

# FIDELITY SELECT FUNDRANKER™

Volume 13 Issue 1

The Right Funds at the Right Time

January 2018

## Broad Market Gains 14 Months in a Row

On a total return basis (including reinvested dividends), the broad market S&P 500 Index gained ground the last 14 months in a row and 21 of the last 22 months. Also on a total return basis, the tech-heavy Nasdaq Composite Index gained ground the last six months in a row and 18 of the last 22 months.

Five *Top Eight Model Portfolio* funds gained value in December. Brokerage & Investment Management, Financial Services, and Defense & Aerospace had one-month gains of 2.36%, 1.62%, and 1.33%. Chemicals and IT Services added one-month gains of 0.83% and 0.67%. Automotive, Technology, and Semiconductors trailed with one-month losses of 0.44%, 1.09%, and 1.41%.

In December, the *Top Eight Model Portfolio* lost 0.124%, the Nasdaq Composite Index gained 0.402%, and the S&P 500 Index gained 1.111%. For the entire year of 2017, the *Top Eight Model Portfolio* gained 11.784%, the Nasdaq Composite Index gained 29.245%, and the S&P 500 Index gained 21.722%.

## Final Performance of Funds Sold on December 6

*Fundranker* exchanged three funds on December 6. Here are the returns they contributed to the *Top Eight Model Portfolio*:

Fund	Bought	Sold	Return
Computers (FDCPX)	11/6/2017	12/6/2017	(2.87)%
Materials (FSDPX)	11/6/2017	12/6/2017	(0.51)%
Software & IT Services (FSCSX)	11/6/2017	12/6/2017	(1.22)%

## Top Eight Model Portfolio Composition

In January, our *Top Eight Model Portfolio* moves back into Morningstar's Technology category. After our January exchanges, we will hold five of six Technology category Select funds, one of six Industrials category Select funds, one of five Consumer Cyclical category Select funds, and one of five Financial category Select funds.

## Top Eight Model Portfolio 2017 in Review

*Fundranker's Top Eight Model Portfolio* gained ground 10 months in 12 of 2017, losing value only in June and December, and ending the year with a very respectable gain of 11.784% even though it was unable to keep up with the S&P 500 and Nasdaq Composite Indexes against which we measure. During 2017, the *Top Eight Model Portfolio* set new all-time highs in six months out of 12.

We made quite a few exchanges in and out of Select funds in Morningstar's Technology category in particular. We found it disappointing that our model was not able to settle on which funds to hold, but after reviewing our 2017 Technology category holdings and returns, we found we did pretty well, even with the churning:

Fund	Bought	Sold	Return
Computers (FDCPX)	3/6/2017	7/5/2017	2.99%
Computers (FDCPX)	8/4/2017	10/5/2017	1.90%
Computers (FDCPX)	11/6/2017	12/6/2017	(2.87)%
IT Services (FBSOX)	8/4/2017	10/5/2017	5.17%
Semiconductors (FSELX)	8/4/2016	7/5/2017	29.11%
Semiconductors (FSELX)	8/4/2017	10/5/2017	9.04%
Software & IT Services (FSCSX)	4/5/2017	10/5/2017	16.25%
Software & IT Services (FSCSX)	11/6/2017	12/6/2017	(1.22)%
Fund	Bought	Still Held	Return
IT Services (FBSOX)	11/6/2017	12/31/2017	2.29%
Semiconductors (FSELX)	11/6/2017	12/31/2017	(1.41)%
Technology (FSPTX)	3/6/2017	12/31/2017	31.96%

## Web Roll of Interesting Sites

[Bureau of Economic Analysis 2017 News Release Schedule](#)  
[CME Group FedWatch Tool](#)  
[Fidelity Viewpoints](#)  
[Project Syndicate](#)  
[Schwab Market Perspective \(Incredible, Amazing...Unstoppable?\)](#)  
[Trading Economics US GDP Annual Growth Rate Forecast](#)

## Fidelity Investments Updates

As of December 18, Fidelity Investments removed the short-term redemption fee on all of its Select funds that still had one (they removed the short-term redemption fee on some of the Select funds some time ago). With the redemption in place, if an investor had exchanged shares in a Select fund before owning it for 30 days (including day of purchase and day of exchange), she would have been charged a 0.75% redemption fee on the proceeds of the exchange. Since *Fundranker* makes sure not to exchange funds until at least the 31<sup>st</sup> day of ownership to avoid roundtrip transactions, we also avoided short-term redemption fees, anyway.

As of January 1, Fidelity Investments is renaming Select Medical Equipment & Systems to Select Medical Technology & Devices.

## Fund Spotlight

[Pharmaceuticals](#), one of five Select funds in Morningstar's Health category, began operations on 6/18/2001. The fund primarily invests in companies engaged in the research, development, manufacture, sale, or distribution of pharmaceuticals and drugs of all types. [Asher Anolic](#) and [Karim Suwwan de Filipe](#) have managed the fund since 4/1/2013 and 7/1/2017, respectively. As of 9/30/2017, the fund's top 10 holdings made up 67.32% of the portfolio; its top five holdings were Johnson & Johnson, Sanofi Sponsored ADR, Pfizer Inc, AstraZeneca PLC Sponsored ADR, and Allergan PLC.

*Fundranker's Top Eight Model Portfolio* has held Pharmaceuticals 13 times for a total of 39 months with an average monthly gain of 0.50%. *Fundranker's* best total return on the fund was 11.08% for four months from 2/3/2014 through 6/4/2014.

## 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 January 2018

Fund Name (Symbol)	Purchase	Return to 12/29
1. Technology (FSPTX)	3/6/2017	31.96%
2. Semiconductors (FSELX)	11/6/2017	(1.41)%
3. Software & IT Services (FSCSX)	1/5/2018	
4. IT Services (FBSOX)	11/6/2017	2.29%
5. Defense & Aerospace (FSDAX)	8/4/2017	13.46%
6. Retailing (FSRPX)	1/5/2018	
7. Brokerage & Inv Mgmt (FSLBX)	12/6/2017	1.47%
8. Computers (FDCPX)	1/5/2018	
Funds to be sold on January 5:		
9. Chemicals (FSCHX)	10/5/2017	3.26%
17. Financial Services (FIDSX)	12/6/2017	1.14%
18. Automotive (FSAVX)	12/6/2017	0.83%

## Fundranker Exchanges for January 5

Sell Automotive (FSAVX), buy Software & IT Services (FSCSX)  
 Sell Chemicals (FSCHX), buy Retailing (FSRPX)  
 Sell Financial Services (FIDSX), buy Computers (FDCPX)

## Start a New Portfolio

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

## Optional Rebalancing Exchange Dates

Held funds: Jan 2; New funds: Jan 5 ([see rebalancing FAQ](#))

## Upcoming Fundranker Exchange Dates

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

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<i>Fundranker</i> Ratings for 12/29/17 Fund (Symbol)	12-Month Return %	6-Month Return %	3-Month Return %	1-Month Return %	<i>Fundranker</i> Rating**	<i>Fundranker</i> Ranking
Air Transportation (FSAIX)	24.32	14.57	7.80	2.79*	13.370	15
Automotive (FSAVX)	23.95	15.46*	4.39	(0.44)	11.840	18
Banking (FSRBX)	12.68	10.80	6.38	1.10	7.740	27
Biotechnology (FBIOX)	27.87*	5.42	(4.39)	1.51	8.603	26
Brokerage & Investment Mgmt (FSLBX)	29.94*	16.21*	9.17*	2.36	17.420	7
Chemicals (FSCHX)	31.75*	17.24*	6.03	0.83	15.963	9
Communications Equipment (FSDCX)	11.66	6.43	5.26	(0.27)	5.770	30
Computers (FDCPX)	33.74*	14.81	8.69*	(0.24)	16.250	8
Construction & Housing (FSHOX)	26.14	14.54	10.65*	2.60*	15.483	10
Consumer Discretionary (FSCPX)	22.08	11.86	11.02*	2.48*	13.860	14
Consumer Finance (FSVLX)	23.11	16.11*	8.45	3.60*	14.818	12
Consumer Staples (FDFAX)	12.06	0.17	3.62	2.54*	5.598	32
Defense & Aerospace (FSDAX)	34.21*	21.19*	6.49	1.33	17.805	5
Energy (FSENX)	(2.64)	17.73*	9.98*	7.25*	11.080	20
Energy Service (FSESX)	(12.68)	10.51	2.25	8.58*	3.165	36
Environment & Alternative Energy (FSLEX)	25.25	10.17	7.53	0.16	10.778	22
Financial Services (FIDSX)	20.94	14.59	8.68*	1.62	12.458	17
Gold (FSAGX)	8.63	2.57	0.10	5.32*	5.155	34
Health Care (FSPHX)	24.02	2.12	(1.46)	(1.74)	5.735	31
Health Care Services (FSHCX)	24.34	5.60	6.85	(0.47)	9.080	25
Industrial Equipment (FSCGX)	19.71	13.07	6.42	1.25	10.113	24
Industrials (FCYIX)	20.08	13.59	8.15	2.09	10.978	21
Insurance (FSPCX)	15.38	7.30	4.19	(1.06)	6.453	29
IT Services (FBSOX)	34.25*	17.89*	8.58*	0.67	18.348	4
Leisure (FDLSX)	29.05*	11.61	9.80*	1.47	14.983	11
Materials (FSDPX)	26.22*	14.70	6.94	2.49*	14.588	13
Medical Equipment & Systems (FSMEX)	26.57*	0.24	1.12	(3.35)	7.145	28
Multimedia (FBMPX)	12.59	3.32	2.41	2.44	5.190	33
Natural Gas (FSNGX)	(15.64)	6.94	1.78	5.22*	0.575	39
Natural Resources (FNARX)	(0.10)	17.31*	10.00*	7.33*	11.635	19
Pharmaceuticals (FPHAX)	10.69	(1.43)	(2.25)	0.63	1.910	38
Retailing (FSRPX)	25.82	15.73*	13.11*	3.06*	17.430	6
Semiconductors (FSELX)	35.06*	22.21*	11.47*	(1.41)	19.833	2
Software & IT Services (FSCSX)	39.02*	17.17*	9.62*	1.30	19.778	3
Technology (FSPTX)	49.86*	17.23*	6.30	(1.09)	20.075	1
Telecommunications (FSTCX)	1.69	3.89	1.13	2.19	2.225	37
Transportation (FSRFX)	22.20	14.26	7.60	2.48*	12.635	16
Utilities (FSUTX)	17.96	5.64	0.75	(3.96)	5.098	35
Wireless (FWRLX)	25.02	10.36	5.46	1.07	10.478	23

\*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

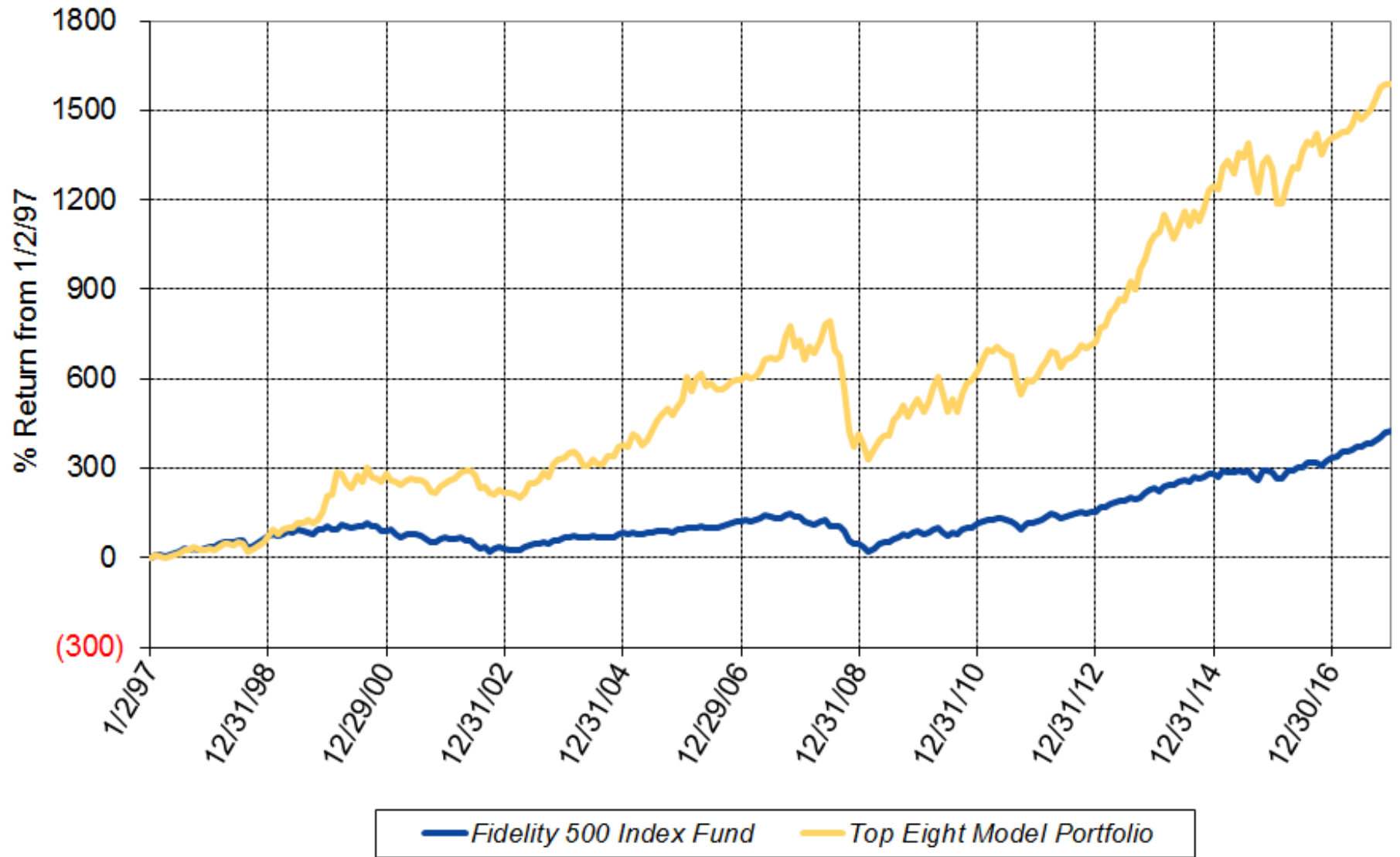
Sell on January 5, 2018

Buy on January 5, 2018

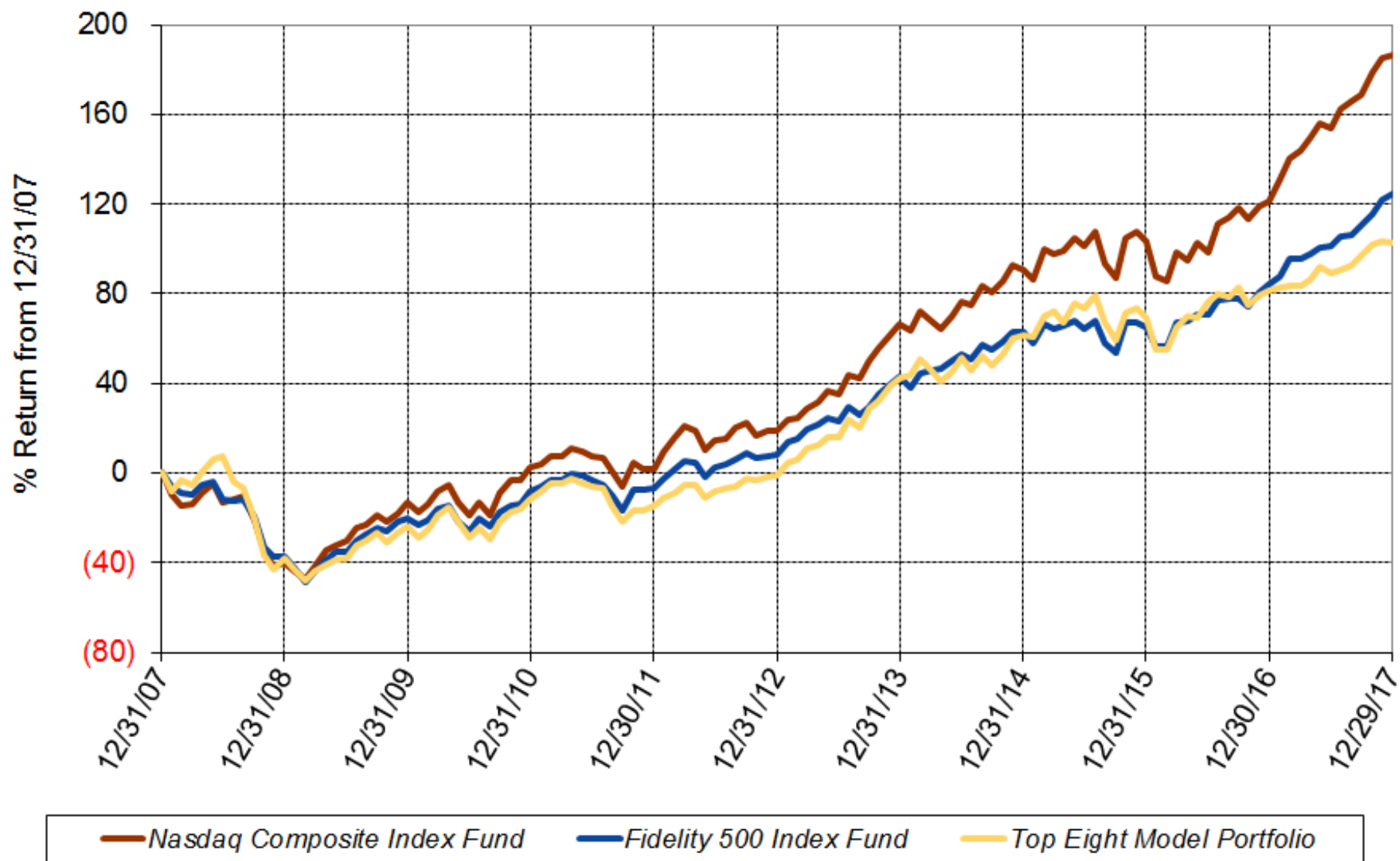
Hold

Fundranker Performance for December 2017													
11/30 Funds	11/30 Shares	11/30 Amount	<=12/6 Div Shrs	12/6 Shares	12/6 Amount	12/6 Funds	12/6 Shares	12/6 Amount	>12/6 Div Shrs	12/29 Shares	12/29 Amount	Dec Return	
FSPTX	263.203	50,219.13	14.690	277.893	48,759.11	FSELX	450.740	49,563.39	none	450.740	50,361.18		
FSELX	398.252	50,323.12	45.816	444.068	48,829.72	FSPTX	282.477	49,563.39	none	282.477	50,489.94		
FSCHX	274.591	50,837.78	none	274.591	49,629.58	FSLBX	583.305	49,563.39	31.815	615.120	50,292.21		
FSDAX	301.179	51,152.24	none	301.179	50,357.13	FBSOX	909.587	49,563.39	22.190	931.777	50,763.21		
FSCSX	292.803	50,420.68	none	292.803	49,715.02	FSAVX	1,234.148	49,563.39	112.829	1,346.977	49,972.85		
FBSOX	922.417	51,138.80	none	922.417	50,262.50	FSDAX	296.432	49,563.39	9.148	305.580	51,016.58		
FSDPX	548.404	50,787.69	none	548.404	50,069.29	FSCHX	274.225	49,563.39	12.876	287.101	51,192.98		
FDCPX	511.454	49,841.19	none	511.454	48,884.77	FIDSX	426.132	49,563.39	12.741	438.873	50,128.07		
<b>Top Eight</b>		<b>404,720.63</b>			<b>396,507.12</b>			<b>396,507.10</b>			<b>404,217.02</b>		<b>(0.124)</b>
FNCMX	1,673.709	152,173.62	none						12.113	1,685.822	152,786.05		0.402
FUSEX	1,344.309	124,845.98	none						6.645	1,350.954	126,233.14		1.111
<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							
				Return %	Return %	Return %							
<i>Top Eight Model Portfolio</i>				4.592	7.248	11.784							
Nasdaq Composite Index Fund				6.818	8.787	29.245							
Fidelity 500 Index Fund - Investor Class				1.366	11.870	21.722							
<b>Lifetime Summary</b>				1/2/97 to 12/29/17			1/2/97 to 12/29/17						
				Total Return %			Average Annual Return %						
<i>Top Eight Model Portfolio</i>				1,584.238			14.393						
Nasdaq Composite Index Fund				N/A			N/A						
Fidelity 500 Index Fund - Investor Class				425.971			8.226						
<b>10-Year Summary</b>				12/31/07 to 12/29/17			12/31/07 to 12/29/17						
				Total Return %			Average Annual Return %						
<i>Top Eight Model Portfolio</i>				102.772			7.325						
Nasdaq Composite Index Fund				186.204			11.088						
Fidelity 500 Index Fund - Investor Class				124.327			8.415						
<b>5-Year Summary</b>				12/31/12 to 12/29/17			12/31/12 to 12/29/17						
				Total Return %			Average Annual Return %						
<i>Top Eight Model Portfolio</i>				104.824			15.419						
Nasdaq Composite Index Fund				140.532			19.189						
Fidelity 500 Index Fund - Investor Class				107.357			15.703						
<b>3-Year Summary</b>				12/31/14 to 12/29/17			12/31/14 to 12/29/17						
				Total Return %			Average Annual Return %						
<i>Top Eight Model Portfolio</i>				25.393			7.834						
Nasdaq Composite Index Fund				50.189			14.520						
Fidelity 500 Index Fund - Investor Class				38.032			11.342						
<b>1-Year Summary</b>				12/30/16 to 12/29/17			12/30/16 to 12/29/17						
				Total Return %									
<i>Top Eight Model Portfolio</i>				11.784									
Nasdaq Composite Index Fund				29.245									
Fidelity 500 Index Fund - Investor Class				21.722									

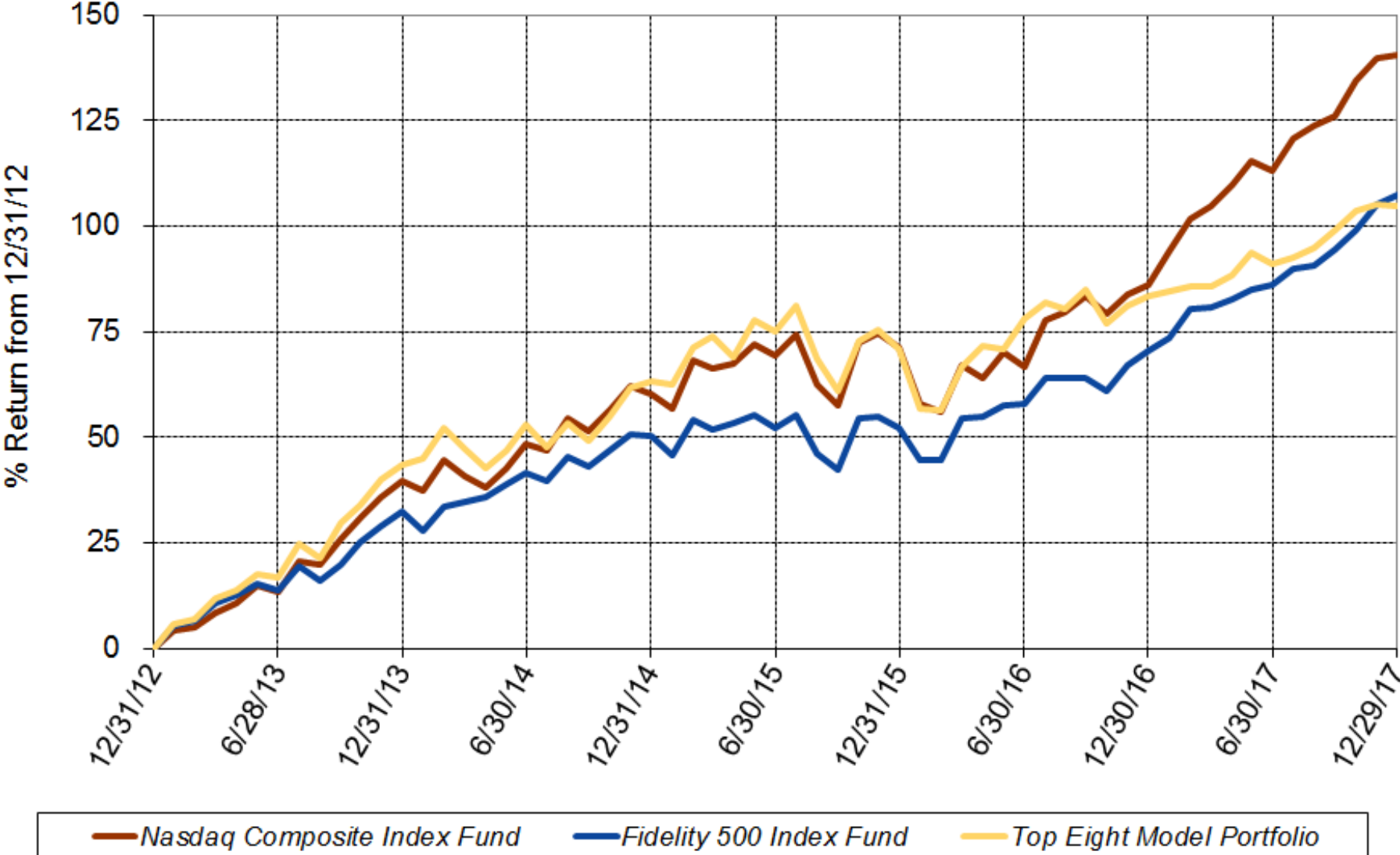
### Lifetime Chart



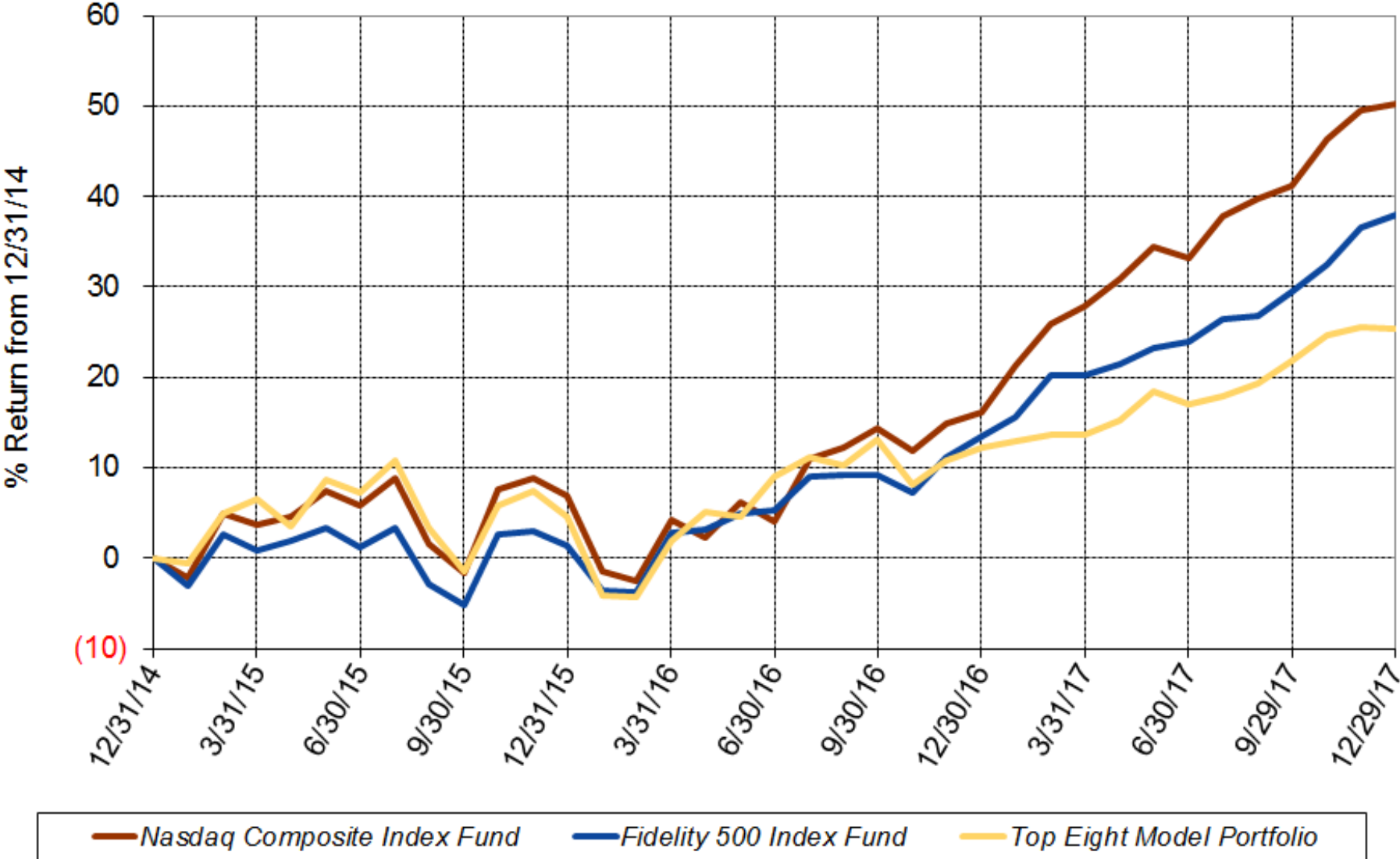
### 10-Year Chart



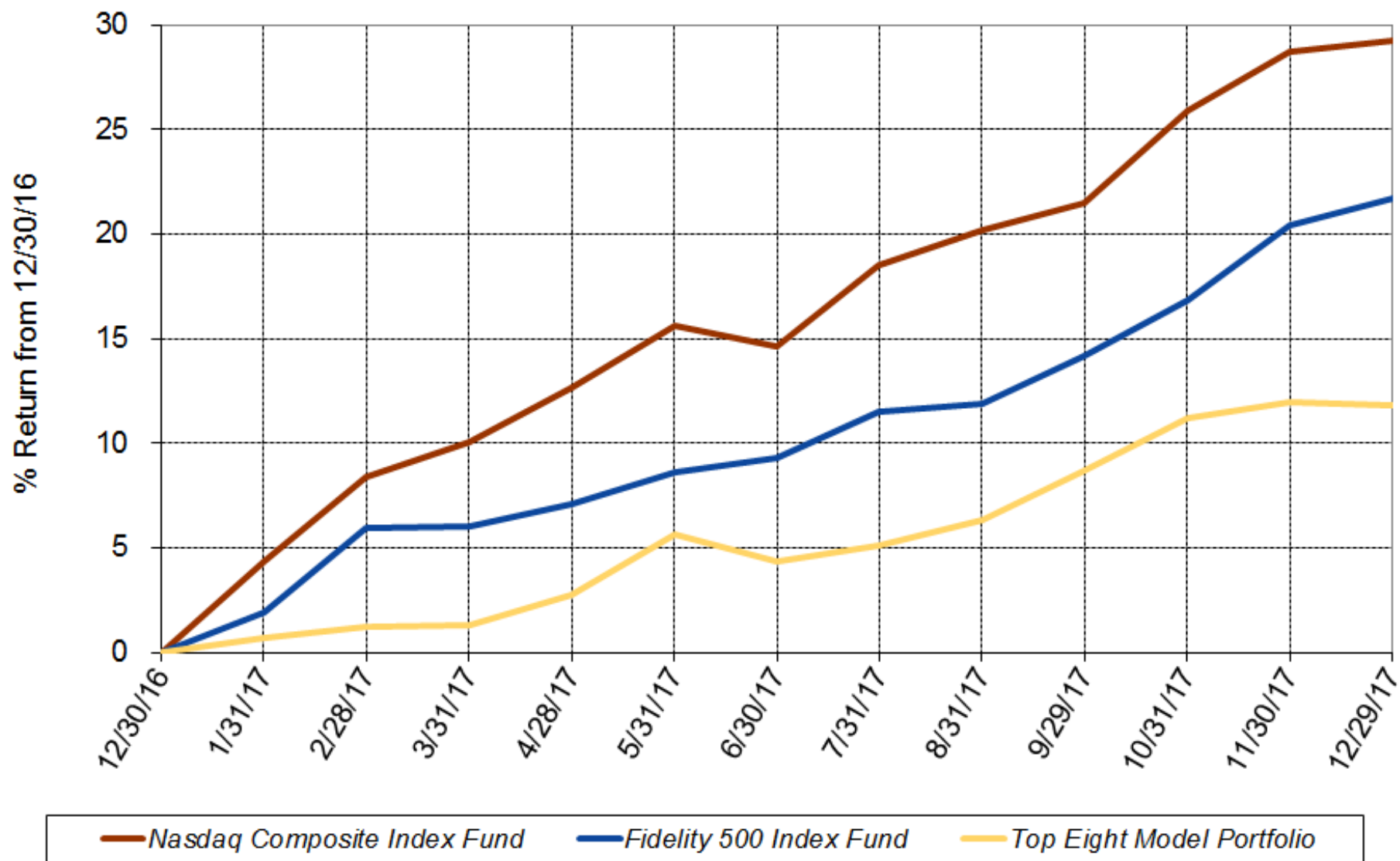
### 5-Year Chart



### 3-Year Chart



### 1-Year Chart





### Daily Chart December 2017

