

FIDELITY SELECT FUNDRANKER™

Volume 12 Issue 3

The Right Funds at the Right Time

March 2017

Broad Market Continues to Hit New All-Time Highs

The broad market S&P 500 Index continued its monthly string of new all-time highs in February. On a total return basis (including reinvested dividends), the index hit an all-time high most recently on February 27. The Nasdaq Composite Index and the Dow Jones Industrial Average also set new all-time highs in February.

Six *Top Eight Model Portfolio* funds gained value in February. Chemicals, Banking, and Semiconductors outperformed with one-month gains of 4.35%, 3.73%, and 3.51%. Transportation, Materials, and Multimedia followed with one-month gains of 1.95%, 1.87%, and 0.40%. Our two energy equity funds, Energy Service and Natural Gas, punished the *Top Eight Model Portfolio* with one-month losses of 3.54% and 5.09%.

In February, the *Top Eight Model Portfolio* gained 0.531%, the Nasdaq Composite Index gained 3.882%, and the S&P 500 Index gained 3.959%. For YTD through February, the *Top Eight Model Portfolio* gained 1.245%, the Nasdaq Composite Index gained 8.368%, and the S&P 500 Index gained 5.923%.

Final Performance of Funds Sold on February 2

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

Fund	Bought	Sold	Return
Air Transportation (FSAIX)	12/2/2016	2/2/2017	(0.60)%
Consumer Finance (FSVLX)	1/3/2017	2/2/2017	(1.18)%
Financial Services (FIDSX)	1/3/2017	2/2/2017	(0.70)%

Top Eight Model Portfolio Composition

Our *Top Eight Model Portfolio* in March shifts more heavily into Morningstar's Technology and Financial categories. Beginning March 6, we will hold three Technology category Select funds, two Financial category Select funds, one Equity Energy category Select fund, one Industrials category Select fund, and one Natural Resources category Select fund.

International Diversification

In [Fidelity Investments Monthly Market Update for February](#), Dirk Hofschire, senior vice president of asset allocation research at Fidelity, offers insight on the implications for investors from the uncertainty surrounding the new Trump administration:

1. For now, an accelerating global economy seems to be offsetting rising trade risks.
2. A strong dollar makes international stocks look cheap relative to U.S. stocks.
3. Consider diversifying beyond U.S. borders for the long term.

In light of this recommendation to diversify internationally, let's take a look at the international allocation (as of 12/31/16) of our *Top Eight Model Portfolio* funds for March:

Fund	International Equities
Banking (FSRBX)	4.40%
Computers (FDCPX)	6.10%
Semiconductors (FSELX)	15.02%
Technology (FSPTX)	32.18%
Chemicals (FSCHX)	0.39%
Financial Services (FIDSX)	1.36%
Energy Service (FSESX)	25.36%
Defense & Aerospace (FSDAX)	4.09%

So the *Top Eight Model Portfolio* has an overall international allocation of approximately 11% (average of above figures). (Source: Composition tab on each fund's page at www.fidelity.com).

Web Roll of Interesting Sites

[Bureau of Economic Analysis 2017 News Release Schedule](#)
[CME Group FedWatch Tool](#)
[Trading Economics US GDP Annual Growth Rate Forecast](#)

Funds Spotlight

[Energy Service](#) began operations on 12/16/85. It is one of four Select funds in Morningstar's Equity Energy category. The fund primarily invests in companies in the energy service field, including those that provide services and equipment to the conventional areas of oil, gas, electricity and coal, and newer sources of energy such as nuclear, geothermal, oil shale, and solar power. [Ben Shuleva](#) has managed the fund since 8/1/2013. As of 12/31/2016, the fund's top three holdings were Schlumberger Ltd, Baker Hughes Inc, and Halliburton Co.

Fundranker's Top Eight Model Portfolio has held Energy Service 20 times for a total of 88 months with an average monthly gain of 1.08%. The longest we held the fund was for 17 months from 10/4/2004 through 3/3/2006 for a gain of 73.23%.

[Environment & Alternative Energy](#) began operations on 6/29/89. It is one of six Select funds in Morningstar's Industrials category. The fund primarily invests in companies engaged in business activities related to alternative and renewable energy, energy efficiency, pollution control, water infrastructure, waste and recycling technologies, or other environmental support services. [Kevin Walenta](#) has managed the fund since 11/1/2014.

Fundranker's Top Eight Model Portfolio has held Environment & Alternative Energy seven times for a total of 14 months with an average monthly gain of 1.36%. The longest we held the fund was for three months from 4/3/2001 through 7/3/2001 for a gain of 11.1%.

Questions and Suggestions

Do you have a question about the *Fidelity Select Fundranker* newsletter, methodology, or website? Check out the wealth of information posted on our [website](#). Click the [Contact Us](#) link in the heading or footer of any page on our website.

Top Eight Model Portfolio for March 2017

Fund Name (Symbol)	Purchase	Return to 2/28
1. Banking (FSRBX)	11/2/2016	30.74%
2. Computers (FDCPX)	3/6/2017	
3. Semiconductors (FSELX)	8/4/2016	23.38%
4. Technology (FSPTX)	3/6/2017	
5. Chemicals (FSCHX)	2/2/2017	3.08%
6. Financial Services (FIDSX)	3/6/2017	
7. Energy Service (FSESX)	12/2/2016	2.92%
8. Defense & Aerospace (FSDAX)	3/6/2017	
Funds to be sold on March 6:		
11. Multimedia (FBMPX)	2/2/2017	0.52%
15. Natural Gas (FSNGX)	12/2/2016	(6.27)%
16. Transportation (FSRFX)	12/2/2016	3.48%
23. Materials (FSDPX)	2/2/2017	1.39%

Fundranker Exchanges for March 6

Sell Natural Gas (FSNGX), buy Computers (FDCPX)
 Sell Transportation (FSRFX), buy Technology (FSPTX)
 Sell Multimedia (FBMPX), buy Financial Services (FIDSX)
 Sell Materials (FSDPX), buy Defense & Aerospace (FSDAX)

Start a New Portfolio

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

Optional Rebalancing Exchange Dates

Held funds: March 2; New funds: March 6 ([see rebalancing FAQ](#))

Upcoming Fundranker Exchange Dates

If no new funds are to be exchanged, *Fundranker* will exchange on April 3, our [early exchange date](#); otherwise, to avoid roundtrip transactions, *Fundranker* will exchange on April 5, our [late exchange date](#).

Fidelity Select Fundranker is published via email on the first day of each month and is edited by Harvey J. Poorbaugh. *Fidelity Select Fundranker* is not affiliated with Fidelity Investments. All facts and figures are obtained from reliable sources. Past results are never an assurance of future performance. The information in this newsletter is not intended as individualized investment advice. All your investment decisions are made by you, individually or with your investment advisor, and are at your own risk. © 2017 Fidelity Select Fundranker

<i>Fundranker Ratings for 2/28/17</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)	26.31	20.53*	4.32	3.23	14.598	17
Automotive (FSAVX)	16.76	5.62	8.87	(0.14)	7.778	34
Banking (FSRBX)	56.16*	29.94*	10.49*	3.73	28.080	1
Biotechnology (FBIOX)	29.63	11.27	10.24*	9.84*	17.245	10
Brokerage & Investment Mgmt (FSLBX)	31.76	16.69*	6.66	3.42	15.633	12
Chemicals (FSCHX)	38.01*	16.69*	10.49*	4.35	20.385	5
Communications Equipment (FSDCX)	29.24	10.83	5.53	6.56*	14.040	19
Computers (FDCPX)	41.57*	18.99*	13.66*	7.23*	24.363	2
Construction & Housing (FSHOX)	20.21	4.57	6.90	3.32	8.750	29
Consumer Discretionary (FSCPX)	15.29	4.46	4.37	1.23	6.338	36
Consumer Finance (FSVLX)	33.57*	15.46*	8.42	4.39	17.460	9
Consumer Staples (FDFAX)	12.24	3.52	11.10*	4.71	8.893	28
Defense & Aerospace (FSDAX)	34.36*	16.47*	5.92	6.72*	18.868	8
Energy (FSENX)	36.05*	4.29	(6.40)	(4.23)	8.428	31
Energy Service (FSESX)	46.38*	21.79*	4.63	(3.54)	19.315	7
Environment & Alternative Energy (FSLEX)	33.02	13.81	8.25	3.24	14.580	18
Financial Services (FIDSX)	38.78*	20.56*	9.20	4.01	20.138	6
Gold (FSAGX)	20.38	(9.19)	12.28*	(3.18)	6.073	37
Health Care (FSPHX)	16.44	3.97	12.95*	7.20*	12.140	25
Health Care Services (FSHCX)	19.71	11.77	7.89	5.24*	12.153	24
Industrial Equipment (FSCGX)	21.11	7.15	3.79	2.47	8.630	30
Industrials (FCYIX)	25.18	11.28	5.06	2.37	10.973	27
Insurance (FSPCX)	31.60	14.04	6.68	3.73	14.013	20
IT Services (FBSOX)	21.05	9.31	8.05	5.66*	12.018	26
Leisure (FDLSX)	11.26	6.85	2.18	1.89	5.545	38
Materials (FSDPX)	30.52	10.45	7.27	1.87	12.528	23
Medical Equipment & Systems (FSMEX)	30.13	1.55	14.50*	5.25*	14.858	14
Multimedia (FBMPX)	26.86	17.15*	10.13*	0.40	15.635	11
Natural Gas (FSNGX)	56.84*	9.10	(5.44)	(5.09)	14.853	15
Natural Resources (FNARX)	34.54*	3.01	(5.67)	(4.08)	7.950	32
Pharmaceuticals (FPHAX)	0.57	(4.42)	7.04	7.10*	3.573	39
Retailing (FSRPX)	17.20	5.73	5.50	2.81	7.810	33
Semiconductors (FSELX)	51.79*	16.39*	8.74	3.51	22.108	3
Software & IT Services (FSCSX)	32.24	9.60	9.55	3.11	13.625	21
Technology (FSPTX)	38.51*	14.07	13.88*	5.37*	20.958	4
Telecommunications (FSTCX)	19.06	6.22	6.44	(1.63)	7.523	35
Transportation (FSRFX)	29.40	19.41*	4.24	1.95	14.750	16
Utilities (FSUTX)	18.21	8.55	12.32*	5.42*	13.125	22
Wireless (FWRLX)	24.09	11.58	13.00*	4.95*	15.405	13

*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

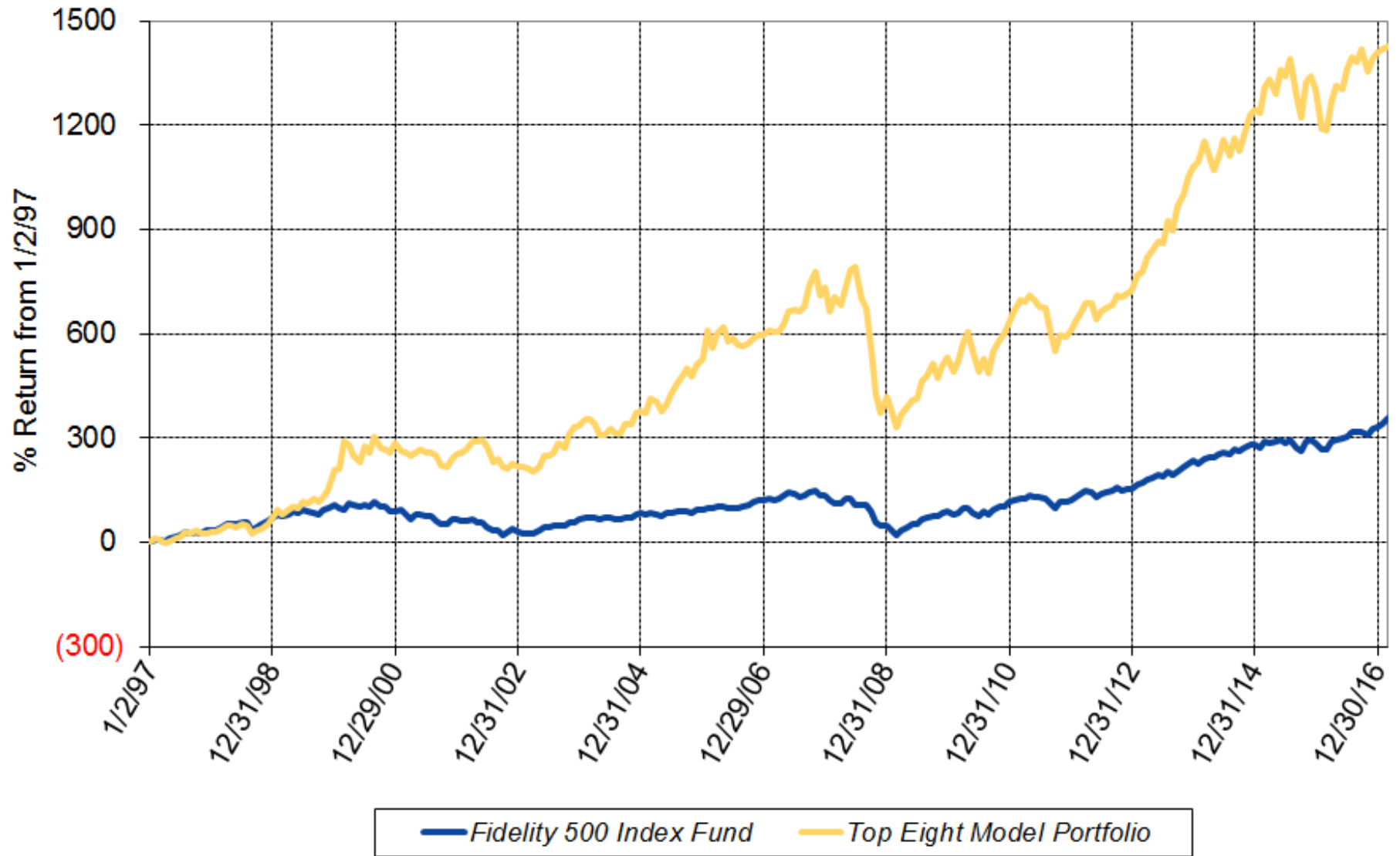
Sell on March 6, 2017

Buy on March 6, 2017

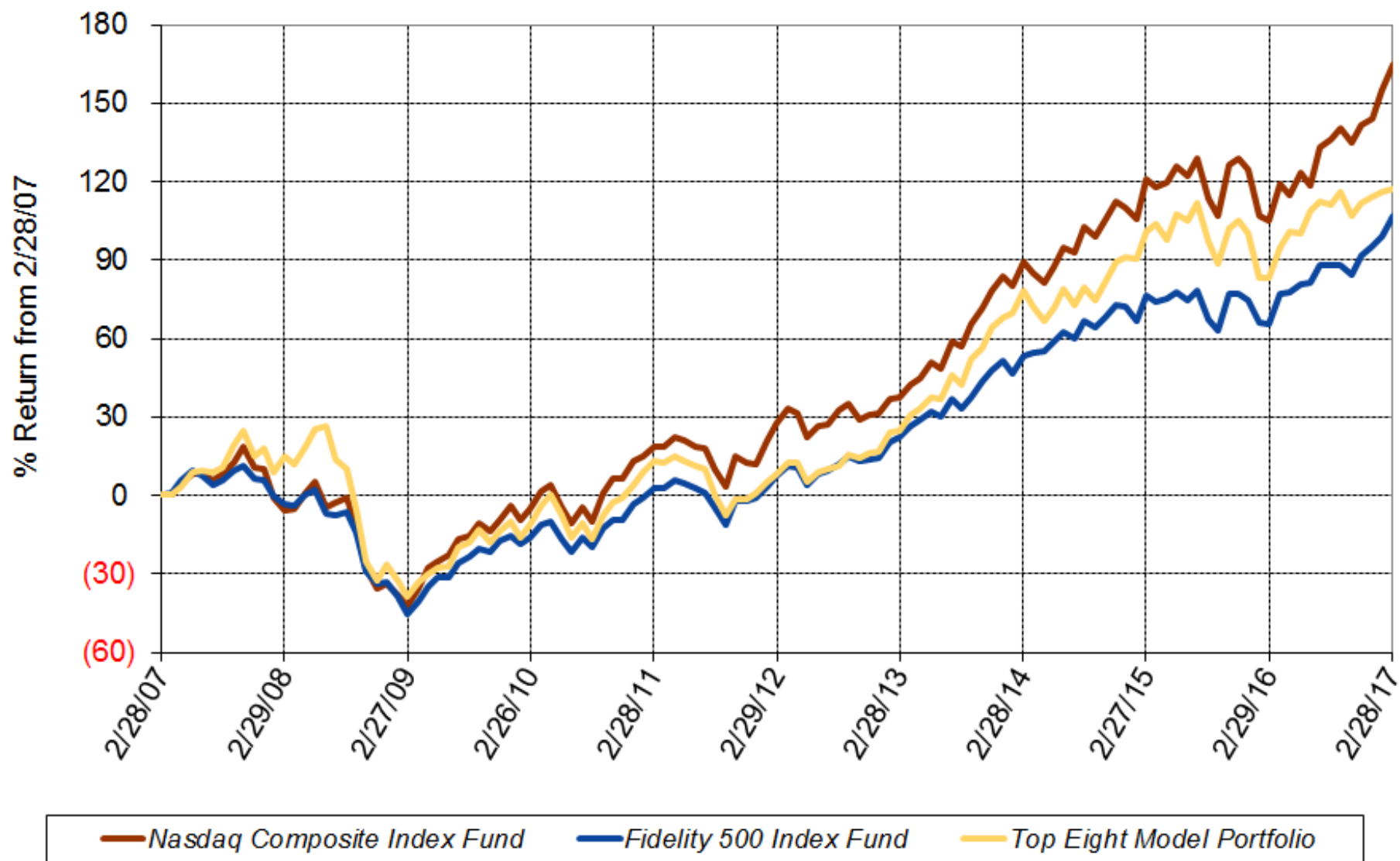
Hold

Fundranker Performance for February 2017													
1/31 Funds	1/31 Shares	1/31 Amount	<=2/2 Div Shrs	2/2 Shares	2/2 Amount	2/2 Funds	2/2 Shares	2/2 Amount	>2/2 Div Shrs	2/28 Shares	2/28 Amount	Feb Return	
FSRBX	1,404.886	45,546.40	none	1,404.886	45,167.08	FSRBX	1,411.093	45,366.63	none	1,411.093	47,455.06		
FSEX	803.676	45,584.50	none	803.676	45,399.66	FSEX	803.091	45,366.63	none	803.091	43,937.11		
FSNGX	1,527.684	44,684.76	none	1,527.684	44,654.20	FSNGX	1,552.057	45,366.63	none	1,552.057	43,085.10		
FSELX	475.223	46,481.56	none	475.223	46,752.44	FSCHX	287.951	45,366.63	none	287.951	46,763.24		
FSRFX	506.233	46,168.45	none	506.233	45,844.46	FSELX	461.137	45,366.63	none	461.137	46,685.51		
FIDSX	458.689	45,446.91	none	458.689	45,295.54	FSRFX	500.957	45,366.63	none	500.957	46,578.98		
FSAIX	612.386	45,114.48	none	612.386	44,740.92	FBMPX	564.683	45,366.63	none	564.683	45,603.80		
FSVLX	3,361.581	45,146.03	none	3,361.581	45,078.80	FSDPX	563.421	45,366.63	none	563.421	45,997.69		
Top Eight		364,173.09			362,933.10			362,933.00			366,106.49	0.531	
FNCMX	1,673.709	123,318.88	none						none	1,673.709	128,105.69	3.882	
FUSEX	1,323.793	105,665.16	none						none	1,323.793	109,848.34	3.959	
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	2017 YTD							
				Return %	Return %	Return %							
<i>Top Eight Model Portfolio</i>				4.592	7.248	1.245							
Nasdaq Composite Index Fund				6.818	8.787	8.368							
Fidelity 500 Index Fund - Investor Class				1.366	11.870	5.923							
Lifetime Summary				1/2/97 to 2/28/17		1/2/97 to 2/28/17							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				1,425.444		14.467							
Nasdaq Composite Index Fund				N/A		N/A							
Fidelity 500 Index Fund - Investor Class				357.701		7.834							
10-Year Summary				2/28/07 to 2/28/17		2/28/07 to 2/28/17							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				117.144		8.062							
Nasdaq Composite Index Fund				164.759		10.226							
Fidelity 500 Index Fund - Investor Class				106.815		7.537							
5-Year Summary				2/29/12 to 2/28/17		2/29/12 to 2/28/17							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				101.178		15.005							
Nasdaq Composite Index Fund				107.416		15.709							
Fidelity 500 Index Fund - Investor Class				91.929		13.927							
3-Year Summary				2/28/14 to 2/28/17		2/28/14 to 2/28/17							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				21.940		6.835							
Nasdaq Composite Index Fund				39.711		11.792							
Fidelity 500 Index Fund - Investor Class				35.159		10.564							
1-Year Summary				2/29/16 to 2/28/17		2/29/16 to 2/28/17							
				Total Return %									
<i>Top Eight Model Portfolio</i>				18.665									
Nasdaq Composite Index Fund				29.210									
Fidelity 500 Index Fund - Investor Class				24.879									

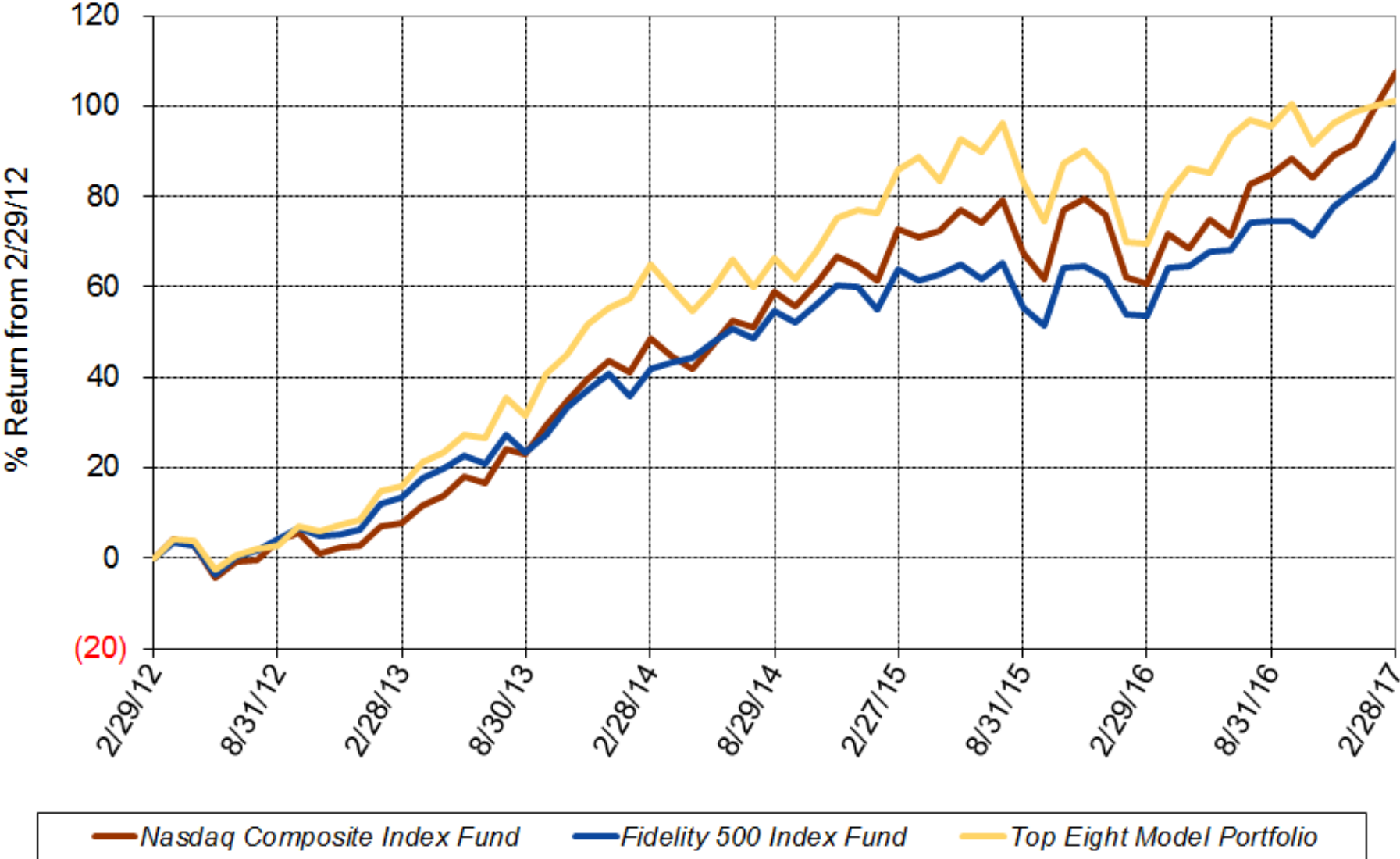
Lifetime Chart



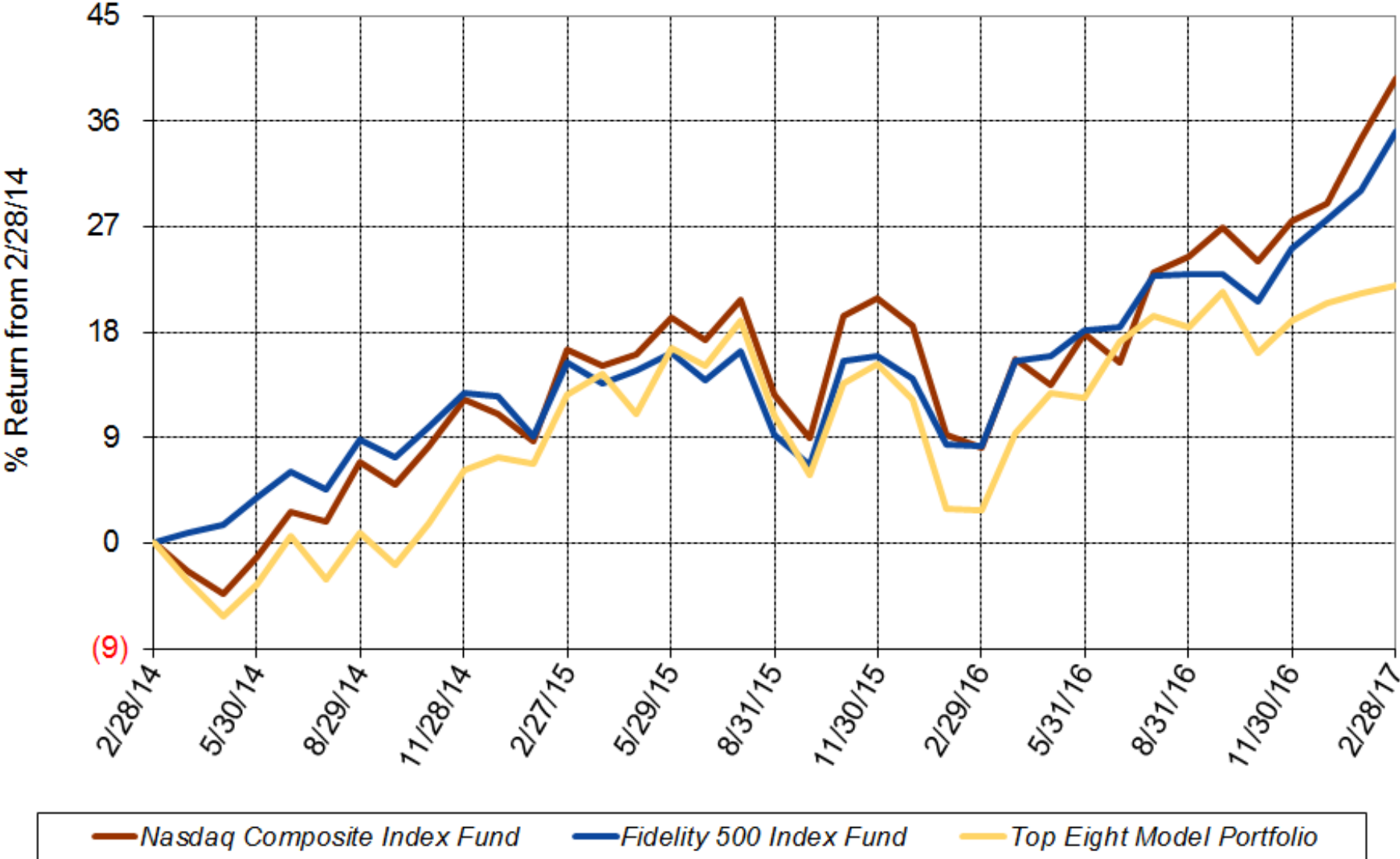
10-Year Chart



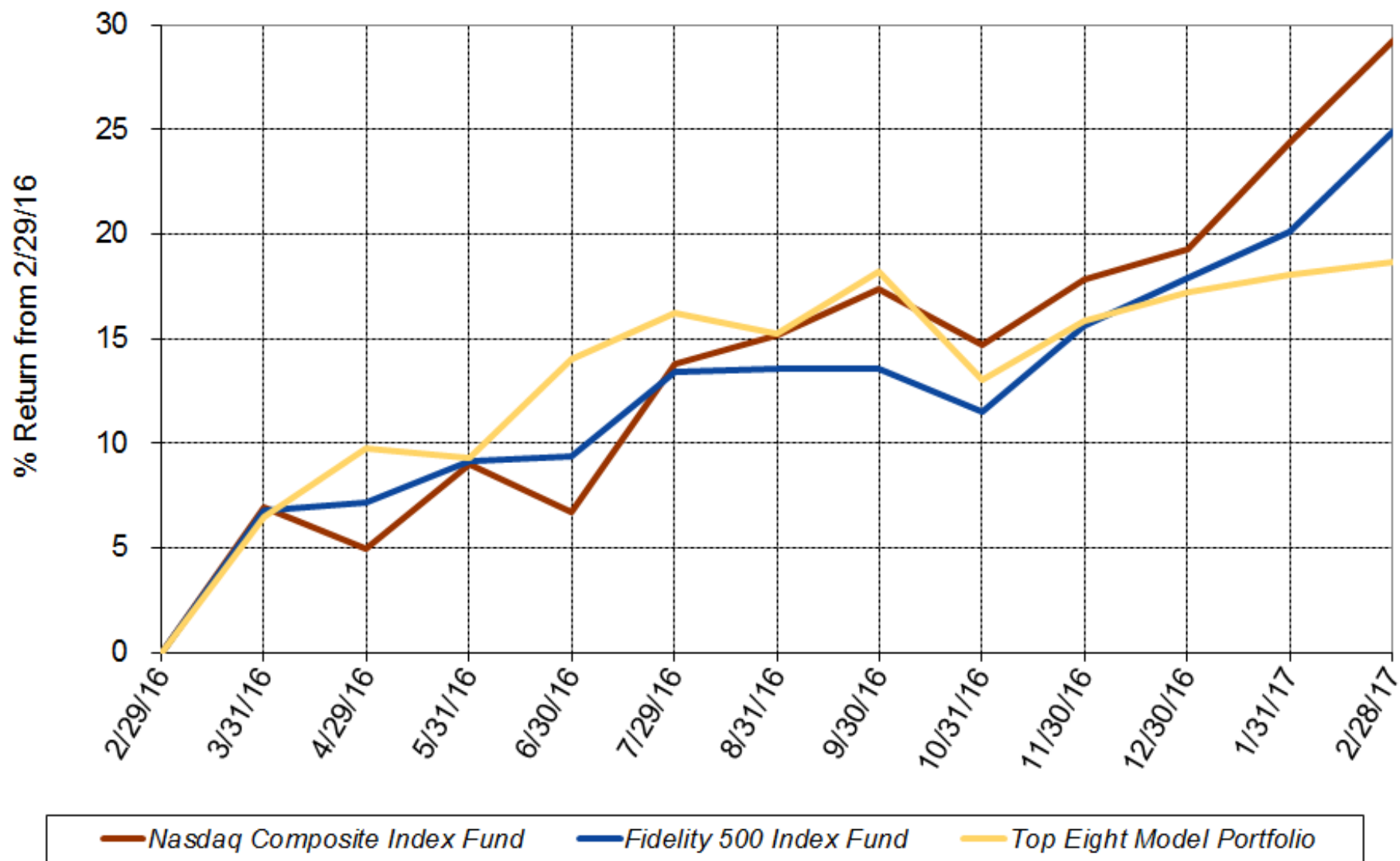
5-Year Chart



3-Year Chart



1-Year Chart



Daily Chart February 2017

