

# FIDELITY SELECT FUNDRAKER™

Volume 13 Issue 2

The Right Funds at the Right Time

February 2018

## Broad Market Surges in January

The broad market S&P 500 Index surged in January, reaping its best monthly gain since March, 2016, on a total return basis (including reinvested dividends). The tech-heavy Nasdaq Composite Index turned in its best monthly performance since October, 2015, also on a total return basis.

All *Top Eight Model Portfolio* funds gained value in January. Retailing and Defense & Aerospace exploded with one-month gains of 10.69% and 10.08%. Technology, Software & IT Services, and IT Services added stellar one-month gains of 9.10%, 9.04%, and 8.65%. Semiconductors, Brokerage & Investment Management, and Computers gained 5.73%, 5.05%, and 4.25%.

In January, the *Top Eight Model Portfolio* gained 7.830%, the Nasdaq Composite Index gained 7.326%, and the S&P 500 Index gained 5.715%.

## Final Performance of Funds Sold on January 5

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

Fund	Bought	Sold	Return
Automotive (FSAVX)	12/6/2017	1/5/2018	6.94%
Chemicals (FSCHX)	10/5/2017	1/5/2018	7.41%
Financial Services (FIDSX)	12/6/2017	1/5/2018	2.86%

## Top Eight Model Portfolio Composition

In February, our *Top Eight Model Portfolio* adjusts its composition slightly with two exchanges, dropping one fund from each of Morningstar's Technology and Financials Categories and adding one fund from each of the Consumer Cyclical and Health Categories. After our February exchanges, *Fundranker* will hold one of five Industrials Category Select funds, two of five Consumer Cyclical Category Select funds, four of six Technology Category Select funds, and one of five Health Category Select funds.

## Top Eight Model Portfolio Surges to New Highs

*Fundranker's Top Eight Model Portfolio* surged in January along with the S&P 500 and Nasdaq Composite Indexes to multiple new all-time highs, most recently on January 26. From the *Top Eight Model Portfolio's* hypothetical start date on January 2, 1997, to January 26, 2018, it gained a phenomenal 1,738.496%. Over the same time period, the S&P 500 Index gained 465.599%.

## Schwab Market Perspective

In Schwab's January 26 Market Perspective article, [Melt-up! Now What?](#), authors Liz Ann Sonders, Jeffrey Kleintop, and Brad Sorensen point out that stock market gains have accelerated (see above!) and it has the markings of a melt-up or "blow-off" phase. They note that while corporate earnings have been keeping up, it's likely that risks also are rising; the rate of improvement in the U.S. economy appears to be moderating; and, while melt-ups can last for a decent amount of time and investors who bail can miss out, a catalyst for a pullback could come at any time.

The Schwab Market Perspective article was posted just before the [S&P 500 Index snapped a 310-trading-day, longest ever streak without back-to-back 0.5% declines](#) on January 30. Markets calmed on January 31 with slight gains. Beginning of the end for the bull market? Healthy drawback after spectacular January gains? Let's not read too much into short-term ups and downs.

## Web Roll of Interesting Sites

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

## Fidelity Investments Updates

As of January 26, 2018, Select Industrial Equipment fund was rolled into Select Industrials fund, leaving 38 Select funds. Beginning with this issue, we no longer will show Industrial Equipment in our Rankings on page 2.

*Fundranker's Top Eight Model Portfolio* has held each of these funds only 12 times since 1997, and four of those time periods overlapped. The funds had average monthly gains of 0.70% and 0.07% over the 21 and 15 total months we held them. Their combination is unlikely to affect *Fundranker's* performance going forward.

Also note that our January Rankings show the renamed Select fund Medical Technology & Devices, formerly Medical Equipment & Systems.

## Fund Spotlight

[Retailing](#), one of five Select funds in Morningstar's Consumer Cyclical category, began operations on 12/16/1985. The fund primarily invests in companies engaged in merchandising finished goods and services primarily to individual consumers. [Nicola Stafford](#) has managed the fund since 10/12/2016. As of 12/31/2017, the fund's top 10 holdings made up 71.27% of the portfolio, and its top five holdings were Amazon.com Inc, Home Depot Inc, Lowes Companies Inc, Priceline Group Inc, and TJX Companies Inc.

*Fundranker's Top Eight Model Portfolio* has held Retailing 22 times for a total of 56 months with an average monthly gain of 1.44%. *Fundranker's* best total return on the fund was 44.49% for three months from 3/4/2009 through 6/3/2009. The longest that *Fundranker* held the fund was for nine months from 7/2/2015 to 4/4/2016 for a total return of 10.00%.

## 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 February 2018

Fund Name (Symbol)	Purchase	Return to 1/31
1. Defense & Aerospace (FSDAX)	8/4/2017	24.89%
2. Retailing (FSRPX)	1/5/2018	7.29%
3. IT Services (FBSOX)	11/6/2017	11.13%
4. Technology (FSPTX)	3/6/2017	43.96%
5. Software & IT Services (FSCSX)	1/5/2018	4.52%
6. Consumer Discretionary (FSCPX)	2/5/2018	
7. Semiconductors (FSELX)	11/6/2017	4.23%
8. Health Care Services (FSHCX)	2/5/2018	
Funds to be sold on February 5:		
9. Brokerage & Inv Mgmt (FSLBX)	12/6/2017	6.60%
16. Computers (FDCPX)	1/5/2018	(0.09)%

## Fundranker Exchanges for February 5

Sell Bro & Inv Mgmt (FSLBX), buy Con Discretionary (FSCPX)  
Sell Computers (FDCPX), buy Health Care Services (FSHCX)

## Start a New Portfolio

February 2 ([see new portfolio FAQ](#)) (hold all at least until March 5)

## Optional Rebalancing Exchange Dates

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

## Upcoming Fundranker Exchange Dates

If no new funds are to be exchanged, *Fundranker* will exchange on March 2, our [early exchange date](#); otherwise, to avoid roundtrip transactions, *Fundranker* will exchange on March 7, 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. © 2018 *Fidelity Select Fundranker*

<i>Fundranker</i> Ratings for 1/31/18 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)	29.11	19.18*	10.97	3.00	16.565	14
Automotive (FSAVX)	25.10	21.55*	8.67	6.39	16.428	15
Banking (FSRBX)	19.44	18.14	11.35	6.73*	14.915	20
Biotechnology (FBIOX)	31.79*	12.52	11.31	9.56*	18.295	11
Brokerage & Investment Mgmt (FSLBX)	34.08*	18.65	13.40*	5.05	19.795	9
Chemicals (FSCHX)	30.24*	17.74	5.38	4.37	15.433	18
Communications Equipment (FSDCX)	19.15	9.65	9.84	4.14	10.695	27
Computers (FDCPX)	33.61*	15.61	6.00	4.25	15.868	16
Construction & Housing (FSHOX)	27.17	17.77	9.77	2.30	14.253	23
Consumer Discretionary (FSCPX)	29.14	20.84*	18.09*	9.41*	22.370	6
Consumer Finance (FSVLX)	27.87	17.97	9.60	4.26	14.925	19
Consumer Staples (FDFAX)	10.90	2.28	7.70	2.02	5.725	34
Defense & Aerospace (FSDAX)	47.17*	28.12*	14.84*	10.08*	29.053	1
Energy (FSENX)	0.37	15.63	11.84*	1.52	8.340	31
Energy Service (FSESX)	(9.10)	13.52	18.42*	5.82	8.165	32
Environment & Alternative Energy (FSLEX)	27.32	15.81	7.64	4.31	13.770	24
Financial Services (FIDSX)	27.94	19.37*	11.90*	6.17	18.345	10
Gold (FSAGX)	(3.30)	1.31	4.49	0.87	0.843	37
Health Care (FSPHX)	27.75	10.16	8.90	8.63*	14.860	21
Health Care Services (FSHCX)	29.62*	15.40	14.37*	7.95*	19.835	8
Industrials (FCYIX)	23.51	19.64*	11.68*	4.73	16.890	13
Insurance (FSPCX)	19.62	8.02	4.79	3.86	9.073	29
IT Services (FBSOX)	44.03*	22.62*	12.35*	8.65*	25.913	3
Leisure (FDLSX)	32.83*	17.47	10.93	4.36	17.398	12
Materials (FSDPX)	24.63	16.47	6.39	4.00	12.873	25
Medical Technology & Devices (FSMEX)	29.25	11.27	8.74	9.30*	15.640	17
Multimedia (FBMPX)	11.26	4.12	12.38*	6.68*	10.610	28
Natural Gas (FSNGX)	(14.48)	4.69	5.04	0.25	(1.125)	38
Natural Resources (FNARX)	1.96	15.36	11.41	1.36	7.523	33
Pharmaceuticals (FPHAX)	17.67	4.54	7.13	5.50	8.710	30
Retailing (FSRPX)	35.86*	27.13*	21.33*	10.69*	27.753	2
Semiconductors (FSELX)	39.45*	25.76*	8.56	5.73	21.875	7
Software & IT Services (FSCSX)	42.88*	22.82*	11.68*	9.04*	25.605	5
Technology (FSPTX)	52.54*	21.59*	8.39	9.10*	25.905	4
Telecommunications (FSTCX)	1.82	2.77	5.76	2.00	3.088	36
Transportation (FSRFX)	22.80	19.96*	10.82	1.74	14.830	22
Utilities (FSUTX)	15.44	1.68	(1.21)	0.35	4.065	35
Wireless (FWRLX)	26.00	9.95	8.85	4.15	12.238	26

\*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 February 5, 2018

Buy on February 5, 2018

Hold

Fundranker Performance for January 2018

12/29	12/29	12/29	<=1/5	1/5	1/5	1/5	1/5	1/5	1/5	>1/5	1/31	1/31	Jan
Funds	Shares	Amount	Div Shrs	Shares	Amount	Funds	Shares	Amount	Div Shrs	Shares	Amount	Return	
FSELX	450.740	50,361.18	none	450.740	52,596.85	FSPTX	278.948	52,361.24	none	278.948	54,394.86		
FSPTX	282.477	50,489.94	none	282.477	53,023.76	FSELX	448.721	52,361.24	none	448.721	53,007.41		
FSLBX	615.120	50,292.21	none	615.120	51,350.22	FSCSX	302.911	52,361.24	none	302.911	54,729.96		
FBSOX	931.777	50,763.21	none	931.777	52,766.53	FBSOX	924.620	52,361.24	none	924.620	54,728.26		
FSAVX	1,346.977	49,972.85	none	1,346.977	53,003.54	FSDAX	308.189	52,361.24	none	308.189	56,638.97		
FSDAX	305.580	51,016.58	none	305.580	51,918.04	FSRPX	381.142	52,361.24	none	381.142	56,180.33		
FSCHX	287.101	51,192.98	none	287.101	53,251.49	FSLBX	627.231	52,361.24	none	627.231	53,872.87		
FIDSX	438.873	50,128.07	none	438.873	50,979.49	FDCPX	564.663	52,361.24	none	564.663	52,316.03		
<b>Top Eight</b>		<b>404,217.02</b>			<b>418,889.92</b>			<b>418,889.90</b>			<b>435,868.69</b>	<b>7.830</b>	
FNCMX1	1,685.822	152,786.05	none						none	1,685.822	163,979.91	7.326	
FUSEX1	1,350.954	126,233.14	none						none	1,350.954	133,447.24	5.715	

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	2018 YTD
	Return %	Return %	Return %	Return %
<i>Top Eight Model Portfolio</i>	4.592	7.248	11.784	7.830
Nasdaq Composite Index Fund	6.818	8.787	29.245	7.326
Fidelity 500 Index Fund - Investor Class	1.366	11.870	21.722	5.715

Lifetime Summary	1/2/97 to 1/31/18	1/2/97 to 1/31/18
	Total Return %	Average Annual Return %
<i>Top Eight Model Portfolio</i>	1,716.120	14.742
Nasdaq Composite Index Fund	N/A	N/A
Fidelity 500 Index Fund - Investor Class	456.030	8.478

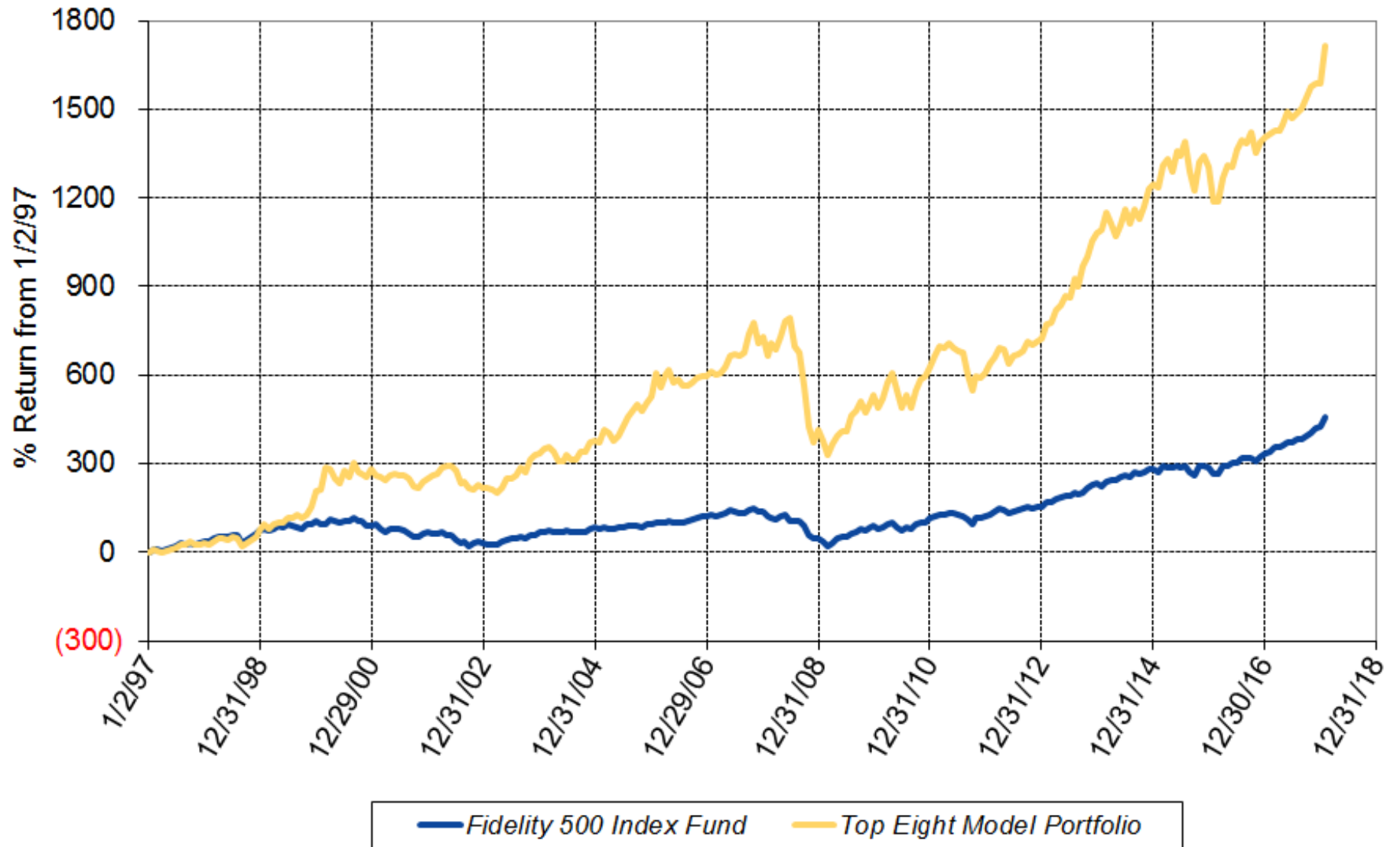
10-Year Summary	1/31/08 to 1/31/18	1/31/08 to 1/31/18
	Total Return %	Average Annual Return %
<i>Top Eight Model Portfolio</i>	138.024	9.059
Nasdaq Composite Index Fund	241.076	13.054
Fidelity 500 Index Fund - Investor Class	152.286	9.696

5-Year Summary	1/31/13 to 1/31/18	1/31/13 to 1/31/18
	Total Return %	Average Annual Return %
<i>Top Eight Model Portfolio</i>	108.864	15.870
Nasdaq Composite Index Fund	148.130	19.932
Fidelity 500 Index Fund - Investor Class	108.433	15.823

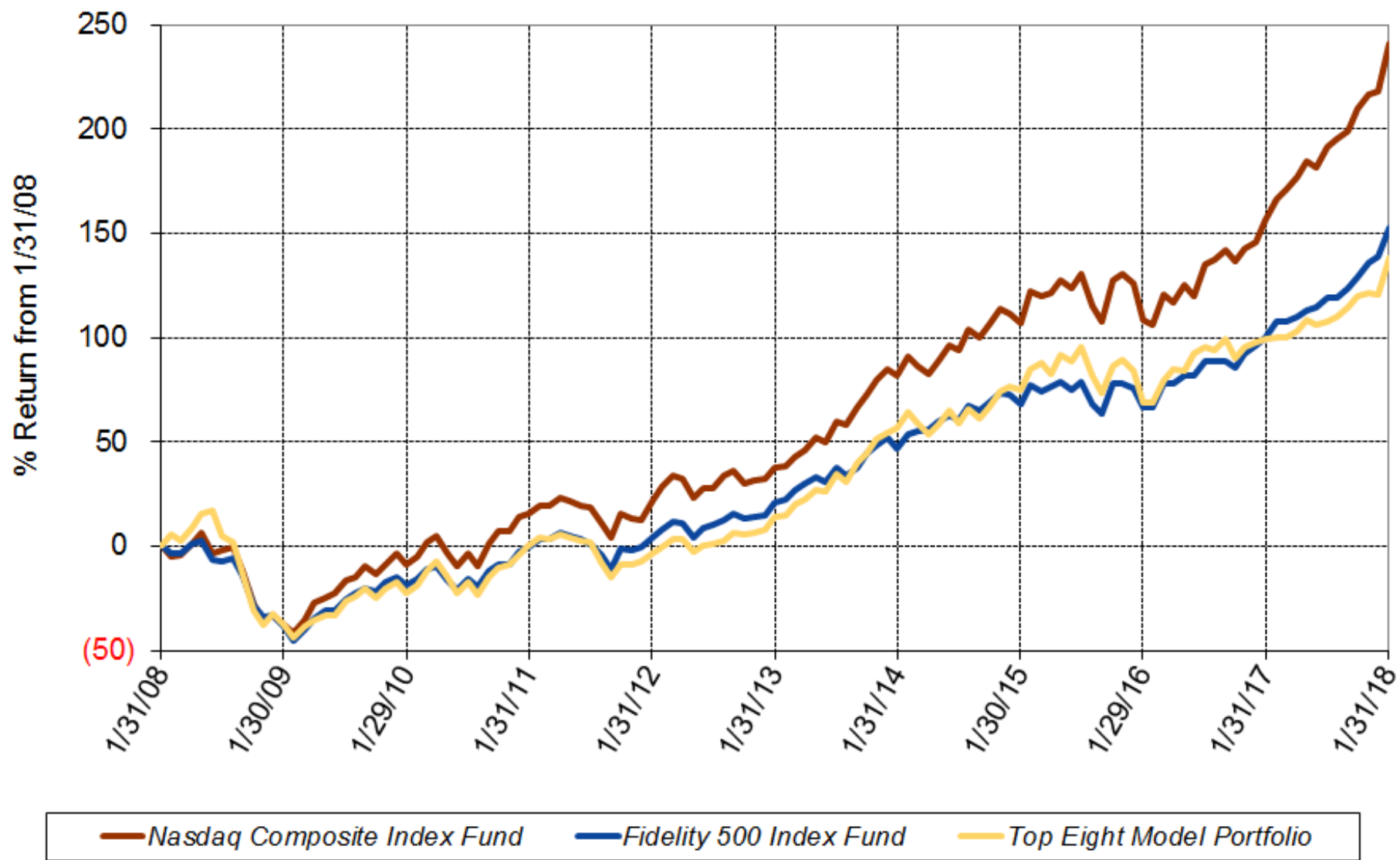
3-Year Summary	1/30/15 to 1/31/18	1/30/15 to 1/31/18
	Total Return %	Average Annual Return %
<i>Top Eight Model Portfolio</i>	35.899	10.766
Nasdaq Composite Index Fund	64.653	18.084
Fidelity 500 Index Fund - Investor Class	50.442	14.584

1-Year Summary	1/31/17 to 1/31/18
	Total Return %
<i>Top Eight Model Portfolio</i>	19.687
Nasdaq Composite Index Fund	32.972
Fidelity 500 Index Fund - Investor Class	26.293

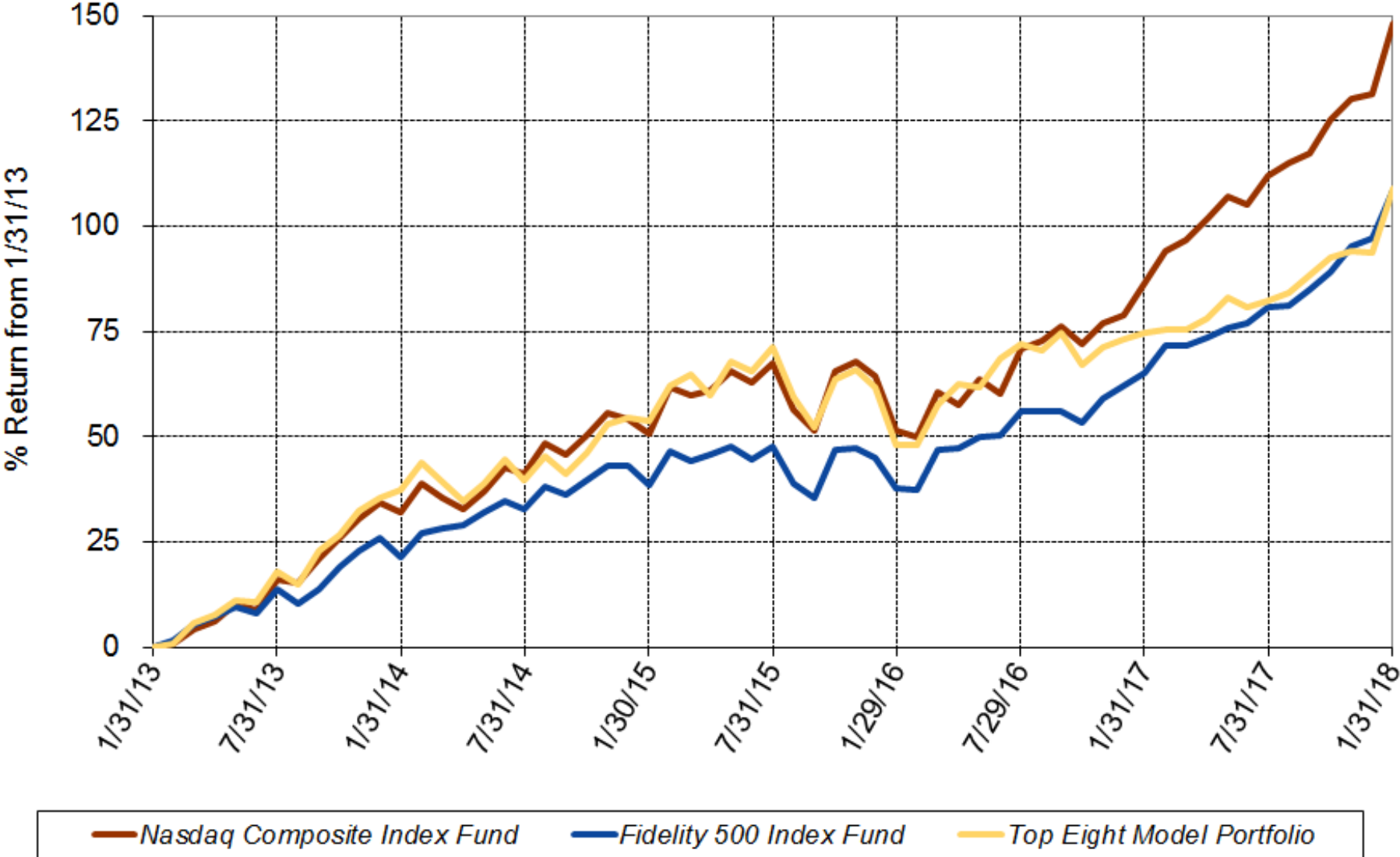
### Lifetime Chart



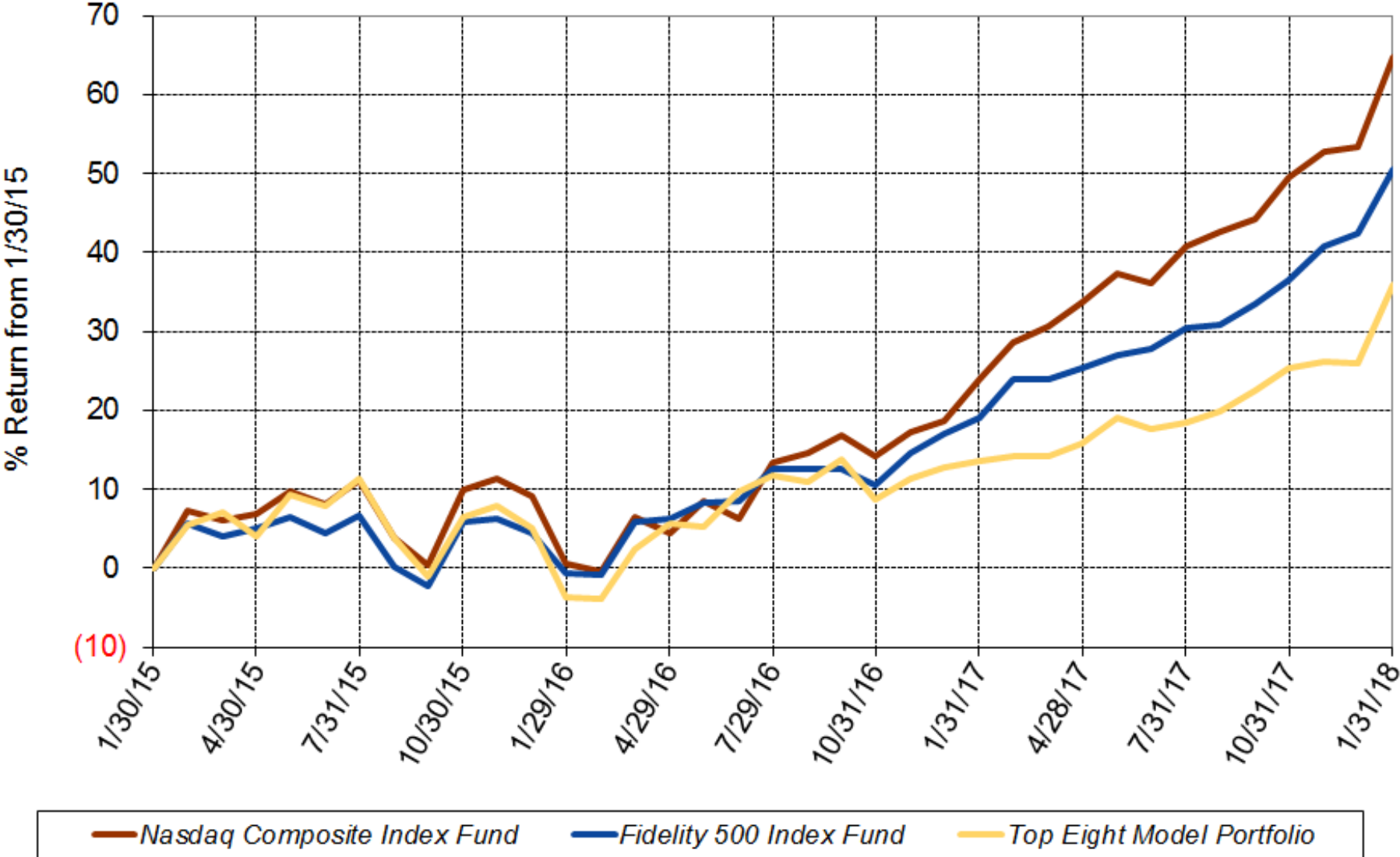
### 10-Year Chart



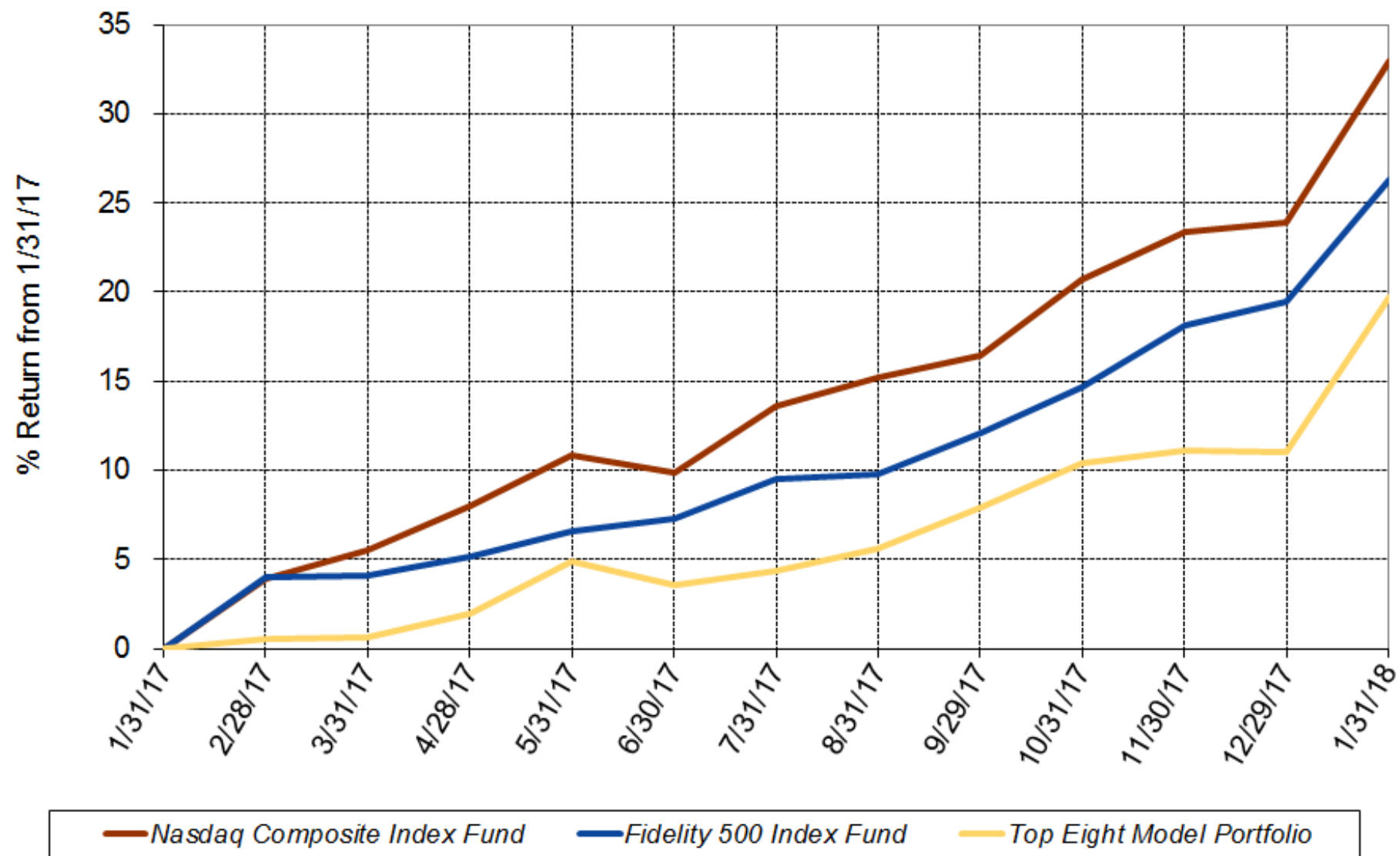
### 5-Year Chart



### 3-Year Chart



### 1-Year Chart





### Daily Chart January 2018

