

# FIDELITY SELECT FUNDRANKER™

Volume 13 Issue 10

The Right Funds at the Right Time

October 2018

## Broad Market Hits Another New High

The broad market S&P 500 Index hit another new all-time high in September and extended its run of monthly gains to six.

Six *Top Eight Model Portfolio* funds gained value in September. Medical Technology & Devices and Health Care Services led the way with one-month gains of 3.17% and 2.41%. Retailing, Health Care, IT Services, and Software & IT Services tacked on one-month gains ranging from 1.02% to 0.20%. Communications Equipment and Computers suffered one-month losses of 0.25% and 0.37%.

In September, the *Top Eight Model Portfolio* gained 1.558%, the Nasdaq Composite Index lost 0.804%, and the S&P 500 Index gained 0.570%. YTD through September, the *Top Eight Model Portfolio* gained 18.272%, the Nasdaq Composite Index gained 17.047%, and the S&P 500 Index gained 10.499%.

## Final Performance of Funds Sold on September 5

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

Fund	Bought	Sold	Return
Defense & Aerospace (FSDAX)	8/6/2018	9/5/2018	0.99%
Transportation (FSRFX)	8/6/2018	9/5/2018	3.14%

## Top Eight Model Portfolio Composition

In October, our *Top Eight Model Portfolio* maintains a heavy weighting in Morningstar's Health category and takes one step back from our exposure to Morningstar's Technology category. After our October exchanges, *Fundranker* will hold three of five Health category Select funds, two of five Consumer Cyclical category Select funds, and three of six Technology category Select funds.

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

*Fundranker's Top Eight Model Portfolio* hit a number of new all-time highs in September, most recently on September 28, and which makes four months in a row with new all-time highs. From January 2, 1997, through September 28, 2018, a 21-plus year period, the *Top Eight Model Portfolio* rose a phenomenal 1,891.978%. Over that same time period, the broad S&P 500 Index, a little below the all-time high it set on September 20, was up 481.191%.

## Mixed Messages Sending a Clear Signal?

In Charles Schwab's September 28 Market Perspective article, [Mixed Messages Sending a Clear Signal?](#), authors Liz Ann Sonders, Jeffrey Kleintop, and Brad Sorensen note that U.S. stock indexes again hit record highs but that sentiment and action below the surface may indicate a less bullish picture. They believe the uptrend should continue, but risks have risen, and that the signal is for investors to have a neutral stance.

They also observe that the economy looks strong, but ask, are housing and autos sending a different signal? The Federal Reserve again boosted rates, and looks set to continue, but the authors wonder if the Fed is moving from removing accommodation to tightening.

They add that surging oil prices could benefit Canadian and emerging market stocks, but also have the potential to impact central bank actions.

Finally, the authors conclude that recent records in the U.S. stock market do not, in their view, mean that investors should get more aggressive in their investment stance. High expectations, elevated investor sentiment, trade disputes, and the possibility of a

monetary mistake lead them to take a more cautious stance. In particular, the aforementioned surge in oil prices could eventually take a bit out of the U.S. economic expansion as oil price spikes have often contributed to recessions unfolding. In the meantime, they feel, the bull market should continue, with a solid economic and earnings backdrop, but gains are likely to be more muted and bouts of volatility and corrective phases are more likely.

## Fund Spotlight

[Banking](#), one of five Select funds in Morningstar's Financial category, began operations on 6/30/1986. The fund primarily invests in companies engaged in banking. [Matthew Reed](#) has managed the fund since 9/1/2016.

As of 6/30/2018, Banking's top 10 holdings made up 47.21% of the portfolio, and its top five holdings were Wells Fargo & Co, Bank of America Corporation, Huntington Bancshares Inc, US Bancorp, and PNC Financial Services Grp Inc. As of 7/31/2018, its top five sub-industry holdings were regional banks at 58.97%, diversified banks at 26.46%, consumer finance at 6.02%, thrifts and mortgage finance at 5.87%, and asset management and custody banks at 2.15%. Domestic equities made up 99.15% of the fund's assets, international equities made up 0.36%, and cash and net other assets accounted for the remaining 0.49%.

*Fundranker's Top Eight Model Portfolio* has held Banking 20 times for a total of 40 months with an average monthly gain of 0.40%. *Fundranker's* biggest gain and longest holding period for Banking was 30.52% for eight months from 1/2/1997 to 9/2/1997.

## 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 October 2018

Fund Name (Symbol)	Purchase	Return to 9/28
1. Medical Tech & Devices (FSMEX)	6/6/2018	13.84%
2. Health Care Services (FSHCX)	7/6/2018	12.88%
3. Retailing (FSRPX)	1/5/2018	23.18%
4. IT Services (FBSOX)	11/6/2017	28.48%
5. Health Care (FSPHX)	8/6/2018	5.82%
6. Software & IT Services (FSCSX)	1/5/2018	17.09%
7. Consumer Discretionary (FSCPX)	10/5/2018	
8. Computers (FDCPX)	9/5/2018	1.89%
Fund to be sold on October 5:		
11. Communications Eqpt (FSDCX)	9/5/2018	1.22%

## Fundranker Exchange for October 5

Sell Communications Equipment (FSDCX),  
buy Consumer Discretionary (FSCPX)

## Start a New Portfolio

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

## Optional Rebalancing Exchange Dates

Held funds: October 2; New funds: October 5 ([see rebalancing FAQ](#))

## Upcoming Fundranker Exchange Dates

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

## Web Roll of Interesting Sites

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

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<i>Fundranker</i> Ratings for 9/28/18 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)	13.70	9.81	11.05*	1.33*	10.973	15
Automotive (FSAVX)	(0.84)	(2.70)	(5.34)	(3.39)	(3.068)	36
Banking (FSRBX)	6.92	(0.08)	0.86	(4.53)	0.793	32
Biotechnology (FBIOX)	9.86	11.49	5.76	(1.63)	6.370	23
Brokerage & Investment Mgmt (FSLBX)	3.99	(6.45)	(3.34)	(4.31)	(2.528)	35
Chemicals (FSCHX)	(0.85)	(0.09)	(2.78)	(5.95)	(2.418)	34
Communications Equipment (FSDCX)	26.12*	12.23	7.80	(0.25)	12.475	11
Computers (FDCPX)	26.39*	13.27*	9.31*	(0.37)	15.150	8
Construction & Housing (FSHOX)	9.85	6.30	2.68	(0.47)	4.590	25
Consumer Discretionary (FSCPX)	30.68*	14.58*	7.00	0.57	15.208	7
Consumer Finance (FSVLX)	14.67	7.19	5.13	(1.32)	6.418	22
Consumer Staples (FDFAX)	(2.50)	(0.09)	3.37	0.28	0.265	33
Defense & Aerospace (FSDAX)	23.68*	8.28	10.36*	5.31*	14.908	9
Energy (FSENX)	18.35*	12.70*	0.46	1.28*	11.198	14
Energy Service (FSSEX)	1.82	7.19	(0.22)	1.71*	3.625	28
Environment & Alternative Energy (FSLEX)	6.92	1.12	6.66	(0.23)	3.618	29
Financial Services (FIDSX)	6.59	(1.35)	1.75	(3.27)	0.930	31
Gold (FSAGX)	(22.46)	(15.45)	(15.67)	(0.49)	(13.518)	38
Health Care (FSPHX)	24.58*	20.13*	11.32*	1.00	17.258	5
Health Care Services (FSHCX)	34.91*	28.29*	16.03*	2.41*	24.410	2
Industrials (FCYIX)	14.11	7.15	9.38*	2.62*	10.315	16
Insurance (FSPCX)	3.36	1.79	6.71	0.76	3.155	30
IT Services (FBSOX)	36.38*	18.08*	9.91*	0.60	19.243	4
Leisure (FDLSX)	12.81	3.76	4.54	1.32*	6.608	21
Materials (FSDPX)	(2.20)	(2.79)	(4.25)	(5.41)	(3.663)	37
Medical Technology & Devices (FSMEX)	36.30*	27.86*	14.33*	3.17*	24.415	1
Multimedia (FBMPX)	10.46	12.08	5.19	1.01	7.185	20
Natural Gas (FSNGX)	9.75	16.91*	0.82	2.15*	9.408	19
Natural Resources (FNARX)	11.22	8.00	(2.62)	(0.29)	4.078	26
Pharmaceuticals (FPHAX)	14.32	13.94*	13.05*	1.03*	13.585	10
Retailing (FSRPX)	43.74*	20.63*	9.03	1.02	20.605	3
Semiconductors (FSELX)	18.26	1.60	(0.44)	(3.53)	3.973	27
Software & IT Services (FSCSX)	33.90*	17.26*	7.53	0.20	16.723	6
Technology (FSPTX)	25.09*	11.46	6.25	0.16	11.740	13
Telecommunications (FSTCX)	6.02	11.94	9.42*	3.28*	9.665	18
Transportation (FSRFX)	15.98	12.81*	11.48*	0.49	12.190	12
Utilities (FSUTX)	11.64	9.29	2.53	(0.12)	5.835	24
Wireless (FWRLX)	13.20	8.74	9.35*	1.51*	10.200	17

\*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 October 5, 2018

Buy on October 5, 2018

Hold

Fundranker Performance for September 2018

8/31	8/31	8/31	<=9/5	9/5	9/5	9/5	9/5	9/5	9/5	>9/5	9/28	9/28	Sep
Funds	Shares	Amount	Div Shrs	Shares	Amount	Funds	Shares	Amount	Div Shrs	Shares	Amount	Return	
FSRPX	3,574.350	59,369.95	none	3,574.350	59,119.75	FSRPX	3,528.018	58,353.42	none	3,528.018	59,200.14		
FSCSX	2,915.771	57,761.42	none	2,915.771	56,303.54	FSHCX	560.121	58,353.42	none	560.121	60,128.99		
FSMEX	1,087.398	59,719.90	none	1,087.398	59,056.59	FSMEX	1,074.451	58,353.42	none	1,074.451	60,878.39		
FBSOX	890.637	59,628.15	none	890.637	58,595.01	FBSOX	886.965	58,353.42	none	886.965	59,737.09		
FSHCX	570.413	59,790.69	none	570.413	59,425.63	FSPHX	2,185.521	58,353.42	none	2,185.521	59,621.01		
FSRFX	546.373	58,090.38	none	546.373	58,434.59	FDCPX	577.299	58,353.42	none	577.299	59,456.02		
FSDAX	3,189.230	57,023.43	none	3,189.230	57,214.79	FSCSX	3,021.927	58,353.42	none	3,021.927	59,985.25		
FSPHX	2,197.660	59,358.80	none	2,197.660	58,677.52	FSDCX	1,458.106	58,353.42	none	1,458.106	59,067.87		
<b>Top Eight</b>		<b>470,742.72</b>			<b>466,827.42</b>			<b>466,827.40</b>			<b>478,074.76</b>	<b>1.558</b>	
FNCMX	1,685.822	180,281.80	none						none	1,685.822	178,832.00	(0.804)	
FUSEX	1,364.032	138,694.77	none						none	1,364.032	139,485.91	0.570	

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	18.272
Nasdaq Composite Index Fund	6.818	8.787	29.245	17.047
Fidelity 500 Index Fund - Investor Class	1.366	11.870	21.722	10.499

Lifetime Summary	1/2/97 to 9/28/18	1/2/97 to 9/28/18
	Total Return %	Average Annual Return %
<i>Top Eight Model Portfolio</i>	1,891.978	14.746
Nasdaq Composite Index Fund	N/A	N/A
Fidelity 500 Index Fund - Investor Class	481.191	8.428

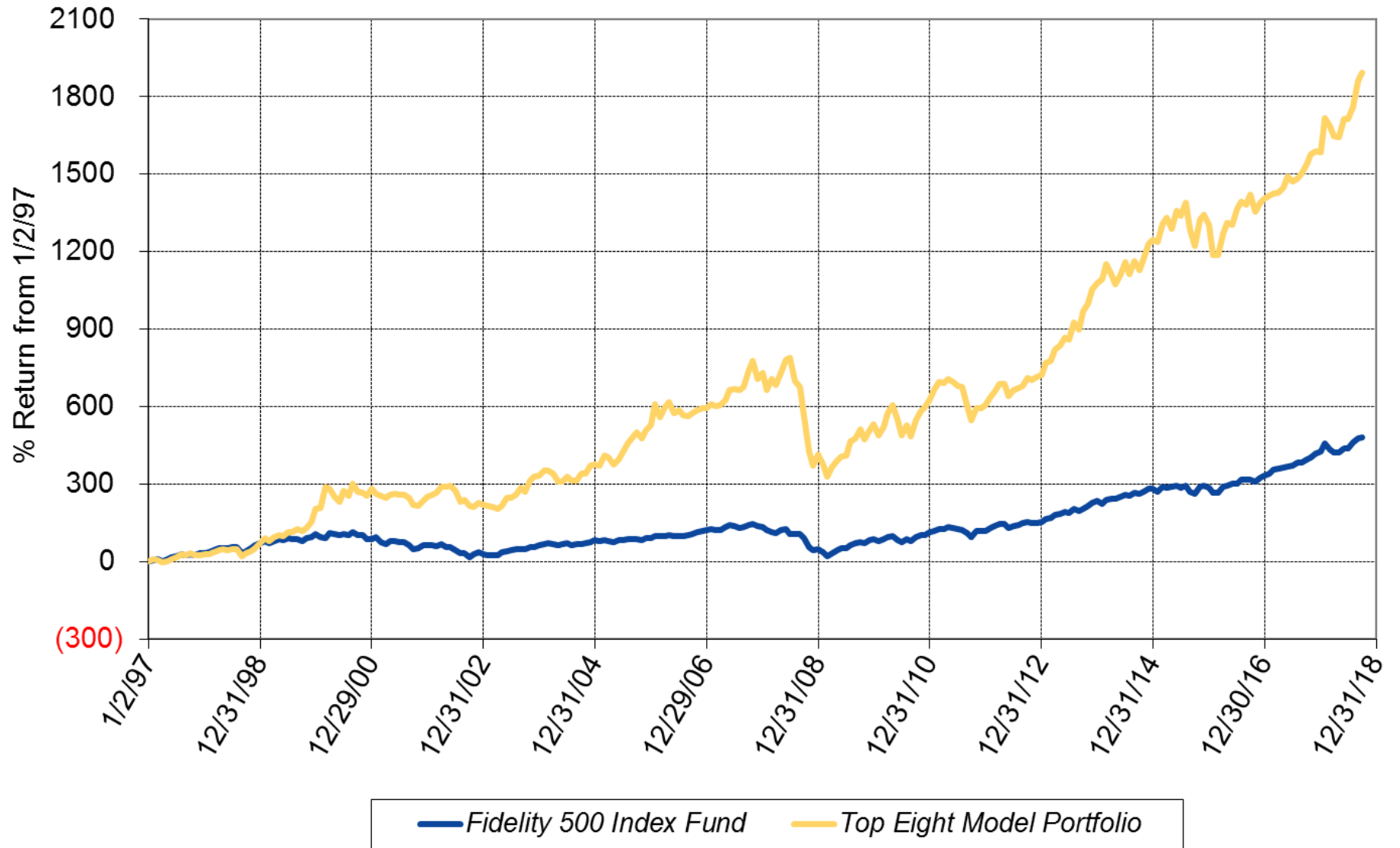
10-Year Summary	9/30/08 to 9/28/18	9/30/08 to 9/28/18
	Total Return %	Average Annual Return %
<i>Top Eight Model Portfolio</i>	201.419	11.665
Nasdaq Composite Index Fund	322.625	15.504
Fidelity 500 Index Fund - Investor Class	207.275	11.880

5-Year Summary	9/30/13 to 9/28/18	9/30/13 to 9/28/18
	Total Return %	Average Annual Return %
<i>Top Eight Model Portfolio</i>	86.624	13.290
Nasdaq Composite Index Fund	123.689	17.471
Fidelity 500 Index Fund - Investor Class	91.404	13.865

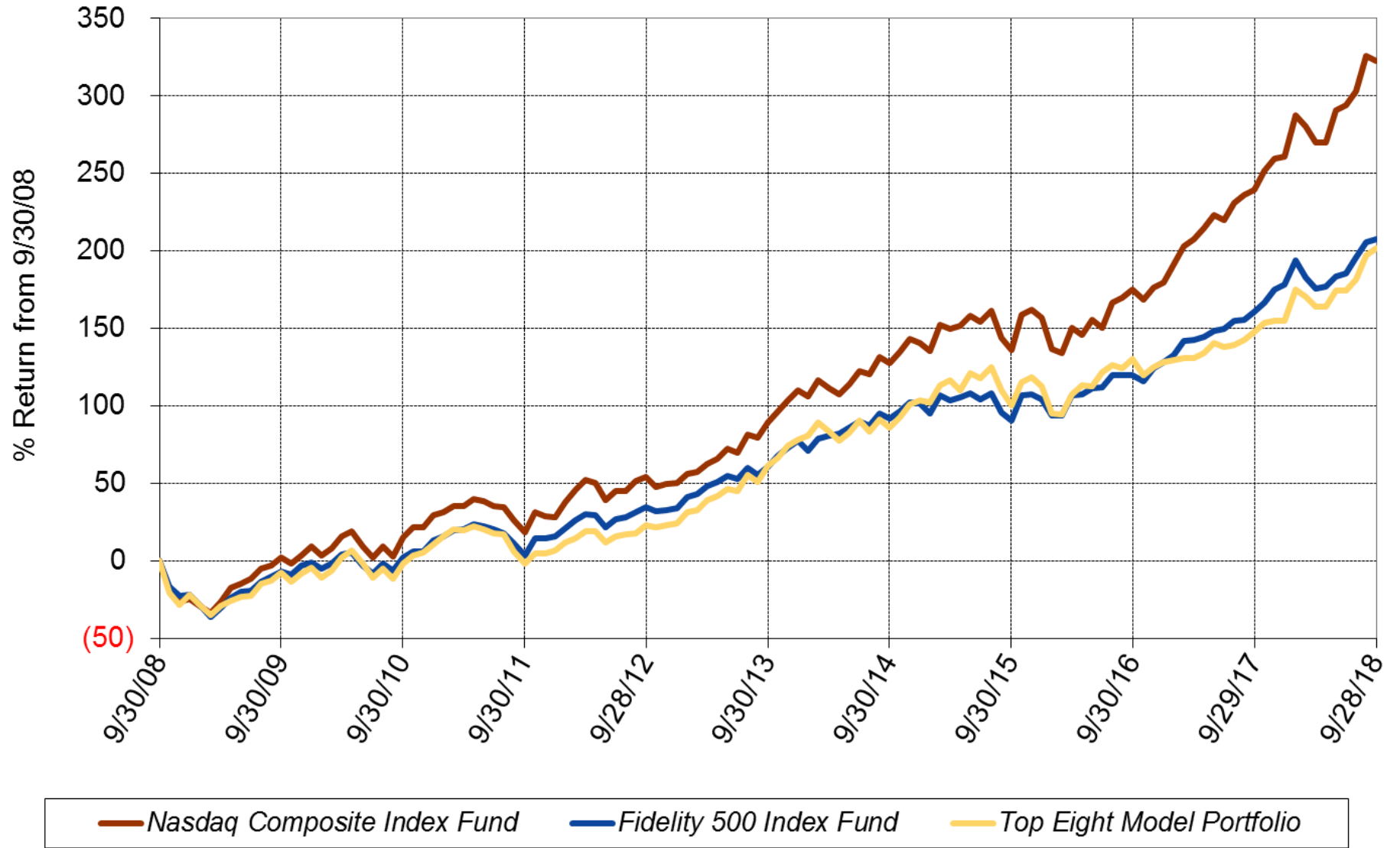
3-Year Summary	9/30/15 to 9/28/18	9/30/15 to 9/28/18
	Total Return %	Average Annual Return %
<i>Top Eight Model Portfolio</i>	50.556	14.613
Nasdaq Composite Index Fund	78.892	21.394
Fidelity 500 Index Fund - Investor Class	61.037	17.213

1-Year Summary	9/29/17 to 9/28/18
	Total Return %
<i>Top Eight Model Portfolio</i>	21.677
Nasdaq Composite Index Fund	24.531
Fidelity 500 Index Fund - Investor Class	17.814

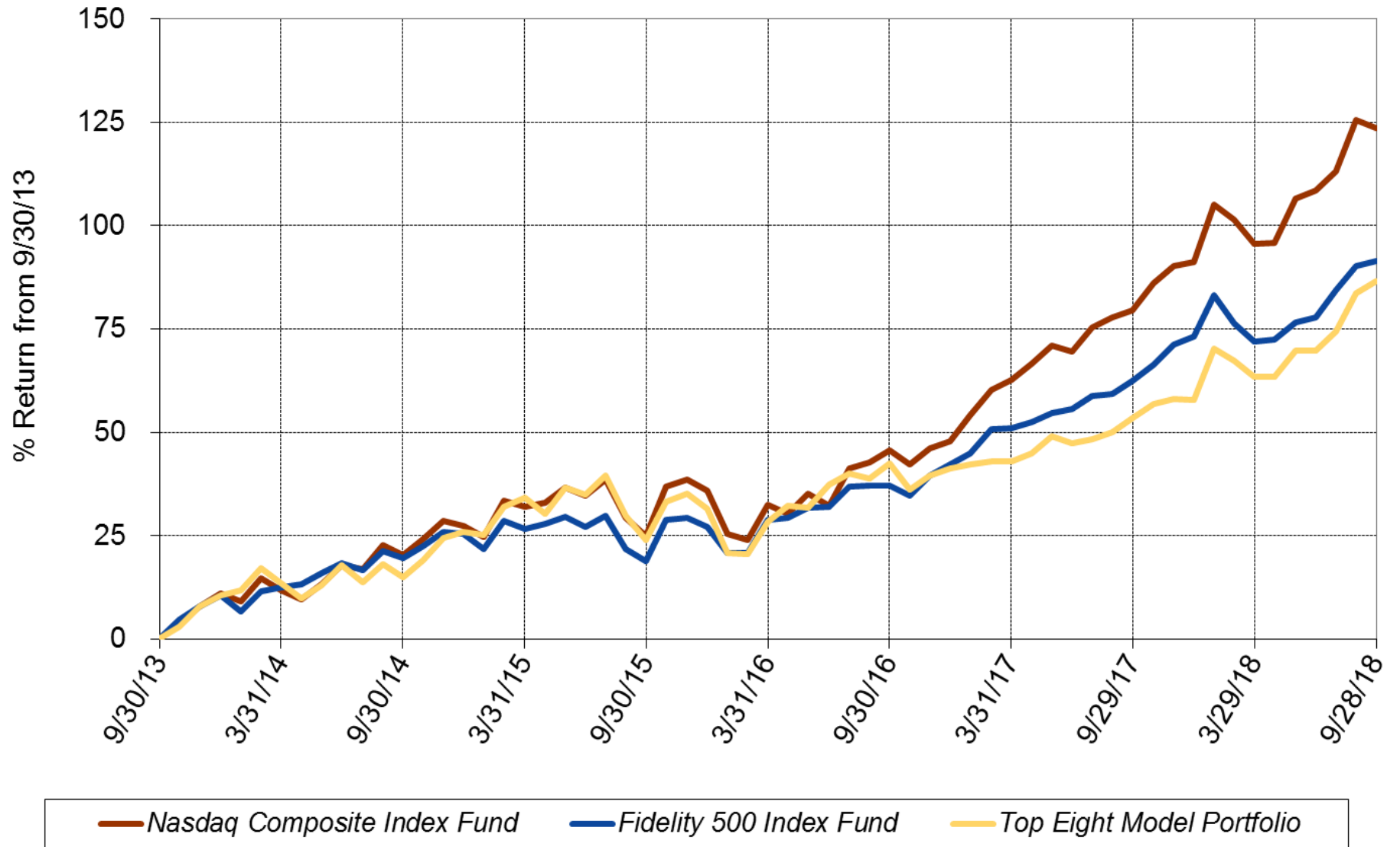
### Lifetime Chart



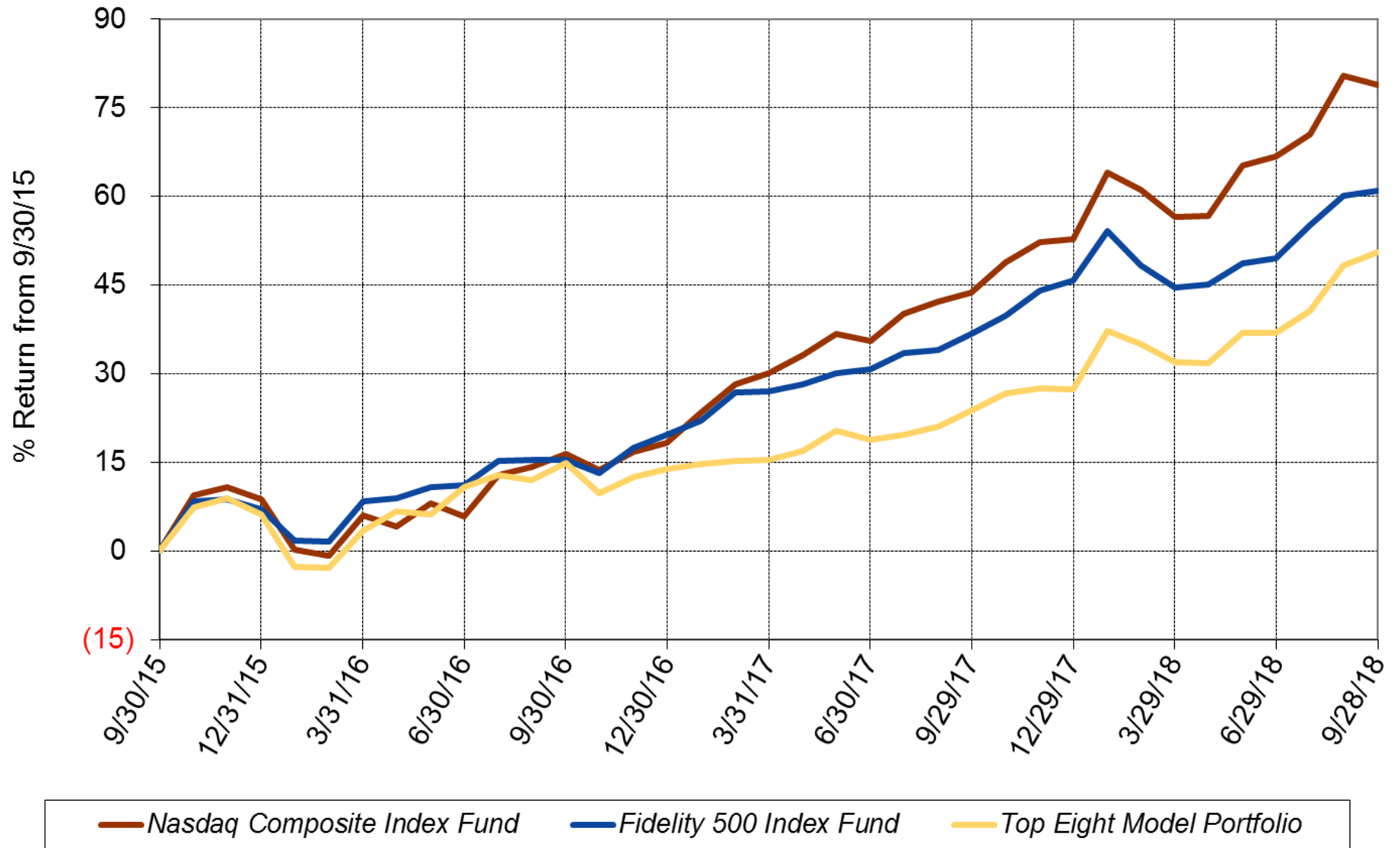
### 10-Year Chart



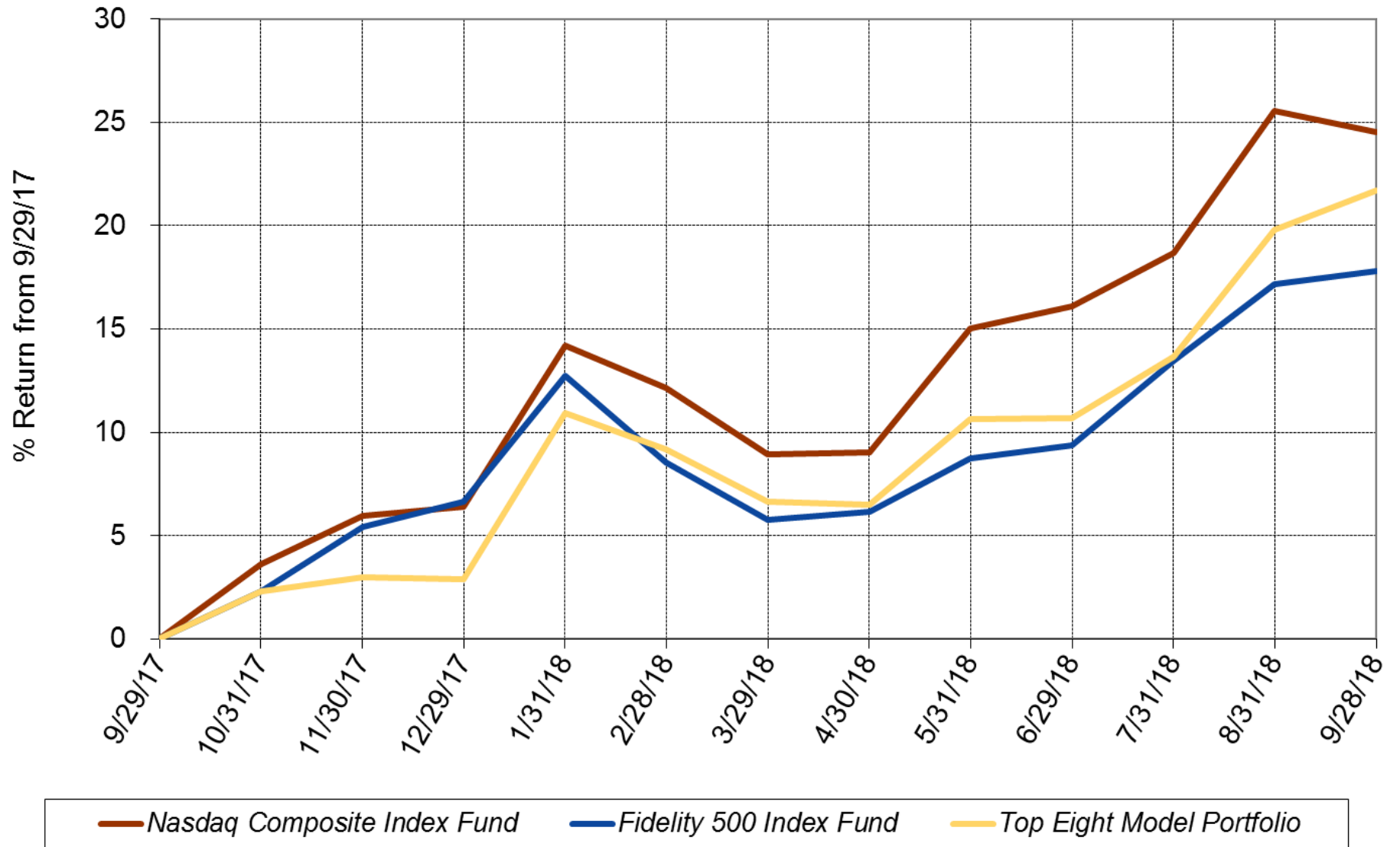
### 5-Year Chart



### 3-Year Chart



### 1-Year Chart





### Daily Chart September 2018

