

FIDELITY SELECT FUNDRANKER™

Volume 11 Issue 12

The Right Funds at the Right Time

December 2016

Broad Market Hits All-Time Highs in November

The broad market S&P 500 Index fell in the first week of November but then rose steadily for the remainder of the month, setting several new all-time highs on a total return basis (including dividends). The Nasdaq Composite Index and the Dow Jones Industrial Average also set new all-time highs in November.

Five of our *Top Eight Model Portfolio* funds gained value in November. Banking soared with a one-month gain of 16.44%. Defense & Aerospace, Insurance, and Semiconductors followed with one-month gains of 9.12%, 6.80%, and 4.51%. Technology and Software & IT Services trailed with one-month losses of 1.70% and 2.27%. Gold cratered with a one-month loss of 15.56%.

In November, the *Top Eight Model Portfolio* gained 2.433%, the Nasdaq Composite Index gained 2.742%, and the S&P 500 Index gained 3.701%. For YTD through November, the *Top Eight Model Portfolio* gained 5.966%, the Nasdaq Composite Index gained 7.506%, and the S&P 500 Index gained 9.703%.

Final Performance of Funds Sold on November 2

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

Fund	Bought	Sold	Return
Energy (FSENX)	9/6/2016	11/2/2016	(4.80)%
Medical Eqpt & Systems (FSMEX)	5/4/2016	11/2/2016	5.81%
Natural Gas (FSNGX)	9/6/2016	11/2/2016	(3.01)%
Natural Resources (FNARX)	9/6/2016	11/2/2016	(5.83)%

Election Effect

Many analysts expected U.S. markets to fall after Donald Trump won the U.S. election for President on November 8. Markets defied those expectations, however, rising steadily through the remainder of the month. The S&P 500 Index and the Nasdaq Composite Index both posted multiple new all-time highs.

GDP Watch

The Bureau of Economic Analysis of the U.S. Department of Commerce released its "second" estimate of third quarter 2016 Gross Domestic Product on Tuesday, November 29. Real gross domestic product increased at an annualized rate of 3.2% in the third quarter, higher than the "advance" estimate of 2.9% and a considerable uptick from the "third" estimate of 1.4% for second quarter GDP growth.

As of November 30, 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.

Note that the row labeled "GDP Growth Rate" shows the annualized rates of GDP growth for each individual quarter, while the row labeled "GDP Annual Growth Rate" shows the rolling products of four consecutive unannualized quarterly growth projections, equivalent to year over year annual growth projections, for the current and next three quarters of 2.2%, 2.5%, 2.6%, and 2.4%.

Fed Watch

As expected, the Open Market Committee of the Federal Reserve held fast on interest rates at its November 1-2 meeting just before the 2016 election. The FOMC meets again on December 13-14, and the market generally expects it to nudge the Federal rate higher to ½% to ¾%.

On November 30, CME Group's [FedWatch Tool](#) showed market expectations for the Fed rate rising to ½% to ¾% at 94.0% at the December 13-14 meeting. Expectations for the Fed remaining at or below ½% to ¾% at the Fed's first seven meetings in 2017 (through November) are 94.6%, 87.0%, 78.6%, 49.1%, 43.6%, 32.8%, and 29.2%, clearly showing the increasing likelihood of another rate rise later in 2017.

Energy Funds Roar Back into Top Eight

On November 30, OPEC agreed to its first oil output cuts since 2008, Saudi Arabia accepted "a big hit" on its production and dropped its demand that Iran slash output, and Russia, not a member of OPEC, agreed to join output cuts for the first time in 15 years, all of which spurred Fidelity's four Select energy funds to surge 9% in one day, catapulting all of them into our *Top Eight Model Portfolio*.

Funds Spotlight

[Consumer Discretionary](#) began operations on 6/29/1990. It is one of six Select funds in Morningstar's Consumer Cyclical category. The fund primarily invests in companies engaged in the manufacture and distribution of consumer discretionary products and services. [Peter Dixon](#) has managed the fund since 7/1/2014. As of 9/30/2016, the fund's top 10 holdings made up 64.43% of the fund, and its top five holdings were Amazon.com Inc, Home Depot Inc, Walt Disney Co, Charter Communications Inc, and Nike Inc.

Since its inception on 1/2/1997, *Fundranker's Top Eight Model Portfolio* has held Consumer Discretionary 12 times for a total of 19 months with an average monthly loss of 0.54%. The longest we held the fund was for four months from 6/2/1998 through 10/2/1998 for a loss of 11.85%.

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 December 2016

Fund Name (Symbol)	Purchase	Return to 11/30
1. Natural Gas (FSNGX)	12/2/2016	
2. Banking (FSRBX)	11/2/2016	18.33%
3. Transportation (FSRFX)	12/2/2016	
4. Energy (FSENX)	12/2/2016	
5. Energy Service (FSESX)	12/2/2016	
6. Air Transportation (FSAIX)	12/2/2016	
7. Semiconductors (FSELX)	8/4/2016	13.46%
8. Natural Resources (FNARX)	12/2/2016	

Funds to be sold on December 2:

9. Defense & Aerospace (FSDAX)	11/2/2016	10.74%
15. Insurance (FSPCX)	11/2/2016	8.24%
17. Computers (FDCPX)	10/3/2016	(0.23)%
25. Technology (FSPTX)	8/4/2016	2.76%
26. Software & IT Services (FSCSX)	11/2/2016	(0.25)%
29. Gold (FSAGX)	3/4/2016	4.79%

Fundranker Exchanges for December 2

Sell Software & IT Services (FSCSX), buy Natural Gas (FSNGX)
Sell Technology (FSPTX), buy Transportation (FSRFX)
Sell Computers (FDCPX), buy Energy (FSENX)
Sell Gold (FSAGX), buy Energy Service (FSESX)
Sell Defense & Aerospace (FSDAX), buy Air Transportation (FSAIX)
Sell Insurance (FSPCX), buy Natural Resources (FNARX)

Start a New Portfolio

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

Optional Rebalancing Exchange Dates

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

Upcoming Fundranker Exchange Dates

Fundranker will exchange on January 3, our [early exchange date](#), which is more than 30 days after December's exchange date above, so we won't need to set a [late exchange date](#) for January.

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Fundranker Ratings for 11/30/16 Fund (Symbol)	12-Month Return %	6-Month Return %	3-Month Return %	1-Month Return %	Fundranker Rating**	Fundranker Ranking
Air Transportation (FSAIX)	14.47*	16.81*	15.54*	10.81*	18.408	6
Automotive (FSAVX)	(11.40)	(1.60)	(2.99)	1.91	(3.520)	37
Banking (FSRBX)	14.35*	20.65*	17.60*	16.44*	21.260	2
Biotechnology (FBIOX)	(19.77)	(0.03)	0.94	9.97*	(1.223)	34
Brokerage & Investment Mgmt (FSLBX)	(0.90)	10.44	9.40*	13.63*	10.143	14
Chemicals (FSCHX)	14.48*	9.02	5.61	8.84	10.488	12
Communications Equipment (FSDCX)	16.50*	14.49*	5.02	4.35	12.090	11
Computers (FDCPX)	10.51	13.94*	4.69	1.61	8.688	17
Construction & Housing (FSHOX)	(0.08)	(0.91)	(2.18)	5.60	0.608	31
Consumer Discretionary (FSCPX)	1.43	4.78	0.08	3.84	2.533	27
Consumer Finance (FSVLX)	6.11	8.78	6.49	7.45	7.208	19
Consumer Staples (FDFAX)	3.74	(4.11)	(6.82)	(4.17)	(2.840)	36
Defense & Aerospace (FSDAX)	18.03*	15.11*	9.97*	9.12	16.058	9
Energy (FSENX)	19.20*	17.05*	11.42*	12.94*	19.153	4
Energy Service (FSESX)	12.92	20.08*	16.40*	13.44*	18.710	5
Environment & Alternative Energy (FSLEX)	12.67	10.99	5.13	6.08	8.718	16
Financial Services (FIDSX)	10.66	14.18*	10.40*	10.36*	14.400	10
Gold (FSAGX)	46.19*	(7.15)	(19.12)	(15.56)	2.090	29
Health Care (FSPHX)	(9.35)	(4.66)	(7.95)	0.74	(5.305)	38
Health Care Services (FSHCX)	5.80	2.58	3.60	10.02*	6.500	21
Industrial Equipment (FSCGX)	11.12	7.78	3.24	8.47	7.653	18
Industrials (FCYIX)	11.29	9.77	5.92	10.06*	10.260	13
Insurance (FSPCX)	11.87	9.59	6.90*	6.80	9.790	15
IT Services (FBSOX)	0.59	0.56	1.17	1.71	1.008	30
Leisure (FDLSX)	5.89	9.51	4.57	7.75	6.930	20
Materials (FSDPX)	6.74	6.85	2.97	6.91	5.868	23
Medical Equipment & Systems (FSMEX)	8.02	0.71	(11.31)	(4.61)	(1.798)	35
Multimedia (FBMPX)	2.95	7.20	6.37	5.74	5.565	24
Natural Gas (FSNGX)	21.26*	20.47*	15.38*	14.04*	21.788	1
Natural Resources (FNARX)	16.29*	14.95*	9.20*	10.88*	16.830	8
Pharmaceuticals (FPHAX)	(15.87)	(10.47)	(10.70)	(1.38)	(9.605)	39
Retailing (FSRPX)	2.52	3.57	0.21	2.39	2.173	28
Semiconductors (FSELX)	25.91*	23.08*	7.03*	4.51	18.133	7
Software & IT Services (FSCSX)	9.19	7.26	0.05	(2.27)	3.558	26
Technology (FSPTX)	9.10	9.48	0.17	(1.70)	4.263	25
Telecommunications (FSTCX)	15.73*	3.40	(0.21)	1.67	6.148	22
Transportation (FSRFX)	17.46*	20.60*	14.55*	12.93*	20.385	3
Utilities (FSUTX)	10.31	(3.74)	(3.35)	(5.15)	(0.483)	33
Wireless (FWRLX)	1.57	2.38	(1.26)	(3.04)	(0.087)	32

*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

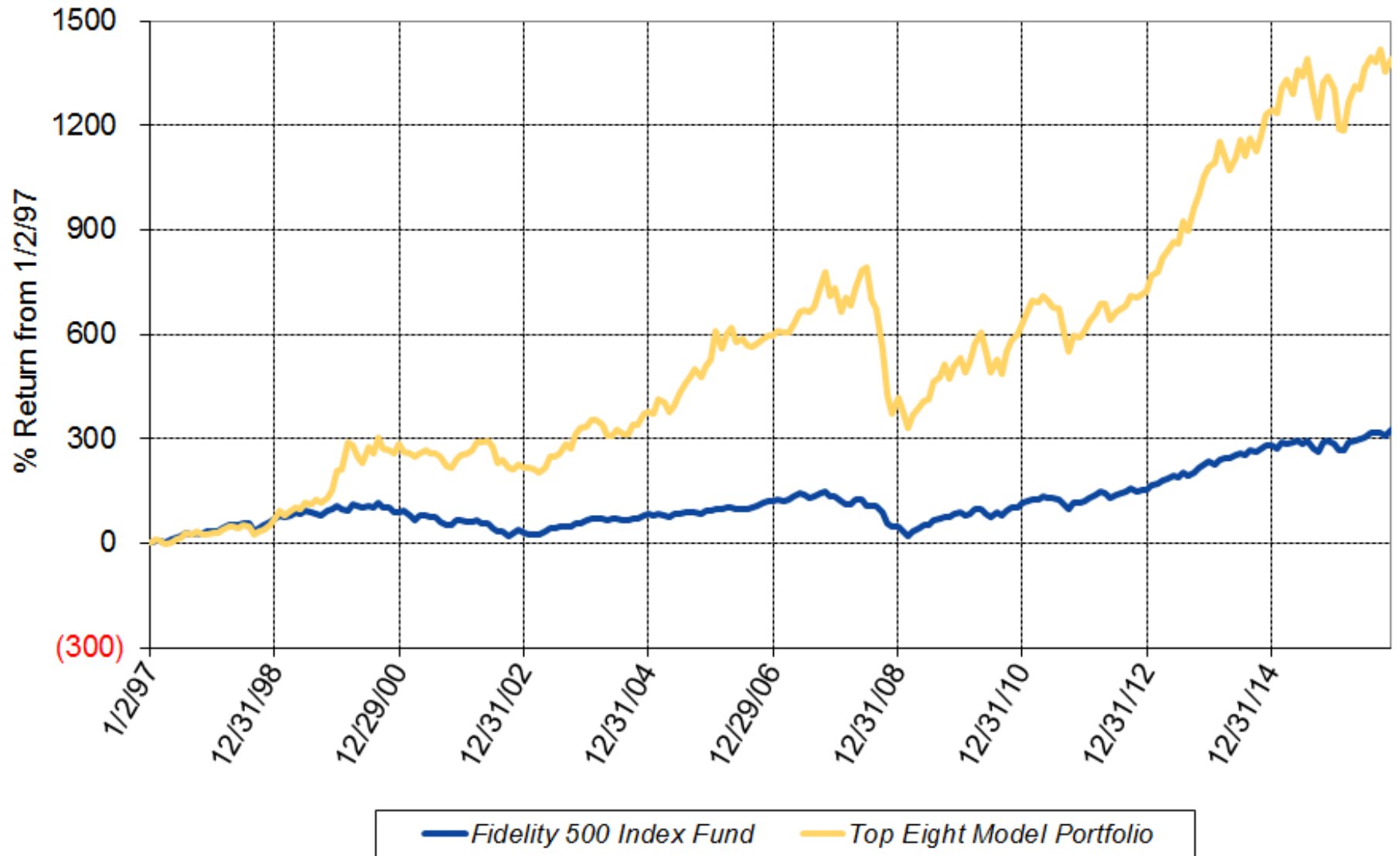
Sell on December 2, 2016

Buy on December 2, 2016

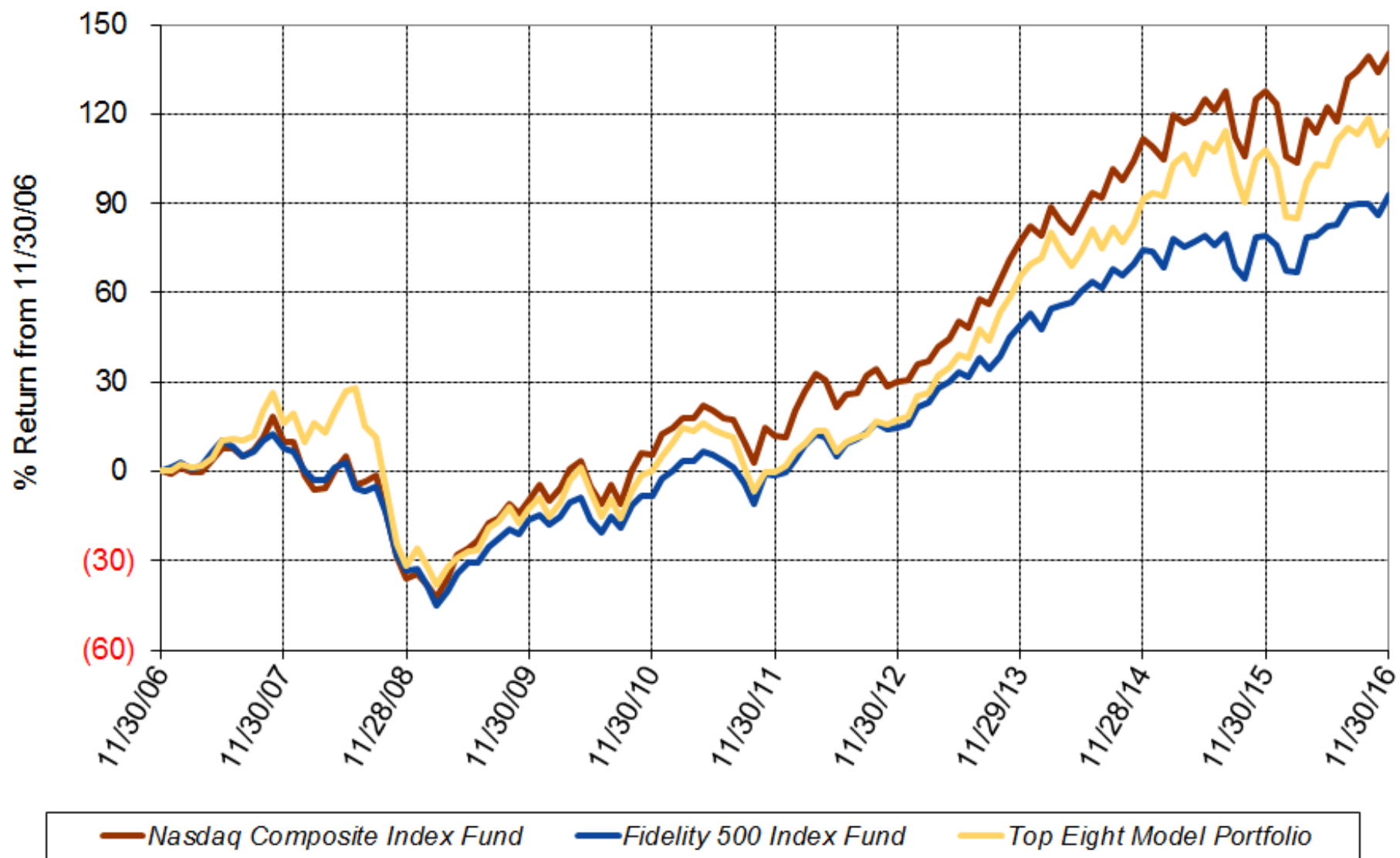
Hold

Fundranker Performance for November 2016													
10/31 Funds	10/31 Shares	10/31 Amount	<=11/2 Div Shrs	11/2 Shares	11/2 Amount	11/2 Funds	11/2 Shares	11/2 Amount	>11/2 Div Shrs	11/30 Shares	11/30 Amount	Nov Return	
FSAGX1,883.363	42,846.51	none	1,883.363	43,223.18	FSELX	481.748	43,034.53	none	481.748	45,399.93			
FSELX	493.769	44,523.15	none	493.769	44,108.38	FSCSX	322.067	43,034.53	none	322.067	42,928.31		
FSNGX1,680.604	43,443.61	none	1,680.604	42,804.98	FSPTX	329.010	43,034.53	none	329.010	43,133.21			
FSPTX	336.844	44,924.88	none	336.844	44,059.20	FDCPX	574.867	43,034.53	none	574.867	44,644.17		
FSENX1,029.384	43,120.90	none	1,029.384	42,678.26	FSAGX1,875.143	43,034.53	none	1,875.143	36,021.50				
FSMEX1,057.912	42,189.53	none	1,057.912	41,036.41	FSDAX	349.988	43,034.53	none	349.988	47,654.37			
FNARX1,544.076	43,141.48	none	1,544.076	42,678.26	FSRBX1,660.283	43,034.53	none	1,660.283	50,920.88				
FDCPX	583.591	44,603.86	none	583.591	43,687.62	FSPCX	609.986	43,034.53	none	609.986	46,578.53		
Top Eight	348,793.92			344,276.29			344,276.30			357,280.90	2.433		
FNCMX1,658.228	113,704.69	none						none	1,658.228	116,822.16	2.742		
FUSEX1,310.187	98,067.50	none						none	1,310.187	101,696.71	3.701		
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	5.966								
Nasdaq Composite Index Fund				6.818	7.506								
Fidelity 500 Index Fund - Investor Class				1.366	9.703								
Lifetime Summary				1/2/97 to 11/30/16		1/2/97 to 11/30/16							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				1,388.670		14.521							
Nasdaq Composite Index Fund				N/A		N/A							
Fidelity 500 Index Fund - Investor Class				323.736		7.519							
10-Year Summary				11/30/06 to 11/30/16		11/30/06 to 11/30/16							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				114.351		7.923							
Nasdaq Composite Index Fund				140.230		9.160							
Fidelity 500 Index Fund - Investor Class				93.174		6.806							
5-Year Summary				11/30/11 to 11/30/16		11/30/11 to 11/30/16							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				115.010		16.544							
Nasdaq Composite Index Fund				114.689		16.510							
Fidelity 500 Index Fund - Investor Class				95.631		14.364							
3-Year Summary				11/29/13 to 11/30/16		11/29/13 to 11/30/16							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				29.220		8.921							
Nasdaq Composite Index Fund				35.444		10.642							
Fidelity 500 Index Fund - Investor Class				29.495		8.998							
1-Year Summary				11/30/15 to 11/30/16		11/30/15 to 11/30/16							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				3.221		3.221							
Nasdaq Composite Index Fund				5.432		5.432							
Fidelity 500 Index Fund - Investor Class				7.967		7.967							

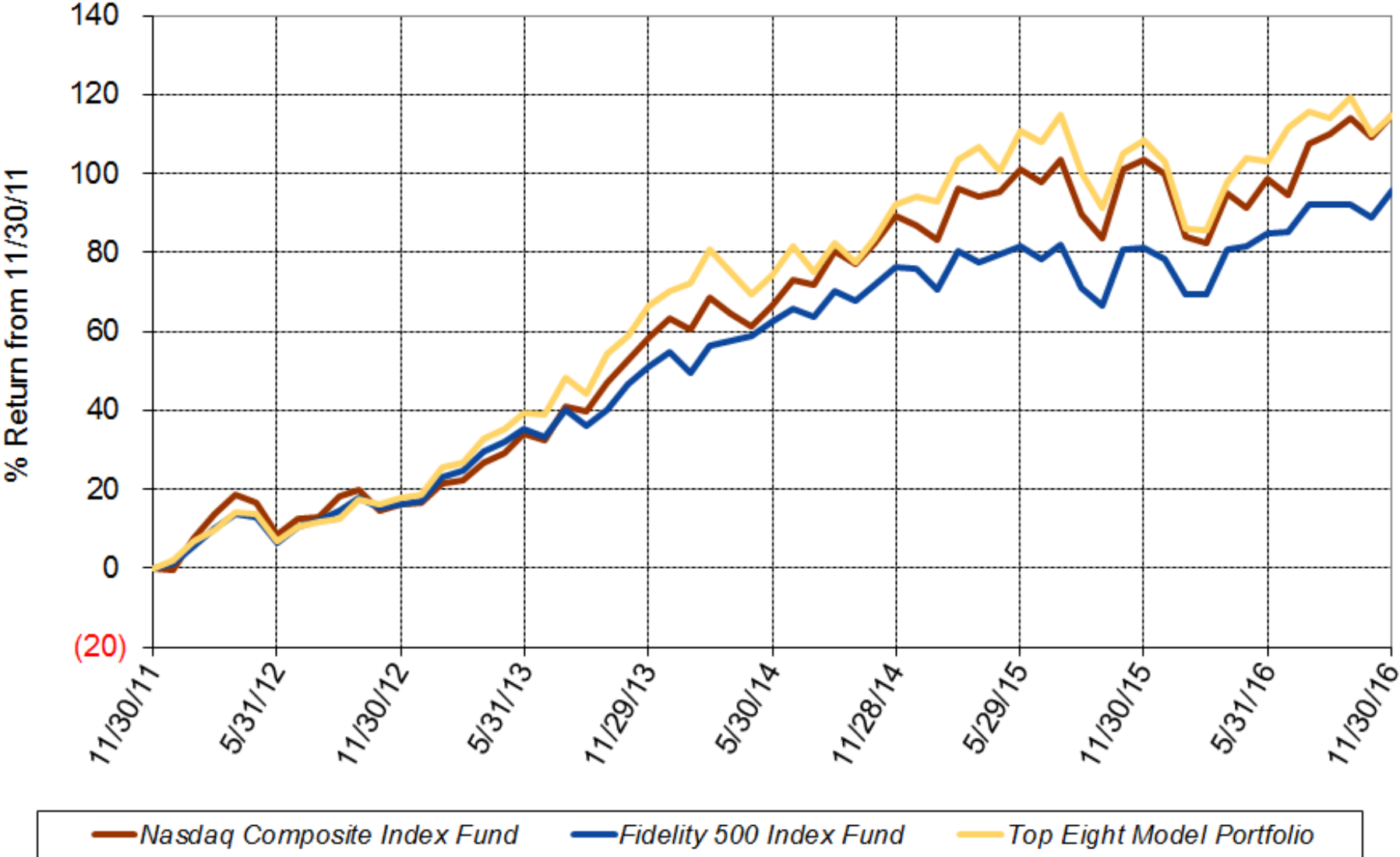
Lifetime Chart



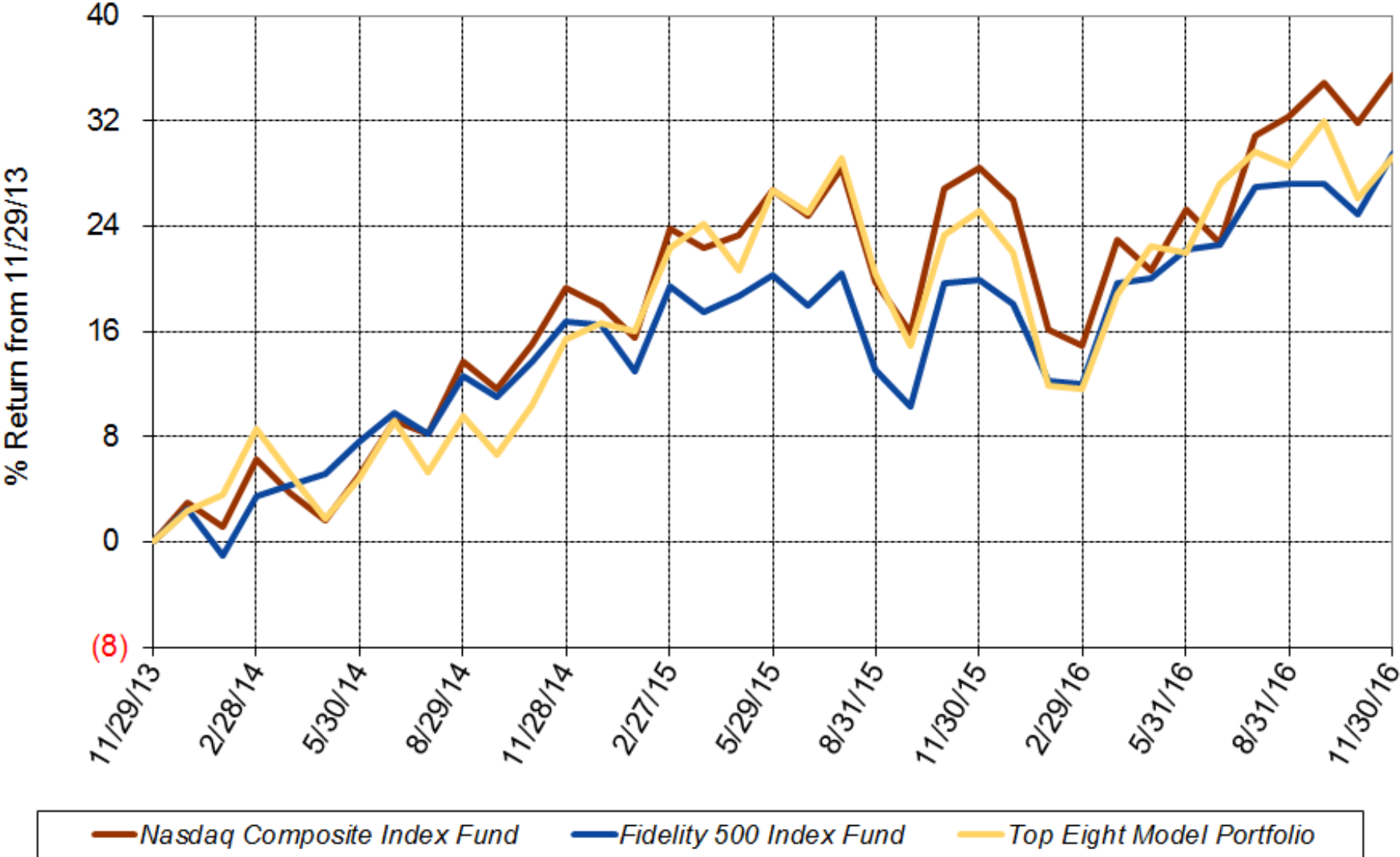
10-Year Chart



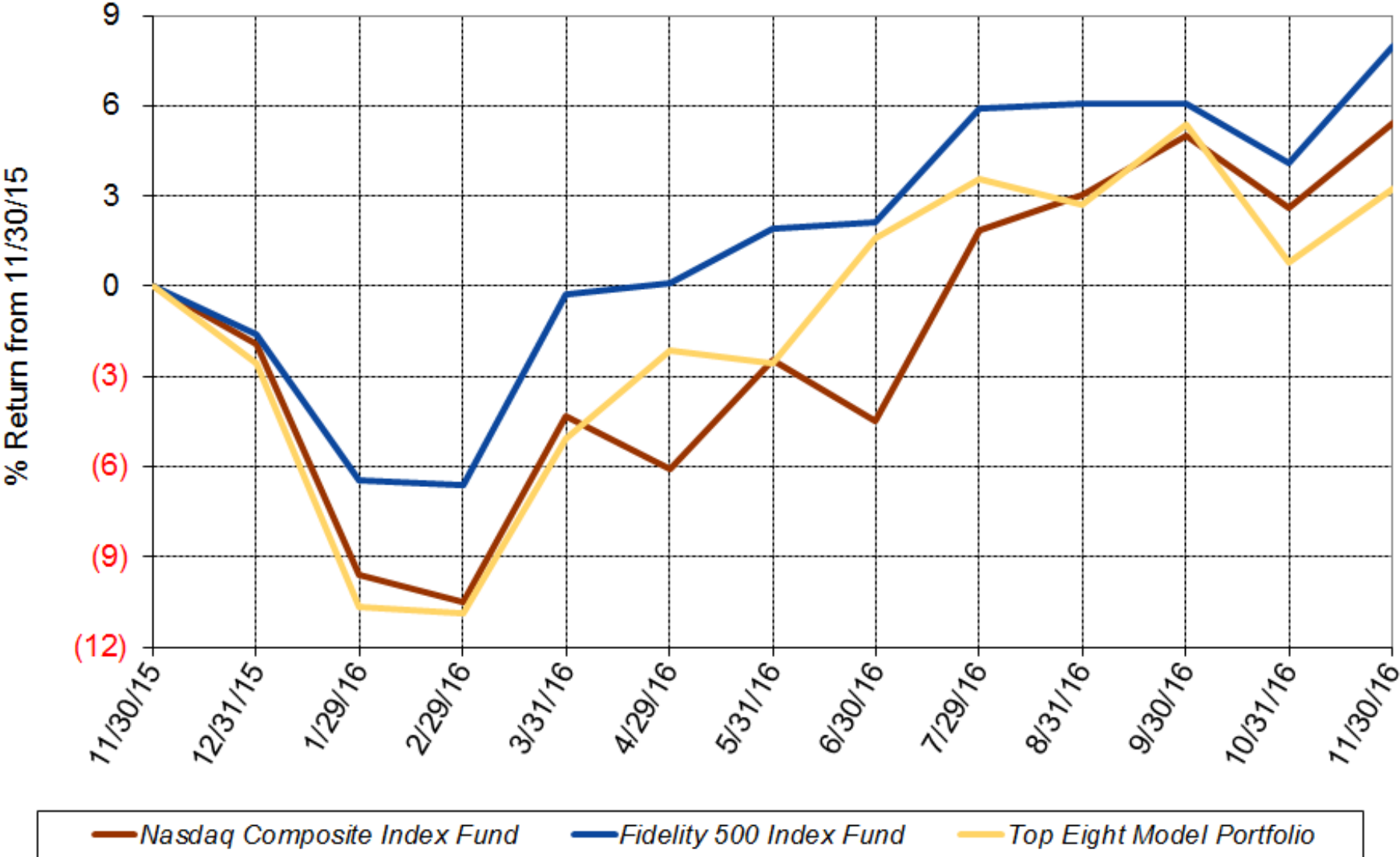
5-Year Chart



3-Year Chart



1-Year Chart



Daily Chart November 2016

