

FIDELITY SELECT FUNDRANKER™

Volume 13 Issue 6

The Right Funds at the Right Time

June 2018

Broad Market Surges during First Half of May

The broad market S&P 500 Index surged over 3% through May 14 but moved sideways for the remainder of the month.

Seven *Top Eight Model Portfolio* funds gained value in May. Software & IT Services led the pack with a one-month gain of 6.09%. Defense & Aerospace, IT Services, Retailing, Energy, and Natural Resources followed with one-month gains ranging from 2.87% to 1.89%. Health Care Services and Communications Equipment trailed with one-month gain of 0.60% and one-month loss of 0.11%.

In May, the *Top Eight Model Portfolio* gained 3.925%, the Nasdaq Composite Index gained 5.490%, and the S&P 500 Index gained 2.409%. YTD through May, the *Top Eight Model Portfolio* gained 7.560%, the Nasdaq Composite Index gained 8.121%, and the S&P 500 Index gained 1.982%.

Final Performance of Funds Sold on May 7

Fundranker exchanged four funds on May 7. Here are the returns they contributed to the *Top Eight Model Portfolio*:

Fund	Bought	Sold	Return
Brokerage & Inv Mgmt (FSLBX)	3/7/2018	5/7/2018	(3.03)%
Computers (FDCPX)	4/6/2018	5/7/2018	4.19%
Semiconductors (FSELX)	11/6/2017	5/7/2018	3.48%
Technology (FSPTX)	3/6/2017	5/7/2018	44.31%

Top Eight Model Portfolio Composition

In June, our *Top Eight Model Portfolio* will revert to a heavier weighting in Morningstar's Technology category. After our June exchanges, *Fundranker* will hold four of six Technology Category Select funds, one of four Equity Energy Category funds, two of five Health Category funds, and one of five Consumer Cyclical Category Select funds.

Fidelity Distributes Unusual 10-for-1 Share Splits

Fidelity distributed unusual 10-for-1 share splits on three Select funds on May 11: Retailing, Semiconductors, and Software & IT Services. On page three in *Fundranker* Performance for May 2018, note that Retailing (FSRPX) and Software & IT Services (FSCSX) both show a large number of shares distributed after 5/7. Also note that the number of shares held in the *Top Eight Model Portfolio* for the two funds after the distribution is exactly 10 times more than the number of shares held before the distribution.

Buy in May...and Stay?

In Charles Schwab's May 25 Market Perspective article, [Buy in May...and Stay?](#), the authors point to relatively strong stock performance in May that may have investors wondering if they should shun the traditional "Sell in May and go away" mantra, but also that the rally since the March lows has pushed investor sentiment higher, moving back into optimistic territory, a potential contrarian indicator.

They make the case that while the current expansion is extended in terms of time (now 106 months old—making it the second longest expansion in the past 100 years—and well above the average of 58 months), it's less extended in terms of overheating (real gross domestic product has grown about 22% from the 2009 trough, well below the 50%-plus gain at the high end; and the second-lowest gain in any expansion since 1960).

They believe the bull market will continue, but that the increased volatility seen earlier this year is likely to reemerge.

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

[Utilities](#), one of two Select funds in Morningstar's Utilities category, began operations on 12/10/1981. The fund primarily invests in companies in the utilities industry and companies deriving a majority of their revenues from their utility operations. [Douglas Simmons](#) has managed the fund since 10/1/2006.

As of 3/31/2018, the fund's top 10 holdings made up 64.15% of the portfolio, and its top five holdings were Nextera Energy, Sempra Energy, Exelon Corp, NRG Energy Inc, and FirstEnergy Corp. As of 4/30/2018, its top five sub-industry holdings were electric utilities at 48.26%, multi-utilities at 18.22%, independent power and renewable electricity producers at 15.11%, movies and entertainment at 4.13%, and renewable electricity at 2.91%. Domestic equities made up 96.38% of the fund's assets. Cash and net other assets accounted for the remaining 3.62%.

Fundranker's Top Eight Model Portfolio has held *Utilities 22* times for a total of 48 months with an average monthly gain of 1.88%, which is near the top of performances of individual funds while in the *Top Eight Model Portfolio*. *Fundranker's* longest holding periods on *Utilities* were for six months from 8/2/2006 to 2/8/07 and again from 2/3/2016 to 8/4/2016, and our best gain on *Utilities* was 37.39% for five months from 9/2/1998 to 2/2/1999.

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 June 2018

Fund Name (Symbol)	Purchase	Return to 5/31
1. Semiconductors (FSELX)	6/6/2018	
2. Energy (FSENX)	5/7/2018	1.77%
3. Software & IT Services (FSCSX)	1/5/2018	7.89%
4. IT Services (FBSOX)	11/6/2017	14.11%
5. Medical Tech & Devices (FSMEX)	6/6/2018	
6. Retailing (FSRPX)	1/5/2018	8.57%
7. Health Care (FSPHX)	6/6/2018	
8. Technology (FSPTX)	6/6/2018	
Funds to be sold on June 6:		
10. Natural Resources (FNARX)	5/7/2018	1.33%
12. Defense & Aerospace (FSDAX)	8/4/2017	22.73%
20. Health Care Services (FSHCX)	5/7/2018	2.58%
22. Communications Eqpt (FSDCX)	5/7/2018	(1.73)%

Fundranker Exchanges for June 6

Sell Communications Eqpt (FSDCX), buy Semiconductors (FSELX)
Sell Natural Resources (FNARX),
buy Medical Technology & Devices (FSMEX)
Sell Health Care Services (FSHCX), buy Health Care (FSPHX)
Sell Defense & Aerospace (FSDAX), buy Technology (FSPTX)

Start a New Portfolio

June 4 ([see new portfolio FAQ](#)). Hold at least until July 5.

Optional Rebalancing Exchange Dates

Held funds: none; New funds: June 6 ([see rebalancing FAQ](#))

Upcoming Fundranker Exchange Dates

If no new funds are to be exchanged, *Fundranker* will exchange on July 2, our [early exchange date](#); otherwise, to avoid roundtrip transactions, *Fundranker* will exchange on July 6, our [late exchange date](#).

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<i>Fundranker</i> Ratings for 5/31/18 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)	16.01	1.18	0.40	3.42	5.253	25
Automotive (FSAVX)	18.13	1.78	1.08	3.79*	7.195	19
Banking (FSRBX)	19.94	2.73	(2.39)	1.47	5.438	24
Biotechnology (FBIOX)	27.00*	10.25*	1.64	7.57*	14.615	9
Brokerage & Investment Mgmt (FSLBX)	26.10*	4.48	(1.20)	1.11	8.623	15
Chemicals (FSCHX)	16.72	(2.17)	(0.25)	4.39*	5.673	23
Communications Equipment (FSDCX)	15.94	8.92	0.46	(0.11)	6.303	22
Computers (FDCPX)	17.68	5.59	1.36	3.98*	8.153	17
Construction & Housing (FSHOX)	10.80	(2.28)	3.17	4.15*	4.960	26
Consumer Discretionary (FSCPX)	17.34	9.54	1.50	1.73	7.528	18
Consumer Finance (FSVLX)	22.34*	3.93	(0.18)	2.64	8.183	16
Consumer Staples (FDFAX)	(14.06)	(10.01)	(7.60)	(1.87)	(8.385)	38
Defense & Aerospace (FSDAX)	30.32*	9.61	(2.12)	2.87	11.170	12
Energy (FSENX)	24.16*	15.89*	17.75*	2.40	18.050	2
Energy Service (FSESX)	9.73	12.03*	11.22*	(1.31)	9.918	13
Environment & Alternative Energy (FSLEX)	6.43	(4.41)	(4.16)	1.82	(0.080)	33
Financial Services (FIDSX)	19.99	0.07	(3.58)	(0.05)	4.108	28
Gold (FSAGX)	(5.31)	(2.38)	2.50	0.00	(1.298)	34
Health Care (FSPHX)	22.52*	10.61*	6.96*	4.63*	15.180	7
Health Care Services (FSHCX)	17.51	4.83	2.68	0.60	6.405	20
Industrials (FCYIX)	12.49	0.95	(1.60)	3.02	3.715	30
Insurance (FSPCX)	4.03	(6.15)	(3.92)	(2.69)	(2.183)	36
IT Services (FBSOX)	31.02*	12.30*	3.56*	2.77	15.413	4
Leisure (FDLSX)	11.08	3.08	1.73	0.14	4.008	29
Materials (FSDPX)	13.43	(0.79)	(0.94)	3.92*	4.905	27
Medical Technology & Devices (FSMEX)	20.82*	10.62*	8.94*	4.79*	15.293	5
Multimedia (FBMPX)	(3.44)	(2.27)	(4.83)	2.20	(2.085)	35
Natural Gas (FSNGX)	8.61	9.94*	15.90*	2.72	11.293	11
Natural Resources (FNARX)	19.13	11.34*	13.51*	1.89	13.468	10
Pharmaceuticals (FPHAX)	3.44	3.38	1.32	1.66	2.450	31
Retailing (FSRPX)	27.01*	15.44*	3.93*	2.77	15.288	6
Semiconductors (FSELX)	30.63*	9.93*	5.87*	11.56*	18.498	1
Software & IT Services (FSCSX)	29.77*	14.01*	4.24*	6.09*	17.528	3
Technology (FSPTX)	28.35*	10.46*	3.13	6.22*	15.040	8
Telecommunications (FSTCX)	(6.09)	(5.97)	(2.98)	(2.38)	(4.355)	37
Transportation (FSRFX)	18.64	2.61	5.38*	3.89*	9.630	14
Utilities (FSUTX)	9.83	0.90	9.20*	1.41	6.335	21
Wireless (FWRLX)	4.36	(0.89)	(3.65)	0.61	0.108	32

*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 June 6, 2018

Buy on June 6, 2018

Hold

Fundranker Performance for May 2018

4/30	4/30	4/30	<=5/7	5/7	5/7	5/7	5/7	5/7	5/7	>5/7	5/31	5/31	May
Funds	Shares	Amount	Div Shrs	Shares	Amount	Funds	Shares	Amount	Div Shrs	Shares	Amount	Return	
FSDAX	295.529	50,387.69	none	295.529	50,446.80	FSENX	1,126.447	53,449.92	none	1,126.447	54,396.13		
FBSOX	912.253	53,102.25	none	912.253	53,850.29	FSRPX	370.126	53,449.92	3,331.134	3,701.260	54,741.64		
FSPTX	304.677	51,749.39	none	304.677	53,830.33	FBSOX	905.470	53,449.92	none	905.470	54,165.22		
FSELX	482.583	50,869.07	none	482.583	53,426.76	FSDCX	1,422.297	53,449.92	none	1,422.297	52,525.43		
FSRPX	374.352	53,873.00	none	374.352	54,060.17	FNARX	1,735.387	53,449.92	none	1,735.387	54,161.43		
FSCSX	305.294	52,632.69	none	305.294	54,223.27	FSHCX	612.256	53,449.92	none	612.256	54,827.52		
FSLBX	691.064	54,283.08	none	691.064	54,718.45	FSCSX	300.940	53,449.92	2,708.460	3,009.400	55,041.93		
FDCPX	570.849	51,462.04	none	570.849	53,043.29	FSDAX	313.122	53,449.92	none	313.122	54,918.47		
Top Eight		418,359.21			427,599.36			427,599.40			434,777.77	3.925	
FNCMX	1,685.822	156,596.01	none						none	1,685.822	165,193.70	5.490	
FUSEX	1,357.963	125,706.63	none						none	1,357.963	128,734.89	2.409	

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	7.560
Nasdaq Composite Index Fund	6.818	8.787	29.245	8.121
Fidelity 500 Index Fund - Investor Class	1.366	11.870	21.722	1.982

Lifetime Summary	1/2/97 to 5/31/18	1/2/97 to 5/31/18
	Total Return %	Average Annual Return %
<i>Top Eight Model Portfolio</i>	1,711.574	14.483
Nasdaq Composite Index Fund	N/A	N/A
Fidelity 500 Index Fund - Investor Class	436.395	8.159

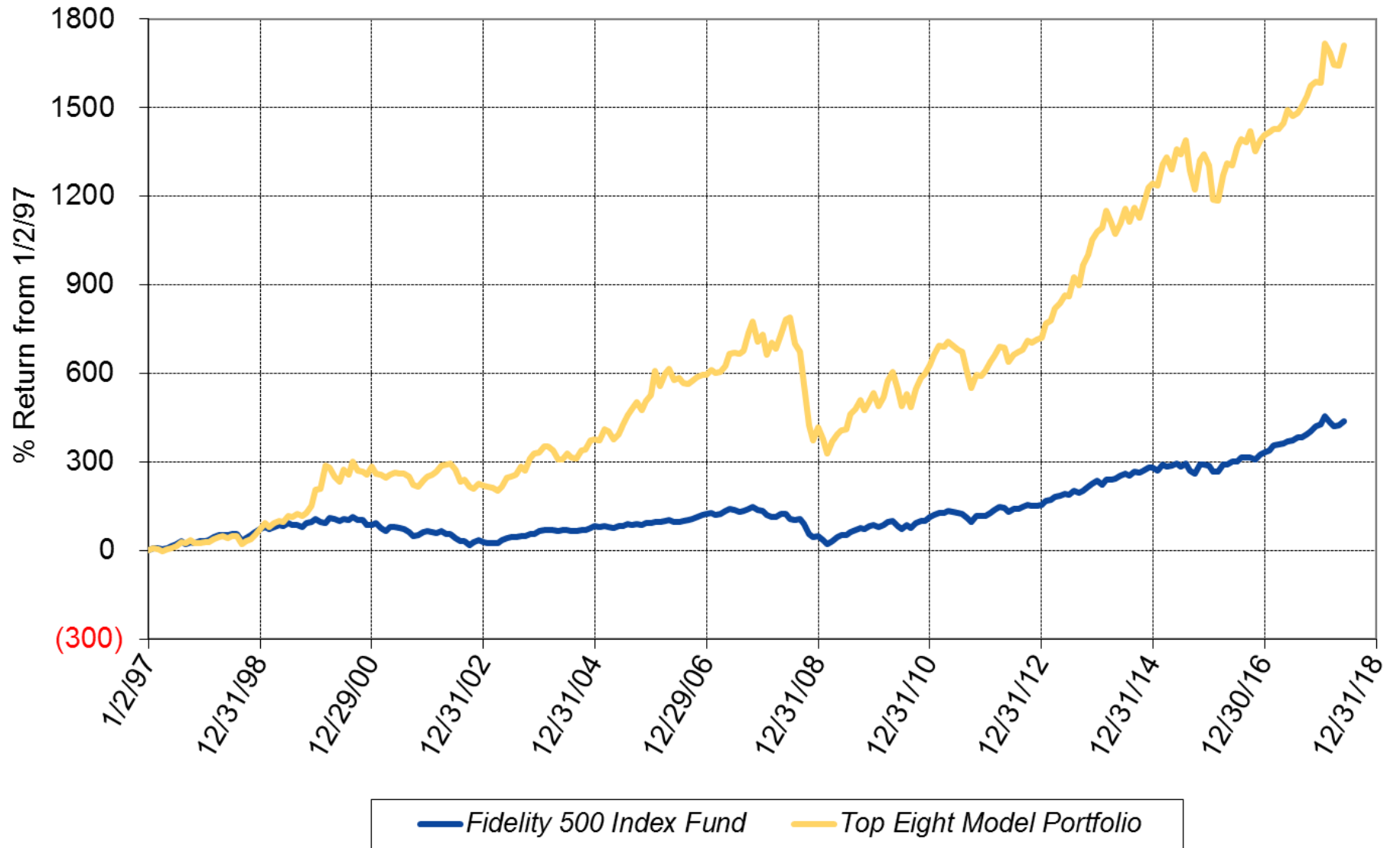
10-Year Summary	5/30/08 to 5/31/18	5/30/08 to 5/31/18
	Total Return %	Average Annual Return %
<i>Top Eight Model Portfolio</i>	105.452	7.466
Nasdaq Composite Index Fund	224.125	12.479
Fidelity 500 Index Fund - Investor Class	137.882	9.053

5-Year Summary	5/31/13 to 5/31/18	5/31/13 to 5/31/18
	Total Return %	Average Annual Return %
<i>Top Eight Model Portfolio</i>	87.626	13.412
Nasdaq Composite Index Fund	126.315	17.745
Fidelity 500 Index Fund - Investor Class	83.381	12.894

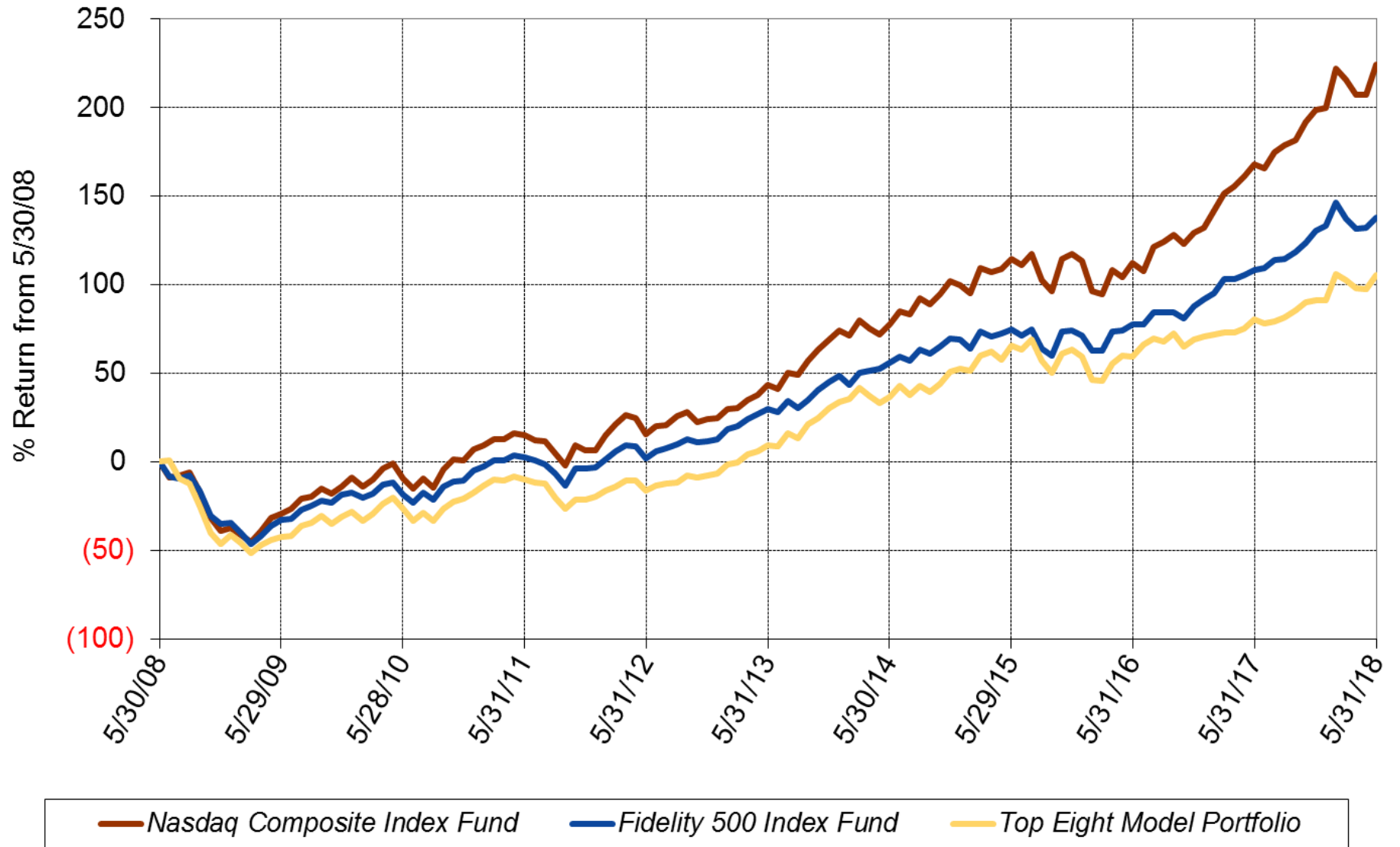
3-Year Summary	5/29/15 to 5/31/18	5/29/15 to 5/31/18
	Total Return %	Average Annual Return %
<i>Top Eight Model Portfolio</i>	24.134	7.472
Nasdaq Composite Index Fund	51.135	14.759
Fidelity 500 Index Fund - Investor Class	36.339	10.885

1-Year Summary	5/31/17 to 5/31/18
	Total Return %
<i>Top Eight Model Portfolio</i>	13.809
Nasdaq Composite Index Fund	20.836
Fidelity 500 Index Fund - Investor Class	14.286

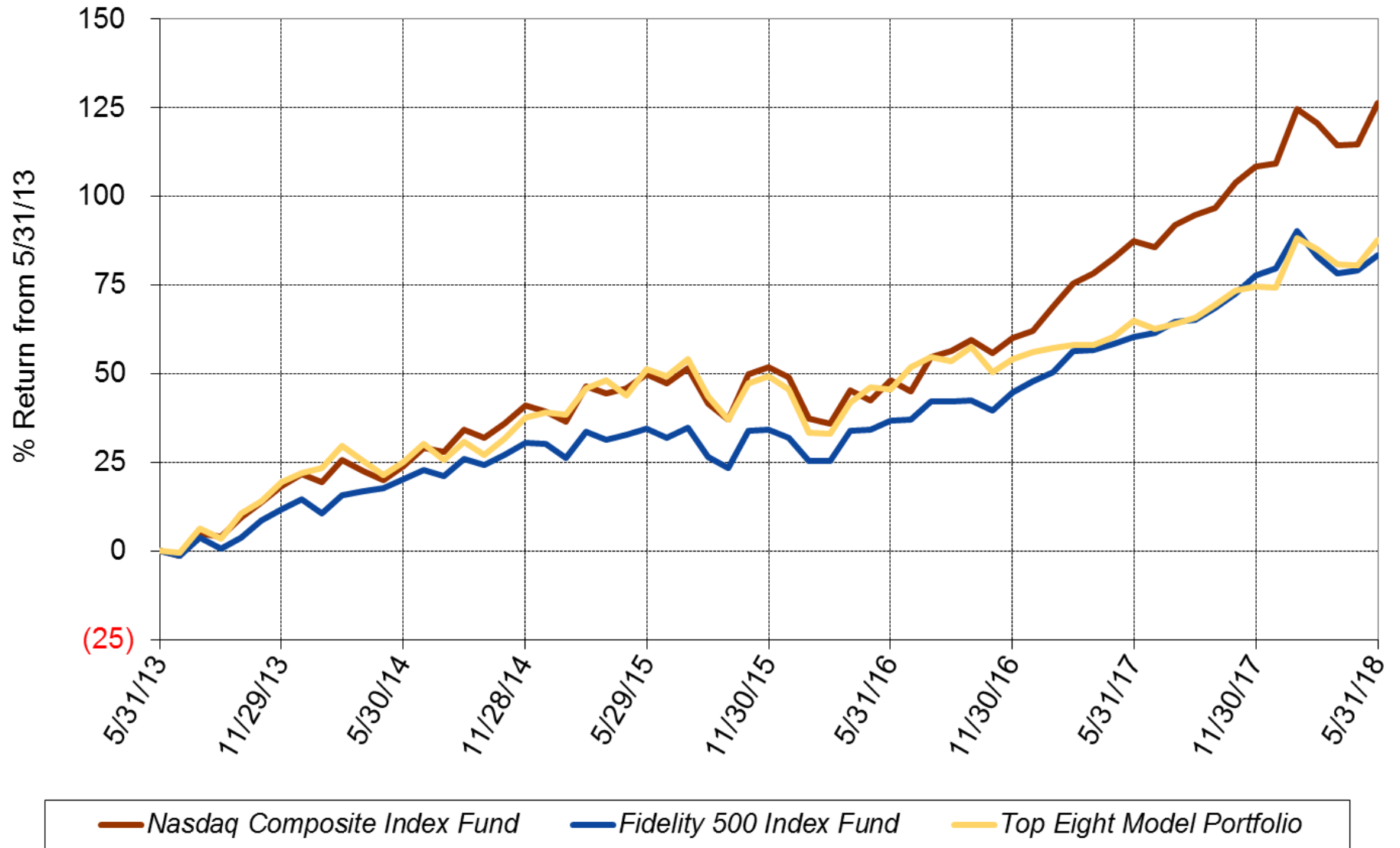
Lifetime Chart



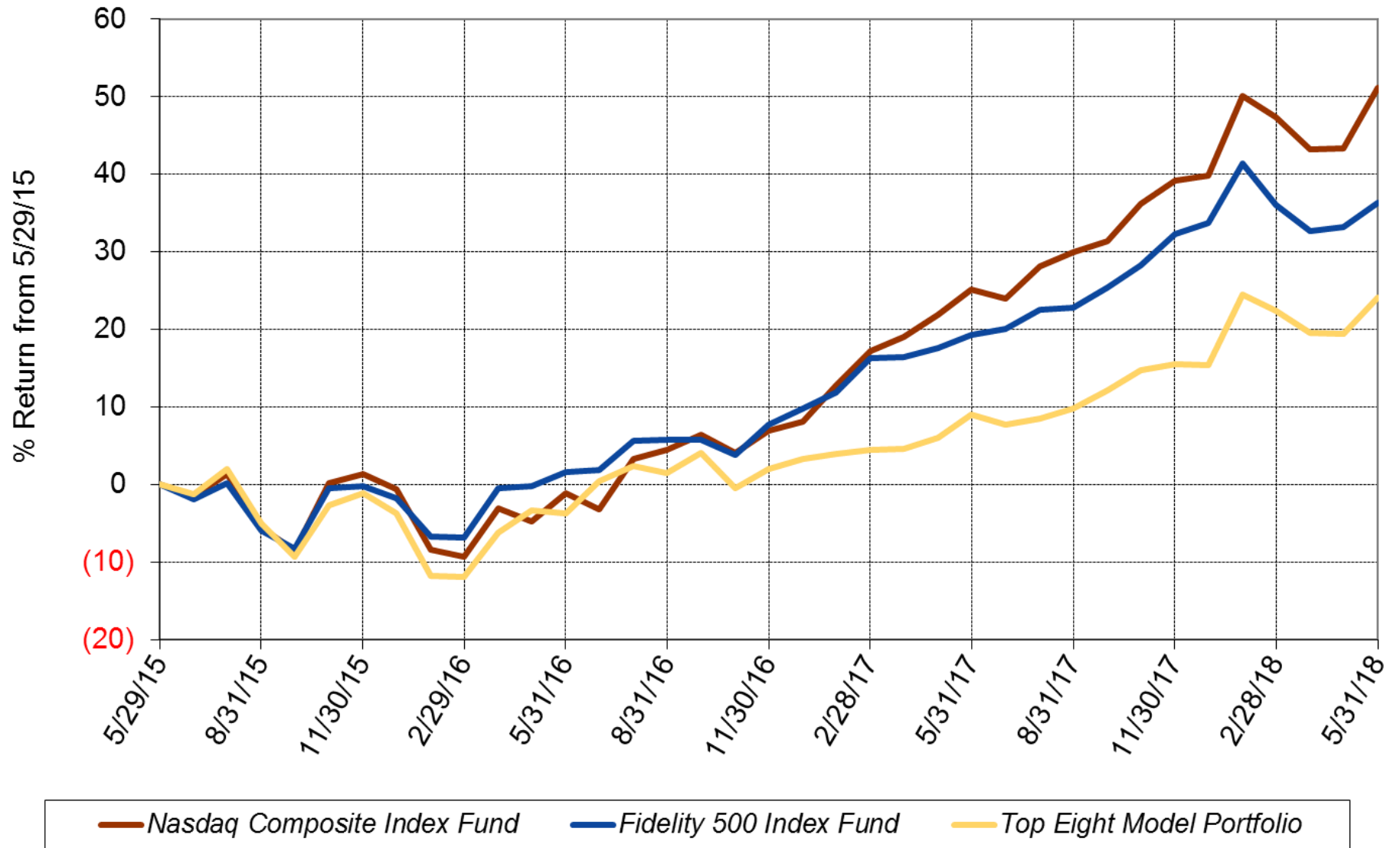
10-Year Chart



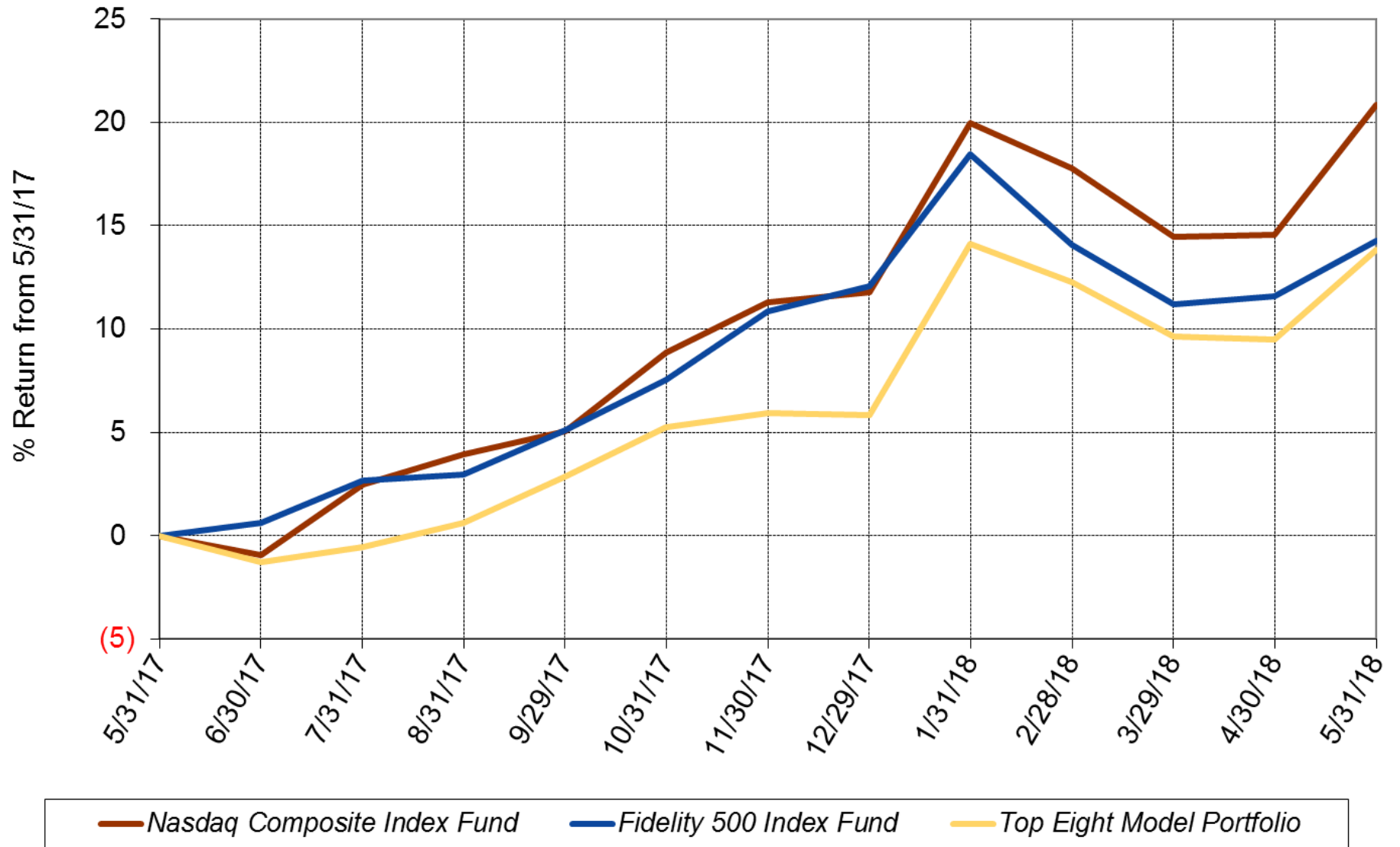
5-Year Chart



3-Year Chart



1-Year Chart



Daily Chart May 2018

