

FIDELITY SELECT FUNDRAKER™

Volume 13 Issue 8

The Right Funds at the Right Time

August 2018

Broad Market Rolls Higher in July

The broad market S&P 500 Index rolled higher in July, suffered a notable three-day drop toward the end of the month, and still ended July with a nice gain, giving it a four-month April to July winning streak, which hasn't happened in a mid-term election year since 1958.

All eight *Top Eight Model Portfolio* funds gained value in July. Health Care Services, Software & IT Services, and Medical Technology & Devices excelled with one-month gains of 4.23%, 3.14%, and 3.13%. IT Services and Energy followed with one-month gains of 2.14% and 2.09%. Consumer Discretionary, Retailing, and Technology added one-month gains of 1.72%, 1.56%, and 1.50%.

In July, the *Top Eight Model Portfolio* gained 2.683%, the Nasdaq Composite Index gained 2.204%, and the S&P 500 Index gained 3.722%. YTD through July, the *Top Eight Model Portfolio* gained 10.941%, the Nasdaq Composite Index gained 11.541%, and the S&P 500 Index gained 6.414%.

Final Performance of Funds Sold on July 6

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

Fund	Bought	Sold	Return
Health Care (FSPHX)	6/6/2018	7/6/2018	(5.50)%
Semiconductors (FSELX)	6/6/2018	7/6/2018	25.79%

Top Eight Model Portfolio Composition

In August, our *Top Eight Model Portfolio* shifts toward a heavier weighting in Morningstar's Health category. After our August exchanges, *Fundranker* will hold one of five Consumer Cyclical category Select funds, two of six Technology category Select funds, three of five Health category Select funds, and two of five Industrials category Select funds.

Top Eight Model Portfolio Hits New All-Time Highs

Fundranker's Top Eight Model Portfolio, along with the Nasdaq Composite Index, hit a number of new all-time highs in July, most recently on July 25. From January 2, 1997, through July 25, 2018, a 21-plus year period, the *Top Eight Model Portfolio* rose a phenomenal 1,805.635%. Over that same time period, the broad S&P 500 Index was up 465.562% but still just below its January 26, 2018, all-time high.

Second Quarter Gross Domestic Product

The first estimate of second quarter Gross Domestic Product released by the Bureau of Economic Analysis on July 27 showed 4.1% growth, the best since the third quarter of 2014 and the third-best growth rate since the Great Recession.

Consumer spending, exports, business investment, federal government spending, and state and local government spending all contributed to the impressive showing.

"We're on track to hit the highest annual growth rate in over 13 years," President Donald Trump said in remarks an hour after the report hit. "And I will say this right now and I will say it strongly, as the deals come in one by one, we're going to go a lot higher than these numbers, and these are great numbers."

Economists worry that the jump in consumer spending may not be sustainable and expect a trade war between the U.S. and China to temper further growth. They also note that one quarter of high growth doesn't necessarily make a trend.

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

[Air Transportation](#), one of five Select funds in Morningstar's Industrials category, began operations on 12/16/1985. The fund primarily invests in companies engaged in the regional, national, and international movement of passengers, mail, and freight via aircraft. [Matthew Moulis](#) has managed the fund since 1/12/2012.

As of 6/30/2018, the fund's top 10 holdings made up 61.85% of the portfolio, and its top five holdings were Delta Air Inc, United Parcel Service Inc, Southwest Airlines Co, United Technologies Corp, and Expeditors International of Washington Inc. As of 6/30/2018, its top five sub-industry holdings were airlines at 38.04%, aerospace and defense at 32.48%, air freight and logistics at 21.85%, railroads at 2.73%, and internet software and services at 1.35%. Domestic equities made up 90.14% of the fund's assets, international equities made up 7.18%, and cash and net other assets accounted for the remaining 2.68%.

Fundranker's Top Eight Model Portfolio has held Air Transportation 22 times for a total of 62 months with an average monthly gain of 0.53%. *Fundranker's* longest holding period and biggest gain on Air Transportation was 22.28% for nine months from 10/2/2013 to 7/7/2014.

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 August 2018

Fund Name (Symbol)	Purchase	Return to 7/31
1. Retailing (FSRPX)	1/5/2018	14.74%
2. Software & IT Services (FSCSX)	1/5/2018	12.32%
3. Medical Tech & Devices (FSMEX)	6/6/2018	2.69%
4. IT Services (FBSOX)	11/6/2017	19.40%
5. Health Care Services (FSHCX)	7/6/2018	1.40%
6. Transportation (FSRFX)	8/6/2018	
7. Defense & Aerospace (FSDAX)	8/6/2018	
8. Health Care (FSPHX)	8/6/2018	

Funds to be sold on August 6:

10. Energy (FSENX)	5/7/2018	2.99%
13. Technology (FSPTX)	6/6/2018	(3.26)%
15. Consumer Discretionary (FSCPX)	7/6/2018	0.77%

Fundranker Exchanges for August 6

Sell Consumer Discretionary (FSCPX),
buy Transportation (FSRFX)
Sell Energy (FSENX),
buy Defense & Aerospace (FSDAX)
Sell Technology (FSPTX),
buy Health Care (FSPHX)

Start a New Portfolio

August 2 ([see new portfolio FAQ](#)).

Optional Rebalancing Exchange Dates

Held funds: August 2; New funds: August 6 ([see rebalancing FAQ](#))

Upcoming Fundranker Exchange Dates

If no new funds are to be exchanged, *Fundranker* will exchange on September 4, our [early exchange date](#); otherwise, to avoid roundtrip transactions, *Fundranker* will exchange on September 5, our [late exchange date](#).

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<i>Fundranker</i> Ratings for 7/31/18 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)	18.23	(0.80)	7.35	7.58*	9.090	16
Automotive (FSAVX)	14.59	(5.73)	1.82	(0.06)	2.655	31
Banking (FSRBX)	13.12	(4.25)	2.05	2.55	3.368	29
Biotechnology (FBIOX)	13.48	0.85	9.44*	1.70	7.368	18
Brokerage & Investment Mgmt (FSLBX)	11.96	(5.64)	(1.81)	0.59	1.275	34
Chemicals (FSCHX)	12.46	(4.48)	7.26	3.64*	5.720	22
Communications Equipment (FSDCX)	16.65	6.38*	1.33	(0.32)	7.010	20
Computers (FDCPX)	20.10	3.89	6.40	1.80	8.048	17
Construction & Housing (FSHOX)	12.15	(4.78)	6.52	0.75	3.660	28
Consumer Discretionary (FSCPX)	23.59*	2.27	6.49	1.72	9.518	15
Consumer Finance (FSVLX)	15.41	(2.17)	4.35	1.41	4.750	25
Consumer Staples (FDFAX)	(5.46)	(7.57)	5.45	3.60*	0.005	35
Defense & Aerospace (FSDAX)	29.08*	0.75	5.47	5.39*	12.173	7
Energy (FSENX)	24.55*	7.71*	3.63	2.09	11.495	10
Energy Service (FSESX)	7.58	(5.23)	(4.07)	0.49	(0.308)	36
Environment & Alternative Energy (FSLEX)	10.26	(4.79)	5.97	6.54*	5.495	23
Financial Services (FIDSX)	12.52	(5.74)	1.58	3.83*	4.048	27
Gold (FSAGX)	(10.83)	(11.98)	(4.21)	(3.35)	(7.593)	38
Health Care (FSPHX)	19.25	8.24*	9.28*	3.54	12.078	8
Health Care Services (FSHCX)	21.24*	5.06*	8.32*	4.23*	13.713	5
Industrials (FCYIX)	16.36	(2.74)	6.12	5.59*	7.333	19
Insurance (FSPCX)	2.46	(5.15)	1.06	5.97*	2.085	33
IT Services (FBSOX)	31.74*	7.44*	7.52*	2.14	15.210	4
Leisure (FDLSX)	12.58	(4.16)	(1.41)	1.76	2.193	32
Materials (FSDPX)	9.72	(5.79)	5.18	2.58	2.923	30
Medical Technology & Devices (FSMEX)	23.79*	11.25*	11.33*	3.13	15.375	3
Multimedia (FBMPX)	2.69	(1.37)	12.72*	2.62	5.165	24
Natural Gas (FSNGX)	14.67	9.54*	7.96*	2.67	10.710	12
Natural Resources (FNARX)	20.41*	4.38*	3.92	1.89	9.650	14
Pharmaceuticals (FPHAX)	10.24	5.46*	10.09*	7.55*	11.335	11
Retailing (FSRPX)	35.95*	6.94*	8.61*	1.56	16.265	1
Semiconductors (FSELX)	28.11*	1.87	7.77*	1.07	11.705	9
Software & IT Services (FSCSX)	31.98*	7.45*	10.44*	3.14	16.253	2
Technology (FSPTX)	25.29*	3.04	6.92	1.50	10.188	13
Telecommunications (FSTCX)	(2.19)	(4.83)	3.00	1.33	(0.673)	37
Transportation (FSRFX)	22.76*	2.33	8.03*	7.67*	13.198	6
Utilities (FSUTX)	10.13	8.31*	4.91	0.57	6.980	21
Wireless (FWRLX)	7.31	(2.40)	4.30	3.56*	4.193	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 August 6, 2018

Buy on August 6, 2018

Hold

Fundranker Performance for July 2018

6/29 Funds	6/29 Shares	6/29 Amount	<=7/6 Div Shrs	7/6 Shares	7/6 Amount	7/6 Funds	7/6 Shares	7/6 Amount	>7/6 Div Shrs	7/31 Shares	7/31 Amount	Jul Return
FSELX	4,560.070	51,255.19	none	4,560.070	52,486.41	FSRPX	3,560.316	55,434.12	none	3,560.316	55,647.74	
FSENX	1,167.087	55,868.45	none	1,167.087	55,763.42	FBSOX	886.095	55,434.12	none	886.095	55,460.69	
FSCSX	2,938.712	54,248.62	none	2,938.712	55,747.37	FSCSX	2,922.199	55,434.12	none	2,922.199	55,638.67	
FBSOX	890.091	54,544.78	none	890.091	55,684.09	FSMEX1	1,094.671	55,434.12	none	1,094.671	55,948.63	
FSMEX1	1,115.966	55,307.27	none	1,115.966	56,512.52	FSCPX	1,224.252	55,434.12	none	1,224.252	55,862.62	
FSRPX	3,615.993	55,650.13	none	3,615.993	56,301.01	FSENX	1,160.195	55,434.12	none	1,160.195	56,698.73	
FSPHX	225.029	55,143.36	none	225.029	56,975.09	FSPTX	303.732	55,434.12	none	303.732	55,157.73	
FSPTX	295.891	52,937.86	none	295.891	54,003.07	FSHCX	582.903	55,434.12	none	582.903	56,209.34	
Top Eight		434,955.66			443,472.98			443,473.00			446,624.15	2.683
FNCMX1	1,685.822	166,744.65	none						none	1,685.822	170,419.75	2.204
FUSEX1	1,357.963	129,508.93	6.069						none	1,364.032	134,329.87	3.722

Yearly Summaries	1997 Return %	1998 Return %	1999 Return %	2000 Return %	2001 Return %	2002 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 Return %	2004 Return %	2005 Return %	2006 Return %	2007 Return %	2008 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 Return %	2010 Return %	2011 Return %	2012 Return %	2013 Return %	2014 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 Return %	2016 Return %	2017 Return %	2018 YTD Return %
<i>Top Eight Model Portfolio</i>	4.592	7.248	11.784	10.491
Nasdaq Composite Index Fund	6.818	8.787	29.245	11.541
Fidelity 500 Index Fund - Investor Class	1.366	11.870	21.722	6.414

Lifetime Summary	1/2/97 to 7/31/18 Total Return %	1/2/97 to 7/31/18 Average Annual Return %
<i>Top Eight Model Portfolio</i>	1,760.934	14.506
Nasdaq Composite Index Fund	N/A	N/A
Fidelity 500 Index Fund - Investor Class	459.708	8.307

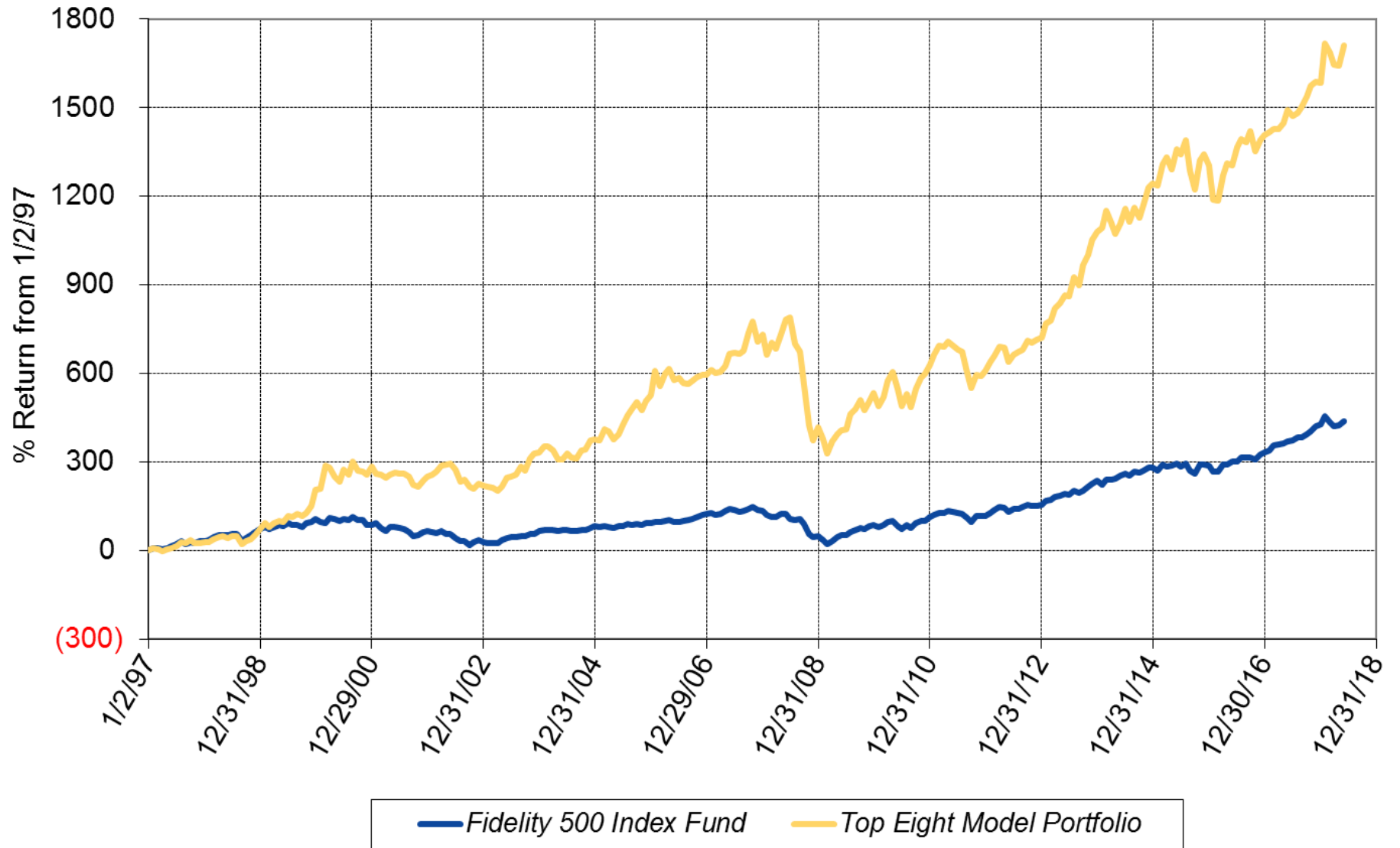
10-Year Summary	7/31/08 to 7/31/18 Total Return %	7/31/08 to 7/31/18 Average Annual Return %
<i>Top Eight Model Portfolio</i>	132.889	8.822
Nasdaq Composite Index Fund	262.496	13.744
Fidelity 500 Index Fund - Investor Class	173.408	10.581

5-Year Summary	7/31/13 to 7/31/18 Total Return %	7/31/13 to 7/31/18 Average Annual Return %
<i>Top Eight Model Portfolio</i>	81.349	12.643
Nasdaq Composite Index Fund	122.192	17.313
Fidelity 500 Index Fund - Investor Class	84.576	13.041

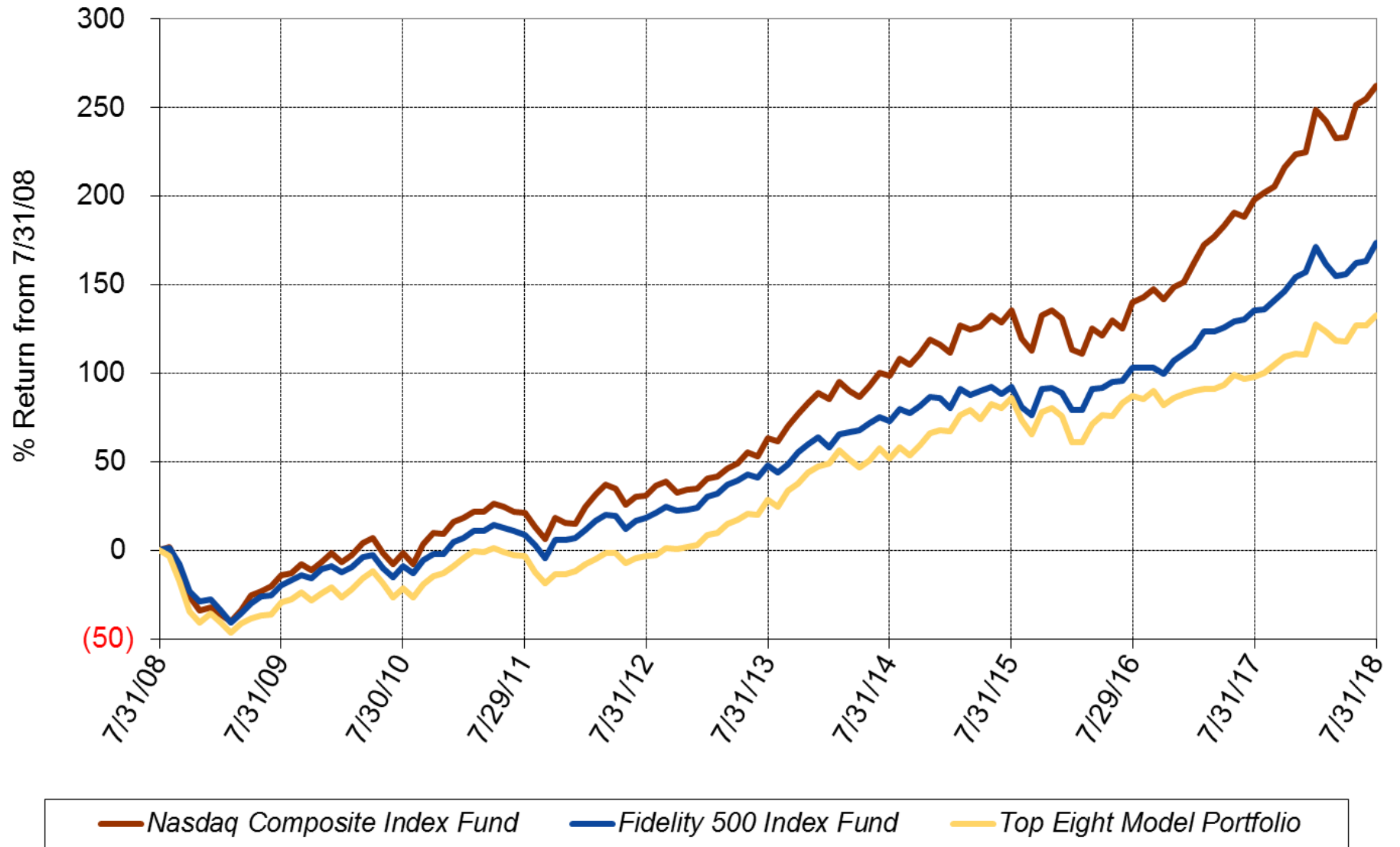
3-Year Summary	7/31/15 to 7/31/18 Total Return %	7/31/15 to 7/31/18 Average Annual Return %
<i>Top Eight Model Portfolio</i>	25.021	7.728
Nasdaq Composite Index Fund	53.917	15.459
Fidelity 500 Index Fund - Investor Class	42.089	12.423

1-Year Summary	7/31/17 to 7/31/18 Total Return %
<i>Top Eight Model Portfolio</i>	17.552
Nasdaq Composite Index Fund	21.636
Fidelity 500 Index Fund - Investor Class	16.136

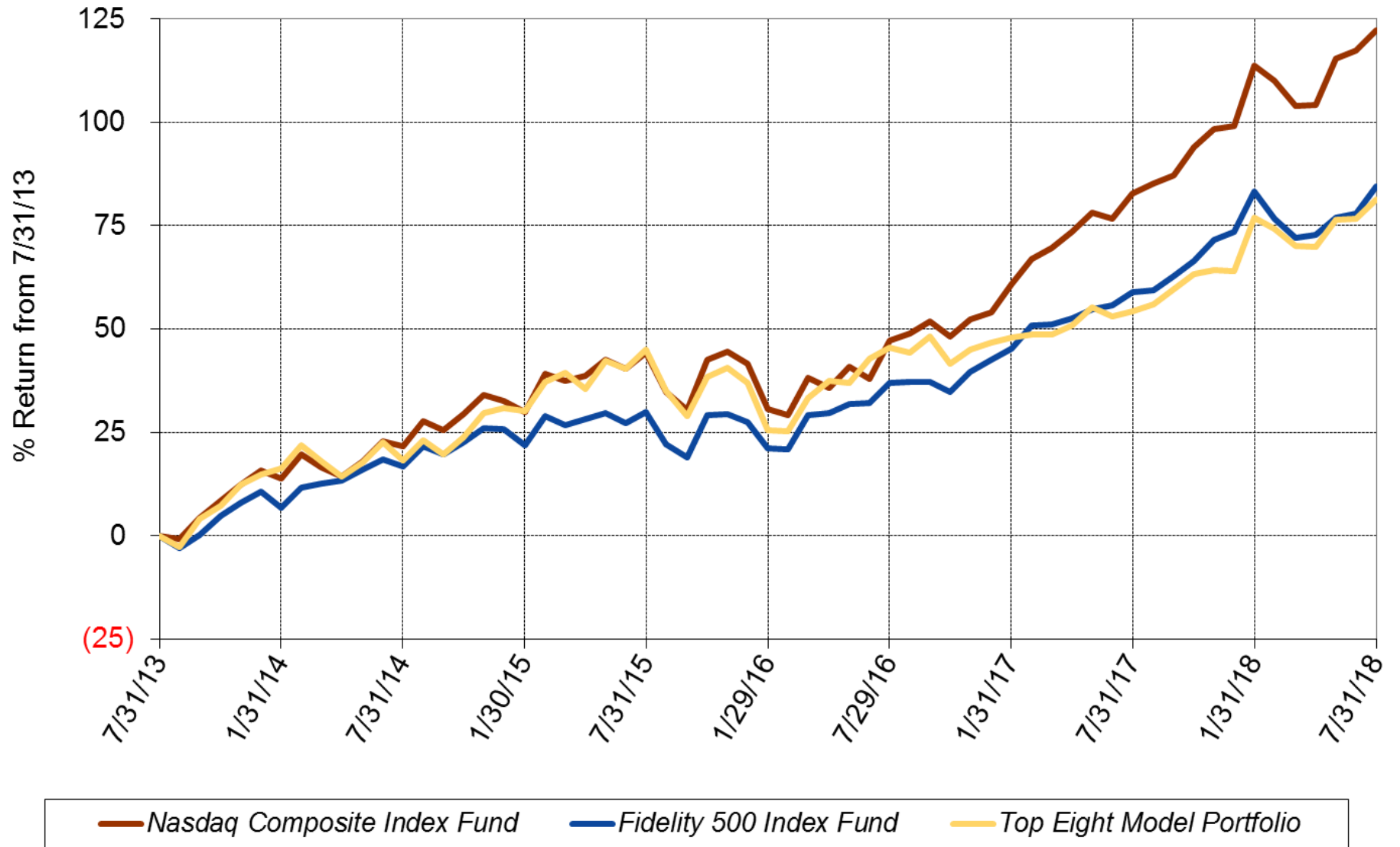
Lifetime Chart



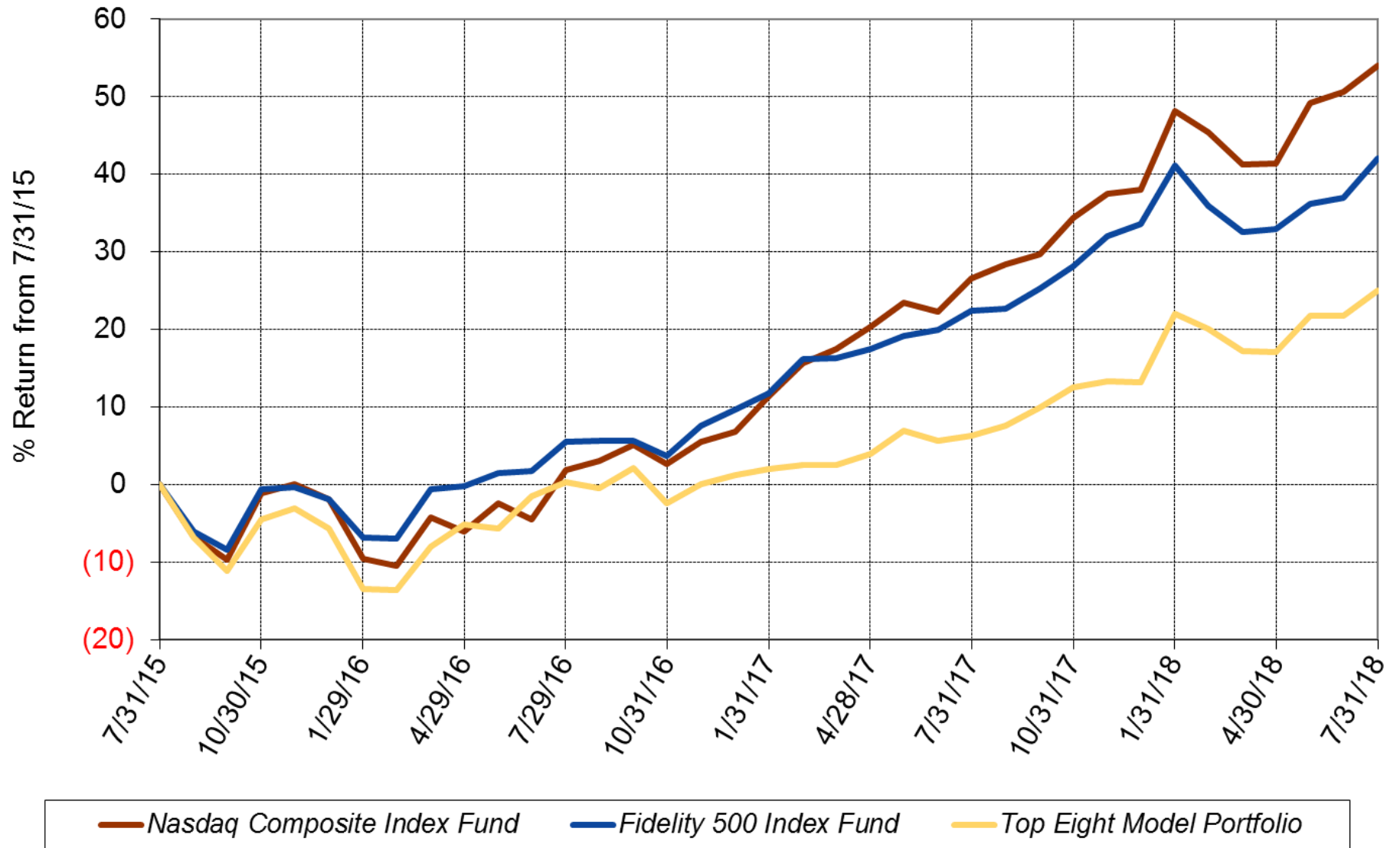
10-Year Chart



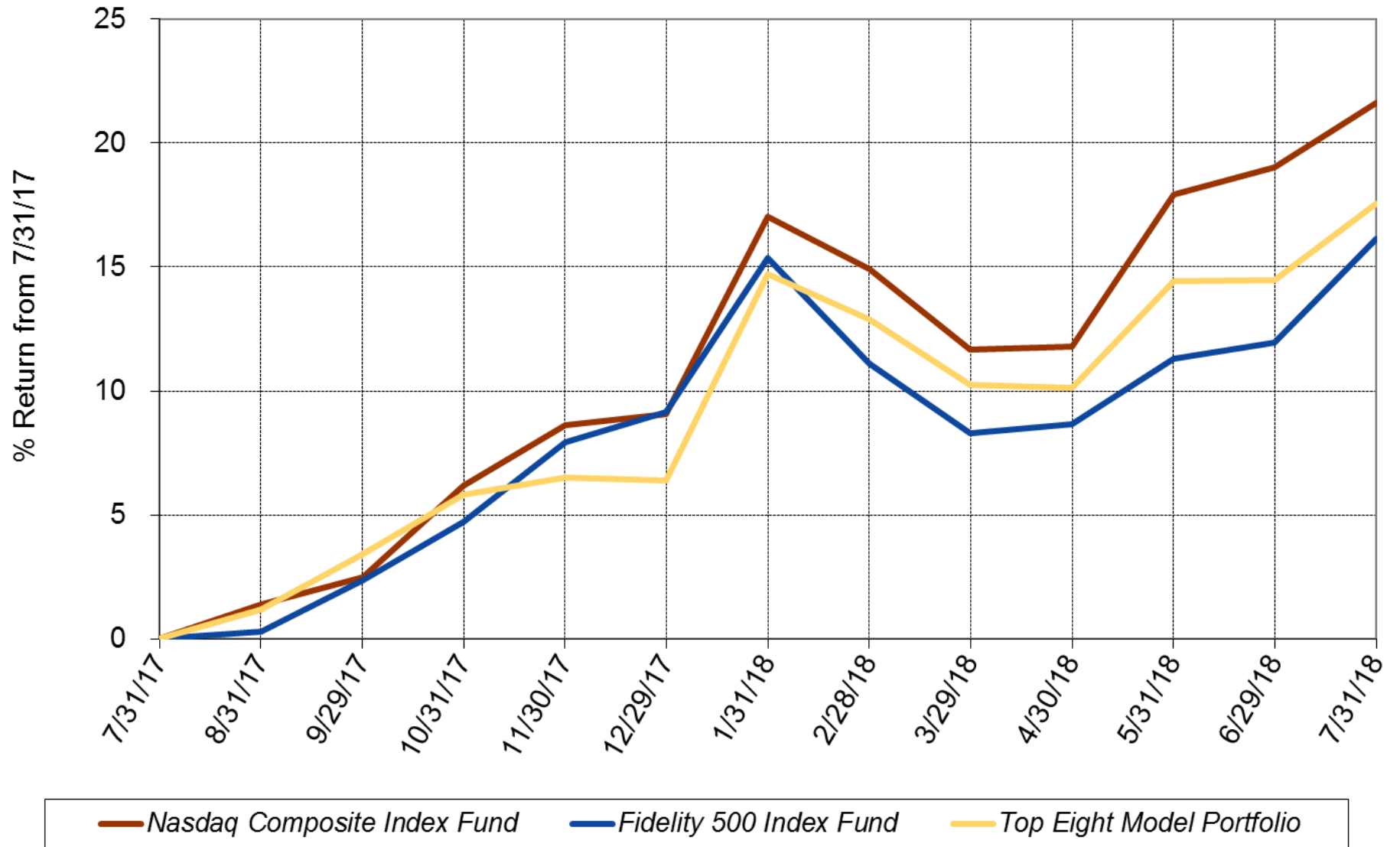
5-Year Chart



3-Year Chart



1-Year Chart



Daily Chart July 2018

