

FIDELITY SELECT FUNDRANKER™

Volume 13 Issue 3

The Right Funds at the Right Time

March 2018

Market Corrects, Partly Recovers in February

The broad market S&P 500 Index closed down just over 10% from its January 26 all-time high on February 8, putting it in correction territory. It staged an impressive recovery for ten sessions but seriously faded the last two days of February. As of February 28, it's down 5.324% from its all-time high. Volatility increased dramatically.

Only one *Top Eight Model Portfolio* fund gained value in February. Defense & Aerospace eked out a one-month gain of 0.40%. Semiconductors, Technology, IT Services, and Software & IT Services managed fractional one-month losses ranging from 0.39% to 0.98%. Retailing, Consumer Discretionary, and Health Care Services trailed with one-month losses of 2.64%, 3.75%, and 4.98%.

In February, the *Top Eight Model Portfolio* lost 1.594%, the Nasdaq Composite Index lost 1.799%, and the S&P 500 Index lost 3.695%. YTD through February, the *Top Eight Model Portfolio* gained 6.112%, the Nasdaq Composite Index gained 5.396%, and the S&P 500 Index gained 1.809%.

Final Performance of Funds Sold on February 5

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

Fund	Bought	Sold	Return
Brokerage & Inv Mgmt (FSLBX)	12/6/2017	2/5/2018	1.00%
Computers (FDCPX)	1/5/2018	2/5/2018	(5.69)%

Top Eight Model Portfolio Composition

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

Top Eight Model Portfolio Doesn't Quite Correct

Fundranker's Top Eight Model Portfolio fell by 9.164% from its January 26 all-time high through February 8. Technically, that's not a correction, since it wasn't 10%, but it still didn't feel very good while it was happening. As of February 28, it's down 2.791% from its high.

Schwab Market Perspective

In Schwab's February 9 Market Perspective article, [Volatility... It's Back!](#), authors Liz Ann Sonders, Jeffrey Kleintop, and Brad Sorensen point out that the long-awaited return of volatility has arrived, unnerving investors, but economic and earnings fundamentals remain strong, and this is part of the process of returning to a more "normal" market environment. They note global stocks also were not spared the volatility, but the fundamental picture internationally also looks solid.

They believe fundamentals should reconnect with prices, that earnings and the economy, both domestically and abroad, remain strong and Fed officials have thus far remained sanguine with regard to inflation, but this round of volatility also should remind investors that markets do not go up forever, corrections are normal and healthy, and discipline (diversification and rebalancing in particular) is key.

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](#)

Funds Spotlight

[Semiconductors](#), one of six Select funds in Morningstar's Technology category, began operations on 7/29/1985. The fund primarily invests in companies engaged in the design, manufacture, or sale of electronic components; equipment vendors to electronic component manufacturers; electronic component distributors; and electronic instruments and electronic systems vendors. [Steve Barwikowski](#) has managed the fund since 1/1/2009. As of 12/31/2017, the fund's top 10 holdings made up 66.35% of the portfolio, and its top three holdings were Intel Inc, Qualcomm Inc, and Broadcom Ltd.

Fundranker's Top Eight Model Portfolio has held Semiconductors 18 times for a total of 89 months with an average monthly gain of 2.63%. *Fundranker's* longest holding period and best total return on the fund was 118.80% for 16 months from 6/2/1999 through 10/4/2000.

[Software & IT Services](#), one of six Select funds in Morningstar's Technology category, began operations on 7/29/1985. The fund primarily invests in companies engaged in research, design, production or distribution of products or processes that relate to software or information-based services. [Ali Kahn](#) has managed the fund since 7/1/2014. As of 12/31/2017, the fund's top 10 holdings made up 65.15% of the portfolio, and its top three holdings were Microsoft Corp, Facebook Inc, and Alphabet Inc.

Fundranker's Top Eight Model Portfolio has held Software & IT Services 32 times for a total of 68 months with an average monthly gain of 1.06%. *Fundranker's* longest holding period and best total return on the fund was 55.44% for eight months from 10/4/1999 through 6/2/2000.

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 March 2018

Fund Name (Symbol)	Purchase	Return to 2/28
1. Defense & Aerospace (FSDAX)	8/4/2017	25.39%
2. Technology (FSPTX)	3/6/2017	42.90%
3. Software & IT Services (FSCSX)	1/5/2018	3.50%
4. Retailing (FSRPX)	1/5/2018	4.46%
5. IT Services (FBSOX)	11/6/2017	10.19%
6. Semiconductors (FSELX)	11/6/2017	3.83%
7. Brokerage & Inv Mgmt (FSLBX)	3/7/2018	
8. Communications Eqpt (FSDCX)	3/7/2018	
Funds to be sold on March 7:		
9. Consumer Discretionary (FSCPX)	2/5/2018	1.84%
20. Health Care Services (FSHCX)	2/5/2018	1.54%

Fundranker Exchanges for March 7

Sell Cons'r Discretionary (FSCPX), buy Brkg & Inv Mgmt (FSLBX)
Sell Health Care Services (FSHCX), buy Comm Eqpt (FSDCX)

Start a New Portfolio

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

Optional Rebalancing Exchange Dates

Held funds: March 2; New funds: March 7 ([see rebalancing FAQ](#))

Upcoming Fundranker Exchange Dates

If no new funds are to be exchanged, *Fundranker* will exchange on April 2, our [early exchange date](#); otherwise, to avoid roundtrip transactions, *Fundranker* will exchange on April 6, 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 2/28/18 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)	19.05*	10.58	0.78	(4.81)	7.400	17
Automotive (FSAVX)	19.08*	13.31	0.69	(4.94)	8.035	15
Banking (FSRBX)	12.31	19.12*	5.25*	(2.46)	10.555	11
Biotechnology (FBIOX)	17.03	4.18	8.47*	(2.47)	7.803	16
Brokerage & Investment Mgmt (FSLBX)	27.51*	18.82*	5.75*	(1.65)	15.608	7
Chemicals (FSCHX)	16.31	8.74	(1.93)	(6.81)	4.078	25
Communications Equipment (FSDCX)	16.74	16.23*	8.43*	4.40*	14.450	8
Computers (FDCPX)	24.80*	13.71	4.18*	0.16*	13.713	10
Construction & Housing (FSHOX)	11.07	7.01	(5.29)	(9.76)	0.758	29
Consumer Discretionary (FSCPX)	22.79*	18.01*	7.92*	(3.75)	14.243	9
Consumer Finance (FSVLX)	18.07	14.18*	4.11*	(3.61)	10.188	12
Consumer Staples (FDFAX)	(1.40)	(2.58)	(2.61)	(6.91)	(3.375)	34
Defense & Aerospace (FSDAX)	38.45*	23.05*	11.99*	0.40*	22.473	1
Energy (FSENX)	(5.27)	11.90	(1.58)	(9.61)	(1.140)	31
Energy Service (FSESX)	(17.39)	9.36	0.73	(12.34)	(4.910)	36
Environment & Alternative Energy (FSLEX)	17.73	11.23	(0.26)	(4.54)	6.040	19
Financial Services (FIDSX)	18.32	17.05*	3.78	(3.81)	9.835	13
Gold (FSAGX)	(10.47)	(15.25)	(4.77)	(10.36)	(10.213)	38
Health Care (FSPHX)	15.47	5.07	3.42	(3.10)	5.215	23
Health Care Services (FSHCX)	17.03	9.21	2.09	(4.98)	5.838	20
Industrials (FCYIX)	15.76	13.88	2.59	(4.05)	7.045	18
Insurance (FSPCX)	9.62	5.84	(2.32)	(4.94)	2.050	27
IT Services (FBSOX)	35.17*	19.88*	8.44*	(0.84)	18.663	5
Leisure (FDLSX)	24.75*	10.14	1.33	(4.31)	8.978	14
Materials (FSDPX)	14.96	8.24	0.15	(6.04)	4.328	24
Medical Technology & Devices (FSMEX)	18.04	5.34	1.54	(3.88)	5.260	22
Multimedia (FBMPX)	4.12	(0.15)	2.68	(6.04)	0.153	30
Natural Gas (FSNGX)	(18.97)	1.11	(5.14)	(10.07)	(8.268)	37
Natural Resources (FNARX)	(4.16)	10.18	(1.91)	(9.83)	(1.430)	32
Pharmaceuticals (FPHAX)	5.61	0.11	2.04	(3.88)	0.970	28
Retailing (FSRPX)	28.66*	26.46*	11.07*	(2.64)	18.888	4
Semiconductors (FSELX)	34.20*	22.35*	3.84	(0.39)	17.000	6
Software & IT Services (FSCSX)	37.22*	19.09*	9.37*	(0.98)	19.175	3
Technology (FSPTX)	43.71*	16.29*	7.11*	(0.73)	19.595	2
Telecommunications (FSTCX)	(3.76)	(5.18)	(3.08)	(7.02)	(4.760)	35
Transportation (FSRFX)	12.49	9.93	(2.63)	(6.61)	3.295	26
Utilities (FSUTX)	4.99	(5.17)	(7.60)	(4.12)	(2.975)	33
Wireless (FWRLX)	17.32	5.42	2.87	(2.28)	5.833	21

*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 March 7, 2018

Buy on March 7, 2018

Hold

Fundranker Performance for February 2018

1/31	1/31	1/31	<=2/5	2/5	2/5	2/5	2/5	2/5	2/5	>2/5	2/28	2/28	Feb
Funds	Shares	Amount	Div Shrs	Shares	Amount	Funds	Shares	Amount	Div Shrs	Shares	Amount	Return	
FSPTX	278.948	54,394.86	none	278.948	50,698.80	FSDAX	297.244	51,125.94	none	297.244	54,844.49		
FSELX	448.721	53,007.41	none	448.721	49,134.95	FSRPX	367.918	51,125.94	none	367.918	52,799.91		
FSCSX	302.911	54,729.96	none	302.911	51,285.86	FBSOX	918.045	51,125.94	none	918.045	53,880.06		
FBSOX	924.620	54,728.26	none	924.620	51,492.09	FSPTX	281.298	51,125.94	none	281.298	54,450.85		
FSDAX	308.189	56,638.97	none	308.189	53,008.51	FSCSX	301.966	51,125.94	none	301.966	54,024.74		
FSRPX	381.142	56,180.33	none	381.142	52,963.49	FSCPX	1,192.859	51,125.94	none	1,192.859	52,068.30		
FSLBX	627.231	53,872.87	none	627.231	51,044.06	FSELX	466.904	51,125.94	none	466.904	54,940.59		
FDCPX	564.663	52,316.03	none	564.663	49,379.78	FSHCX	562.999	51,125.94	none	562.999	51,914.14		
Top Eight		435,868.69			409,007.54			409,007.50			428,923.08	(1.594)	
FNCMX1	1,685.822	163,979.91	none						none	1,685.822	161,029.72	(1.799)	
FUSEX1	1,350.954	133,447.24	none						none	1,350.954	128,516.25	(3.695)	

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	6.112
Nasdaq Composite Index Fund	6.818	8.787	29.245	5.396
Fidelity 500 Index Fund - Investor Class	1.366	11.870	21.722	1.809

Lifetime Summary	1/2/97 to 2/28/18	1/2/97 to 2/28/18
	Total Return %	Average Annual Return %
<i>Top Eight Model Portfolio</i>	1,687.180	14.593
Nasdaq Composite Index Fund	N/A	N/A
Fidelity 500 Index Fund - Investor Class	435.484	8.250

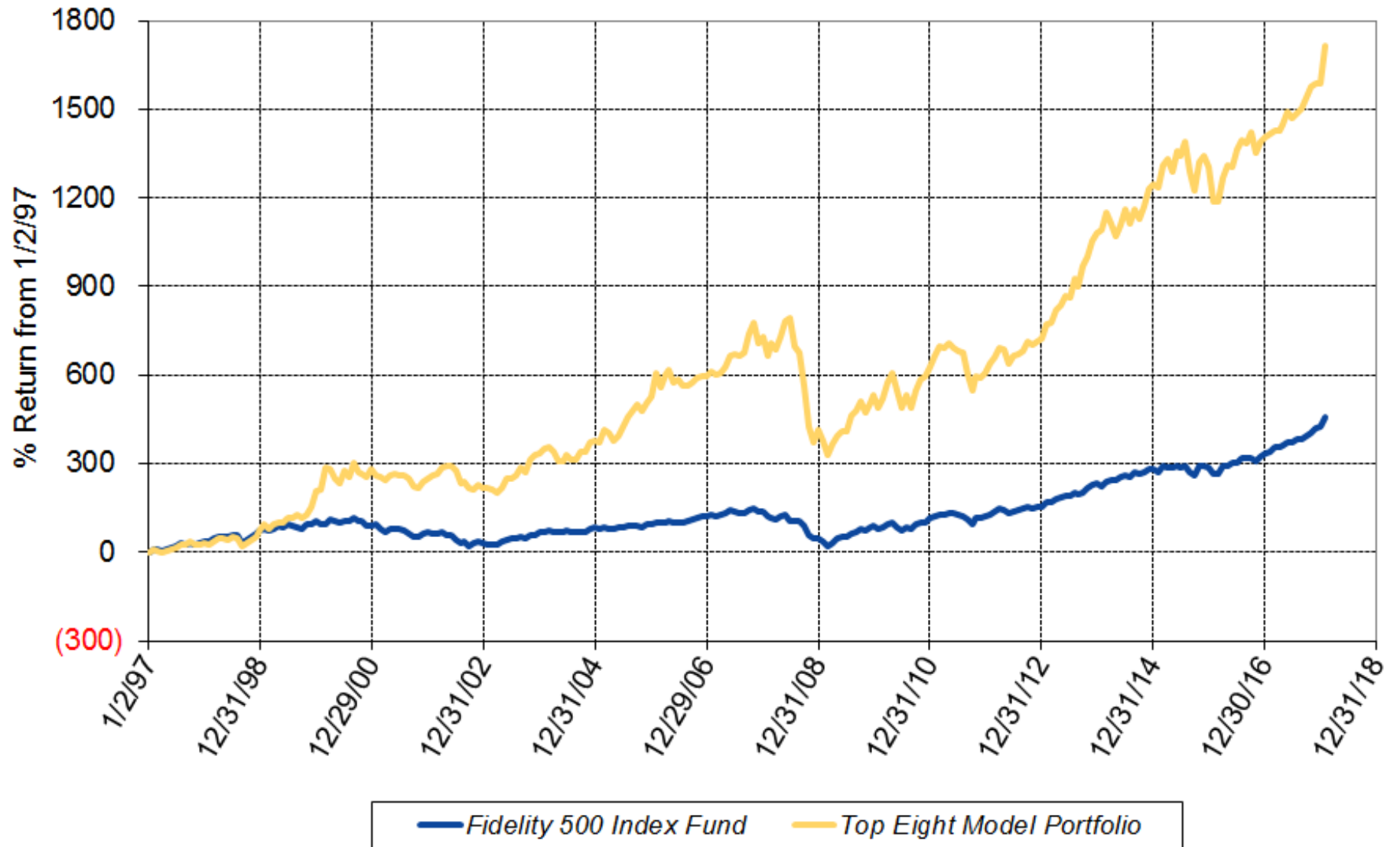
10-Year Summary	2/29/08 to 2/28/18	2/29/08 to 2/28/18
	Total Return %	Average Annual Return %
<i>Top Eight Model Portfolio</i>	121.925	8.298
Nasdaq Composite Index Fund	252.205	13.417
Fidelity 500 Index Fund - Investor Class	151.138	9.646

5-Year Summary	2/28/13 to 2/28/18	2/28/13 to 2/28/18
	Total Return %	Average Annual Return %
<i>Top Eight Model Portfolio</i>	103.619	15.283
Nasdaq Composite Index Fund	141.869	19.321
Fidelity 500 Index Fund - Investor Class	98.082	14.649

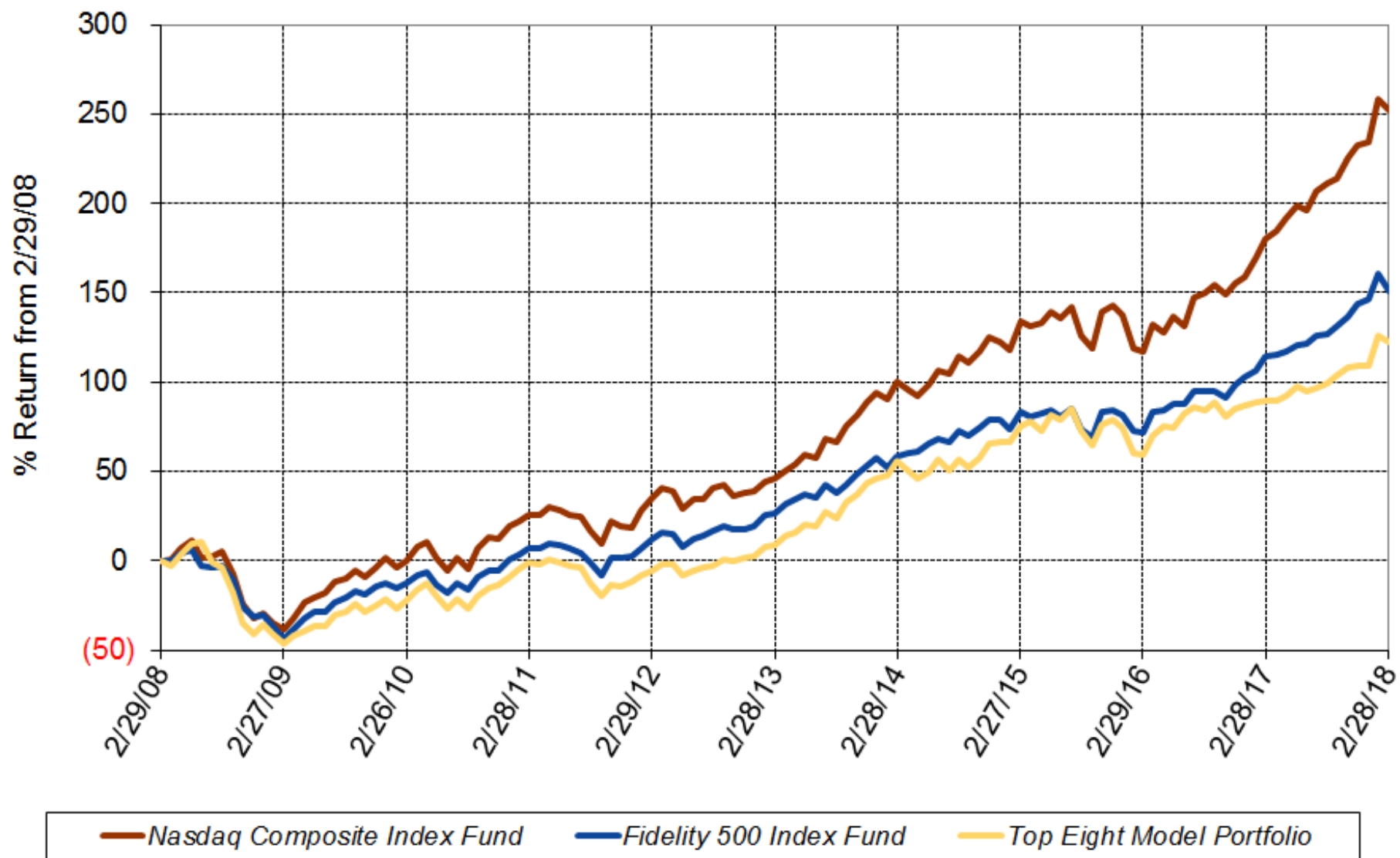
3-Year Summary	2/27/15 to 2/28/18	2/27/15 to 2/28/18
	Total Return %	Average Annual Return %
<i>Top Eight Model Portfolio</i>	26.850	8.251
Nasdaq Composite Index Fund	50.793	14.673
Fidelity 500 Index Fund - Investor Class	37.029	11.072

1-Year Summary	2/28/17 to 2/28/18
	Total Return %
<i>Top Eight Model Portfolio</i>	17.158
Nasdaq Composite Index Fund	25.701
Fidelity 500 Index Fund - Investor Class	16.994

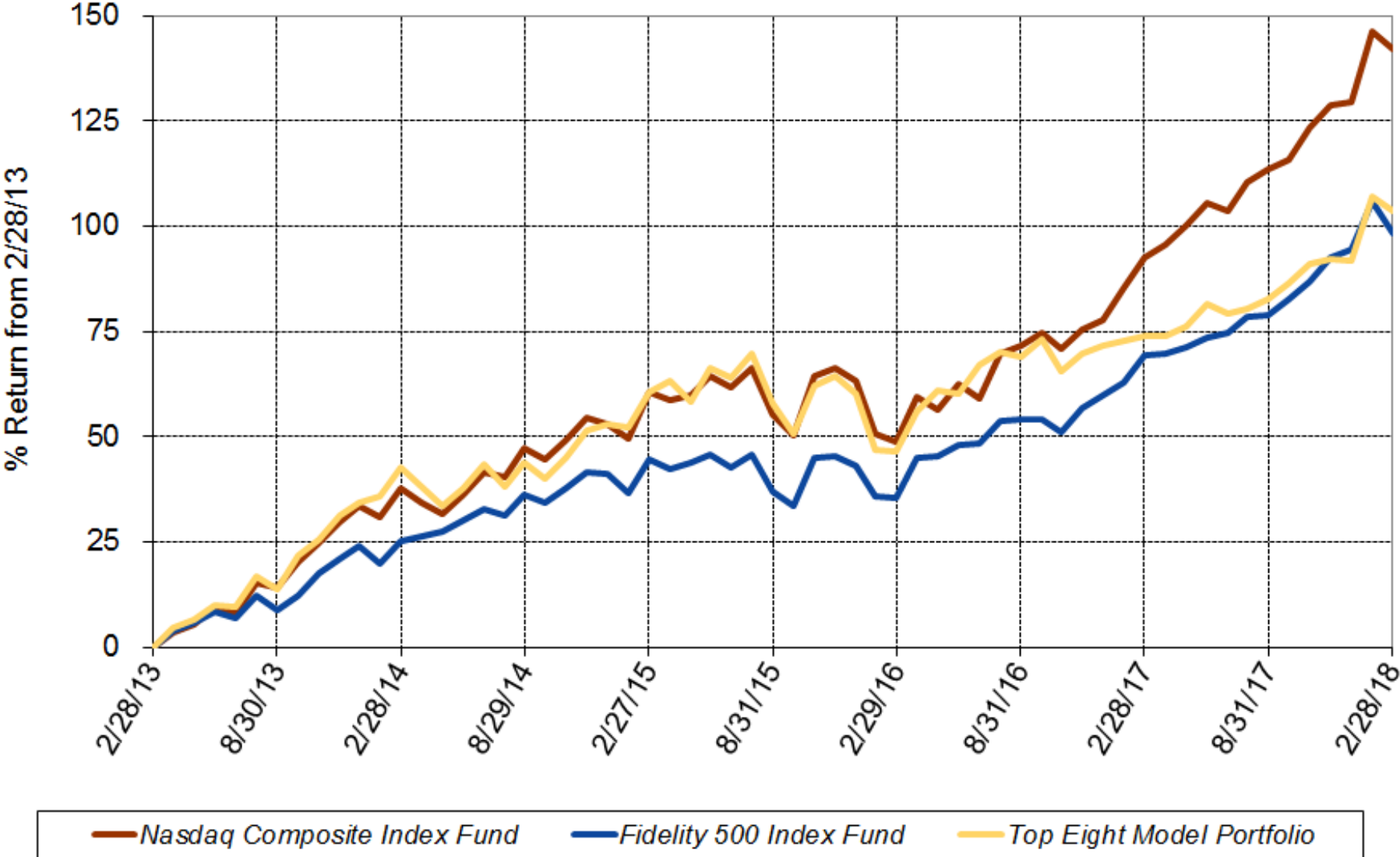
Lifetime Chart



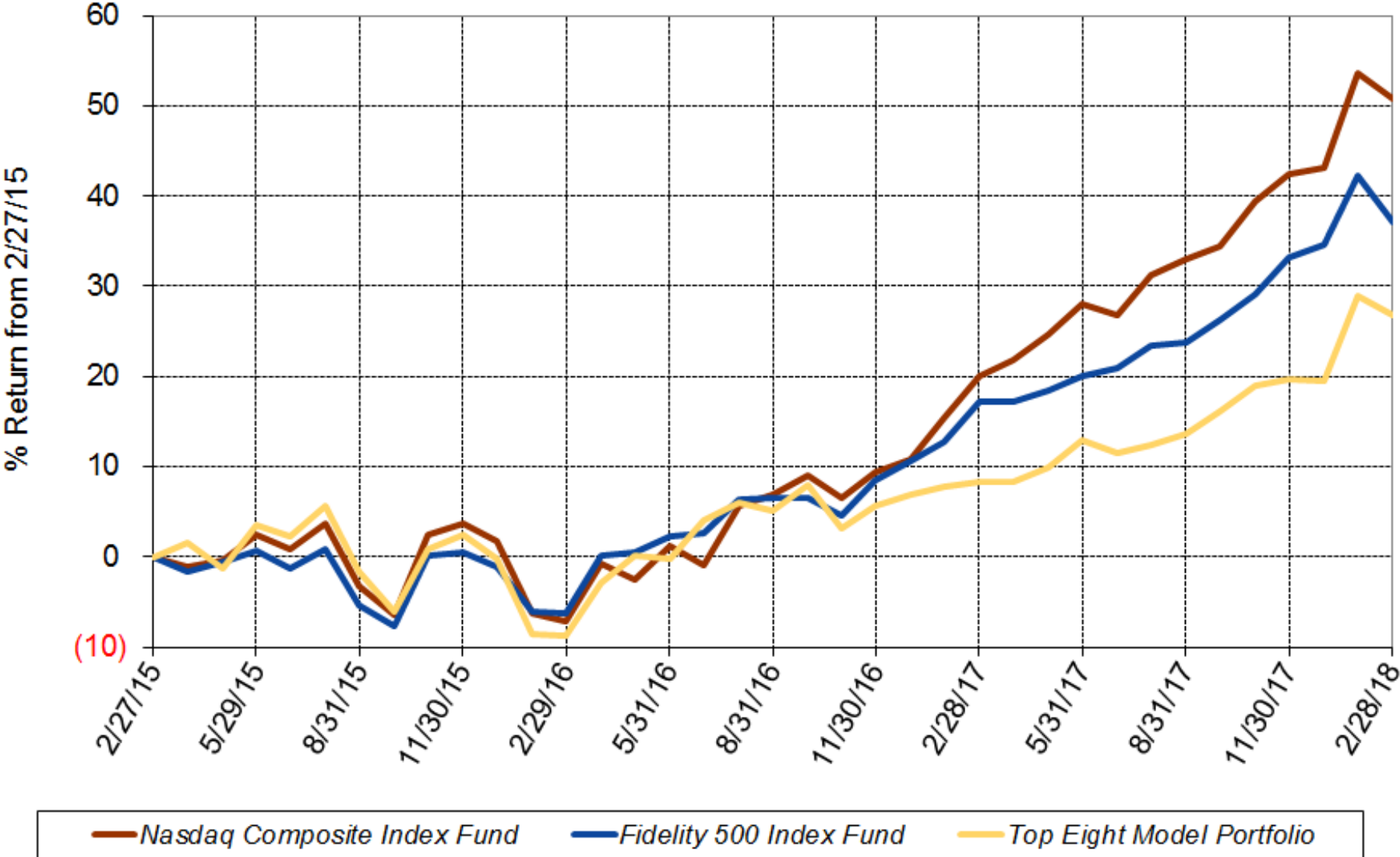
10-Year Chart



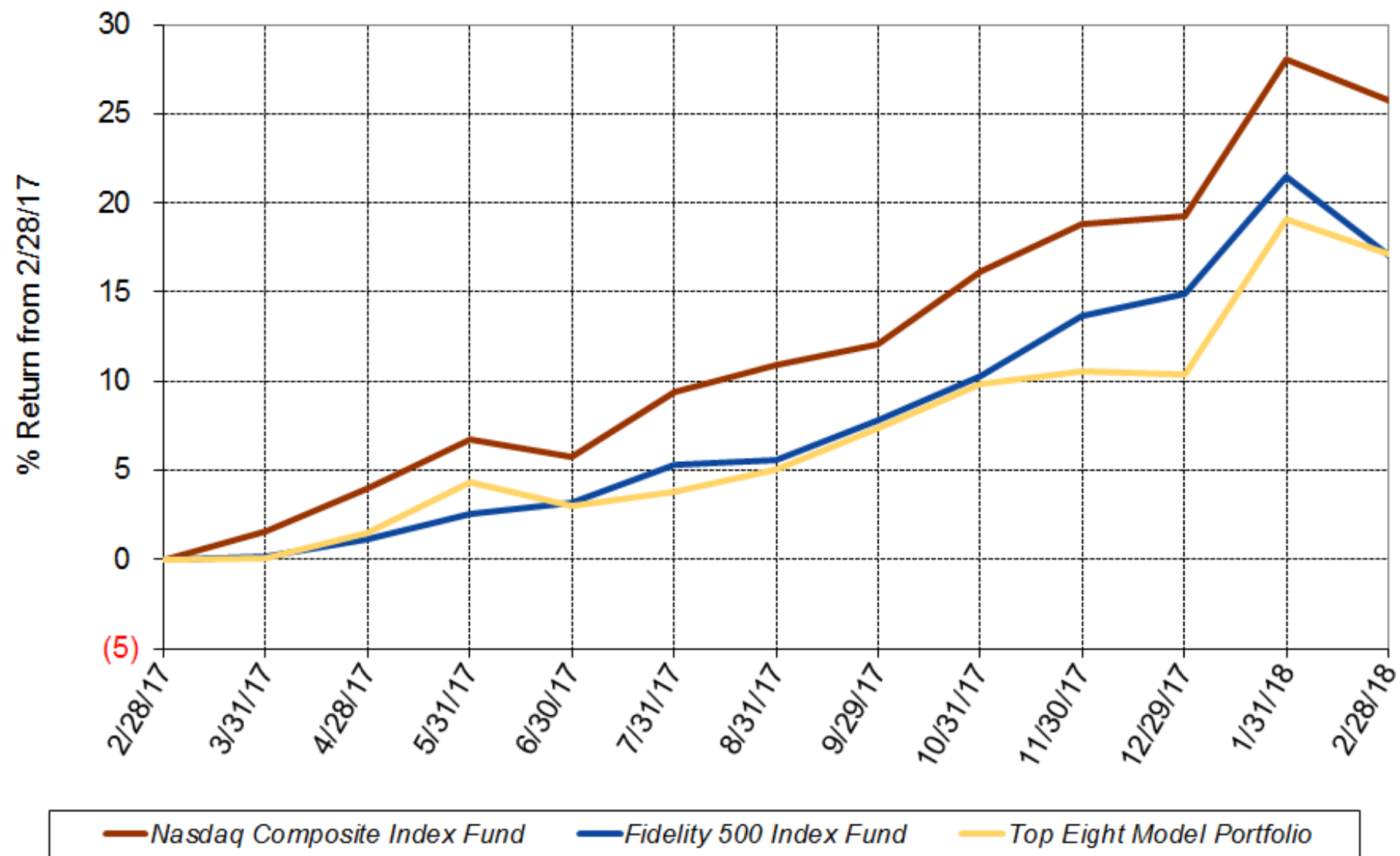
5-Year Chart



3-Year Chart



1-Year Chart



Daily Chart February 2018

