

FIDELITY SELECT FUNDRANKER™

Volume 12 Issue 9

The Right Funds at the Right Time

September 2017

Broad Market Ekes out New Highs in August

The broad market S&P 500 Index hit two new all-time highs on a total return basis (including reinvested dividends) by slim margins in early August. The tech-heavy Nasdaq Composite Index hit an all-time high on a total return basis by a slim margin on August 31.

Six *Top Eight Model Portfolio* funds gained value in August.

Defense & Aerospace, Technology, Semiconductors, and Software & IT Services reaped one-month gains of 4.54%, 3.80%, 2.39%, and 2.12%. Computers and IT Services added one-month gains of 1.84% and 1.42%. Brokerage & Investment Management and Insurance suffered one-month losses of 1.79% and 2.98%.

In August, the *Top Eight Model Portfolio* gained 1.176%, the Nasdaq Composite Index gained 1.410%, and the S&P 500 Index gained 0.289%. For YTD through August, the *Top Eight Model Portfolio* gained 6.306%, the Nasdaq Composite Index gained 20.190%, and the S&P 500 Index gained 11.855%.

Final Performance of Funds Sold on August 4

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

Fund	Bought	Sold	Return
Air Transportation (FSAIX)	7/5/2017	8/4/2017	1.48%
Biotechnology (FBIOX)	7/5/2017	8/4/2017	(0.31)%
Env & Alternative Energy (FSLEX)	6/5/2017	8/4/2017	0.08%
Health Care (FSPHX)	7/5/2017	8/4/2017	(0.96)%
Medical Eqpt & Systems (FSMEX)	4/5/2017	8/4/2017	8.99%

Top Eight Model Portfolio Composition

In September, our *Top Eight Model Portfolio* maintains its heavy weighting of Select funds in Morningstar's Technology category. After our September exchanges, we still will hold five of the six Technology category Select funds, one of five Health category Select funds, and two of six Industrials category Select funds.

Debt Ceiling Fight Looms

Treasury Secretary Steve Mnuchin says that it is absolutely critical that Congress raise the debt ceiling by September 29, though it is believed that the government could continue to operate for a few more weeks after that date. He wants the debt limit raised with no strings attached. Senate Majority Leader Mitch McConnell and Speaker Paul Ryan need Democrats, who also want a "clean" debt limit bill, to help pass any debt limit bill through the Senate, so they also reluctantly support an increase with no strings attached. However, conservative GOP lawmakers in both chambers are calling for spending cuts or fiscal reforms to be attached.

Schwab Market Perspective

Schwab published two market perspective articles since our August issue, [Schwab Market Perspective: Things are Looking Good ... But are They Too Good?](#) (8/7/17) and [Schwab Market Perspective: Volatility Returns!](#) (8/18/17). In the earlier article, the authors noted their concern that the proverbial "wall of worry" appeared to be losing bricks; the second article maintained that in that short time span, it was at least partially built back up. They see no bear market coming, but they note that Washington could throw a wrench in the works with upcoming debt limit and budget fights. The first article presciently mentioned "black swan" events, such as a natural disaster or a sudden geopolitical crisis; Hurricane Harvey struck the Gulf coast only a few days after the second article. And cue Hurricane Irma, headed toward the Caribbean.

Web Roll of Interesting Sites

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

Funds Spotlight

[Materials](#), one of two Select funds in Morningstar's Natural Resources category, began operations on 9/29/1986. The fund primarily invests in companies engaged in manufacture, mining, processing, or distribution of raw materials and intermediate goods.

[Tobias Welo](#) has managed the fund since 1/9/2008. As of 6/30/2017, the fund's top 10 holdings made up 57.04% of the portfolio. Its top three holdings were El du Pont de Nemours and Co, LyondellBasell Industries Class A, and Ball Corp.

Fundranker's Top Eight Model Portfolio has held [Materials 25](#) times for a total of 54 months with an average monthly loss of 0.69%. The longest we held the fund was for 11 months from 10/2/2007 through 9/2/2008 for a loss of 7.72%.

[Medical Equipment & Systems](#), one of five Select funds in Morningstar's Health category, began operations on 4/28/1998. The fund primarily invests in companies engaged in research, development, manufacture, distribution, supply or sale of medical equipment and devices and related technologies. [Eddie Yoon](#) has managed the fund since 5/1/2007. As of 6/30/2017, the fund's top 10 holdings made up 64.16% of the portfolio. Its top three holdings were Medtronic PLC, Boston Scientific Corp, and Becton, Dickinson & Co.

Fundranker's Top Eight Model Portfolio has held [Medical Equipment & Systems 19](#) times for a total of 51 months with an average monthly gain of 0.77%. The longest we held the fund was for 20 months from 11/5/2014 through 7/2/2015 for a gain of 14.25%.

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 September 2017

Fund Name (Symbol)	Purchase	Return to 8/31
1. Technology (FSPTX)	3/6/2017	22.89%
2. Biotechnology (FBIOX)	9/5/2017	
3. Defense & Aerospace (FSDAX)	8/4/2017	1.91%
4. Software & IT Services (FSCSX)	4/5/2017	13.81%
5. IT Services (FBSOX)	8/4/2017	1.29%
6. Semiconductors (FSELX)	8/4/2017	2.79%
7. Air Transportation (FSAIX)	9/5/2017	
8. Computers (FDCPX)	8/4/2017	1.05%
Funds to be sold on September 5:		
12. Brokerage & Inv Mgmt (FSLBX)	7/5/2017	(0.33)%
25. Insurance (FSPCX)	8/4/2017	(3.78)%

Fundranker Exchanges for September 5

Sell Brokerage & Inv Mgmt (FSLBX), buy Biotechnology (FBIOX)
Sell Insurance (FSPCX), buy Air Transportation (FSAIX)

Start a New Portfolio

September 5 ([see new portfolio FAQ](#)) (Note: to avoid roundtrip transactions, shares purchased on September 5 should not be exchanged before October 5)

Optional Rebalancing Exchange Dates

Held funds: none; New funds: September 5 ([see rebalancing FAQ](#))

Upcoming Fundranker Exchange Date

If no new funds are to be exchanged, *Fundranker* will exchange on Oct 2, our [early exchange date](#); otherwise, to avoid roundtrip transactions, *Fundranker* will exchange on Oct 5, our [late exchange date](#).

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<i>Fundranker Ratings for 8/31/17</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)	29.76*	7.66	4.49	2.59*	13.125	7
Automotive (FSAVX)	11.00	5.10	3.14	1.98*	6.305	24
Banking (FSRBX)	22.50*	(5.72)	3.16	(3.27)	5.168	26
Biotechnology (FBIOX)	24.99*	12.33*	19.94*	5.34*	19.650	2
Brokerage & Investment Mgmt (FSLBX)	25.23*	7.32	7.42*	(1.79)	11.545	12
Chemicals (FSCHX)	24.81*	6.96	7.61*	0.91	12.073	11
Communications Equipment (FSDCX)	11.32	0.44	(0.70)	(1.50)	2.390	31
Computers (FDCPX)	30.60*	9.76*	2.10	1.84	13.075	8
Construction & Housing (FSHOX)	8.54	3.80	0.36	(0.69)	3.003	30
Consumer Discretionary (FSCPX)	8.70	4.05	(2.04)	(1.43)	2.320	32
Consumer Finance (FSVLX)	19.39	3.40	7.34*	(0.41)	8.430	17
Consumer Staples (FDFAX)	4.77	1.21	(4.53)	(2.26)	(0.203)	35
Defense & Aerospace (FSDAX)	31.06*	12.52*	8.21*	4.54*	18.083	3
Energy (FSENX)	(11.70)	(15.34)	(5.77)	(6.59)	(9.850)	37
Energy Service (FSESX)	(7.99)	(24.46)	(9.78)	(9.00)	(12.808)	39
Environment & Alternative Energy (FSLEX)	20.46	5.84	(0.16)	(0.61)	6.383	23
Financial Services (FIDSX)	21.88	1.09	6.32*	(1.90)	7.848	20
Gold (FSAGX)	(4.06)	5.64	9.00*	7.16*	6.435	22
Health Care (FSPHX)	14.26	9.90*	9.02*	1.59	10.693	14
Health Care Services (FSHCX)	19.77	7.15	4.79	0.41	8.030	19
Industrial Equipment (FSCGX)	11.29	3.86	1.32	0.90	4.343	27
Industrials (FCYIX)	13.12	1.66	0.39	0.81	3.995	28
Insurance (FSPCX)	18.11	3.57	2.30	(2.98)	5.250	25
IT Services (FBSOX)	23.25*	12.75*	5.53*	1.42	13.738	5
Leisure (FDLSX)	21.03	13.27*	(0.86)	2.06*	10.875	13
Materials (FSDPX)	17.31	6.21	5.79*	1.11	8.605	16
Medical Equipment & Systems (FSMEX)	13.80	12.06*	5.28	1.54	9.170	15
Multimedia (FBMPX)	22.16	4.28	1.60	(2.03)	6.503	21
Natural Gas (FSNGX)	(12.56)	(19.85)	(7.32)	(6.89)	(11.655)	38
Natural Resources (FNARX)	(10.39)	(13.01)	(4.74)	(5.59)	(8.433)	36
Pharmaceuticals (FPHAX)	0.83	5.49	1.98	0.37	2.168	33
Retailing (FSRPX)	7.56	1.74	(3.37)	(2.13)	0.950	34
Semiconductors (FSELX)	27.66*	9.69*	0.86	2.39*	13.150	6
Software & IT Services (FSCSX)	26.28*	15.22*	4.53	2.12*	15.038	4
Technology (FSPTX)	40.97*	23.58*	7.03*	3.80*	22.845	1
Telecommunications (FSTCX)	7.80	1.49	2.08	0.77	3.035	29
Transportation (FSRFX)	22.19	2.33	2.41	1.91*	8.210	18
Utilities (FSUTX)	20.19	10.72*	6.07*	2.81*	12.948	10
Wireless (FWRLX)	24.18*	11.29*	2.75	1.92*	13.035	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

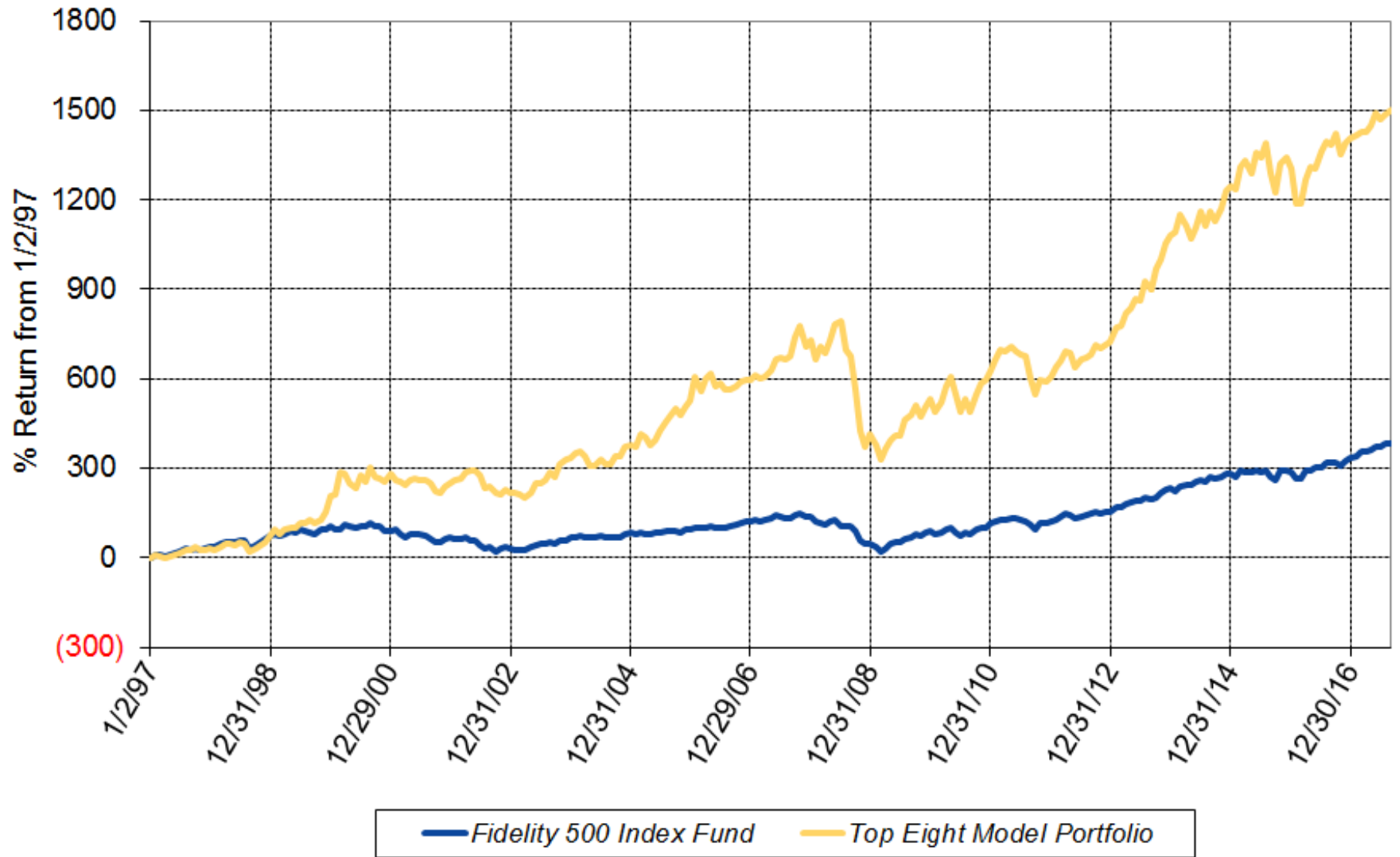
Sell on September 5, 2017

Buy on September 5, 2017

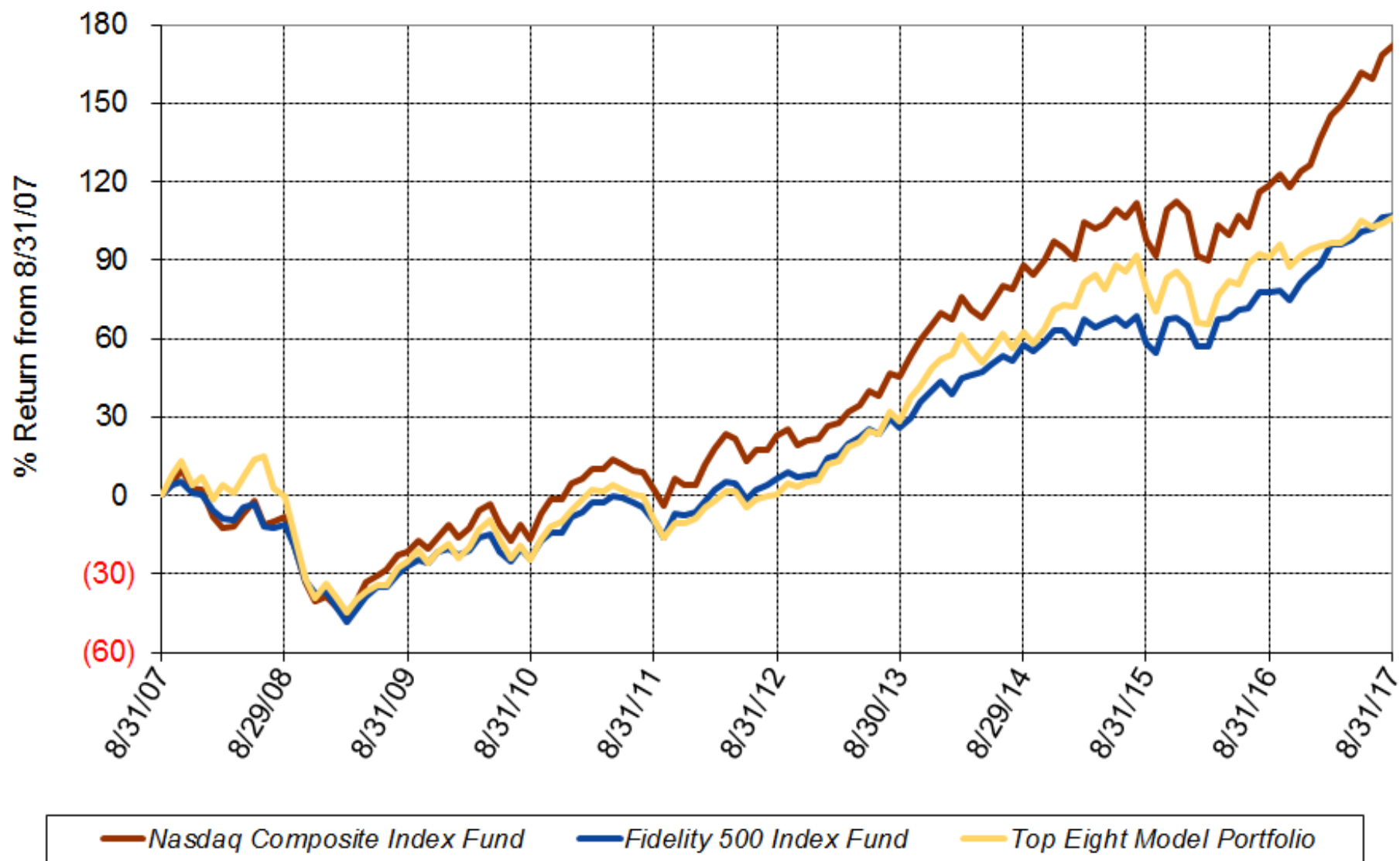
Hold

Fundranker Performance for August 2017												
7/31 Funds	7/31 Shares	7/31 Amount	<=8/4 Div Shrs	8/4 Shares	8/4 Amount	8/4 Funds	8/4 Shares	8/4 Amount	>8/4 Div Shrs	8/31 Shares	8/31 Amount	Aug Return
FSPTX	294.369	49,842.56	none	294.369	50,242.90	FSPTX	279.059	47,629.71	none	279.059	49,044.62	
FSLBX	626.894	47,857.09	none	626.894	47,631.41	FSLBX	626.872	47,629.71	none	626.872	46,996.59	
FSMEX1	1,014.739	46,231.51	none	1,014.739	45,977.82	FSCSX	307.705	47,629.71	none	307.705	48,663.55	
FBIOX	217.896	47,215.88	none	217.896	47,006.70	FSDAX	313.994	47,629.71	none	313.994	48,537.19	
FSCSX	315.925	48,924.15	none	315.925	48,902.03	FDCPX	539.103	47,629.71	none	539.103	48,131.12	
FSAIX	587.161	46,250.67	none	587.161	47,853.62	FBSOX	962.022	47,629.71	none	962.022	48,245.40	
FSPHX	208.346	47,084.11	none	208.346	46,702.84	FSPCX	552.100	47,629.71	none	552.100	45,829.82	
FSLEX	1,889.220	46,531.49	none	1,889.220	46,720.41	FSELX	456.529	47,629.71	none	456.529	48,958.17	
Top Eight		379,937.46			381,037.73			381,037.70			384,406.46	1.176
FNCMX1	1,673.709	140,106.18	none						none	1,673.709	142,081.16	1.410
FUSEX	1,337.798	115,666.02	none						none	1,337.798	116,000.46	0.289
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	6.306						
Nasdaq Composite Index Fund				6.818	8.787	20.190						
Fidelity 500 Index Fund - Investor Class				1.366	11.870	11.855						
Lifetime Summary				1/2/97 to 8/31/17			1/2/97 to 8/31/17					
				Total Return %			Average Annual Return %					
<i>Top Eight Model Portfolio</i>				1,501.694			14.363					
Nasdaq Composite Index Fund				N/A			N/A					
Fidelity 500 Index Fund - Investor Class				383.335			7.922					
10-Year Summary				8/31/07 to 8/31/17			8/31/07 to 8/31/17					
				Total Return %			Average Annual Return %					
<i>Top Eight Model Portfolio</i>				106.317			7.511					
Nasdaq Composite Index Fund				172.080			10.527					
Fidelity 500 Index Fund - Investor Class				106.655			7.529					
5-Year Summary				8/31/12 to 8/31/17			8/31/12 to 8/31/17					
				Total Return %			Average Annual Return %					
<i>Top Eight Model Portfolio</i>				105.306			15.473					
Nasdaq Composite Index Fund				121.295			17.218					
Fidelity 500 Index Fund - Investor Class				94.695			14.254					
3-Year Summary				8/29/14 to 8/31/17			8/29/14 to 8/31/17					
				Total Return %			Average Annual Return %					
<i>Top Eight Model Portfolio</i>				26.924			8.272					
Nasdaq Composite Index Fund				44.941			13.170					
Fidelity 500 Index Fund - Investor Class				31.191			9.471					
1-Year Summary				8/31/16 to 8/31/17			8/31/16 to 8/31/17					
				Total Return %								
<i>Top Eight Model Portfolio</i>				8.106								
Nasdaq Composite Index Fund				24.466								
Fidelity 500 Index Fund - Investor Class				16.123								

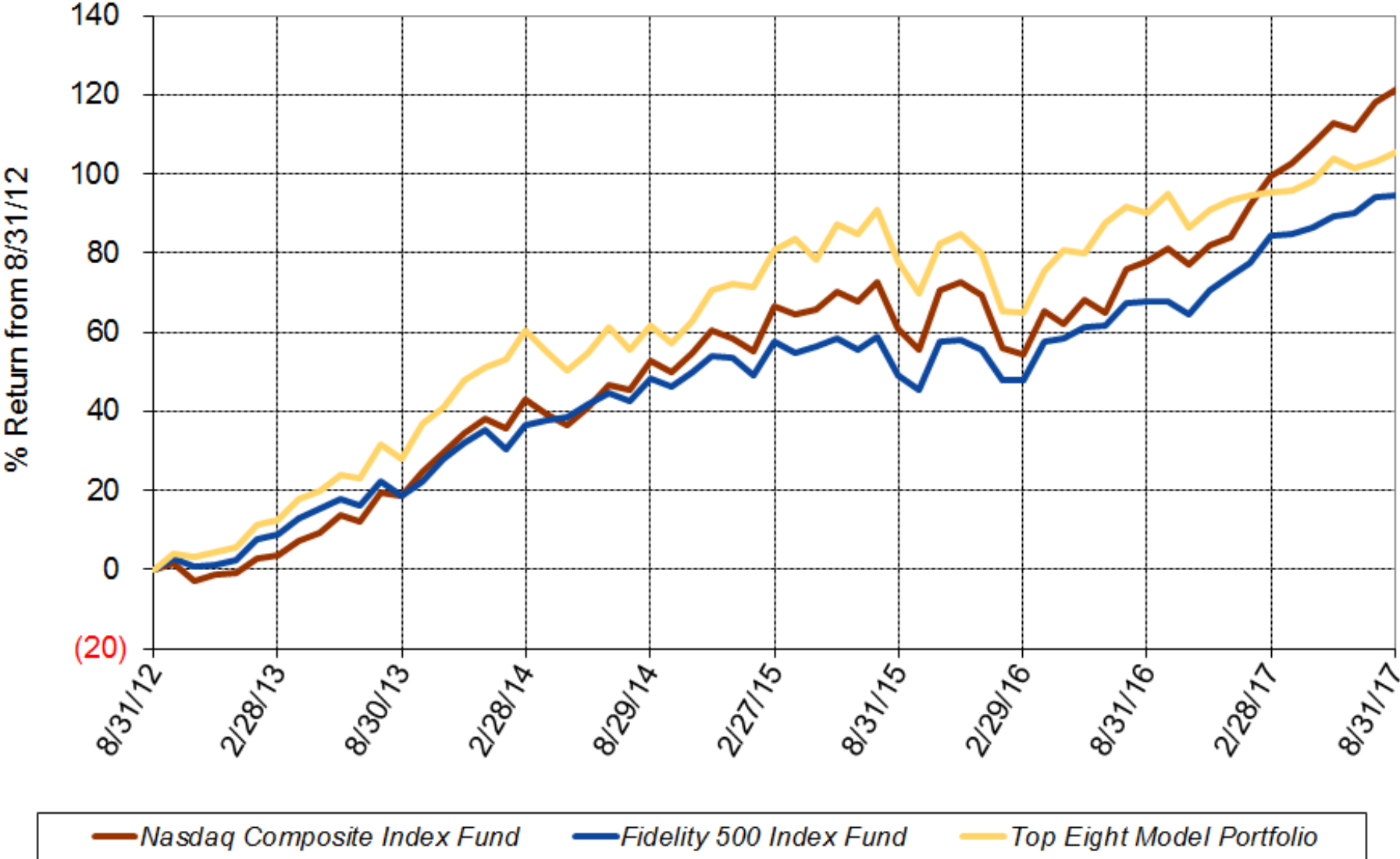
Lifetime Chart



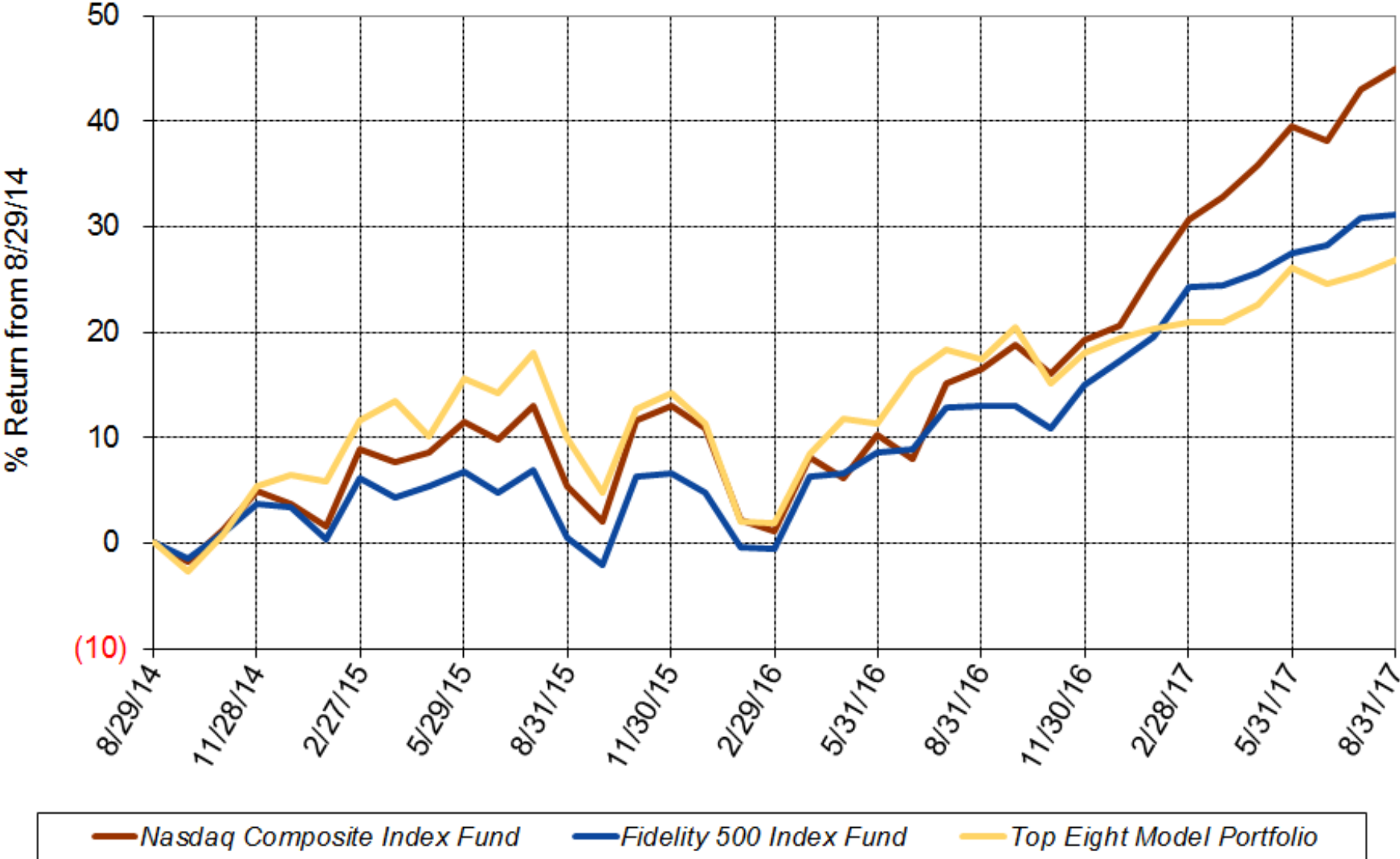
10-Year Chart



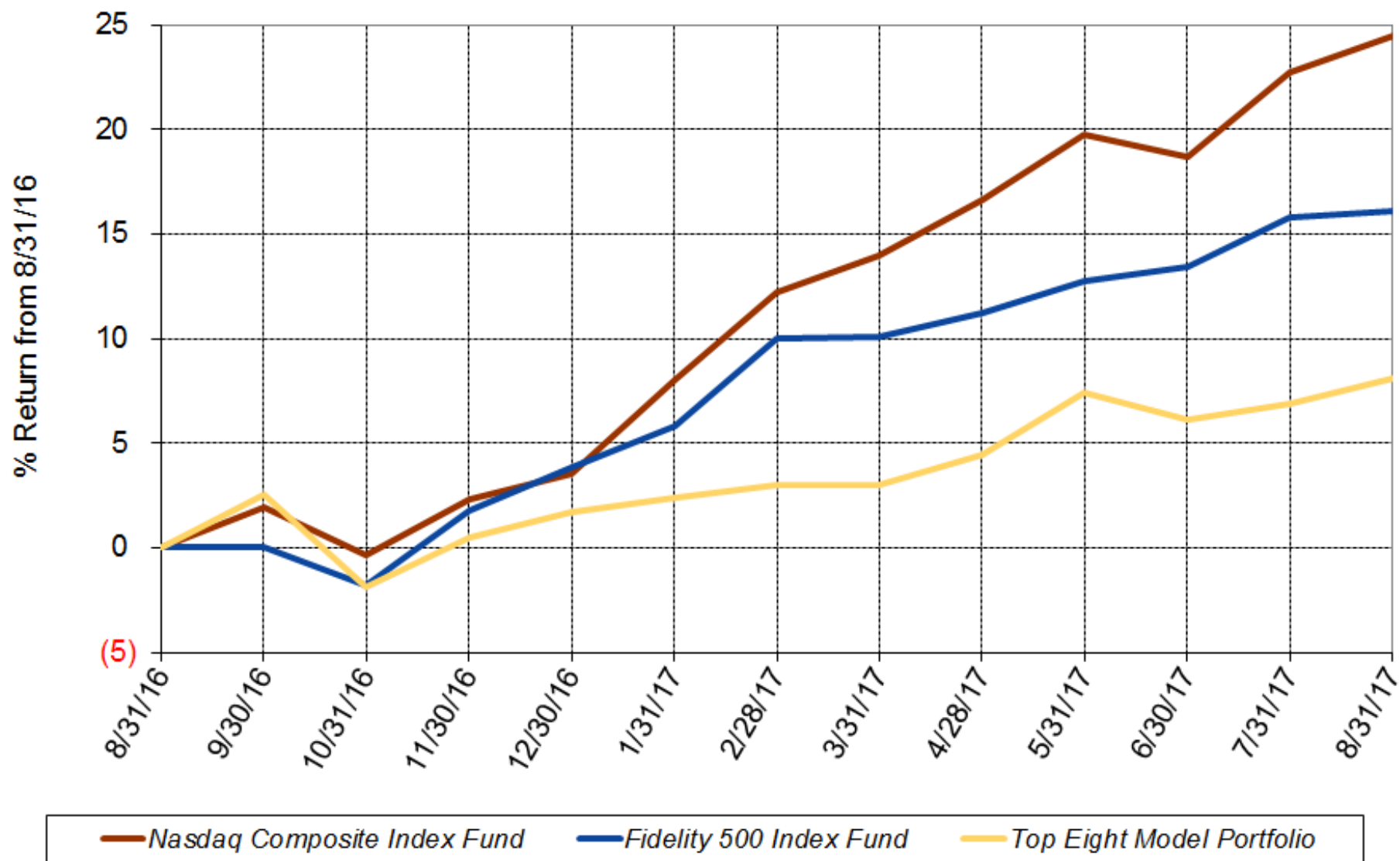
5-Year Chart



3-Year Chart



1-Year Chart



Daily Chart August 2017

