

# FIDELITY SELECT FUNDRANKER™

Volume 12 Issue 11

The Right Funds at the Right Time

November 2017

## Broad Market Sets Lots More New Highs in October

The broad market S&P 500 Index hit a lot of new all-time highs on a total return basis (including reinvested dividends) in October, most recently on October 27. The tech-heavy Nasdaq Composite Index also hit a lot of all-time highs on a total return basis in October, culminating in an all-time high at month end.

Seven *Top Eight Model Portfolio* funds gained value in October. Technology, Chemicals, and Consumer Finance excelled with one-month gains of 6.99%, 5.01%, and 3.16%. Automotive, Defense & Aerospace, and Brokerage & Investment Management added one-month gains of 2.19%, 2.08%, and 1.13%. Air Transportation eked out a one-month gain of 0.06%. Transportation held back the *Top Eight Model Portfolio* with a one-month loss of 1.22%.

In October, the *Top Eight Model Portfolio* gained 2.323%, the Nasdaq Composite Index gained 3.613%, and the S&P 500 Index gained 2.326%. For YTD through October, the *Top Eight Model Portfolio* gained 11.180%, the Nasdaq Composite Index gained 25.867%, and the S&P 500 Index gained 16.820%.

## Final Performance of Funds Sold on October 5

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

| Fund                           | Bought   | Sold      | Return |
|--------------------------------|----------|-----------|--------|
| Biotechnology (FBIOX)          | 9/5/2017 | 10/5/2017 | 3.74%  |
| Computers (FDCPX)              | 8/4/2017 | 10/5/2017 | 1.90%  |
| IT Services (FBSOX)            | 8/4/2017 | 10/5/2017 | 5.17%  |
| Semiconductors (FSELX)         | 8/4/2017 | 10/5/2017 | 9.04%  |
| Software & IT Services (FSCSX) | 4/5/2017 | 10/5/2017 | 16.25% |

## Top Eight Model Portfolio Hits New All-Time Highs

*Fundranker's Top Eight Model Portfolio* hit ten new all-time highs in October, most recently on October 20. From the *Top Eight Model Portfolio's* hypothetical start date on January 2, 1997, through October 20, 2017, it gained 1,580.744% on a total return basis. Over the same time period, the S&P 500 Index, also at an all-time high on a total return basis, gained 402.232%.

## Top Eight Model Portfolio Composition

In November, our *Top Eight Model Portfolio* shifts dramatically back into funds in Morningstar's Technology category. In hindsight, it's obvious we sold them a month too soon. As Yogi Berra once said, "It's hard to make predictions, especially about the future." After our November exchanges, we will hold five of six Technology category Select funds, two of two Natural Resources category Select funds, and one of six Industrials category Select funds.

## Schwab Market Perspective Articles

In Schwab's October 13 Market Perspective article, [Preparing for the Latter Innings](#), the authors contend that with stocks continuing to grind higher with little appearing to knock them off course, the possibility of a pullback always exists, but a melt up (a dramatic and unexpected improvement in stock prices driven partly by a stampede of investors who don't want to miss out) is also reemerging as a real possibility.

In Schwab's October 28 Market Perspective article, [Stocks Aren't so Spooky](#), the authors note that while new records are being set by stocks and investor sentiment measures are showing widespread optimism, households' exposure to equities is not at an extreme. They expect the bull market to continue.

## Web Roll of Interesting Sites

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

## Stock report: as good as it gets

Jurrien Timmer, Director of Global Macro for Fidelity, recently published a Fidelity Viewpoints article, [Stock report: as good as it gets](#), in which he maintains that while global stocks have enjoyed favorable conditions for quite some time, if earnings growth moderates and the Fed raises rates as it expects to, these tailwinds could blow less strongly. However, he doubts a correction is imminent and feels that fears of a bubble are likely overblown.

## Fund Spotlight

[Natural Gas](#), one of four Select funds in Morningstar's Equity Energy category, began operations on 4/21/1993. The fund primarily invests in companies engaged in the production, transmission, and distribution of natural gas, and involved in the exploration of potential natural gas sources, as well as those companies that provide services and equipment to natural gas producers, refineries, cogeneration facilities, converters, and distributors. [Edward Davis](#) and Ben Shuleva have managed the fund since 9/17/2012 and 10/23/2017, respectively. As of 9/30/2017, the fund's top 10 holdings made up 50.29% of the portfolio.

*Fundranker's Top Eight Model Portfolio* has held [Natural Gas](#) 18 times for a total of 64 months with an average monthly loss of 0.09%. The longest we held the fund was for 20 months from 7/2/2004 through 3/3/2006 for a total return of 69.63%.

## 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 November 2017

| Fund Name (Symbol)                | Purchase  | Return to 10/31 |
|-----------------------------------|-----------|-----------------|
| 1. Technology (FSPTX)             | 3/6/2017  | 32.81%          |
| 2. Semiconductors (FSELX)         | 11/6/2017 |                 |
| 3. Chemicals (FSCHX)              | 10/5/2017 | 2.27%           |
| 4. Defense & Aerospace (FSDAX)    | 8/4/2017  | 8.75%           |
| 5. Software & IT Services (FSCSX) | 11/6/2017 |                 |
| 6. IT Services (FBSOX)            | 11/6/2017 |                 |
| 7. Materials (FSDPX)              | 11/6/2017 |                 |
| 8. Computers (FDCPX)              | 11/6/2017 |                 |
| Funds to be sold on November 6:   |           |                 |
| 9. Consumer Finance (FSVLX)       | 10/5/2017 | 2.29%           |
| 10. Brokerage & Inv Mgmt (FSLBX)  | 10/5/2017 | (1.03)%         |
| 13. Automotive (FSAVX)            | 10/5/2017 | (0.13)%         |
| 14. Air Transportation (FSAIX)    | 9/5/2017  | 6.02%           |
| 17. Transportation (FSRFX)        | 10/5/2017 | (0.83)%         |

## Fundranker Exchanges for November 6

Sell Brokerage & Inv Mgmt (FSLBX), buy Semiconductors (FSELX)  
Sell Transportation (FSRFX), buy Software & IT Services (FSCSX)  
Sell Air Transportation (FSAIX), buy IT Services (FBSOX)  
Sell Consumer Finance (FSVLX), buy Materials (FSDPX)  
Sell Automotive (FSAVX), buy Computers (FDCPX)

## Start a New Portfolio

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

## Optional Rebalancing Exchange Dates

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

## Upcoming Fundranker Exchange Dates

If no new funds are to be exchanged, *Fundranker* will exchange on Dec 4, our [early exchange date](#); otherwise, to avoid roundtrip transactions, *Fundranker* will exchange on Dec 6, our [late exchange date](#).

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| <i>Fundranker</i> Ratings for 10/31/17   | 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)               | 30.29    | 13.07*   | 7.40     | 0.06     | 13.705            | 14                |
| Automotive (FSAVX)                       | 27.90    | 13.22*   | 11.85*   | 2.19     | 15.790            | 13                |
| Banking (FSRBX)                          | 33.04*   | 9.62     | 6.10     | 1.96     | 13.680            | 15                |
| Biotechnology (FBIOX)                    | 30.68    | 7.45     | 1.08     | (5.90)   | 8.328             | 25                |
| Brokerage & Investment Mgmt (FSLBX)      | 38.57*   | 15.27*   | 4.62     | 1.13     | 16.898            | 10                |
| Chemicals (FSCHX)                        | 42.42*   | 16.62*   | 11.73*   | 5.01*    | 22.945            | 3                 |
| Communications Equipment (FSDCX)         | 12.10    | 0.94     | (0.17)   | (0.20)   | 3.168             | 30                |
| Computers (FDCPX)                        | 35.75*   | 11.64    | 9.07*    | 6.90*    | 18.840            | 8                 |
| Construction & Housing (FSHOX)           | 26.59    | 6.87     | 7.29     | 3.12     | 10.968            | 19                |
| Consumer Discretionary (FSCPX)           | 17.08    | 2.94     | 2.33     | 2.86     | 6.303             | 29                |
| Consumer Finance (FSVLX)                 | 30.19    | 16.44*   | 7.63*    | 3.16*    | 17.355            | 9                 |
| Consumer Staples (FDFAX)                 | 4.70     | (4.40)   | (5.04)   | (1.85)   | (1.648)           | 36                |
| Defense & Aerospace (FSDAX)              | 38.79*   | 18.55*   | 11.56*   | 2.08     | 20.745            | 4                 |
| Energy (FSENX)                           | (0.94)   | (0.72)   | 3.39     | (0.17)   | 0.390             | 33                |
| Energy Service (FSSEX)                   | (5.54)   | (11.36)  | (4.14)   | (8.63)   | (7.418)           | 39                |
| Environment & Alternative Energy (FSLEX) | 31.57*   | 10.74    | 7.59*    | 4.21*    | 16.528            | 11                |
| Financial Services (FIDSX)               | 32.48*   | 14.65*   | 6.67     | 3.11     | 16.228            | 12                |
| Gold (FSAGX)                             | (9.38)   | (0.79)   | (3.05)   | (3.37)   | (4.148)           | 37                |
| Health Care (FSPHX)                      | 24.52    | 7.08     | 1.16     | (1.71)   | 7.763             | 27                |
| Health Care Services (FSHCX)             | 27.81    | 6.97     | 0.90     | 0.85     | 9.133             | 22                |
| Industrial Equipment (FSCGX)             | 23.52    | 8.18     | 6.59     | 1.25     | 9.885             | 21                |
| Industrials (FCYIX)                      | 24.92    | 6.31     | 7.13     | 1.42     | 9.945             | 20                |
| Insurance (FSPCX)                        | 25.37    | 10.71    | 3.09     | 3.27*    | 11.610            | 18                |
| IT Services (FBSOX)                      | 33.35*   | 18.38*   | 9.14*    | 5.00*    | 20.468            | 6                 |
| Leisure (FDLSX)                          | 29.39    | 8.55     | 5.89     | 3.29*    | 12.780            | 16                |
| Materials (FSDPX)                        | 31.87*   | 13.97*   | 9.47*    | 4.54*    | 18.963            | 7                 |
| Medical Equipment & Systems (FSMEX)      | 23.34    | 7.44     | 2.33     | 1.64     | 8.688             | 23                |
| Multimedia (FBMPX)                       | 14.84    | (4.86)   | (7.35)   | (2.78)   | (0.037)           | 34                |
| Natural Gas (FSNGX)                      | (7.49)   | (7.23)   | (0.34)   | (2.87)   | (4.483)           | 38                |
| Natural Resources (FNARX)                | (0.21)   | 0.29     | 3.54     | 0.07     | 0.923             | 31                |
| Pharmaceuticals (FPHAX)                  | 8.26     | 0.92     | (2.42)   | (3.74)   | 0.755             | 32                |
| Retailing (FSRPX)                        | 17.66    | 4.35     | 4.78     | 3.19*    | 8.495             | 24                |
| Semiconductors (FSELX)                   | 41.04*   | 21.89*   | 15.84*   | 8.56*    | 25.833            | 2                 |
| Software & IT Services (FSCSX)           | 32.85*   | 16.59*   | 9.98*    | 7.03*    | 20.613            | 5                 |
| Technology (FSPTX)                       | 49.50*   | 23.05*   | 12.18*   | 6.99*    | 26.930            | 1                 |
| Telecommunications (FSTCX)               | 5.92     | (4.16)   | (2.83)   | (2.46)   | (0.883)           | 35                |
| Transportation (FSRFX)                   | 27.95    | 9.92     | 8.25*    | (1.22)   | 12.225            | 17                |
| Utilities (FSUTX)                        | 18.09    | 9.49     | 2.93     | 2.35     | 8.215             | 26                |
| Wireless (FWRLX)                         | 20.86    | 6.16     | 1.01     | 0.91     | 7.235             | 28                |

\*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

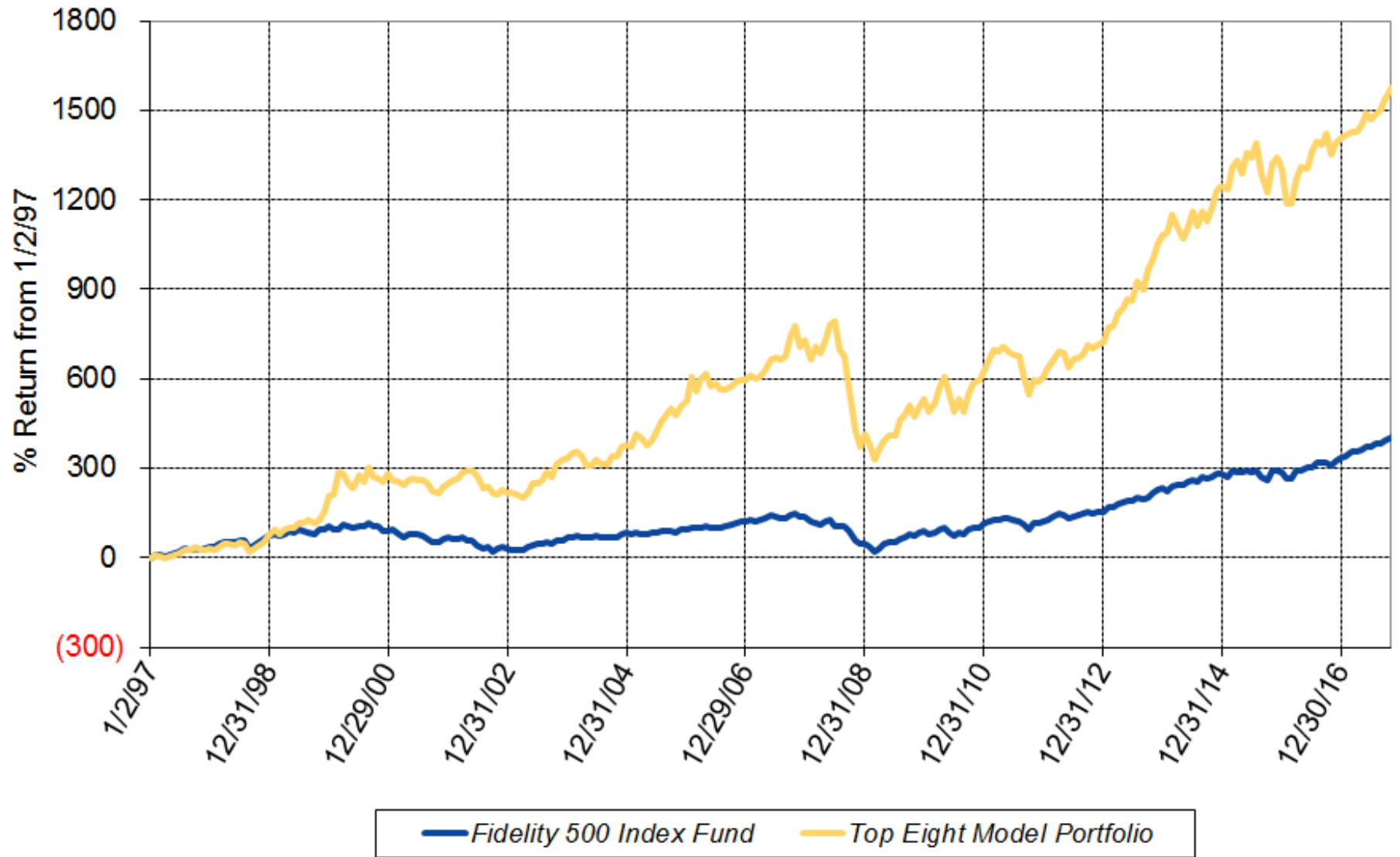
Sell on November 6, 2017

Buy on November 6, 2017

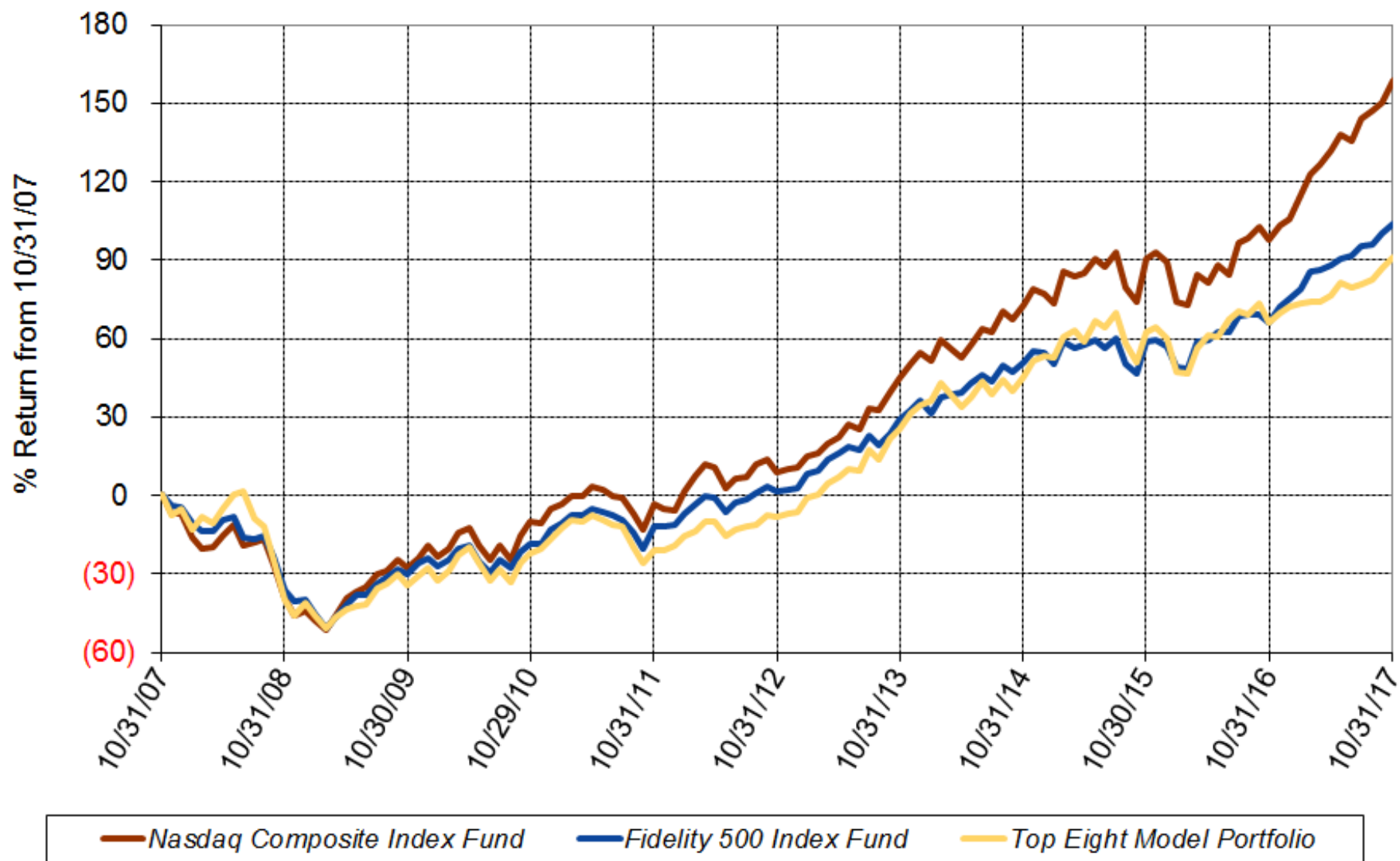
Hold

| Fundranker Performance for October 2017  |             |                   |                 |             |                      |            |             |                   |                         |              |                   |              |          |  |          |
|--|-------------|-------------------|-----------------|-------------|----------------------|------------|-------------|-------------------|-------------------------|--------------|-------------------|--------------|----------|--|----------|
| 9/29 Funds                               | 9/29 Shares | 9/29 Amount       | <=10/5 Div Shrs | 10/5 Shares | 10/5 Amount          | 10/5 Funds | 10/5 Shares | 10/5 Amount       | >10/5 Div Shrs          | 10/31 Shares | 10/31 Amount      | Oct Return   |          |  |          |
| FSPTX                                    | 271.918     | 48,273.60         | none            | 271.918     | 49,192.69            | FSDAX      | 302.513     | 49,923.76         | none                    | 302.513      | 49,905.57         |              |          |  |          |
| FBIOX                                    | 208.799     | 48,602.14         | none            | 208.799     | 49,343.38            | FSPTX      | 275.959     | 49,923.76         | none                    | 275.959      | 52,415.65         |              |          |  |          |
| FSDAX                                    | 310.751     | 50,220.47         | none            | 310.751     | 51,283.24            | FSCHX      | 276.142     | 49,923.76         | none                    | 276.142      | 51,055.89         |              |          |  |          |
| FSCSX                                    | 303.591     | 48,310.44         | none            | 303.591     | 49,045.13            | FSLBX      | 618.634     | 49,923.76         | none                    | 618.634      | 49,410.30         |              |          |  |          |
| FBSOX                                    | 952.475     | 48,957.22         | none            | 952.475     | 49,595.37            | FSRFY      | 494.442     | 49,923.76         | none                    | 494.442      | 49,508.48         |              |          |  |          |
| FSELX                                    | 448.996     | 50,179.79         | none            | 448.996     | 51,077.78            | FSAIX      | 576.953     | 49,923.76         | none                    | 576.953      | 48,810.22         |              |          |  |          |
| FSAIX                                    | 596.073     | 50,397.97         | none            | 596.073     | 51,578.20            | FSVLX      | 3,262.991   | 49,923.76         | none                    | 3,262.991    | 51,065.81         |              |          |  |          |
| FDCPX                                    | 536.203     | 47,963.36         | none            | 536.203     | 48,274.36            | FSAVX      | 1,257.842   | 49,923.76         | none                    | 1,257.842    | 49,860.86         |              |          |  |          |
| <b>Top Eight</b>                         |             | <b>392,904.99</b> |                 |             | <b>399,390.15</b>    |            |             | <b>399,390.10</b> |                         |              | <b>402,032.78</b> | <b>2.323</b> |          |  |          |
| FNCMX1                                   | 673.709     | 143,604.23        | none            |             |                      |            |             |                   | none                    | 1,673.709    | 148,792.73        | 3.613        |          |  |          |
| FUSEX                                    | 1,337.798   | 118,395.12        | none            |             |                      |            |             |                   | 6.511                   | 1,344.309    | 121,149.13        | 2.326        |          |  |          |
| <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       |                   | 11.180                  |              |                   |              |          |  |          |
| Nasdaq Composite Index Fund              |             |                   |                 |             | 6.818                |            | 8.787       |                   | 25.867                  |              |                   |              |          |  |          |
| Fidelity 500 Index Fund - Investor Class |             |                   |                 |             | 1.366                |            | 11.870      |                   | 16.820                  |              |                   |              |          |  |          |
| <b>Lifetime Summary</b>                  |             |                   |                 |             | 1/2/97 to 10/31/17   |            |             |                   | 1/2/97 to 10/31/17      |              |                   |              |          |  |          |
|  |             |                   |                 |             | Total Return %       |            |             |                   | Average Annual Return % |              |                   |              |          |  |          |
| <i>Top Eight Model Portfolio</i>         |             |                   |                 |             | 1,575.137            |            |             |                   | 14.487                  |              |                   |              |          |  |          |
| Nasdaq Composite Index Fund              |             |                   |                 |             | N/A                  |            |             |                   | N/A                     |              |                   |              |          |  |          |
| Fidelity 500 Index Fund - Investor Class |             |                   |                 |             | 404.788              |            |             |                   | 8.081                   |              |                   |              |          |  |          |
| <b>10-Year Summary</b>                   |             |                   |                 |             | 10/31/07 to 10/31/17 |            |             |                   | 10/31/07 to 10/31/17    |              |                   |              |          |  |          |
|  |             |                   |                 |             | Total Return %       |            |             |                   | Average Annual Return % |              |                   |              |          |  |          |
| <i>Top Eight Model Portfolio</i>         |             |                   |                 |             | 91.125               |            |             |                   | 6.692                   |              |                   |              |          |  |          |
| Nasdaq Composite Index Fund              |             |                   |                 |             | 158.895              |            |             |                   | 9.980                   |              |                   |              |          |  |          |
| Fidelity 500 Index Fund - Investor Class |             |                   |                 |             | 104.835              |            |             |                   | 7.434                   |              |                   |              |          |  |          |
| <b>5-Year Summary</b>                    |             |                   |                 |             | 10/31/12 to 10/31/17 |            |             |                   | 10/31/12 to 10/31/17    |              |                   |              |          |  |          |
|  |             |                   |                 |             | Total Return %       |            |             |                   | Average Annual Return % |              |                   |              |          |  |          |
| <i>Top Eight Model Portfolio</i>         |             |                   |                 |             | 108.343              |            |             |                   | 15.813                  |              |                   |              |          |  |          |
| Nasdaq Composite Index Fund              |             |                   |                 |             | 138.492              |            |             |                   | 18.986                  |              |                   |              |          |  |          |
| Fidelity 500 Index Fund - Investor Class |             |                   |                 |             | 101.951              |            |             |                   | 15.093                  |              |                   |              |          |  |          |
| <b>3-Year Summary</b>                    |             |                   |                 |             | 10/31/14 to 10/31/17 |            |             |                   | 10/31/14 to 10/31/17    |              |                   |              |          |  |          |
|  |             |                   |                 |             | Total Return %       |            |             |                   | Average Annual Return % |              |                   |              |          |  |          |
| <i>Top Eight Model Portfolio</i>         |             |                   |                 |             | 31.728               |            |             |                   | 9.621                   |              |                   |              |          |  |          |
| Nasdaq Composite Index Fund              |             |                   |                 |             | 49.939               |            |             |                   | 14.456                  |              |                   |              |          |  |          |
| Fidelity 500 Index Fund - Investor Class |             |                   |                 |             | 35.671               |            |             |                   | 10.704                  |              |                   |              |          |  |          |
| <b>1-Year Summary</b>                    |             |                   |                 |             | 10/31/16 to 10/31/17 |            |             |                   | 10/31/16 to 10/31/17    |              |                   |              |          |  |          |
|  |             |                   |                 |             | Total Return %       |            |             |                   | Average Annual Return % |              |                   |              |          |  |          |
| <i>Top Eight Model Portfolio</i>         |             |                   |                 |             | 15.264               |            |             |                   |                         |              |                   |              |          |  |          |
| Nasdaq Composite Index Fund              |             |                   |                 |             | 30.859               |            |             |                   |                         |              |                   |              |          |  |          |
| Fidelity 500 Index Fund - Investor Class |             |                   |                 |             | 23.536               |            |             |                   |                         |              |                   |              |          |  |          |

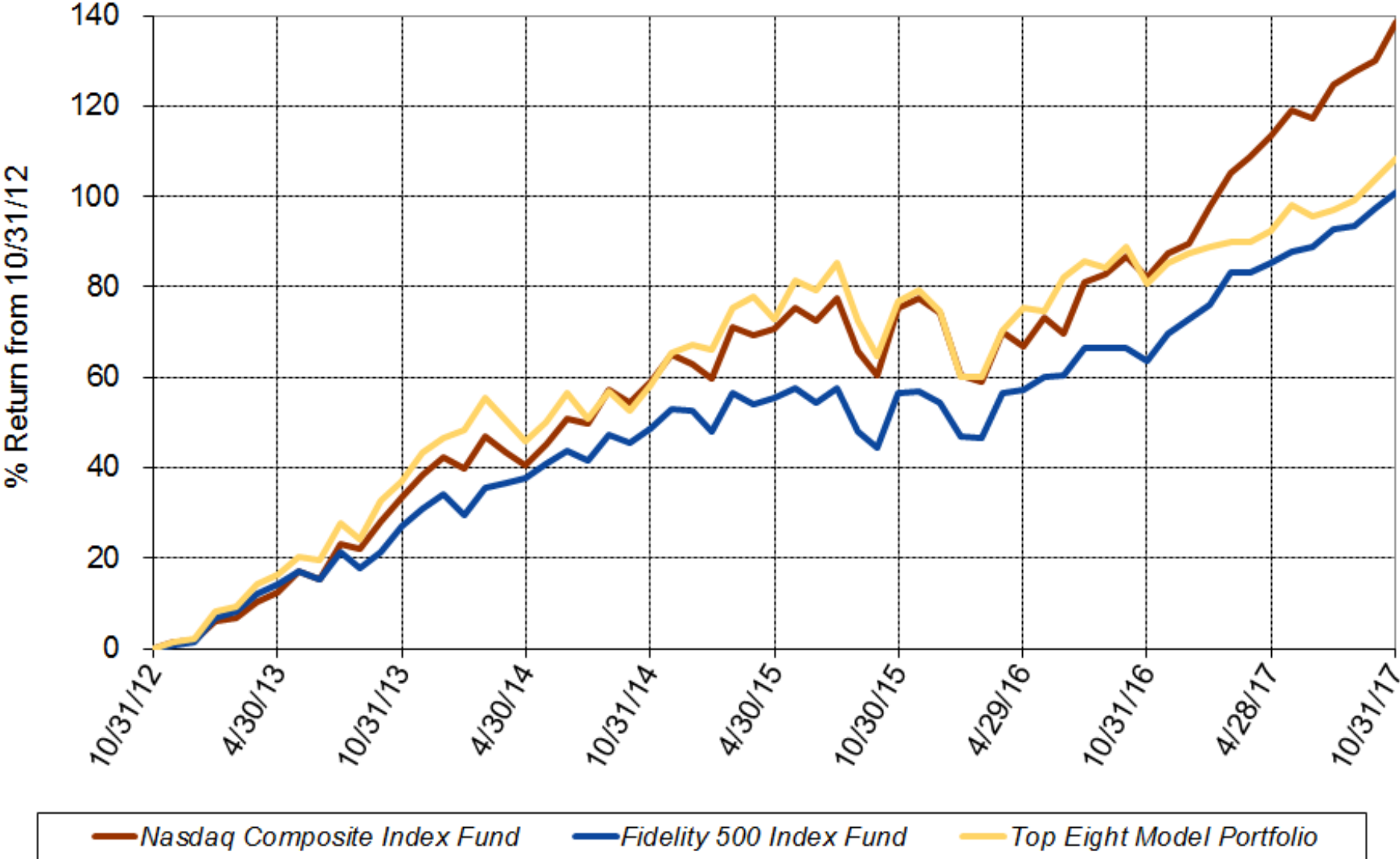
### Lifetime Chart



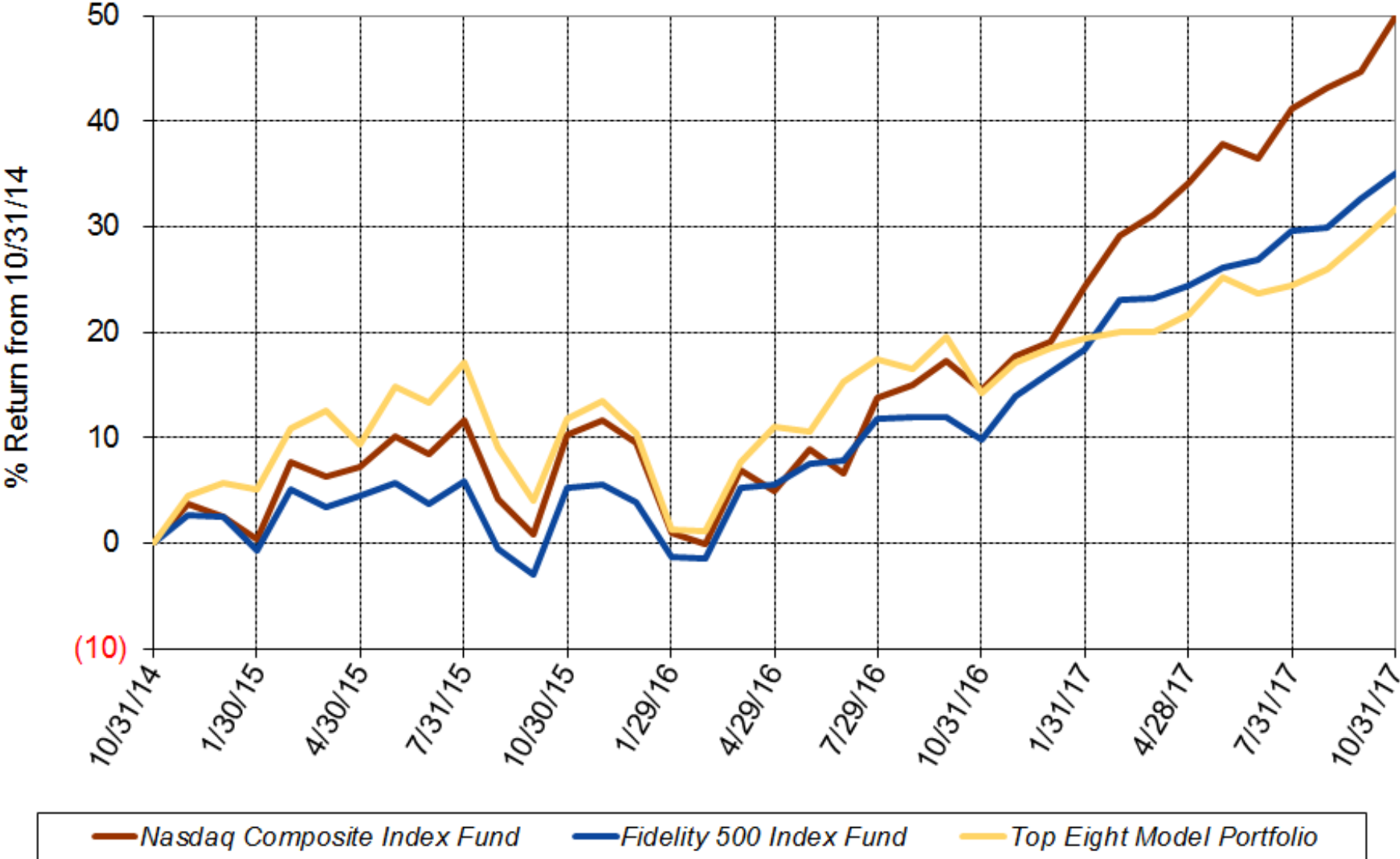
### 10-Year Chart



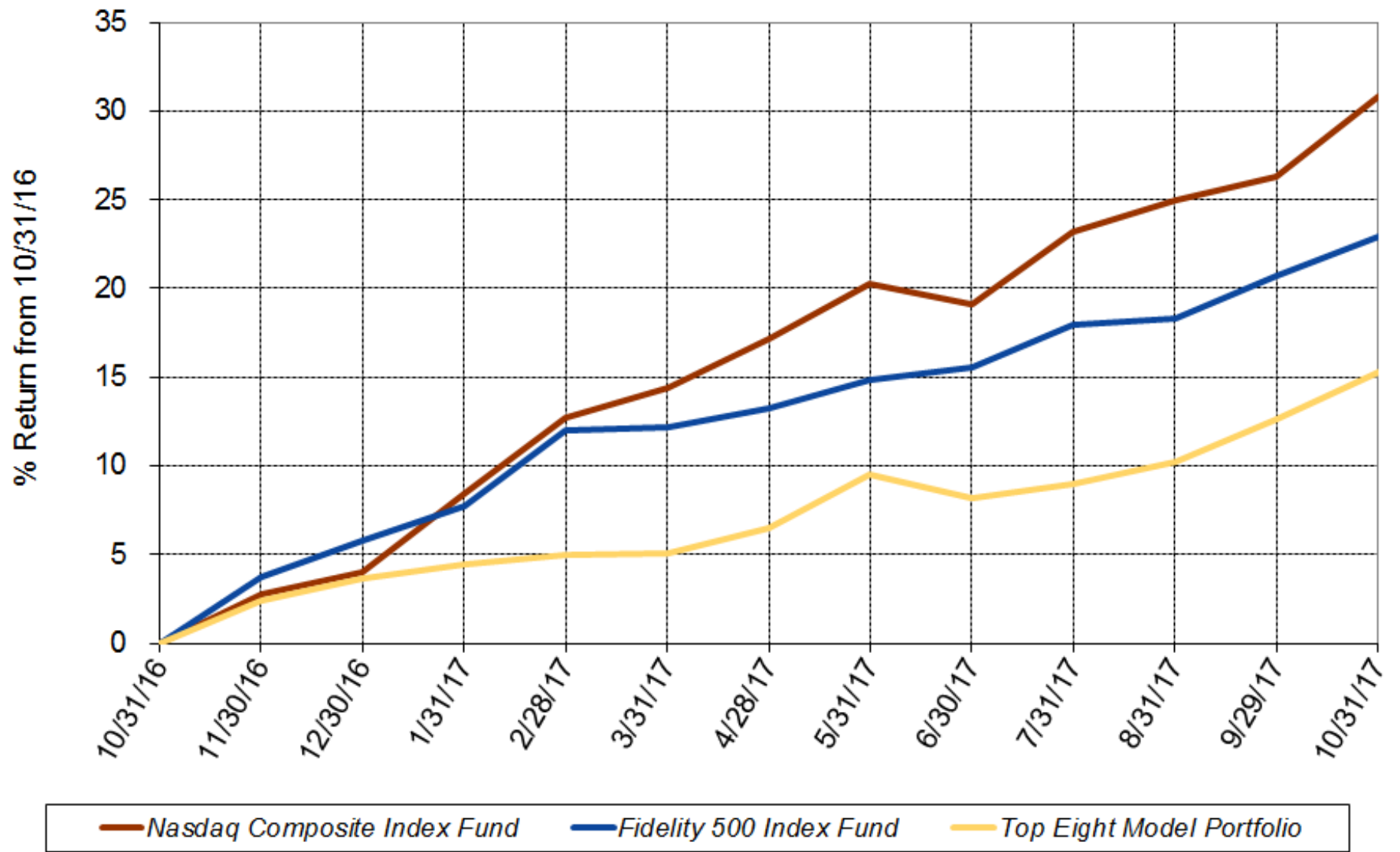
### 5-Year Chart



### 3-Year Chart



### 1-Year Chart





### Daily Chart October 2017

