

# FIDELITY SELECT FUNDRANKER™

Volume 12 Issue 8

The Right Funds at the Right Time

August 2017

## Market Hits New Highs Eight Months of Last Nine

The broad market S&P 500 Index hit new all-time highs on a total return basis (including reinvested dividends) every month since last November except April, when it barely missed one. From March, 2009, through July, 2017, the S&P 500 Index has gained 299.045%. What a remarkable eight years, five months this bull market has run.

Five *Top Eight Model Portfolio* funds gained value in July. Technology and Software & IT Services excelled with one-month gains of 5.18% and 4.02%. Brokerage & Investment Management, Biotechnology, and Health Care added one-month gains of 2.90%, 2.64%, and 0.70%. Environment & Alternative Energy, Air Transportation and Medical Equipment & Systems had one-month losses of 0.77%, 0.98%, and 1.53%.

In July, the *Top Eight Model Portfolio* gained 0.725%, the Nasdaq Composite Index gained 3.435%, and the S&P 500 Index gained 2.057%. For YTD through July, the *Top Eight Model Portfolio* gained 5.070%, the Nasdaq Composite Index gained 18.519%, and the S&P 500 Index gained 11.533%.

## Final Performance of Funds Sold on July 5

*Fundranker* exchanged four funds on July 5. Here are the returns they contributed to the *Top Eight Model Portfolio*:

Fund	Bought	Sold	Return
Computers (FDCPX)	3/6/2017	7/5/2017	2.99%
Leisure (FDLSX)	5/5/2017	7/5/2017	0.97%
Semiconductors (FSELX)	8/4/2016	7/5/2017	29.11%
Wireless (FWRLX)	6/5/2017	7/5/2017	(4.15)%

## Top Eight Model Portfolio Composition

In August, our *Top Eight Model Portfolio* shifts heavily into Select funds in Morningstar's Technology category. After our August exchanges, we will hold five of the six Technology category Select funds, two of the five Financial category Select funds, and one of six Industrials category Select funds.

## Top Eight Model Portfolio Drops Health Funds

Without passing judgement on health care legislative trials and tribulations that occurred in the U.S. Senate recently, we did note that our *Top Eight Model Portfolio* is completely divesting itself of the three Morningstar Health category funds it held in July; however, we don't think this necessarily is cause and effect.

Remember that the *Fundranker* system is based on relative momentum of the 39 Select funds over four time periods (12 months, 6 months, 3 months, and 1 month). Two of the three Health funds we held gained value in July, but other funds gained more momentum over our four time periods than the Health category funds did, so the Health funds dropped out of the *Top Eight Model Portfolio*.

## Schwab Market Perspective

Schwab regularly publishes articles on their market perspective, which we find very instructive, so we have included a link below in our web roll that goes to the most recent article.

The most recent article, [Schwab Market Perspective: Are Danger Signs Rising or Will the Bull Market Continue?](#), is another great read. The authors contend that the long running bull market continues to show remarkable resiliency. They expect that to continue, but risks have risen and a pullback is likely, which at this point they would view as healthy, as we currently are in the fourth longest streak without a 5% pullback since 1950.

## Web Roll of Interesting Sites

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

## Funds Spotlight

[IT Services](#), one of six Select funds in Morningstar's Technology category, began operations on 2/4/1998. The fund primarily invests in companies engaged in providing information technology services. [Daniel Sherwood](#) has managed the fund since 10/1/2015. As of 6/30/2017, the fund's top 10 holdings made up 68.04% of the portfolio. Its top three holdings were Visa Inc Class A, MasterCard Inc Class A, and Cognizant Tech Solutions Class A.

*Fundranker's Top Eight Model Portfolio* has held IT Services 14 times for a total of 34 months with an average monthly gain of 0.67%. The longest we held the fund was for 10 months from 5/6/2015 through 3/4/2016 for a total gain of 0.59%.

[Leisure](#), one of five Select funds in Morningstar's Consumer Cyclical category, began operations on 5/8/1984. The fund primarily invests in companies engaged in the design, production, or distribution of goods or services in leisure industries. [Katherine Shaw](#) has managed the fund since 8/1/2013. As of 6/30/2017, the fund's top 10 holdings made up 66.15% of the portfolio—top three holdings were McDonalds Corp, Starbucks Corp, and Marriott Int'l Inc A.

*Fundranker's Top Eight Model Portfolio* has held Leisure 15 times for a total of 41 months with an average monthly gain of 0.68%. The longest we held the fund was for 11 months from 11/3/1997 through 10/2/1998 for a total gain of 7.90%.

## 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 August 2017

Fund Name (Symbol)	Purchase	Return to 7/31
1. Technology (FSPTX)	3/6/2017	18.39%
2. Brokerage & Inv Mgmt (FSLBX)	7/5/2017	1.49%
3. Software & IT Services (FSCSX)	4/5/2017	11.44%
4. Defense & Aerospace (FSDAX)	8/4/2017	
5. Computers (FDCPX)	8/4/2017	
6. IT Services (FBSOX)	8/4/2017	
7. Insurance (FSPCX)	8/4/2017	
8. Semiconductors (FSELX)	8/4/2017	
Funds to be sold on August 4:		
12. Biotechnology (FBIOX)	7/5/2017	0.13%
16. Air Transportation (FSAIX)	7/5/2017	(1.92)%
18. Health Care (FSPHX)	7/5/2017	(0.15)%
20. Medical Eqpt & Systems (FSMEX)	4/5/2017	9.59%
21. Env & Alternative Energy (FSLEX)	6/5/2017	(0.32)%

## Fundranker Exchanges for August 4

Sell Med Eqpt & Systems (FSMEX), buy Def & Aerospace (FSDAX)  
 Sell Biotechnology (FBIOX), buy Computers (FDCPX)  
 Sell Air Transportation (FSAIX), buy IT Services (FBSOX)  
 Sell Health Care (FSPHX), buy Insurance (FSPCX)  
 Sell Env & Alt Energy (FSLEX), buy Semiconductors (FSELX)

## Start a New Portfolio

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

## Optional Rebalancing Exchange Dates

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

## Upcoming Fundranker Exchange Date

*Fundranker's* regular exchange date will be September 5, which will avoid roundtrip transactions regardless of any need to exchange new funds. No [early or late exchange dates](#) need be designated.

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<i>Fundranker Ratings for 7/31/17</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)	28.02*	8.33	5.28	(0.98)	11.163	16
Automotive (FSAVX)	9.59	2.92	1.23	1.06	3.700	31
Banking (FSRBX)	35.19*	1.10	3.31	0.09	10.923	17
Biotechnology (FBIOX)	14.85	17.12*	6.30*	2.64	12.228	12
Brokerage & Investment Mgmt (FSLBX)	33.87*	13.01*	10.17*	2.90	17.988	2
Chemicals (FSCHX)	26.47*	10.61	4.38	3.93*	13.348	10
Communications Equipment (FSDCX)	15.81	8.66	1.11	1.08	6.665	24
Computers (FDCPX)	31.45*	15.57*	2.36	3.53*	16.228	5
Construction & Housing (FSHOX)	5.66	7.98	(0.40)	(0.51)	3.183	32
Consumer Discretionary (FSCPX)	10.40	6.87	0.59	1.27	4.783	27
Consumer Finance (FSVLX)	23.59	8.39	8.18*	2.61	11.693	14
Consumer Staples (FDFAX)	6.34	8.43	0.67	(0.08)	3.840	29
Defense & Aerospace (FSDAX)	25.88*	14.87*	6.26*	4.13*	16.785	4
Energy (FSENX)	(0.70)	(13.20)	(3.97)	3.37*	(2.625)	35
Energy Service (FSESX)	3.83	(19.92)	(7.53)	3.02	(5.150)	37
Environment & Alternative Energy (FSLEX)	23.70	9.94	2.93	(0.77)	8.950	21
Financial Services (FIDSX)	27.46*	7.18	7.48*	1.92	13.010	11
Gold (FSAGX)	(23.40)	(4.55)	2.33	2.12	(5.875)	38
Health Care (FSPHX)	9.75	15.96*	5.85*	0.70	10.065	18
Health Care Services (FSHCX)	14.30	12.32	6.02*	(1.21)	8.858	22
Industrial Equipment (FSCGX)	11.84	5.48	1.49	0.93	4.935	26
Industrials (FCYIX)	12.96	3.23	(0.77)	(0.57)	3.713	30
Insurance (FSPCX)	26.32*	10.74	7.39*	3.17*	14.905	7
IT Services (FBSOX)	21.44	17.46*	8.47*	4.46*	15.958	6
Leisure (FDLSX)	18.71	13.08*	2.51	(0.85)	9.363	19
Materials (FSDPX)	19.63	7.01	4.10	2.42	8.290	23
Medical Equipment & Systems (FSMEX)	12.89	16.16*	5.00	(1.53)	9.130	20
Multimedia (FBMPX)	23.98*	6.86	2.69	5.86*	11.848	13
Natural Gas (FSNGX)	(2.15)	(18.31)	(6.92)	2.41	(6.243)	39
Natural Resources (FNARX)	(1.25)	(11.62)	(3.14)	3.07	(3.235)	36
Pharmaceuticals (FPHAX)	(4.24)	12.56	3.43	(0.52)	2.808	33
Retailing (FSRPX)	8.59	6.87	(0.41)	0.76	3.953	28
Semiconductors (FSELX)	31.79*	10.89	5.22	2.75	13.663	8
Software & IT Services (FSCSX)	25.87*	16.33*	6.01*	4.02*	17.058	3
Technology (FSPTX)	40.16*	25.45*	9.69*	5.18*	24.120	1
Telecommunications (FSTCX)	3.16	(0.92)	(1.36)	3.12*	2.000	34
Transportation (FSRFX)	21.25	2.37	1.55	(3.10)	5.518	25
Utilities (FSUTX)	10.43	13.53*	6.37*	4.26*	11.648	15
Wireless (FWRLX)	21.42	14.61*	5.10	4.54*	13.418	9

\*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

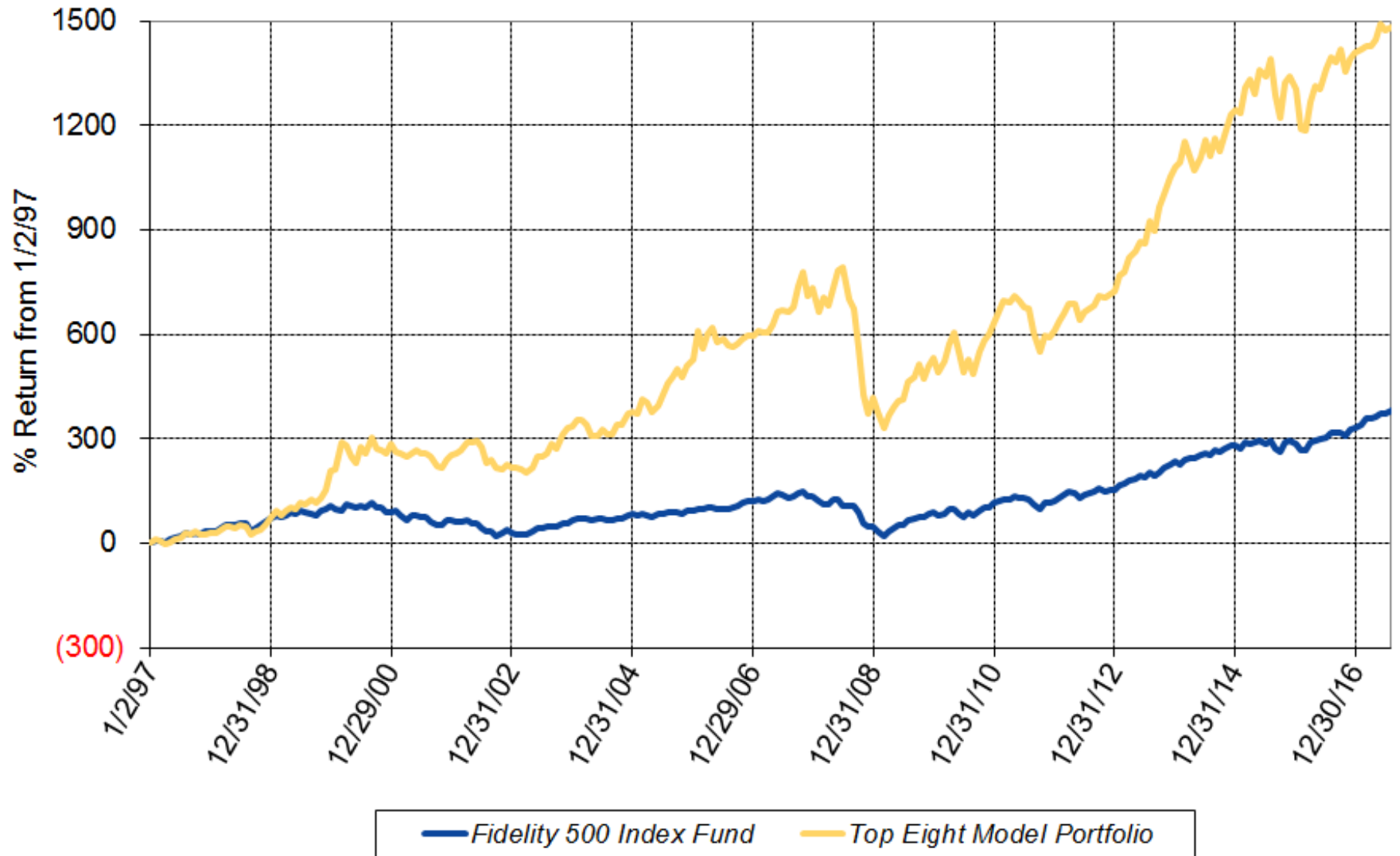
Sell on August 4, 2017

Buy on August 4, 2017

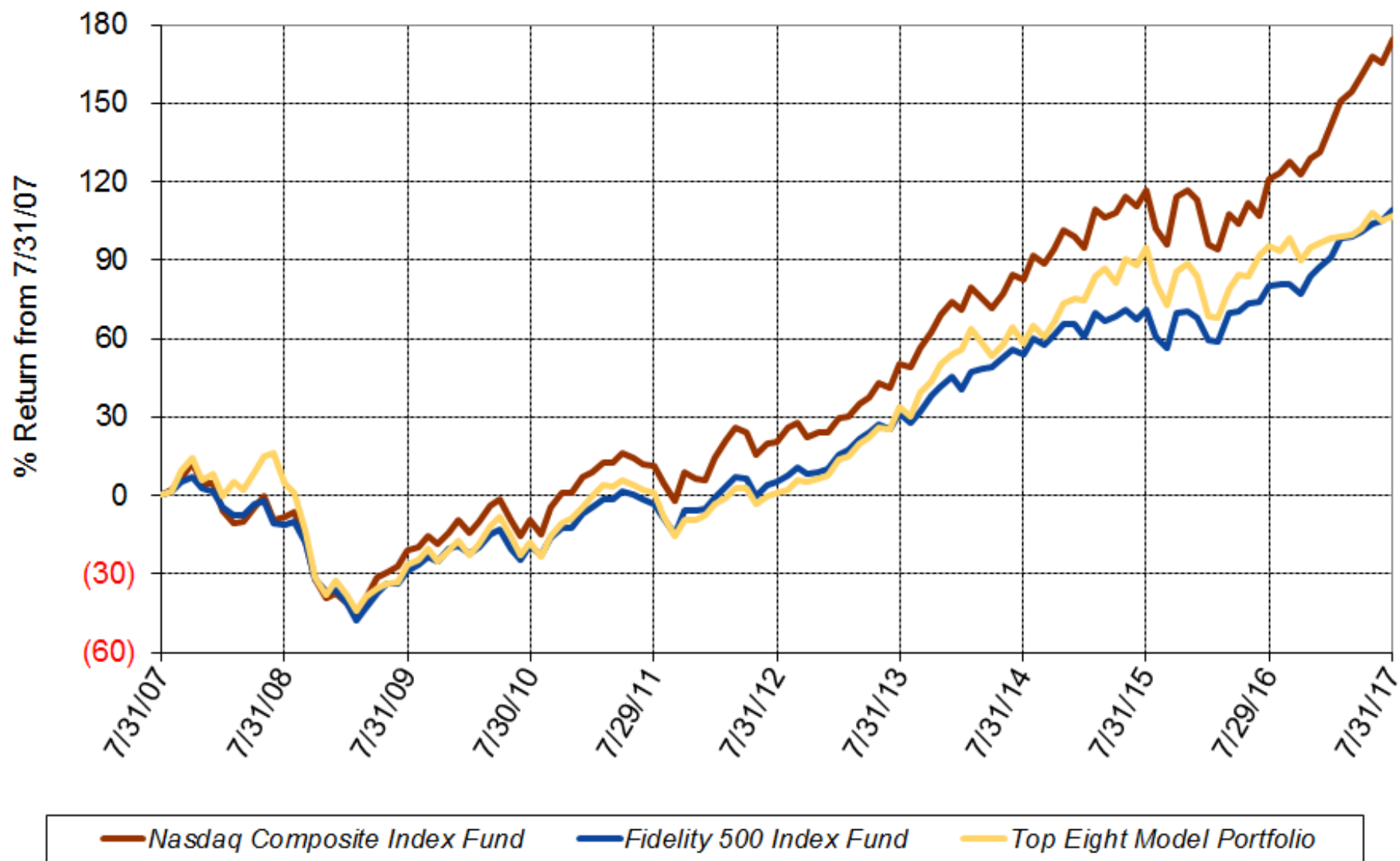
Hold

Fundranker Performance for July 2017													
6/30 Funds	6/30 Shares	6/30 Amount	<=7/5 Div Shrs	7/5 Shares	7/5 Amount	7/5 Funds	7/5 Shares	7/5 Amount	>7/5 Div Shrs	7/31 Shares	7/31 Amount	Jul Return	
FSPTX	289.321	46,574.89	none	289.321	46,346.33	FSPTX	294.369	47,154.94	none	294.369	49,842.56		
FSELX	449.076	45,778.81	none	449.076	45,944.97	FSLBX	626.894	47,154.94	none	626.894	47,857.09		
FDCPX	551.213	46,676.72	none	551.213	46,445.21	FSMEX1	1,014.739	47,154.94	none	1,014.739	46,231.51		
FDLSX	295.272	46,676.60	none	295.272	46,449.24	FBIOX	217.896	47,154.94	none	217.896	47,215.88		
FSCSX	314.018	46,751.00	none	314.018	46,870.33	FSCSX	315.925	47,154.94	none	315.925	48,924.15		
FWRLX4	901.158	46,413.97	none	4,901.158	46,364.95	FSAIX	587.161	47,154.94	none	587.161	46,250.67		
FSLEX	1,957.686	48,589.77	none	1,957.686	48,863.84	FSPHX	208.346	47,154.94	none	208.346	47,084.11		
FSMEX1	1,074.987	49,739.65	none	1,074.987	49,954.65	FSLEX	1,889.220	47,154.94	none	1,889.220	46,531.49		
<b>Top Eight</b>		<b>377,201.41</b>			<b>377,239.52</b>			<b>377,239.50</b>			<b>379,937.46</b>	<b>0.725</b>	
FNCMX1	673.709	135,453.27	none						none	1,673.709	140,106.18	3.435	
FUSEX	1,331.473	113,334.98	none						6.325	1,337.798	115,666.02	2.057	
<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				
Fidelity 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)				
Fidelity 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				
Fidelity 500 Index Fund - Investor Class				26.502	14.842	2.036	15.929	32.251	13.590				
<b>Yearly Summaries</b>				2015	2016	2017 YTD							
				Return %	Return %	Return %							
<i>Top Eight Model Portfolio</i>				4.592	7.248	5.070							
Nasdaq Composite Index Fund				6.818	8.787	18.519							
Fidelity 500 Index Fund - Investor Class				1.366	11.870	11.533							
<b>Lifetime Summary</b>				1/2/97 to 7/31/17		1/2/97 to 7/31/17							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				1,483.073		14.360							
Nasdaq Composite Index Fund				N/A		N/A							
Fidelity 500 Index Fund - Investor Class				381.942		7.940							
<b>10-Year Summary</b>				7/31/07 to 7/31/17		7/31/07 to 7/31/17							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				106.794		7.536							
Nasdaq Composite Index Fund				174.254		10.615							
Fidelity 500 Index Fund - Investor Class				109.140		7.657							
<b>5-Year Summary</b>				7/31/12 to 7/31/17		7/31/12 to 7/31/17							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				104.979		15.436							
Nasdaq Composite Index Fund				128.117		17.932							
Fidelity 500 Index Fund - Investor Class				98.500		14.697							
<b>3-Year Summary</b>				7/31/14 to 7/31/17		7/31/14 to 7/31/17							
				Total Return %		Average Annual Return %							
<i>Top Eight Model Portfolio</i>				30.520		9.285							
Nasdaq Composite Index Fund				50.056		14.486							
Fidelity 500 Index Fund - Investor Class				36.042		10.805							
<b>1-Year Summary</b>				7/29/16 to 7/31/17		7/29/16 to 7/31/17							
				Total Return %									
<i>Top Eight Model Portfolio</i>				5.975									
Nasdaq Composite Index Fund				24.161									
Fidelity 500 Index Fund - Investor Class				15.954									

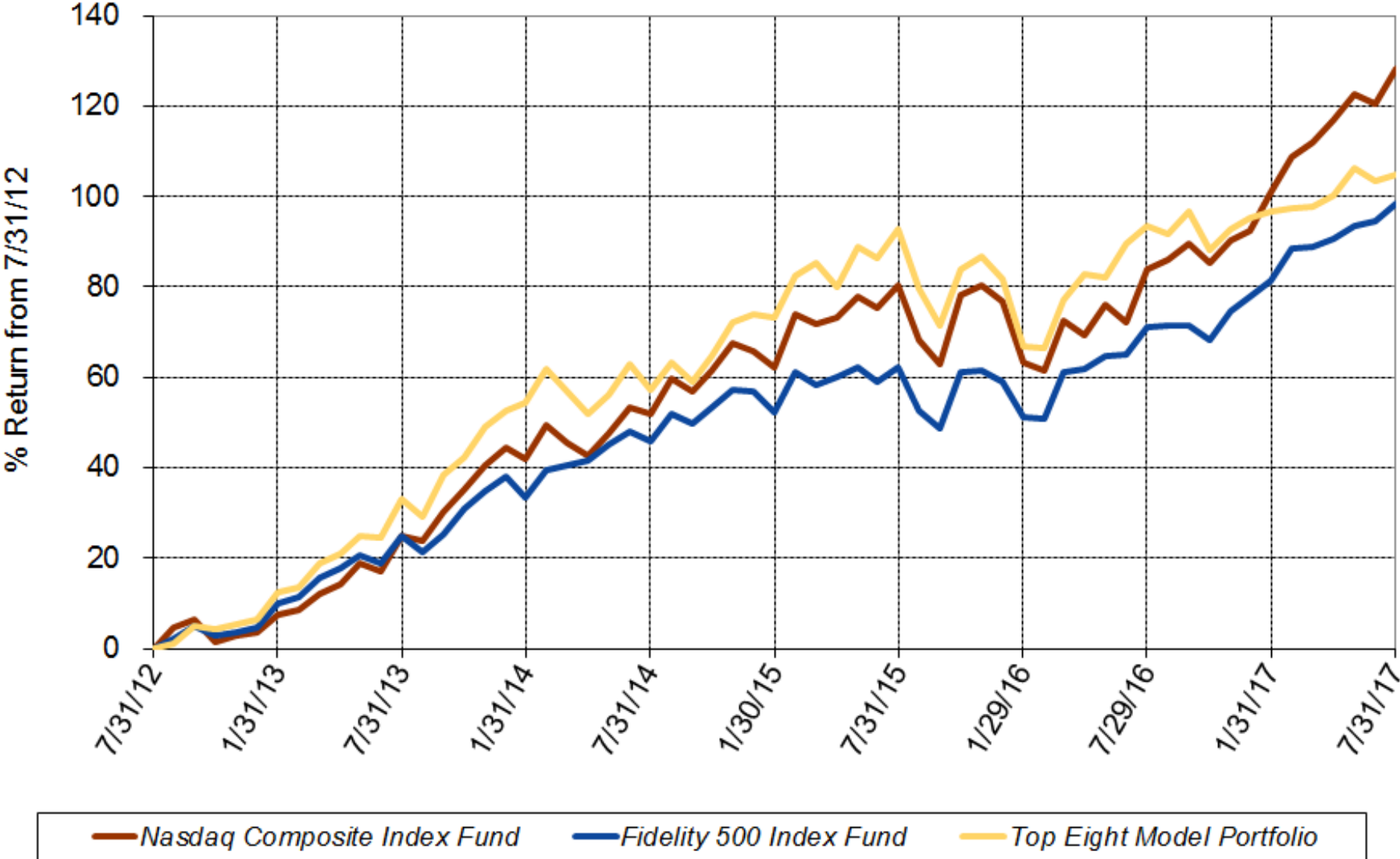
### Lifetime Chart



### 10-Year Chart

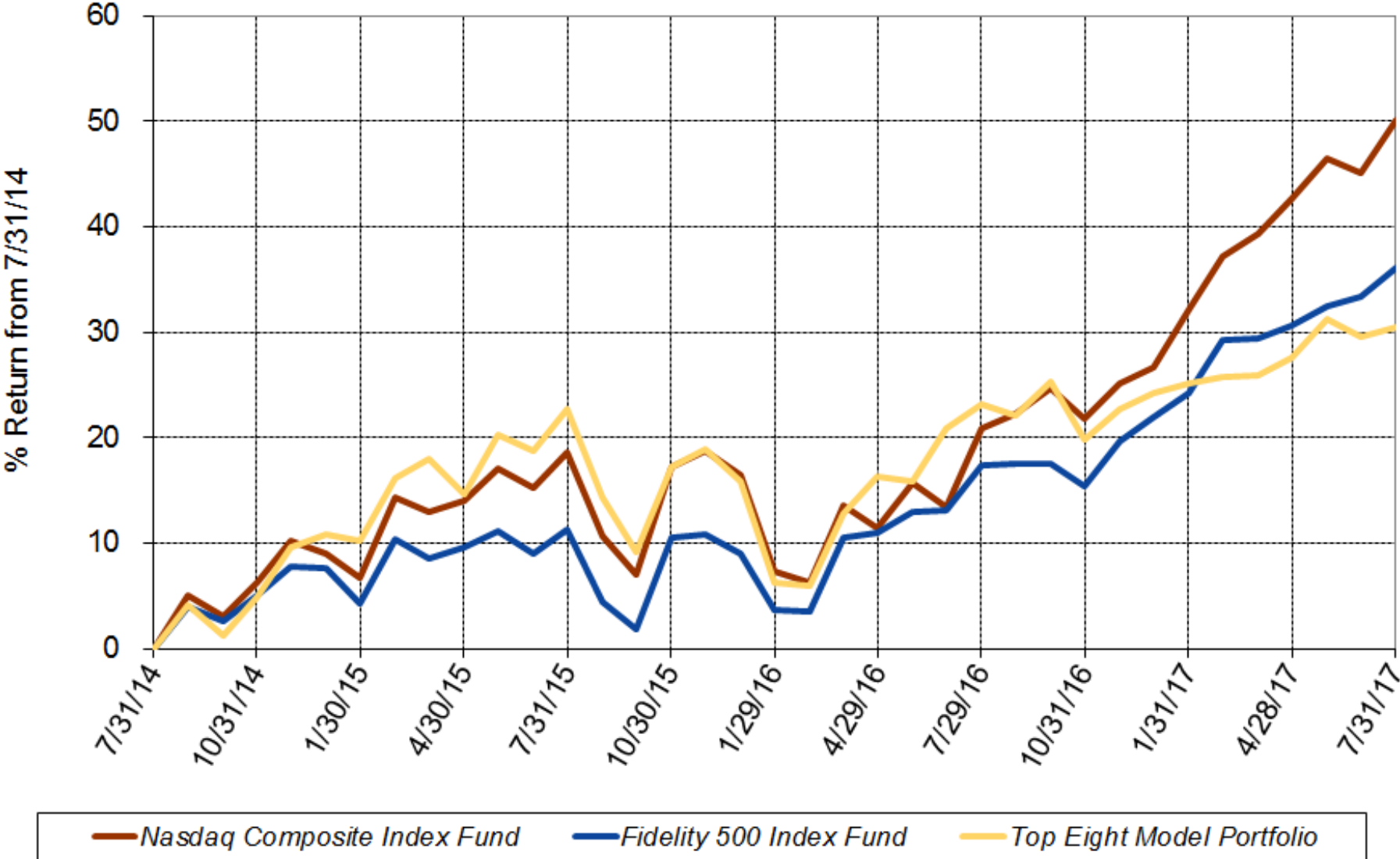


### 5-Year Chart

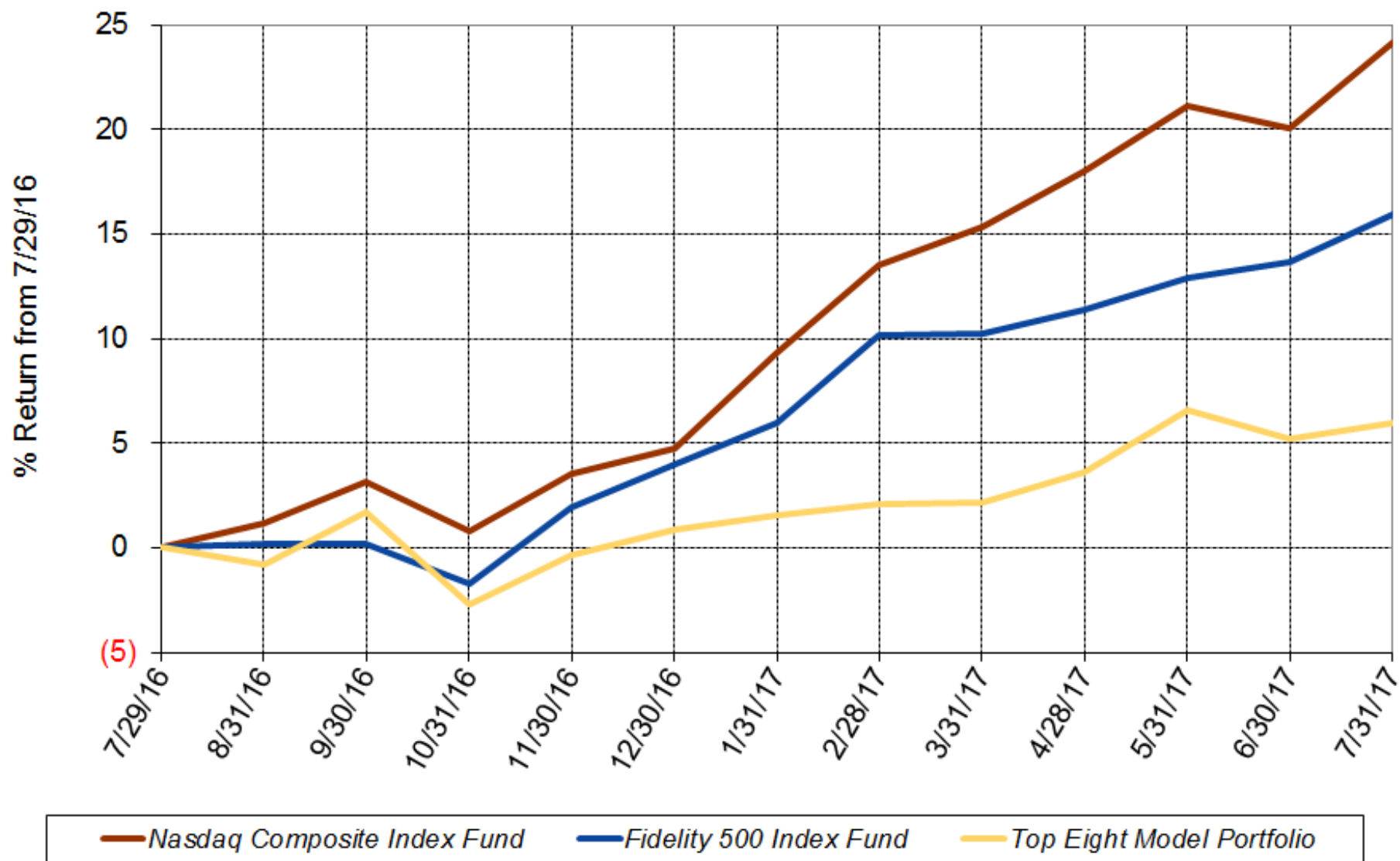




### 3-Year Chart



### 1-Year Chart



(5)



### Daily Chart July 2017

