

# FIDELITY SELECT FUNDRANKER™

Volume 13 Issue 9

The Right Funds at the Right Time

September 2018

## Broad Market Hits First New Highs Since January

The broad market S&P 500 Index hit several new all-time highs in August, extending its run of monthly gains to five, and definitively confirming this longest-lasting bull market ever recorded.

Seven *Top Eight Model Portfolio* funds gained value in August. Health Care Services and Medical Technology & Devices excelled with one-month gains of 8.70% and 7.45%. IT Services, Health Care, Retailing, Software & IT Services, and Transportation tacked on one-month gains ranging from 6.97% to 3.03%. Defense & Aerospace suffered a one-month loss of 0.57%.

In August, the *Top Eight Model Portfolio* gained 5.400%, the Nasdaq Composite Index gained 5.787%, and the S&P 500 Index gained 3.249%. YTD through August, the *Top Eight Model Portfolio* gained 16.458%, the Nasdaq Composite Index gained 17.996%, and the S&P 500 Index gained 9.872%.

## Final Performance of Funds Sold on August 6

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

Fund	Bought	Sold	Return
Consumer Discretionary (FSCPX)	7/6/2018	8/6/2018	1.97%
Energy (FSENK)	5/7/2018	8/6/2018	1.43%
Technology (FSPTX)	6/6/2018	8/6/2018	(1.14)%

## Top Eight Model Portfolio Composition

In September, our *Top Eight Model Portfolio* maintains a heavy weighting in Morningstar's Health category but also doubles our exposure to Morningstar's Technology category. After our September exchanges, *Fundranker* will hold one of five Consumer Cyclical category Select funds, three of five Health category Select funds, and four of six Technology category Select funds. See Fidelity Viewpoints article [Can tech stocks keep leading the market?](#)

## Top Eight Model Portfolio Hits New All-Time Highs

*Fundranker's Top Eight Model Portfolio* hit a number of new all-time highs in August, most recently on August 29. From January 2, 1997, through August 29, 2018, a 21-plus year period, the *Top Eight Model Portfolio* rose a phenomenal 1,866.093%. Over that same time period, the broad S&P 500 Index, also at an all-time high, was up 480.225%.

## Minimum Initial Investment Drops from \$2,500 to \$0

As of August 1, 2018, Fidelity Investments set the minimum initial investment for Select funds at \$0 for most accounts, down from \$2,500. For Fidelity Simplified Employee Pension-IRA, Keogh, Self-Employed 401(k), and Non-Fidelity Prototype Retirement accounts, however, the minimum initial investment for a Select fund remains at \$500.

Now most investors can start a new real-life portfolio based on our *Top Eight Model Portfolio* as small as they wish. For the types of accounts listed above, we still recommend starting each of the eight funds with at least \$600 to minimize the possibility that a fund could fall below \$500, which would make exchanges problematic.

The zero minimum initial investment also makes it easier for most investors to rebalance a real-life portfolio based on the *Top Eight Model Portfolio*. When adding money to a newly purchased Select fund, which is a separate exchange, an investor still must meet the minimum initial investment requirement, but now that is \$0.

## Web Roll of Interesting Sites

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

for most accounts; however, as we mentioned earlier, it still is \$500 for Fidelity SEP-IRA, Keogh, Self-Employed 401(k), and Non-Fidelity Prototype Retirement accounts.

## Fund Spotlight

[Automotive](#), one of five Select funds in Morningstar's Consumer Cyclical category, began operations on 6/30/1986. The fund primarily invests in companies engaged in the manufacture, marketing or sale of automobiles, trucks, specialty vehicles, parts, tires, and related services. [Elliot Mattingly](#) has managed the fund since 4/15/2017.

As of 6/30/2018, Automotive's top 10 holdings made up 67.27% of the portfolio, and its top five holdings were General Motors Co., Tesla Inc, Honda Motor Ltd, Toyota Motor Corp, and Ford Motor Co. As of 7/31/2018, its top five sub-industry holdings were automobile manufactures at 50.56%, auto parts and equipment at 22.90%, automotive retail at 12.48%, diversified support services at 6.45%, and distributors at 3.92%. Domestic equities made up 68.14% of the fund's assets, international equities made up 31.25%, and cash and net other assets accounted for the remaining 0.61%.

*Fundranker's Top Eight Model Portfolio* has held Automotive 15 times for a total of 52 months with an average monthly gain of 0.53%. *Fundranker's* biggest gain and longest holding period for Automotive was 43.78% for 14 months from 5/4/2009 to 7/6/2010.

## 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 September 2018

Fund Name (Symbol)	Purchase	Return to 8/31
1. Retailing (FSRPX)	1/5/2018	21.93%
2. Health Care Services (FSHCX)	7/6/2018	10.22%
3. Medical Tech & Devices (FSMEX)	6/6/2018	10.35%
4. IT Services (FBSOX)	11/6/2017	27.71%
5. Health Care (FSPHX)	8/6/2018	4.78%
6. Computers (FDCPX)	9/5/2018	
7. Software & IT Services (FSCSX)	1/5/2018	16.86%
8. Communications Eqpt (FSDCX)	9/5/2018	
Funds to be sold on September 5:		
12. Transportation (FSRFK)	8/6/2018	2.54%
26. Defense & Aerospace (FSDAX)	8/6/2018	0.65%

## Fundranker Exchanges for September 5

Sell Transportation (FSRFK),  
buy Computers (FDCPX)  
Sell Defense & Aerospace (FSDAX),  
Buy Communications Equipment (FSDCX)

## Start a New Portfolio

September 4 ([see new portfolio FAQ](#)). Hold new shares until at least October 4 regardless of October regular exchange date.

## Optional Rebalancing Exchange Dates

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

## Upcoming Fundranker Exchange Dates

If no new funds are to be exchanged, *Fundranker* will exchange on October 2, our [early exchange date](#); otherwise, to avoid roundtrip transactions, *Fundranker* will exchange on October 5, our [late exchange date](#).

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<i>Fundranker</i> Ratings for 8/31/18 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)	17.40	6.17	5.74	1.87	7.795	20
Automotive (FSAVX)	10.17	(2.77)	(3.81)	(1.96)	0.408	36
Banking (FSRBX)	20.47	1.13	3.61	3.02	7.058	23
Biotechnology (FBIOX)	13.89	9.32	7.56	5.72*	10.123	15
Brokerage & Investment Mgmt (FSLBX)	14.49	(3.64)	(2.47)	0.43	2.203	34
Chemicals (FSCHX)	11.16	2.23	2.48	(0.26)	3.903	30
Communications Equipment (FSDCX)	28.39*	10.47	9.96*	8.41*	17.308	8
Computers (FDCPX)	27.10*	11.77*	10.27*	7.77*	18.228	6
Construction & Housing (FSHOX)	15.63	8.05	4.73	2.40	7.703	21
Consumer Discretionary (FSCPX)	31.16*	11.14	9.50*	4.60*	17.100	9
Consumer Finance (FSVLX)	21.74	6.62	6.81	5.06*	11.058	14
Consumer Staples (FDFAX)	(3.75)	(1.20)	6.92	(0.50)	0.368	37
Defense & Aerospace (FSDAX)	22.78	(0.22)	1.94	(0.57)	5.983	26
Energy (FSENX)	29.55*	15.78*	(1.68)	(2.84)	12.203	13
Energy Service (FSESX)	15.41	5.54	(5.11)	(2.38)	3.365	32
Environment & Alternative Energy (FSLEX)	11.33	0.09	4.43	0.35	4.050	29
Financial Services (FIDSX)	16.21	(0.72)	2.97	1.32	4.945	28
Gold (FSAGX)	(27.03)	(13.90)	(16.00)	(12.31)	(17.310)	38
Health Care (FSPHX)	24.95*	18.92*	11.18*	6.45*	19.375	5
Health Care Services (FSHCX)	31.26*	20.19*	17.05*	8.70*	23.300	2
Industrials (FCYIX)	16.52	2.32	3.99	0.95	5.945	27
Insurance (FSPCX)	5.55	(0.27)	3.79	(0.06)	2.253	33
IT Services (FBSOX)	38.94*	15.90*	11.92*	6.97*	22.433	4
Leisure (FDLSX)	11.84	1.55	(0.18)	1.39	3.650	31
Materials (FSDPX)	7.09	(1.07)	(0.13)	(1.32)	1.143	35
Medical Technology & Devices (FSMEX)	31.00*	24.36*	14.16*	7.45*	23.243	3
Multimedia (FBMPX)	6.37	6.53	11.93*	1.48	7.578	22
Natural Gas (FSNGX)	18.40	17.11*	1.04	(3.86)	9.173	17
Natural Resources (FNARX)	22.25	10.96	(2.24)	(4.15)	6.705	24
Pharmaceuticals (FPHAX)	14.28	14.15*	12.66*	4.04	13.283	10
Retailing (FSRPX)	47.62*	16.72*	12.31*	6.27*	24.730	1
Semiconductors (FSELX)	27.76*	4.43	(1.36)	2.11	9.235	16
Software & IT Services (FSCSX)	34.46*	12.91*	8.31*	4.04	17.930	7
Technology (FSPTX)	26.16*	8.49	5.20	4.52*	13.093	11
Telecommunications (FSTCX)	1.49	7.03	10.31*	4.56*	7.848	19
Transportation (FSRFX)	24.11	12.90*	7.13	3.03	12.793	12
Utilities (FSUTX)	9.35	15.31*	5.60	2.07	9.083	18
Wireless (FWRLX)	9.53	3.90	7.83	4.02	6.320	25

\*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 September 5, 2018

Buy on September 5, 2018

Hold

## Fundranker Performance for August 2018

7/31	7/31	7/31	<=8/6	8/6	8/6	8/6	8/6	8/6	8/6	>8/6	8/31	8/31	Aug
Funds	Shares	Amount	Div Shrs	Shares	Amount	Funds	Shares	Amount	Div Shrs	Shares	Amount	Return	
FSRPX	3,560.316	55,647.74	none	3,560.316	56,431.01	FSRPX	3,574.350	56,653.44	none	3,574.350	59,369.95		
FBSOX	886.095	55,460.69	none	886.095	56,364.50	FSCSX	2,915.771	56,653.44	none	2,915.771	57,761.42		
FSCSX	2,922.199	55,638.67	none	2,922.199	56,778.33	FSMEX	1,087.398	56,653.44	none	1,087.398	59,719.90		
FSMEX	1,094.671	55,948.63	none	1,094.671	57,032.36	FBSOX	890.637	56,653.44	none	890.637	59,628.15		
FSCPX	1,224.252	55,862.62	none	1,224.252	56,523.71	FSHCX	570.413	56,653.44	none	570.413	59,790.69		
FSENX	1,160.195	56,698.73	none	1,160.195	55,840.19	FSRFX	546.373	56,653.44	none	546.373	58,090.38		
FSPTX	303.732	55,157.73	none	303.732	56,363.55	FSDAX	318.923	56,653.44	870.307	3,189.230	57,023.43		
FSHCX	582.903	56,209.34	none	582.903	57,893.93	FSPHX	219.766	56,653.44	977.894	2,197.660	59,358.80		
<b>Top Eight</b>		<b>446,624.15</b>			<b>453,227.58</b>			<b>453,227.50</b>			<b>470,742.72</b>	<b>5.400</b>	
FNCMX	1,685.822	170,419.75	none						none	1,685.822	180,281.80	5.787	
FUSEX	1,364.032	134,329.87	none						none	1,364.032	138,694.77	3.249	

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	16.458
Nasdaq Composite Index Fund	6.818	8.787	29.245	17.996
Fidelity 500 Index Fund - Investor Class	1.366	11.870	21.722	9.872

Lifetime Summary	1/2/97 to 8/31/18	1/2/97 to 8/31/18
	Total Return %	Average Annual Return %
<i>Top Eight Model Portfolio</i>	1,861.428	14.725
Nasdaq Composite Index Fund	N/A	N/A
Fidelity 500 Index Fund - Investor Class	477.895	8.433

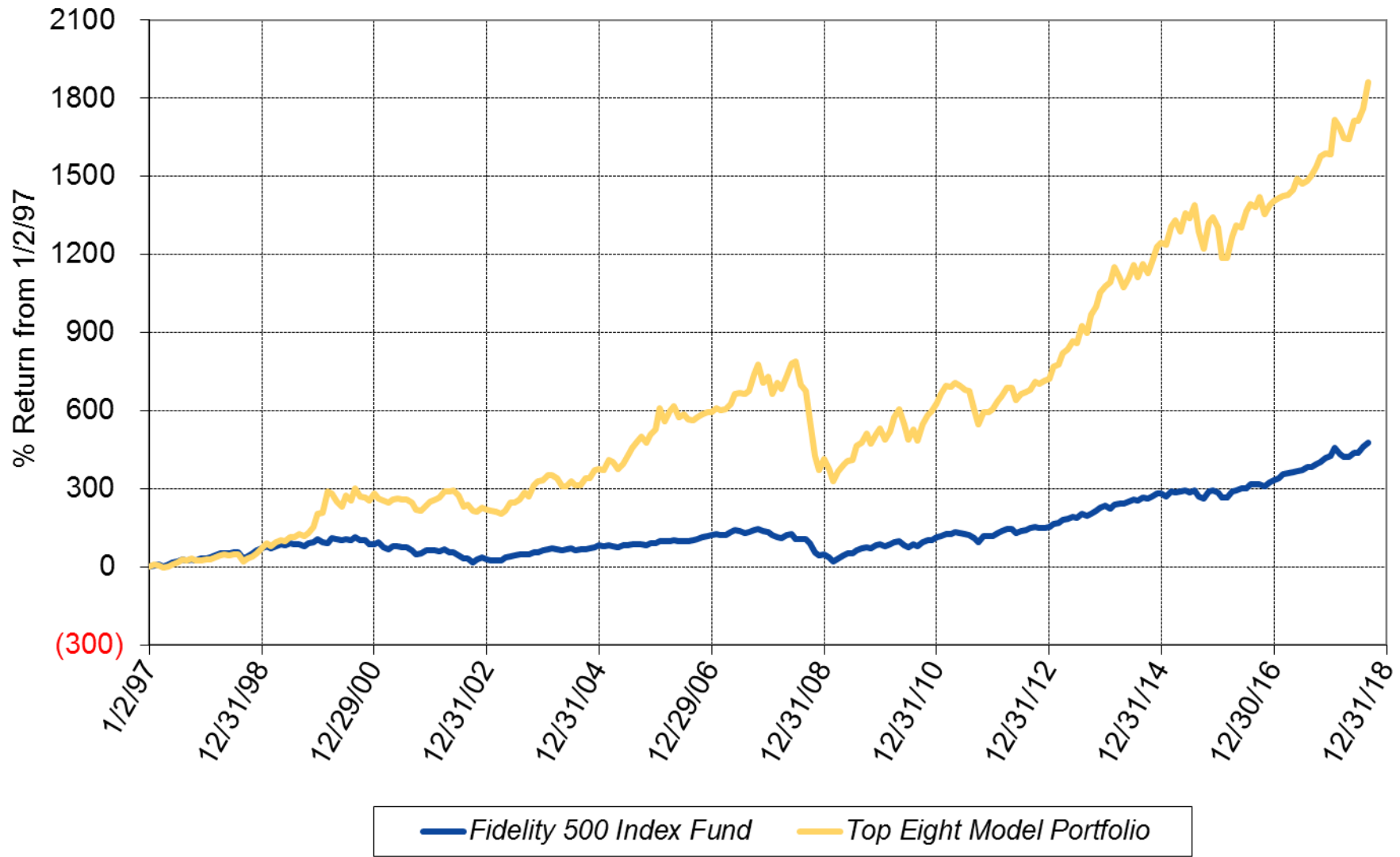
10-Year Summary	8/29/08 to 8/31/18	8/29/08 to 8/31/18
	Total Return %	Average Annual Return %
<i>Top Eight Model Portfolio</i>	153.278	9.739
Nasdaq Composite Index Fund	276.413	14.174
Fidelity 500 Index Fund - Investor Class	178.274	10.776

5-Year Summary	8/30/13 to 8/31/18	8/30/13 to 8/31/18
	Total Return %	Average Annual Return %
<i>Top Eight Model Portfolio</i>	96.497	14.465
Nasdaq Composite Index Fund	137.057	18.842
Fidelity 500 Index Fund - Investor Class	96.285	14.440

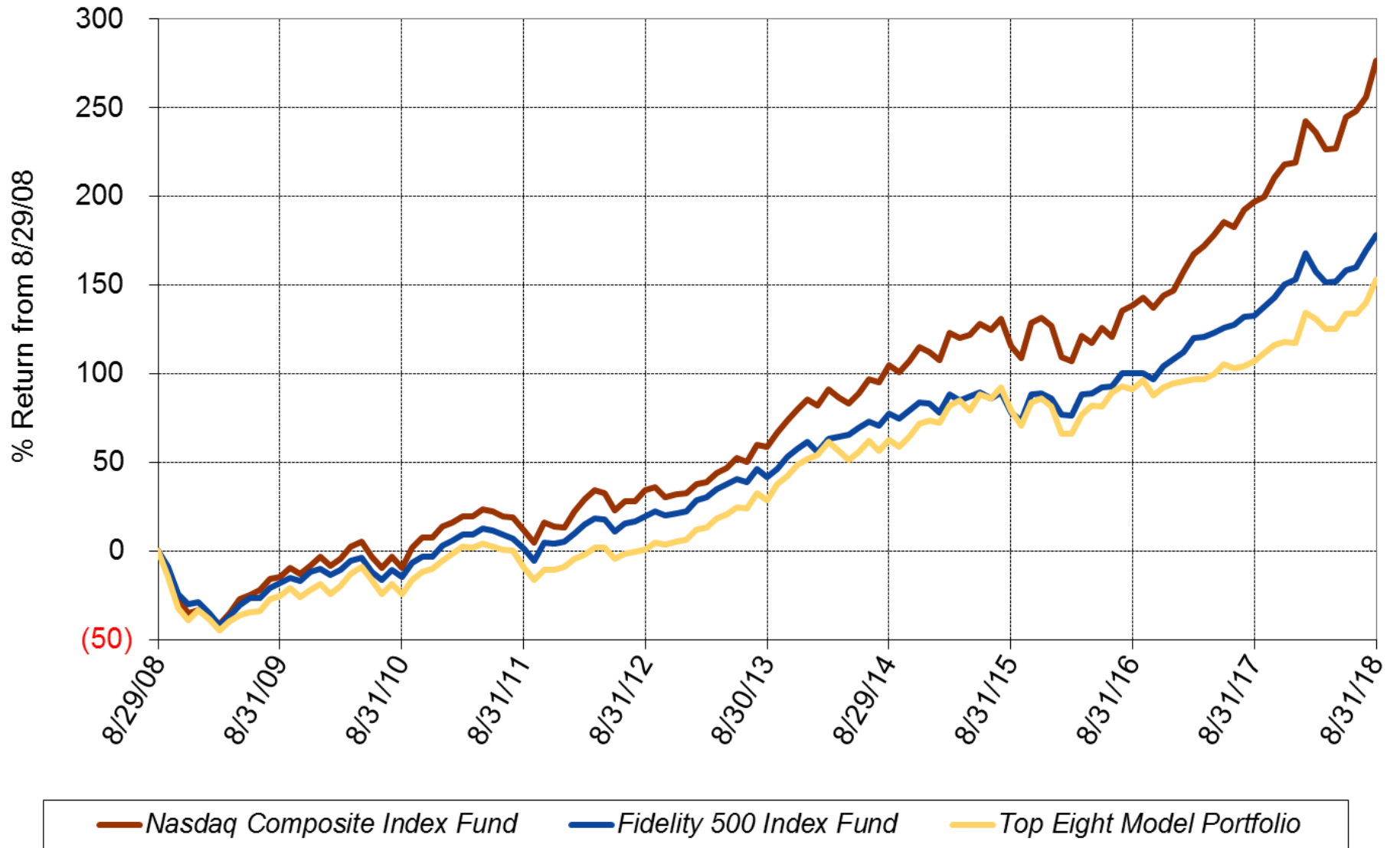
3-Year Summary	8/31/15 to 8/31/18	8/31/15 to 8/31/18
	Total Return %	Average Annual Return %
<i>Top Eight Model Portfolio</i>	41.449	12.254
Nasdaq Composite Index Fund	74.529	20.399
Fidelity 500 Index Fund - Investor Class	56.151	16.015

1-Year Summary	8/31/17 to 8/31/18
	Total Return %
<i>Top Eight Model Portfolio</i>	22.460
Nasdaq Composite Index Fund	26.886
Fidelity 500 Index Fund - Investor Class	19.564

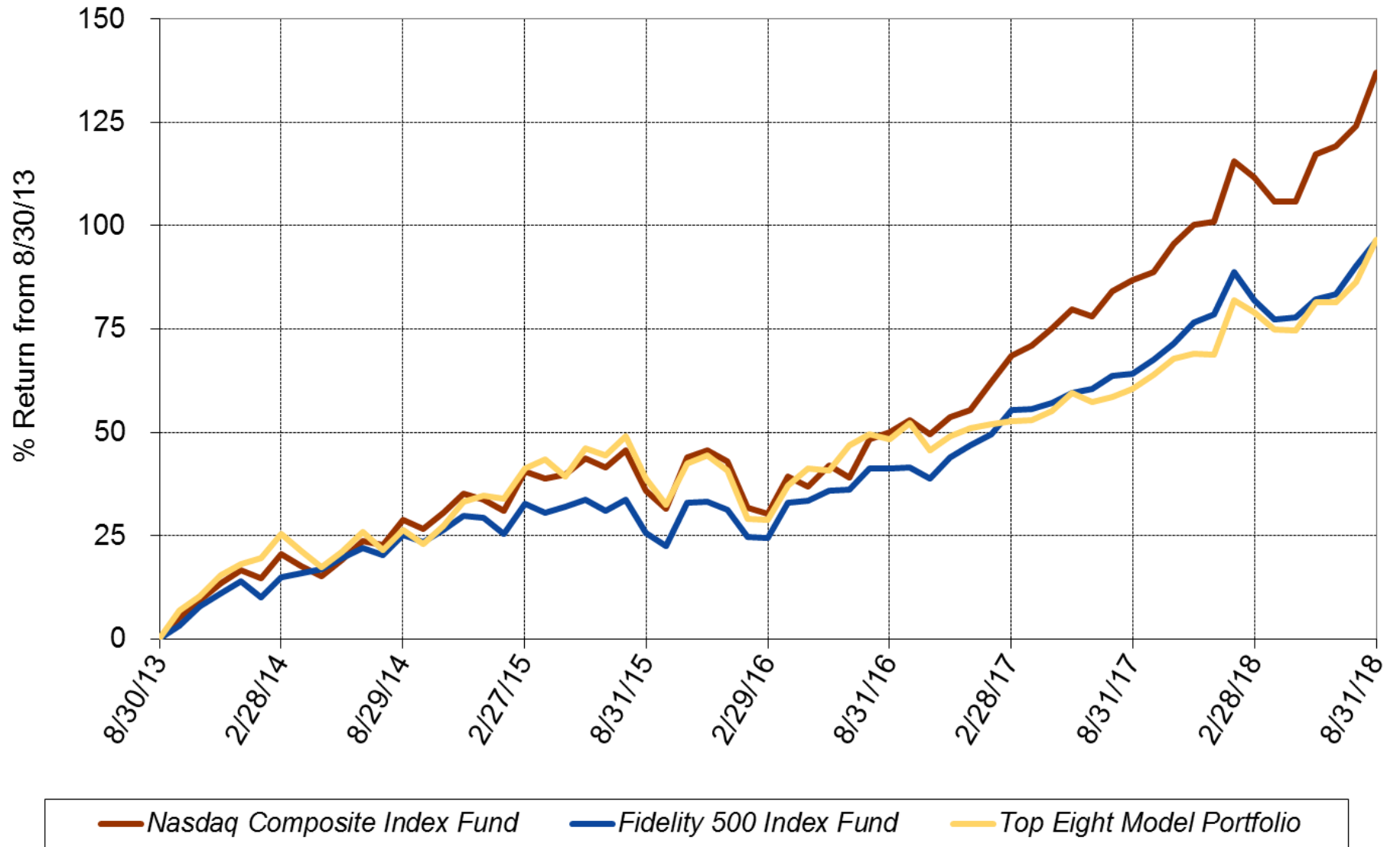
### Lifetime Chart



### 10-Year Chart

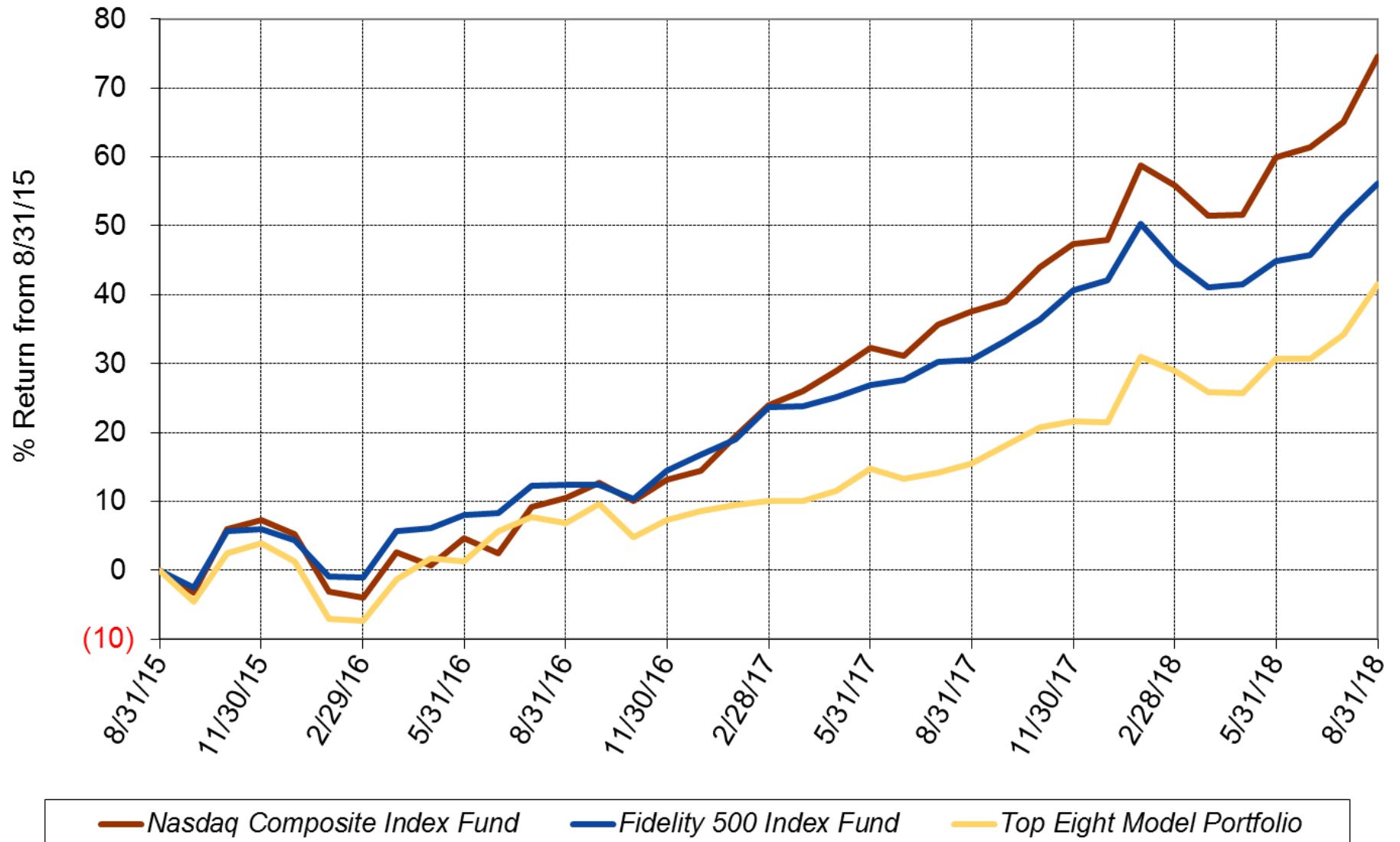


### 5-Year Chart

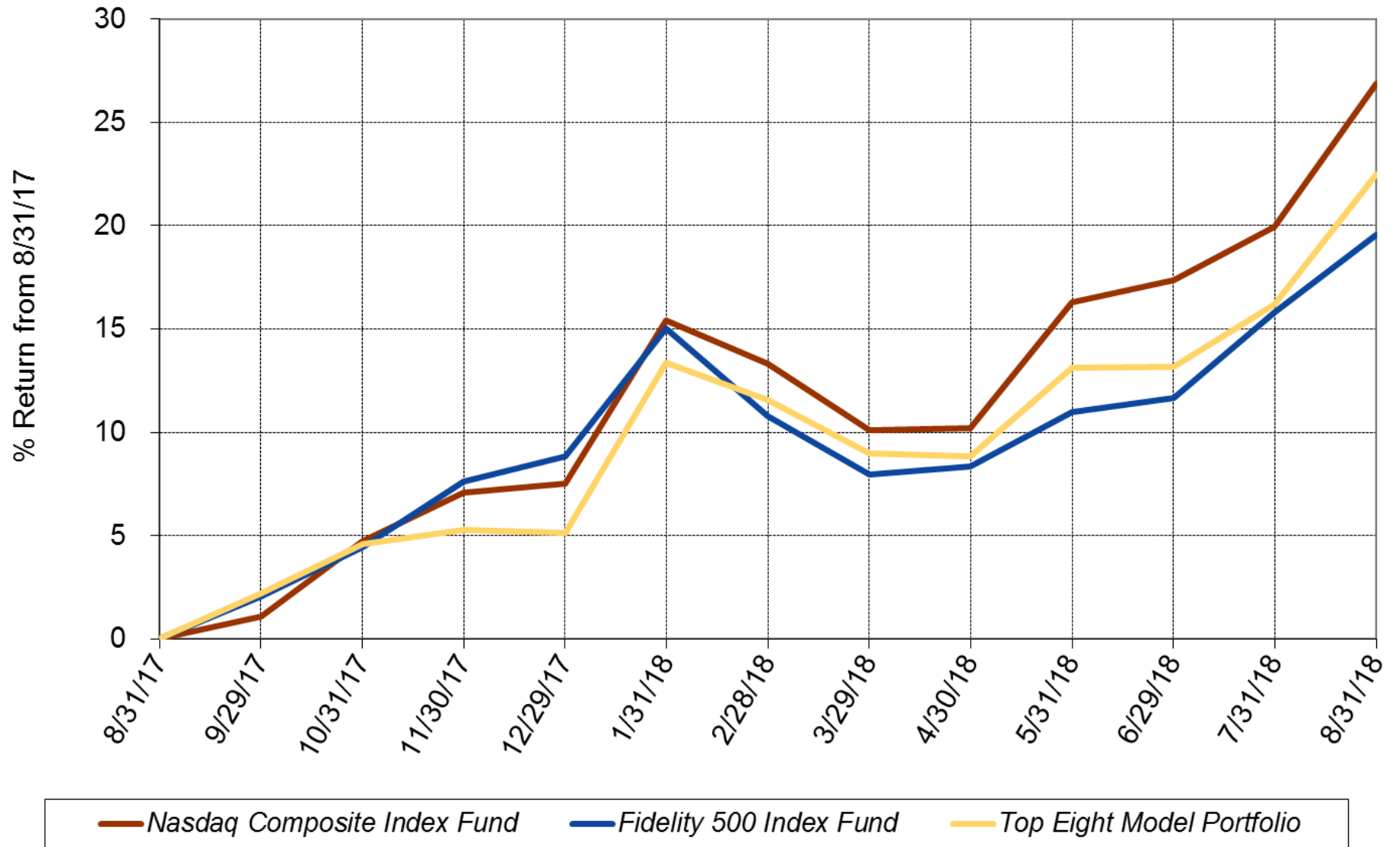




### 3-Year Chart



### 1-Year Chart





### Daily Chart August 2018

