

# FIDELITY SELECT FUNDRANKER™

Volume 13 Issue 5

The Right Funds at the Right Time

May 2018

## Broad Market Ekes Out Gain in April

The broad market S&P 500 Index eked out a fractional gain for the month of April, after losing ground in the first quarter of the year.

Three *Top Eight Model Portfolio* funds gained value in April. Retailing, IT Services, and Software & IT Services reaped one-month gains of 3.46%, 2.04%, and 1.84%. Technology, Brokerage & Investment Management, and Computers fell slightly with one-month losses of 0.41%, 0.85%, and 0.85%. Defense & Aerospace and Semiconductors trailed with one-month losses of 1.95% and 4.29%.

In April, the *Top Eight Model Portfolio* lost 0.134%, the Nasdaq Composite Index gained 0.086%, and the S&P 500 Index gained 0.367%. YTD through April, the *Top Eight Model Portfolio* gained 3.499%, the Nasdaq Composite Index gained 2.494%, and the S&P 500 Index lost 0.417%.

## Final Performance of Fund Sold on April 6

*Fundranker* exchanged one fund on April 6. Here is the return it contributed to the *Top Eight Model Portfolio*:

Fund	Bought	Sold	Return
Communications Eqpt (FSDCX)	3/7/2018	4/6/2018	(4.04)%

## Top Eight Model Portfolio Composition

In May, our *Top Eight Model Portfolio* will undergo a significant shift in diversification with four exchanges in May to hold funds from five different Morningstar categories. After our May exchanges, *Fundranker* will hold two of four Equity Energy Category funds, one of five Consumer Cyclical Category Select funds, three of six Technology Category Select funds, one of five Health Category funds, and one of six Industrials Category Select funds.

## Broad Market Languishes in Correction?

The broad market S&P 500 Index crossed into correction back on February 8, down 10.102% on a total return basis (including reinvested dividends) from its January 26 all-time high. By definition, a correction begins when an index loses at least 10% from its peak and ends at the deepest low point before the index hits another all-time high. So far then, the S&P 500 Index's correction lasted only 13 calendar days from January 26 to February 8, but since the S&P 500 Index has not yet hit another high since then, it's still possible it could dip farther below 10% and increase the length of this correction. Seven previous corrections since 1998, not including two bear markets (20%+ declines) during that time, lasted from 45 to 157 calendar days. As of the end of April, the S&P 500 Index remains 7.394% below its January 26 all-time high.

The Nasdaq Composite Index and *Fundranker's Top Eight Model Portfolio*, on the other hand, technically did not cross into correction along with the S&P 500 Index on February 8, both down just less than 10% on a total return basis from their January 26 all-time highs. The two measures also went on to set new all-time highs on March 9 and 12; the S&P 500 Index still was nearly 3% off its January 26 all-time high on those dates.

## "Windy" Stock Market

In Schwab's April 27 Market Perspective article, [It's Windy Out There](#), the authors profess a belief that we remain in a secular bull market but mention several contributors to a "windy" stock market: political uncertainty, trade fears, tax cuts, deregulation, repatriation, and military conflict. They say we possibly could retest earlier lows.

## 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](#)

## Fund Spotlight

[Transportation](#), one of five Select funds in Morningstar's Industrials category, began operations on 9/29/1986. The fund primarily invests in companies engaged in providing transportation services or companies engaged in the design, manufacture, distribution, or sale of transportation equipment. [Matthew Moulis](#) has managed the fund since 1/12/2012.

As of 3/31/2018, the fund's top 10 holdings made up 72.92% of the portfolio, and its top five holdings were Union Pacific Corp, United Parcel Service Inc, CSX Corp, Fedex Corp, and Delta Air Inc. Its top five sub-industry holdings were railroads at 39.11%, air freight and logistics at 29.06%, airlines at 17.99%, trucking at 8.47%, and airport services at 1.04%. Domestic equities made up 97.6% of the fund's assets. Cash and net other assets accounted for the remaining 2.4%.

*Fundranker's Top Eight Model Portfolio* has held *Transportation* 20 times for a total of 50 months with an average monthly gain of only 0.36%, which is near the bottom of performances of individual funds while in the *Top Eight Model Portfolio*. *Fundranker's* longest holding period and best total return on *Transportation* was 29.81% for 10 months from 3/5/2010 through 1/7/2011.

## Questions and Suggestions

Do you have a question about the *Fidelity Select Fundranker* newsletter, methodology, or website, or a suggestion about how to improve our service? Check out the wealth of information posted on our [website](#), or click the [Contact Us](#) link in the heading or footer of any page on our website.

## Top Eight Model Portfolio for May 2018

Fund Name (Symbol)	Purchase	Return to 4/30
1. Energy (FSENX)	5/7/2018	
2. Retailing (FSRPX)	1/5/2018	5.64%
3. IT Services (FBSOX)	11/6/2017	11.04%
4. Communications Eqpt (FSDCX)	5/7/2018	
5. Natural Resources (FNARX)	5/7/2018	
6. Health Care Services (FSHCX)	5/7/2018	
7. Software & IT Services (FSCSX)	1/5/2018	1.70%
8. Defense & Aerospace (FSDAX)	8/4/2017	19.31%
Funds to be sold on May 7:		
12. Brokerage & Inv Mgmt (FSLBX)	3/7/2018	(3.80)%
13. Technology (FSPTX)	3/6/2017	38.74%
18. Semiconductors (FSELX)	11/6/2017	(1.48)%
22. Computers (FDCPX)	4/6/2018	1.08%

## Fundranker Exchanges for May 7

Sell Technology (FSPTX), buy Energy (FSENX)  
Sell Semiconductors (FSELX),  
buy Communications Equipment (FSDCX)  
Sell Brokerage & Investment Management (FSLBX),  
buy Natural Resources (FNARX)  
Sell Computers (FDCPX), buy Health Care Services (FSHCX)

## Start a New Portfolio

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

## Optional Rebalancing Exchange Dates

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

## Upcoming Fundranker Exchange Dates

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

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<i>Fundranker</i> Ratings for 4/30/18 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)	15.95	2.54	(7.59)	(0.90)	2.500	24
Automotive (FSAVX)	13.92	0.61	(7.42)	0.89	2.000	25
Banking (FSRBX)	14.52	4.48	(6.17)	(0.45)	3.095	23
Biotechnology (FBIOX)	10.23	2.58	(7.84)	(2.04)	0.733	26
Brokerage & Investment Mgmt (FSLBX)	25.62*	8.98*	(3.90)	(0.85)	9.463	12
Chemicals (FSCHX)	9.44	(6.16)	(10.95)	(0.69)	(2.090)	32
Communications Equipment (FSDCX)	16.41	15.33*	4.99*	2.43*	12.790	4
Computers (FDCPX)	15.54	3.49	(2.36)	(0.85)	3.955	22
Construction & Housing (FSHOX)	4.86	(1.88)	(10.61)	(2.08)	(2.428)	33
Consumer Discretionary (FSCPX)	16.75*	13.42*	(3.96)	2.29*	10.125	10
Consumer Finance (FSVLX)	19.64*	2.75	(6.25)	(0.92)	4.805	19
Consumer Staples (FDFAX)	(9.74)	(5.59)	(12.34)	(5.05)	(8.180)	38
Defense & Aerospace (FSDAX)	30.05*	9.70*	(4.47)	(1.95)	10.333	8
Energy (FSENX)	15.42	16.26*	3.95*	10.52*	14.538	1
Energy Service (FSESX)	3.70	16.99*	(1.21)	12.54*	10.005	11
Environment & Alternative Energy (FSLEX)	7.10	(3.29)	(10.15)	(4.68)	(2.755)	34
Financial Services (FIDSX)	19.05*	3.84	(7.21)	(0.91)	4.693	20
Gold (FSAGX)	(4.75)	(3.99)	(8.11)	1.16	(3.923)	36
Health Care (FSPHX)	15.50	7.87	(0.95)	2.24*	7.165	15
Health Care Services (FSHCX)	18.66*	10.93*	(3.01)	6.39*	11.243	6
Industrials (FCYIX)	8.81	2.35	(8.35)	(2.53)	0.070	30
Insurance (FSPCX)	8.88	(1.65)	(6.14)	0.03	0.280	28
IT Services (FBSOX)	32.89*	12.26*	(0.08)	2.06	13.783	3
Leisure (FDLSX)	17.06*	7.84	(2.79)	2.45*	8.140	14
Materials (FSDPX)	8.60	(4.71)	(10.43)	(0.98)	(1.880)	31
Medical Technology & Devices (FSMEX)	16.75*	8.66*	(0.07)	3.60*	10.235	9
Multimedia (FBMPX)	(6.45)	(1.67)	(12.50)	(3.01)	(5.908)	37
Natural Gas (FSNGX)	(1.13)	6.57	1.46*	10.27*	6.293	17
Natural Resources (FNARX)	12.23	11.91*	0.44*	8.75*	11.333	5
Pharmaceuticals (FPHAX)	3.57	2.62	(4.21)	(1.54)	0.110	29
Retailing (FSRPX)	24.66*	19.47*	(1.54)	3.46*	14.513	2
Semiconductors (FSELX)	25.08*	2.62	(5.48)	(4.29)	5.483	18
Software & IT Services (FSCSX)	26.69*	8.66*	(2.70)	1.84	10.623	7
Technology (FSPTX)	28.54*	4.46	(3.63)	(0.41)	8.240	13
Telecommunications (FSTCX)	(6.33)	(2.27)	(7.60)	0.64	(3.890)	35
Transportation (FSRFX)	15.40	4.98	(5.27)	0.86	3.993	21
Utilities (FSUTX)	11.66	1.99	3.24*	2.18*	6.768	16
Wireless (FWRLX)	8.13	1.86	(6.42)	(1.27)	0.575	27

\*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 May 7, 2018

Buy on May 7, 2018

Hold

## Fundranker Performance for April 2018

3/29	3/29	3/29	<=4/6	4/6	4/6	4/6	4/6	4/6	4/6	>4/6	4/30	4/30	Apr
Funds	Shares	Amount	Div Shrs	Shares	Amount	Funds	Shares	Amount	Div Shrs	Shares	Amount	Return	
FSDAX	296.930	53,168.29	none	296.930	52,669.44	FSDAX	287.011	50,910.00	8.518	295.529	50,387.69		
FSPTX	274.205	51,745.23	none	274.205	50,695.02	FBSOX	897.884	50,910.00	14.369	912.253	53,102.25		
FSCSX	297.044	51,275.74	none	297.044	50,509.36	FSPTX	275.368	50,910.00	29.309	304.677	51,749.39		
FSRPX	377.528	52,959.63	none	377.528	51,777.97	FSELX	455.570	50,910.00	27.013	482.583	50,869.07		
FBSOX	913.339	52,928.00	none	913.339	51,786.32	FSRPX	371.199	50,910.00	3.153	374.352	53,873.00		
FSELX	447.109	52,164.21	none	447.109	49,964.43	FSCSX	299.400	50,910.00	5.894	305.294	52,632.69		
FSLBX	632.205	52,631.07	none	632.205	48,938.99	FSLBX	657.667	50,910.00	33.397	691.064	54,283.08		
FSDCX1	1,354.388	52,049.13	none	1,354.388	50,938.53	FDCPX	568.890	50,910.00	1.959	570.849	51,462.04		
<b>Top Eight</b>		<b>418,921.30</b>			<b>407,280.06</b>			<b>407,280.00</b>			<b>418,359.21</b>	<b>(0.134)</b>	
FNCMX1	1,685.822	156,461.14	none						none	1,685.822	156,596.01	0.086	
FUSEX1	1,350.954	125,246.95	none						7.009	1,357.963	125,706.63	0.367	

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	3.499
Nasdaq Composite Index Fund	6.818	8.787	29.245	2.494
Fidelity 500 Index Fund - Investor Class	1.366	11.870	21.722	(0.417)

Lifetime Summary	1/2/97 to 4/30/18	1/2/97 to 4/30/18
	Total Return %	Average Annual Return %
<i>Top Eight Model Portfolio</i>	1,643.163	14.337
Nasdaq Composite Index Fund	N/A	N/A
Fidelity 500 Index Fund - Investor Class	423.778	8.071

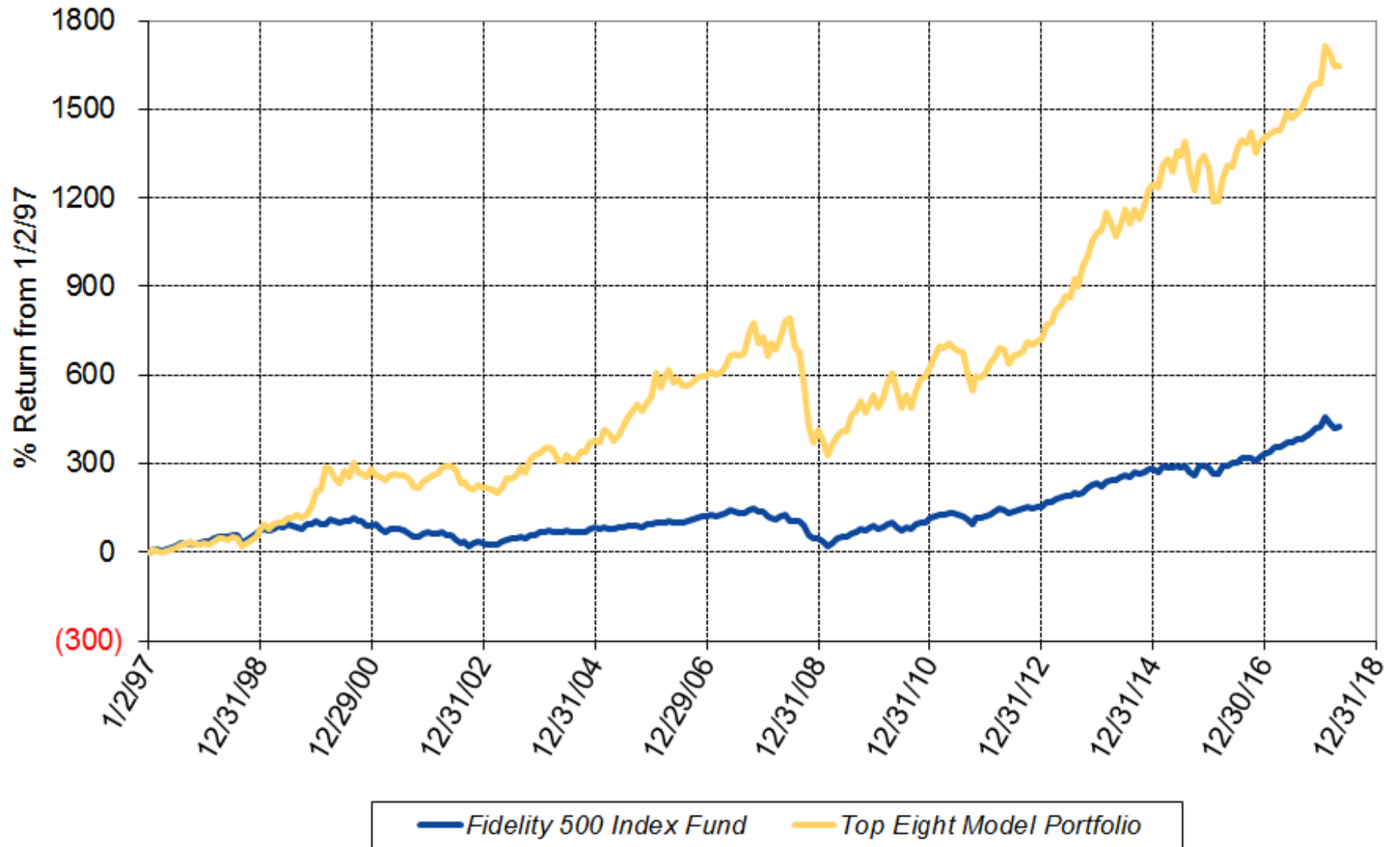
10-Year Summary	4/30/08 to 4/30/18	4/30/08 to 4/30/18
	Total Return %	Average Annual Return %
<i>Top Eight Model Portfolio</i>	109.699	7.686
Nasdaq Composite Index Fund	221.649	12.393
Fidelity 500 Index Fund - Investor Class	135.280	8.933

5-Year Summary	4/30/13 to 4/30/18	4/30/13 to 4/30/18
	Total Return %	Average Annual Return %
<i>Top Eight Model Portfolio</i>	86.370	13.260
Nasdaq Composite Index Fund	123.106	17.409
Fidelity 500 Index Fund - Investor Class	83.241	12.877

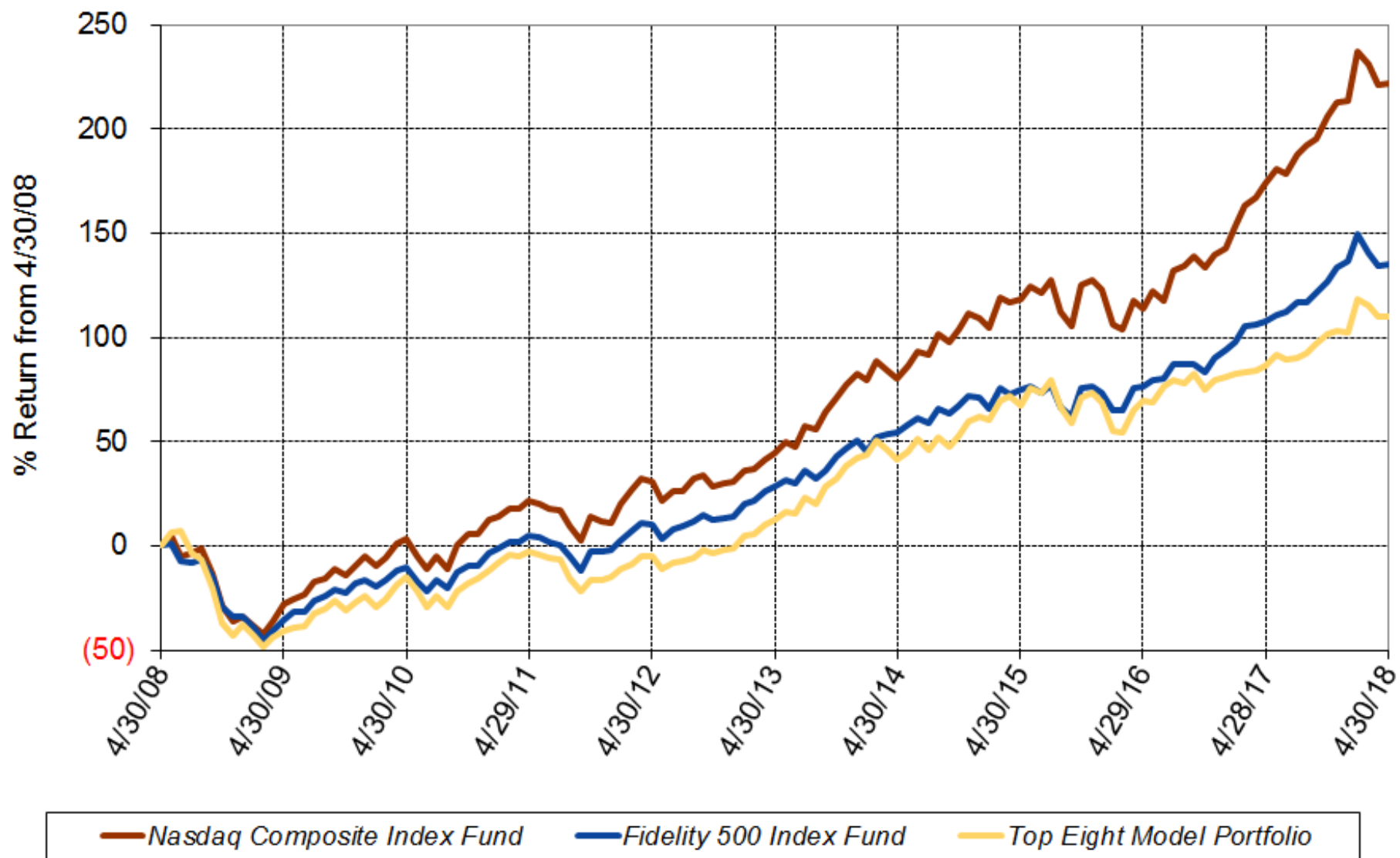
3-Year Summary	4/30/15 to 4/30/18	4/30/15 to 4/30/18
	Total Return %	Average Annual Return %
<i>Top Eight Model Portfolio</i>	25.449	7.851
Nasdaq Composite Index Fund	47.181	13.750
Fidelity 500 Index Fund - Investor Class	34.831	10.475

1-Year Summary	4/28/17 to 4/30/18
	Total Return %
<i>Top Eight Model Portfolio</i>	12.648
Nasdaq Composite Index Fund	17.600
Fidelity 500 Index Fund - Investor Class	13.163

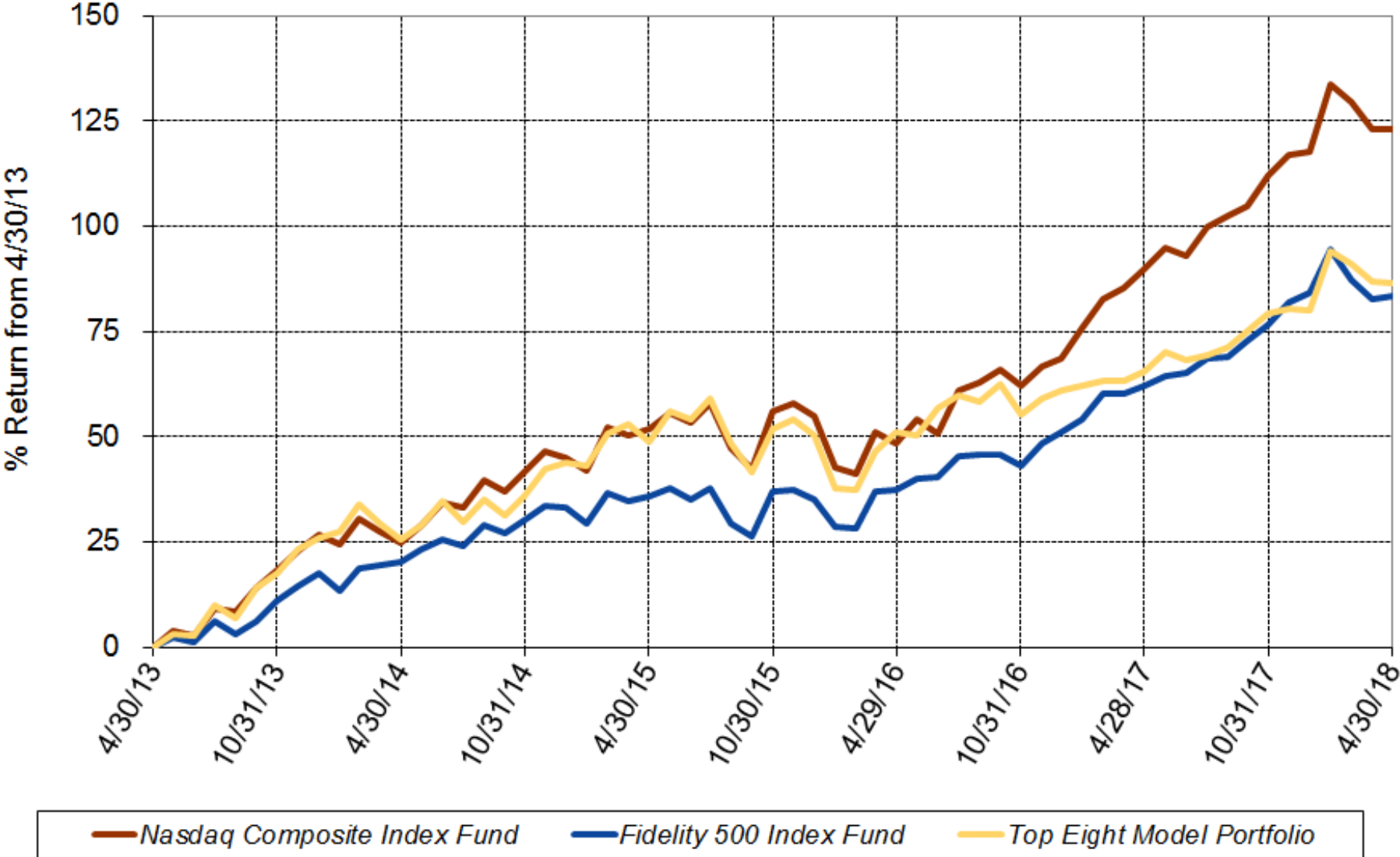
### Lifetime Chart



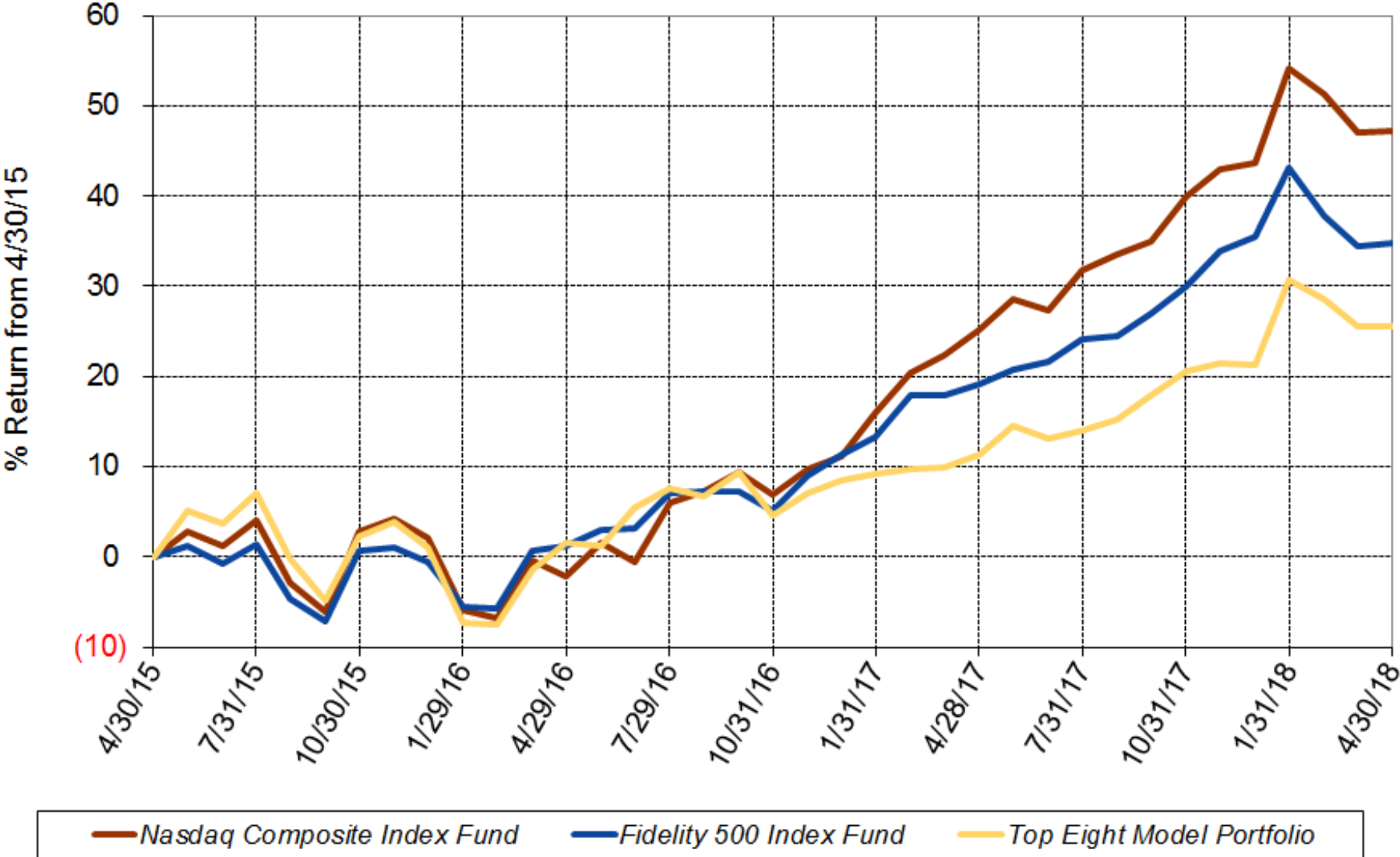
### 10-Year Chart



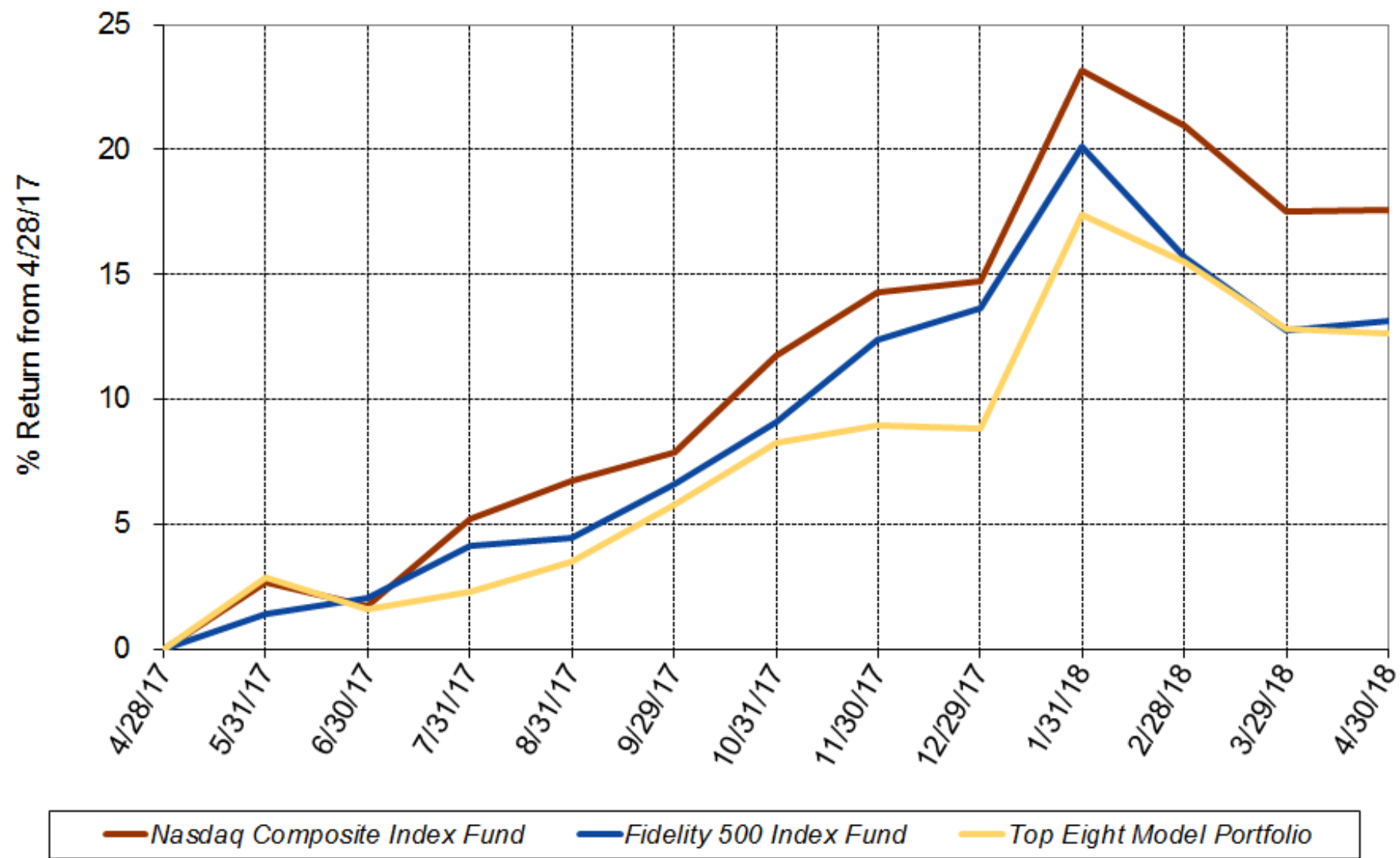
### 5-Year Chart



### 3-Year Chart



### 1-Year Chart





### Daily Chart April 2018

