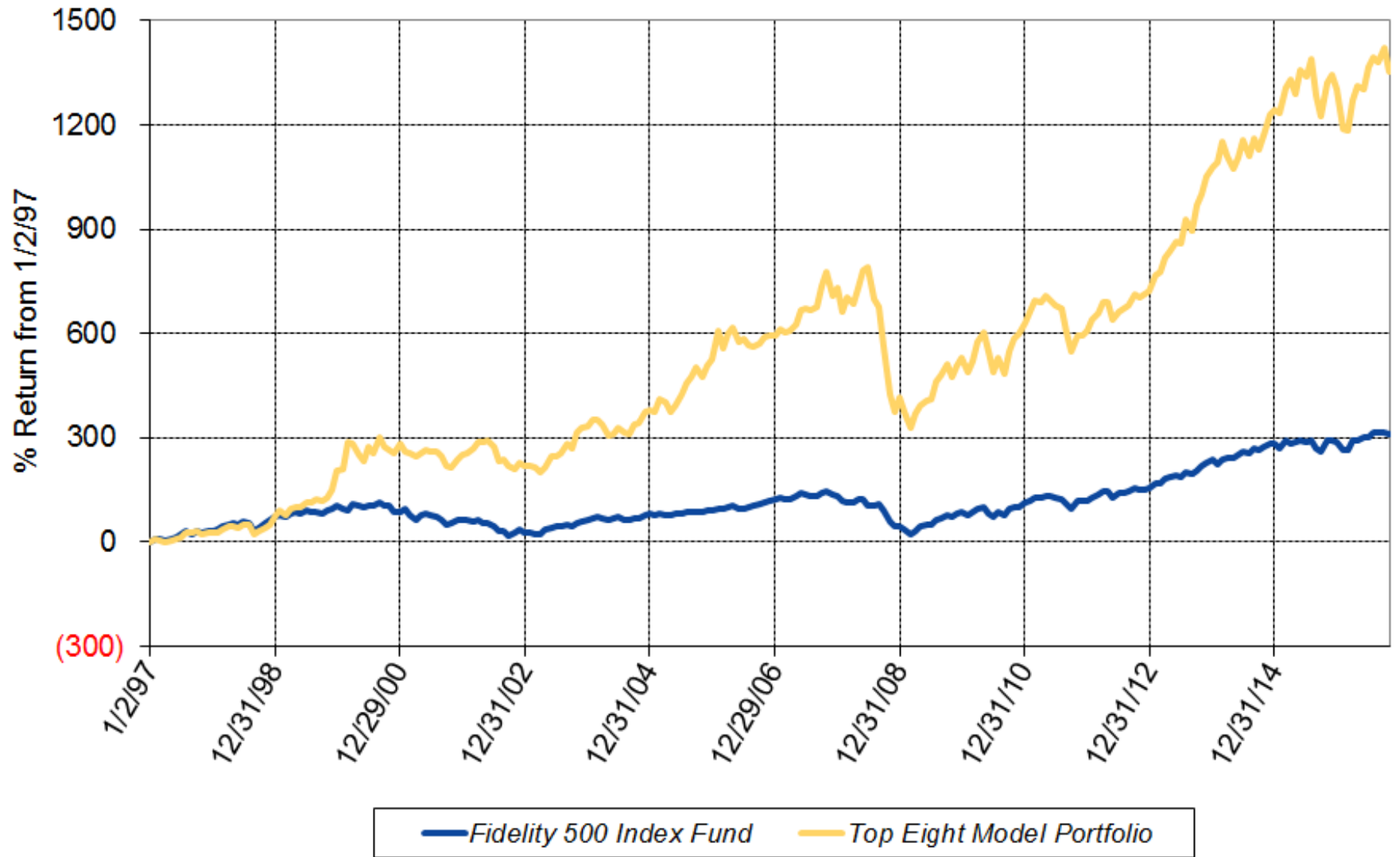
Sell on November 2, 2016

Buy on November 2, 2016

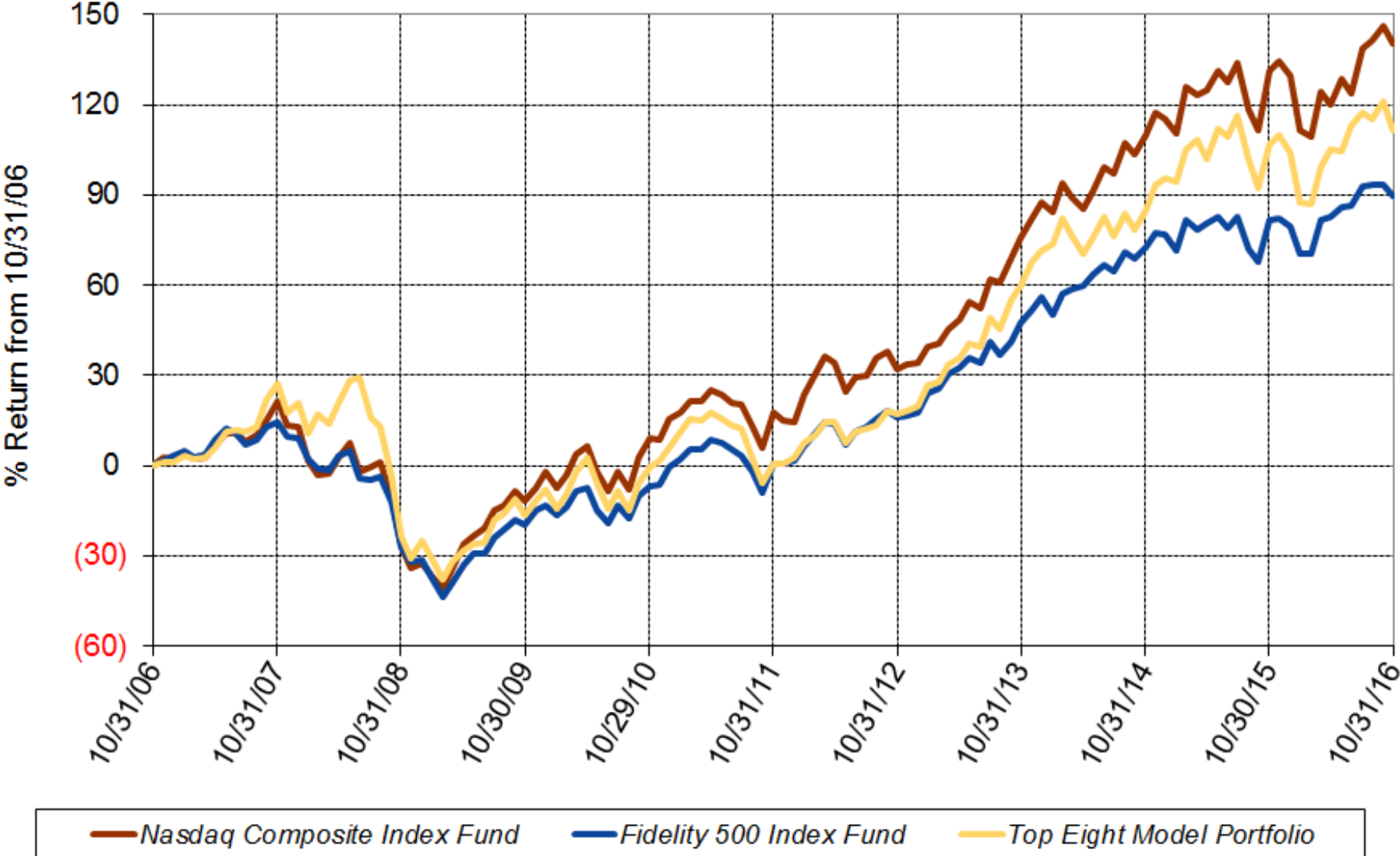
Hold

Fundranker Performance for October 2016													
9/30 Funds	9/30 Shares	9/30 Amount	<=10/3 Div Shrs	10/3 Shares	10/3 Amount	10/3 Funds	10/3 Shares	10/3 Amount	>10/3 Div Shrs	10/31 Shares	10/31 Amount	Oct Return	
FSAGX1,706.507	41,877.68	none	1,706.507	41,160.95	FSAGX1,883.363	45,426.72	none	1,883.363	42,846.51				
FSELX 513.764	47,620.79	none	513.764	47,266.29	FSELX 493.769	45,426.72	none	493.769	44,523.15				
FSMEX1,048.373	45,247.78	none	1,048.373	45,017.14	FSNGX1,680.604	45,426.72	none	1,680.604	43,443.61				
FSPTX 341.429	46,127.06	none	341.429	46,045.11	FSPTX 336.844	45,426.72	none	336.844	44,924.88				
FSCSX 335.931	45,411.15	none	335.931	45,441.39	FSENX1,029.384	45,426.72	none	1,029.384	43,120.90				
FSNGX1,731.851	46,656.07	none	1,731.851	46,811.93	FSMEX1,057.912	45,426.72	none	1,057.912	42,189.53				
FSENX1,044.280	46,115.40	none	1,044.280	46,084.08	FNARX1,544.076	45,426.72	none	1,544.076	43,141.48				
FNARX1,549.520	45,664.35	none	1,549.520	45,586.88	FDCPX 583.591	45,426.72	none	583.591	44,603.86				
Top Eight	364,720.28			363,413.77		363,413.80			348,793.92			(4.367)	
FNCMX1,658.228	116,374.44	none					none	1,658.228	113,704.69			(2.294)	
FUSEX1,303.770	99,907.90	none					6.417	1,310.187	98,067.50			(1.842)	
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				
Fidelity 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)				
Fidelity 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				
Fidelity 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	3.449								
Nasdaq Composite Index Fund				6.818	4.638								
Fidelity 500 Index Fund - Investor Class				1.366	5.788								
Lifetime Summary				1/2/97 to 10/31/16		1/2/97 to 10/31/16							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				1,353.308		14.447							
Nasdaq Composite Index Fund				N/A		N/A							
Fidelity 500 Index Fund - Investor Class				308.615		7.355							
10-Year Summary				10/31/06 to 10/31/16		10/31/06 to 10/31/16							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				111.381		7.772							
Nasdaq Composite Index Fund				140.388		9.167							
Fidelity 500 Index Fund - Investor Class				89.817		6.619							
5-Year Summary				10/31/11 to 10/31/16		10/31/11 to 10/31/16							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				109.666		15.959							
Nasdaq Composite Index Fund				104.295		15.359							
Fidelity 500 Index Fund - Investor Class				88.225		13.484							
3-Year Summary				10/31/13 to 10/31/16		10/31/13 to 10/31/16							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				32.097		9.723							
Nasdaq Composite Index Fund				36.778		11.004							
Fidelity 500 Index Fund - Investor Class				28.661		8.763							
1-Year Summary				10/30/15 to 10/31/16		10/30/15 to 10/31/16							
				Total Return %									
<i>Top Eight Model Portfolio</i>				2.259									
Nasdaq Composite Index Fund				3.904									
Fidelity 500 Index Fund - Investor Class				4.412									

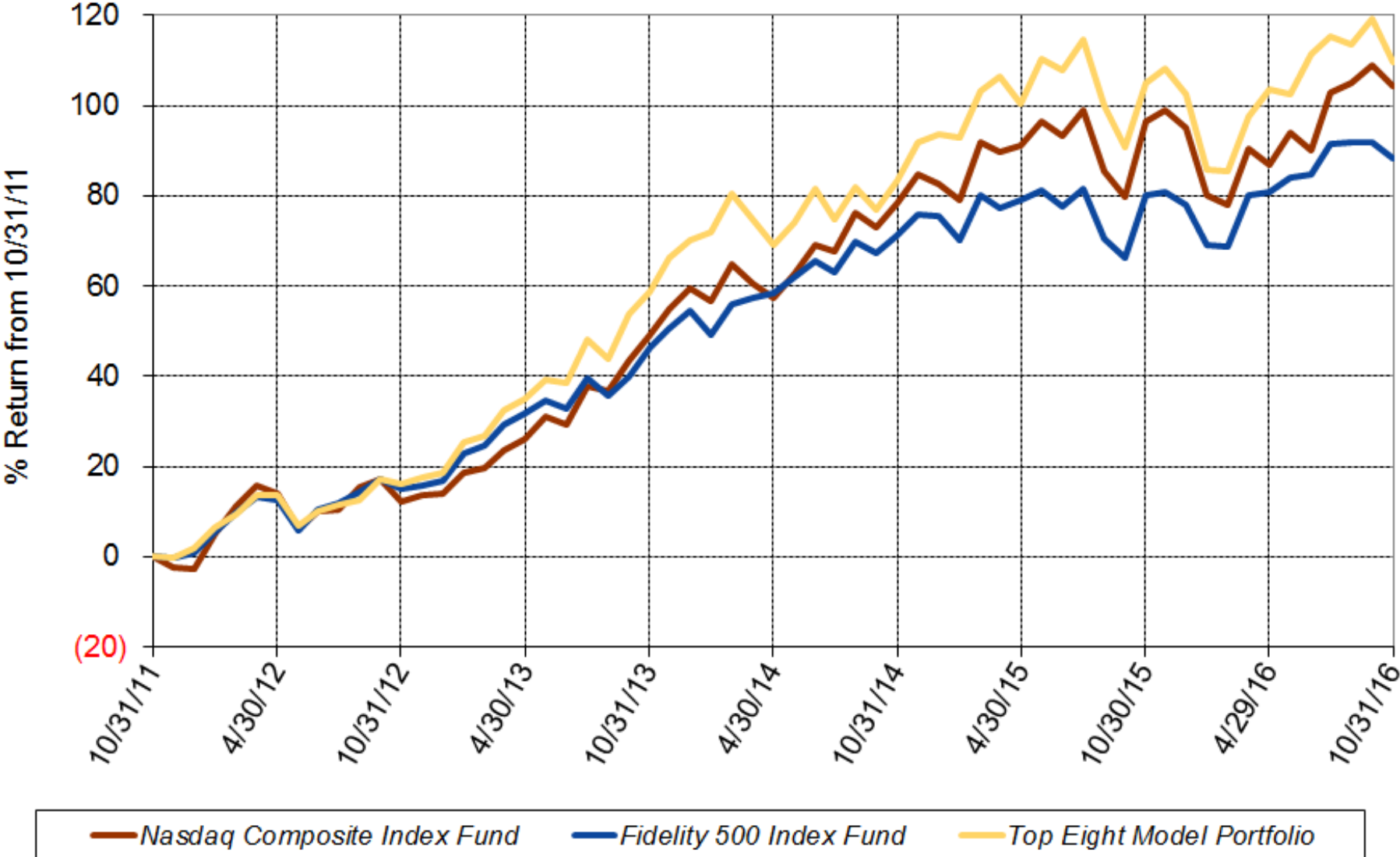
Lifetime Chart



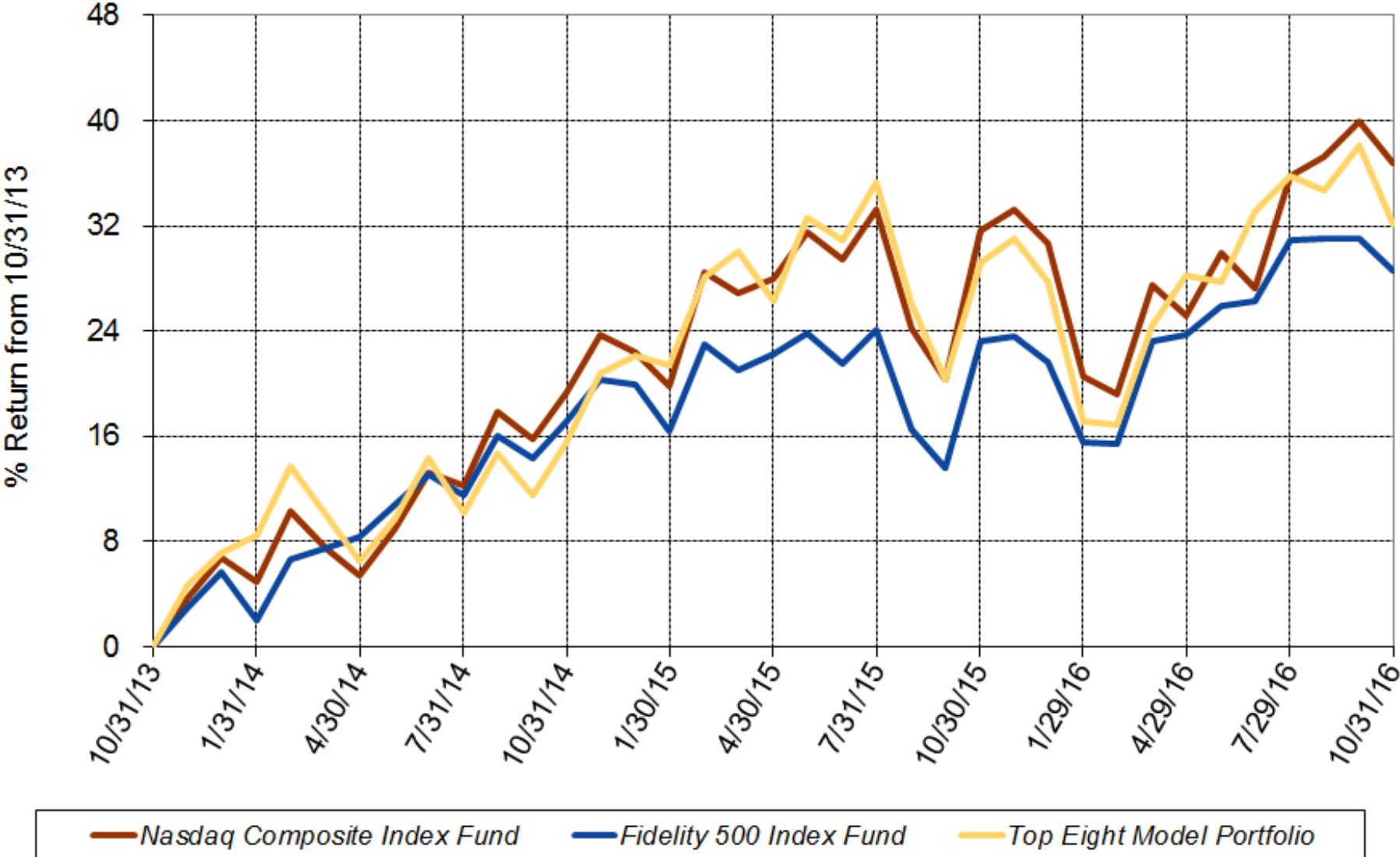
10-Year Chart



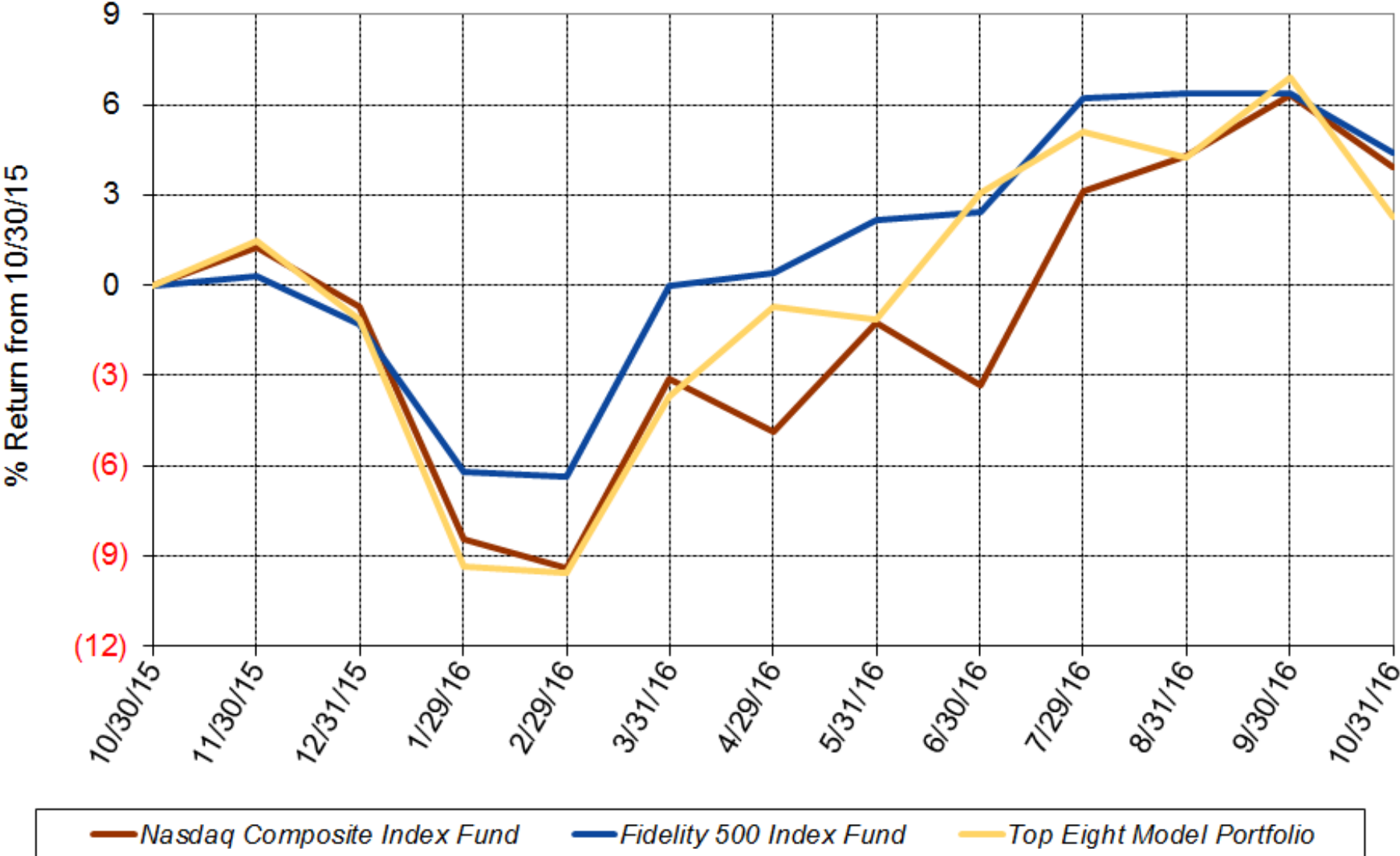
5-Year Chart



3-Year Chart



1-Year Chart



Daily Chart October 2016

