

# FIDELITY SELECT FUNDRANKER™

Volume 13 Issue 12

The Right Funds at the Right Time

December 2018

## Broad Market Digs Out of Post-Thanksgiving Hole

The broad market S&P 500 Index nearly sank into correction territory the day after Thanksgiving on a total return basis, falling just less than 10% from its September 20 all-time high, but ended November with a respectable monthly gain.

Seven *Top Eight Model Portfolio* funds gained value in November. Health Care Services, Medical Technology & Devices, Health Care, and Pharmaceuticals excelled, reaping one-month gains ranging from 5.96% to 4.63%. Telecommunications, Utilities, and Multimedia added one-month gains of 1.32%, 1.25%, and 0.12%. Wireless trailed with a one-month loss of 2.04%.

In November, the *Top Eight Model Portfolio* gained 2.842%, the Nasdaq Composite Index gained 0.488%, and the S&P 500 Index gained 2.045%. YTD through November, the *Top Eight Model Portfolio* gained 10.611%, the Nasdaq Composite Index gained 6.874%, and the S&P 500 Index gained 5.050%.

## Final Performance of Funds Sold on November 5

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

| Fund                           | Bought    | Sold      | Return  |
|--------------------------------|-----------|-----------|---------|
| Computers (FDCPX)              | 9/5/2018  | 11/5/2018 | (6.67)% |
| Consumer Discretionary (FSCPX) | 10/5/2018 | 11/5/2018 | (3.92)% |
| IT Services (FBSOX)            | 11/6/2017 | 11/5/2018 | 15.81%  |
| Retailing (FSRPX)              | 1/5/2018  | 11/5/2018 | 11.66%  |
| Software & IT Services (FSCSX) | 1/5/2018  | 11/5/2018 | 6.42%   |

## Top Eight Model Portfolio Composition

In December, our *Top Eight Model Portfolio* will maintain its heavy weighting in Morningstar's Health category. After our December exchange, *Fundranker* will hold four of five Health category Select funds, one of one Utilities category Select funds, one of two Communications category Select funds, one of five Industrials category Select funds, and one of six Consumer Cyclical category Select funds.

## S&P 500 Index Does Not Correct in November

As we discussed last month, we report total return, which includes reinvested dividends, for the S&P 500 and Nasdaq Composite Indexes, as measured by the Fidelity 500 Index Fund and the Fidelity Nasdaq Composite Fund, and for our *Top Eight Model Portfolio*. Similar to all-time highs, occasionally, an index, not including reinvested dividends, may go into correction (down 10% from an all-time high) but miss going into correction on a total return basis. For example, not including reinvested dividends, the S&P 500 Index went into correction on November 23, while the Fidelity 500 Index Fund, including reinvested dividends, was down a little less than 10%, just missing going into correction. Because we measure the S&P 500 Index on a total-return basis using the Fidelity 500 Index Fund, we contend that the S&P 500 Index's most recent correction lasted from February 8, when it dropped more than 10% from its January 26 all-time high to August 4, when it hit a new all-time high, and that it did not enter correction in November.

Interestingly enough, on a total return basis, the Nasdaq Composite Index and the *Top Eight Model Portfolio* have behaved oppositely to the S&P 500 Index on a total return basis—they did not enter a correction in February, but both are in the midst of one now, having fallen more than 10% from their recent all-time highs.

## 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](#)

## Federal Reserve Rate Outlook

Newly released minutes of the FOMC November meeting intimated a December rate hike is likely, but that the FOMC could slow plans to raise rates in 2019. Fed Chair Jerome Powell said in a speech Wednesday that rates are "just below" neutral, and the DJIA soared more than 600 points.

## Fund Spotlight

[Brokerage & Investment Management](#), one of five Select funds in Morningstar's Financial category, began operations on 7/29/1985. The fund primarily invests in companies engaged in stock brokerage, commodity brokerage, investment banking, tax-advantaged investment or investment sales, investment management, or related investment advisory services. [Daniel Dittler](#) has managed the fund since 7/1/2015. Charles Ackerman came on as co-manager as of 11/1/2018.

As of 9/30/2018, Brokerage & Investment Management's top 10 holdings made up 63.07% of the portfolio, and its top three holdings were S&P Global Inc, Blackrock Inc, and Charles Schwab Corp. As of 10/31/2018, its top three sub-industry holdings were investment banking and brokerage at 43.06%, financial exchanges and data at 32.97%, and asset management and custody banks at 21.72%. Domestic equities made up 97.74% of the fund's assets and cash and net other assets accounted for the remaining 2.26%.

*Fundranker's Top Eight Model Portfolio* has held Brokerage & Investment Management 16 times for a total of 67 months with an average monthly gain of 1.17%. *Fundranker's* biggest gain and longest holding period for Brokerage & Investment Management was 51.11% for 20 months from 1/2/1997 to 9/2/1998. Brokerage & Investment Management is ranked number 29 as of 11/30/2018.

## 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 December 2018

| Fund Name (Symbol)                | Purchase  | Return to 11/30 |
|-----------------------------------|-----------|-----------------|
| 1. Health Care Services (FSHCX)   | 7/6/2018  | 13.96%          |
| 2. Medical Tech & Devices (FSMEX) | 6/6/2018  | 7.17%           |
| 3. Pharmaceuticals (FPHAX)        | 11/5/2018 | 2.71%           |
| 4. Health Care (FSPHX)            | 8/6/2018  | 0.39%           |
| 5. Utilities (FSUTX)              | 11/5/2018 | 0.19%           |
| 6. Telecommunications (FSTCX)     | 11/5/2018 | 1.24%           |
| 7. Transportation (FSRFX)         | 12/5/2018 |                 |
| 8. Communication Services (FBMPX) | 11/5/2018 | (0.33)%         |
| Fund to be sold on December 5:    |           |                 |
| 17. Wireless (FWRLX)              | 11/5/2018 | (1.27)%         |

## Fundranker Exchange for December 5

Sell Wireless (FWRLX), buy Transportation (FSRFX)

## Start a New Portfolio

December 3 ([see new portfolio FAQ](#)).

## Optional Rebalancing Exchange Dates

Held funds: Dec 3; New funds: Dec 5 ([see rebalancing FAQ](#))

## Upcoming Fundranker Exchange Dates

If no new funds are to be exchanged, *Fundranker* will exchange on January 2, our [early exchange date](#); otherwise, to avoid roundtrip transactions, *Fundranker* will exchange on January 4, our [late exchange date](#).

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| <i>Fundranker</i> Ratings for 11/30/18<br>Fund (Symbol) | 12-Month<br>Return % | 6-Month<br>Return % | 3-Month<br>Return % | 1-Month<br>Return % | <i>Fundranker</i><br>Rating** | <i>Fundranker</i><br>Ranking |
|---|----------------------|---------------------|---------------------|---------------------|-------------------------------|------------------------------|
| Air Transportation (FSAIX)                              | 4.62                 | 3.40*               | (2.22)              | 7.67*               | 5.368                         | 9                            |
| Automotive (FSAVX)                                      | (5.82)               | (7.46)              | (3.79)              | 2.18                | (3.723)                       | 27                           |
| Banking (FSRBX)   | (2.77)               | (5.35)              | (8.65)              | 2.71                | (3.515)                       | 26                           |
| Biotechnology (FBIOX)                                   | 2.65                 | (6.89)              | (13.43)             | 3.86*               | (2.453)                       | 22                           |
| Brokerage & Investment Mgmt (FSLBX)                     | (5.08)               | (9.15)              | (6.86)              | 2.63                | (4.615)                       | 29                           |
| Chemicals (FSCHX)                                       | (14.94)              | (13.05)             | (15.15)             | 2.69                | (10.113)                      | 33                           |
| Communications Equipment (FSDCX)                        | 10.25*               | 1.22                | (7.95)              | 0.05                | 1.893                         | 15                           |
| Computers (FDCPX)                                       | 1.89                 | (3.51)              | (12.50)             | (3.94)              | (4.515)                       | 28                           |
| Construction & Housing (FSHOX)                          | (7.09)               | (4.92)              | (9.21)              | 3.19*               | (3.508)                       | 25                           |
| Consumer Discretionary (FSCPX)                          | 11.02*               | 1.35                | (7.44)              | 2.36                | 2.823                         | 14                           |
| Consumer Finance (FSVLX)                                | 3.26                 | (0.64)              | (6.98)              | 1.11                | (0.813)                       | 20                           |
| Consumer Staples (FDFAX)                                | (3.90)               | 6.79*               | (0.12)              | 0.67                | 1.860                         | 16                           |
| Defense & Aerospace (FSDAX)                             | 4.93                 | (4.27)              | (6.10)              | 1.70                | (0.935)                       | 21                           |
| Energy (FSENX)  | (6.86)               | (19.63)             | (18.26)             | (4.99)              | (12.435)                      | 37                           |
| Energy Service (FSESX)                                  | (21.95)              | (30.33)             | (26.58)             | (12.58)             | (22.860)                      | 38                           |
| Environment & Alternative Energy (FSLEX)                | (5.07)               | (0.69)              | (4.91)              | 5.63*               | (0.260)                       | 19                           |
| Financial Services (FIDSX)                              | (3.80)               | (3.86)              | (6.64)              | 2.23                | (3.018)                       | 23                           |
| Gold (FSAGX)  | (17.65)              | (15.64)             | 0.43*               | (0.31)              | (7.293)                       | 31                           |
| Health Care (FSPHX)                                     | 17.84*               | 6.53*               | (4.18)              | 4.90*               | 9.273                         | 4                            |
| Health Care Services (FSHCX)                            | 26.87*               | 21.03*              | 3.40*               | 5.96*               | 18.315                        | 1                            |
| Industrials (FCYIX)                                     | (3.17)               | (4.07)              | (7.75)              | 1.89                | (3.275)                       | 24                           |
| Insurance (FSPCX)                                       | (5.47)               | 0.73                | (2.96)              | 3.96*               | 0.065                         | 18                           |
| IT Services (FBSOX)                                     | 14.42*               | 1.89*               | (8.96)              | 0.48                | 3.958                         | 11                           |
| Leisure (FDLSX)   | 3.35                 | 0.26                | 0.44*               | 6.32*               | 4.593                         | 10                           |
| Materials (FSDPX)                                       | (15.25)              | (14.58)             | (14.47)             | 2.88                | (10.355)                      | 34                           |
| Medical Technology & Devices (FSMEX)                    | 22.65*               | 10.87*              | (2.88)              | 5.08*               | 11.930                        | 2                            |
| Multimedia (FBMPX)                                      | 6.88*                | 9.37*               | (2.29)              | 0.13                | 5.523                         | 8                            |
| Natural Gas (FSNGX)                                     | (7.85)               | (16.18)             | (17.05)             | (4.83)              | (11.478)                      | 35                           |
| Natural Resources (FNARX)                               | (8.96)               | (18.23)             | (16.36)             | (3.08)              | (11.658)                      | 36                           |
| Pharmaceuticals (FPHAX)                                 | 15.82*               | 12.03*              | (0.56)              | 4.63*               | 10.980                        | 3                            |
| Retailing (FSRPX)                                       | 16.53*               | 0.95                | (10.11)             | 0.67                | 3.010                         | 13                           |
| Semiconductors (FSELX)                                  | (5.31)               | (13.86)             | (12.67)             | 3.90*               | (5.985)                       | 30                           |
| Software & IT Services (FSCSX)                          | 14.58*               | 0.49                | (7.22)              | 1.16                | 3.253                         | 12                           |
| Technology (FSPTX)                                      | (1.12)               | (10.49)             | (14.91)             | (2.94)              | (7.365)                       | 32                           |
| Telecommunications (FSTCX)                              | 5.22                 | 11.91*              | 1.44*               | 1.32                | 6.973                         | 6                            |
| Transportation (FSRFX)                                  | 6.80*                | 4.08*               | (2.85)              | 6.50*               | 6.633                         | 7                            |
| Utilities (FSUTX)                                       | 7.88*                | 6.92*               | 1.25*               | 1.25                | 7.325                         | 5                            |
| Wireless (FWRLX)  | 1.64                 | 2.54*               | (4.91)              | (2.04)              | 0.308                         | 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 December 5, 2018

Buy on December 5, 2018

Hold

Fundranker Performance for November 2018

| 10/31            | 10/31      | 10/31             | <=11/5   | 11/5      | 11/5              | 11/5           | 11/5      | 11/5              | 11/5     | >11/5     | 11/30             | 11/30        | Nov |
|------------------|------------|-------------------|----------|-----------|-------------------|----------------|-----------|-------------------|----------|-----------|-------------------|--------------|-----|
| Funds            | Shares     | Amount            | Div Shrs | Shares    | Amount            | Funds          | Shares    | Amount            | Div Shrs | Shares    | Amount            | Return       |     |
| FSMEX1,061.315   | 53,872.35  | 53,872.35         | none     | 1,061.315 | 54,487.91         | FSHCX          | 533.796   | 54,879.58         | none     | 533.796   | 57,852.81         |              |     |
| FSHCX            | 542.786    | 55,516.15         | none     | 542.786   | 55,803.83         | FSUTX          | 616.486   | 54,879.58         | none     | 616.486   | 54,984.39         |              |     |
| FSRPX3,621.738   | 53,710.37  | 53,710.37         | none     | 3,621.738 | 55,086.63         | FSMEX1,068.944 | 54,879.58 | 54,879.58         | none     | 1,068.944 | 57,017.47         |              |     |
| FBSOX            | 886.052    | 53,747.91         | none     | 886.052   | 53,792.22         | FBMPX          | 699.459   | 54,879.58         | none     | 699.459   | 54,697.69         |              |     |
| FSPHX2,193.331   | 54,109.48  | 54,109.48         | none     | 2,193.331 | 55,184.21         | FSTCX          | 929.375   | 54,879.58         | none     | 929.375   | 55,558.04         |              |     |
| FSCSX3,011.840   | 54,725.13  | 54,725.13         | none     | 3,011.840 | 54,333.59         | FPHAX2,655.035 | 54,879.58 | 54,879.58         | none     | 2,655.035 | 56,366.39         |              |     |
| FSCPX1,262.755   | 54,500.51  | 54,500.51         | none     | 1,262.755 | 55,674.87         | FWRLX5,375.081 | 54,879.58 | 54,879.58         | none     | 5,375.081 | 54,180.82         |              |     |
| FDCPX            | 579.536    | 54,569.11         | none     | 579.536   | 54,673.43         | FSPHX2,181.223 | 54,879.58 | 54,879.58         | none     | 2,181.223 | 56,450.05         |              |     |
| <b>Top Eight</b> |            | <b>434,751.01</b> |          |           | <b>439,036.69</b> |                |           | <b>439,036.60</b> |          |           | <b>447,107.66</b> | <b>2.842</b> |     |
| FNCMX1,685.822   | 162,496.38 | 162,496.38        | none     |           |                   |                |           |                   | none     | 1,685.822 | 163,288.72        | 0.488        |     |
| FXAIX            | 1,370.064  | 129,950.57        | none     |           |                   |                |           |                   | none     | 1,370.064 | 132,608.49        | 2.045        |     |

| 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   | 10.611   |
| Nasdaq Composite Index Fund              | 6.818    | 8.787    | 29.245   | 6.874    |
| Fidelity 500 Index Fund - Investor Class | 1.366    | 11.870   | 21.722   | 5.050    |

| Lifetime Summary                         | 1/2/97 to 11/30/18 | 1/2/97 to 11/30/18      |
|--|--------------------|-------------------------|
|  | Total Return %     | Average Annual Return % |
| <i>Top Eight Model Portfolio</i>         | 1,762.949          | 14.276                  |
| Nasdaq Composite Index Fund              | N/A                | N/A                     |
| Fidelity 500 Index Fund - Investor Class | 452.535            | 8.112                   |

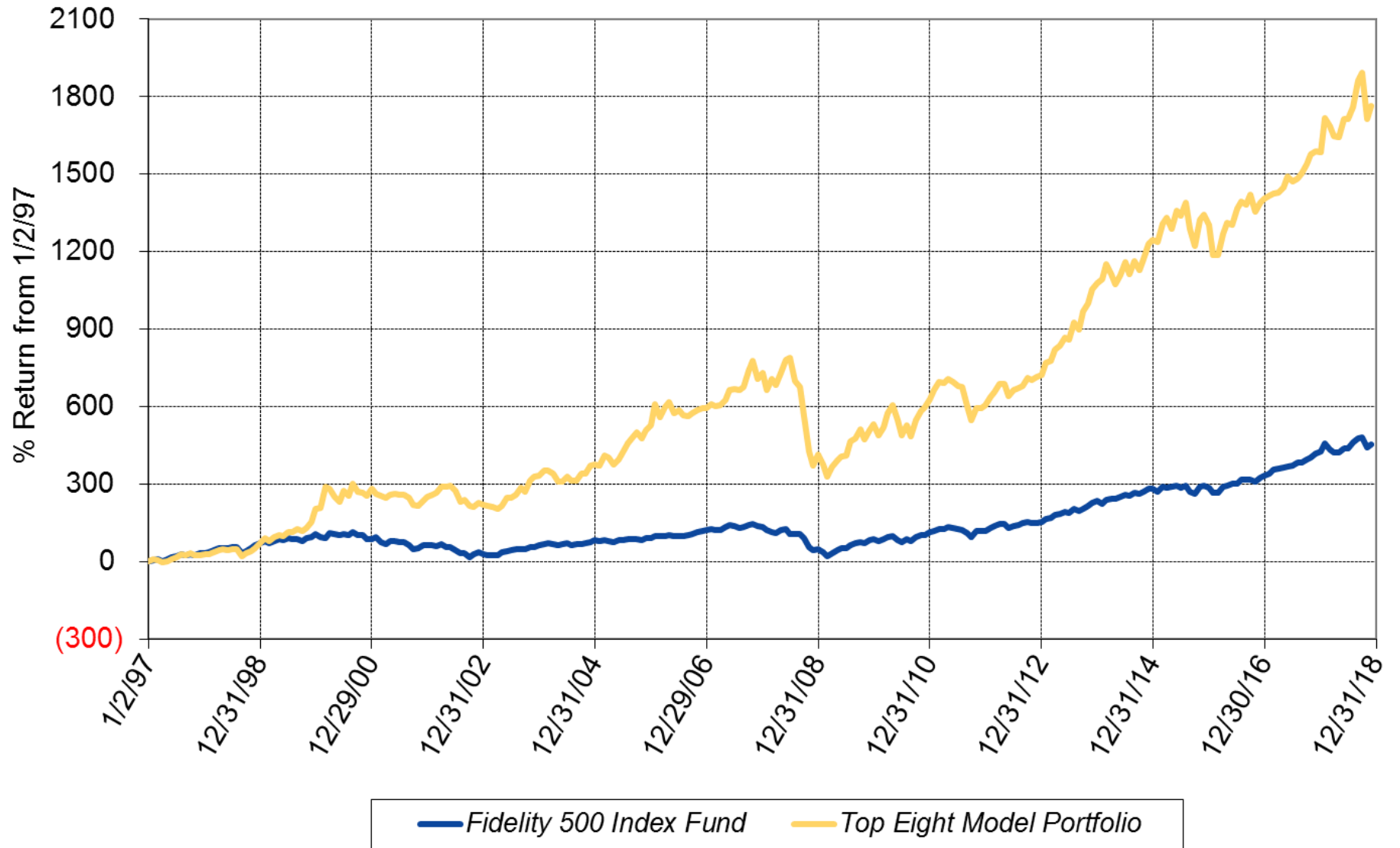
| 10-Year Summary                          | 11/28/08 to 11/30/18 | 11/28/08 to 11/30/18    |
|--|----------------------|-------------------------|
|  | Total Return %       | Average Annual Return % |
| <i>Top Eight Model Portfolio</i>         | 293.551              | 14.683                  |
| Nasdaq Composite Index Fund              | 424.640              | 18.028                  |
| Fidelity 500 Index Fund - Investor Class | 278.296              | 14.231                  |

| 5-Year Summary                           | 11/29/13 to 11/30/18 | 11/29/13 to 11/30/18    |
|--|----------------------|-------------------------|
|  | Total Return %       | Average Annual Return % |
| <i>Top Eight Model Portfolio</i>         | 61.708               | 10.090                  |
| Nasdaq Composite Index Fund              | 89.318               | 13.616                  |
| Fidelity 500 Index Fund - Investor Class | 68.856               | 11.046                  |

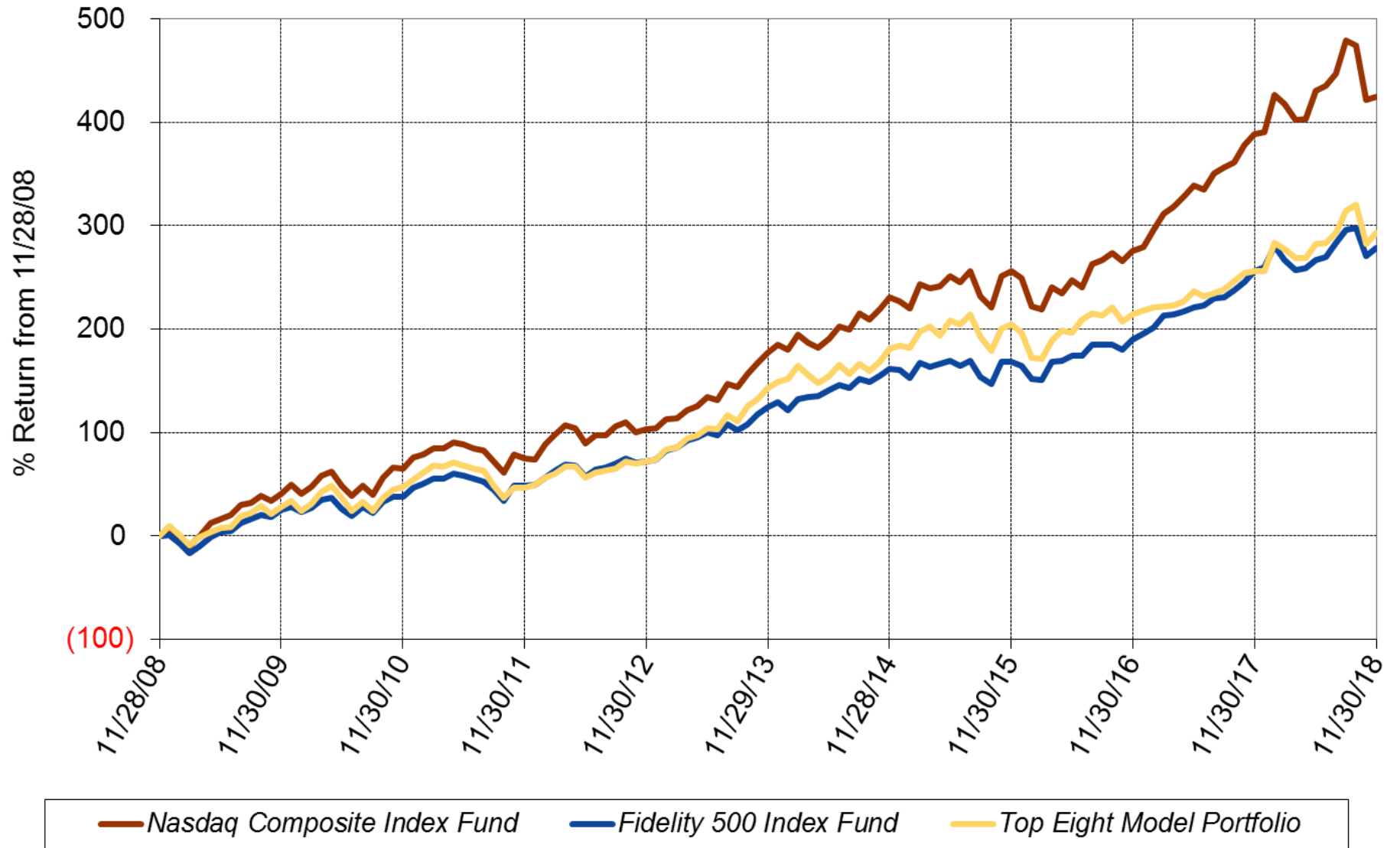
| 3-Year Summary                           | 11/30/15 to 11/30/18 | 11/30/15 to 11/30/18    |
|--|----------------------|-------------------------|
|  | Total Return %       | Average Annual Return % |
| <i>Top Eight Model Portfolio</i>         | 29.173               | 8.907                   |
| Nasdaq Composite Index Fund              | 47.368               | 13.798                  |
| Fidelity 500 Index Fund - Investor Class | 40.785               | 12.078                  |

| 1-Year Summary                           | 11/30/17 to 11/30/18 |
|--|----------------------|
|  | Total Return %       |
| <i>Top Eight Model Portfolio</i>         | 10.473               |
| Nasdaq Composite Index Fund              | 7.304                |
| Fidelity 500 Index Fund - Investor Class | 6.218                |

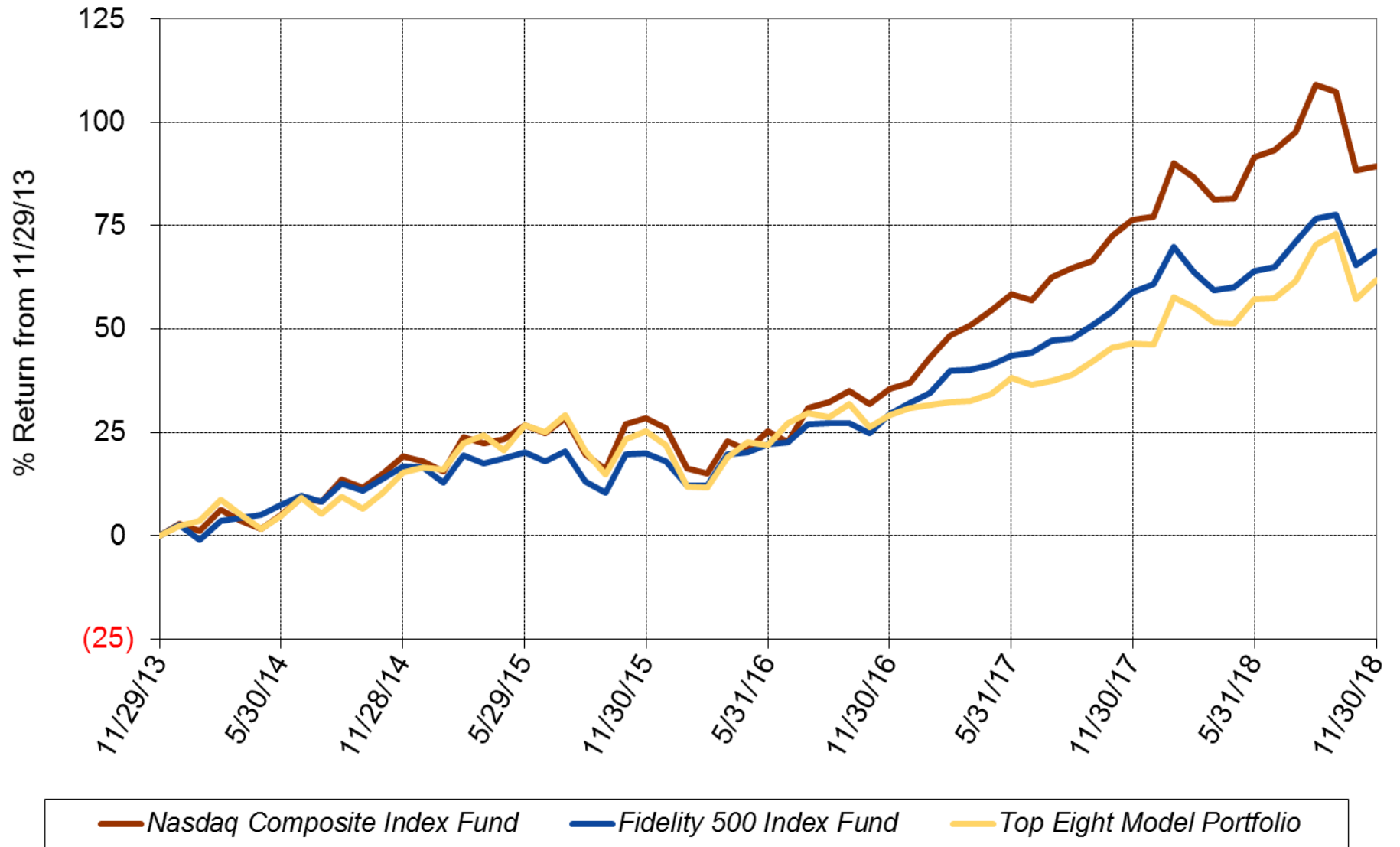
### Lifetime Chart



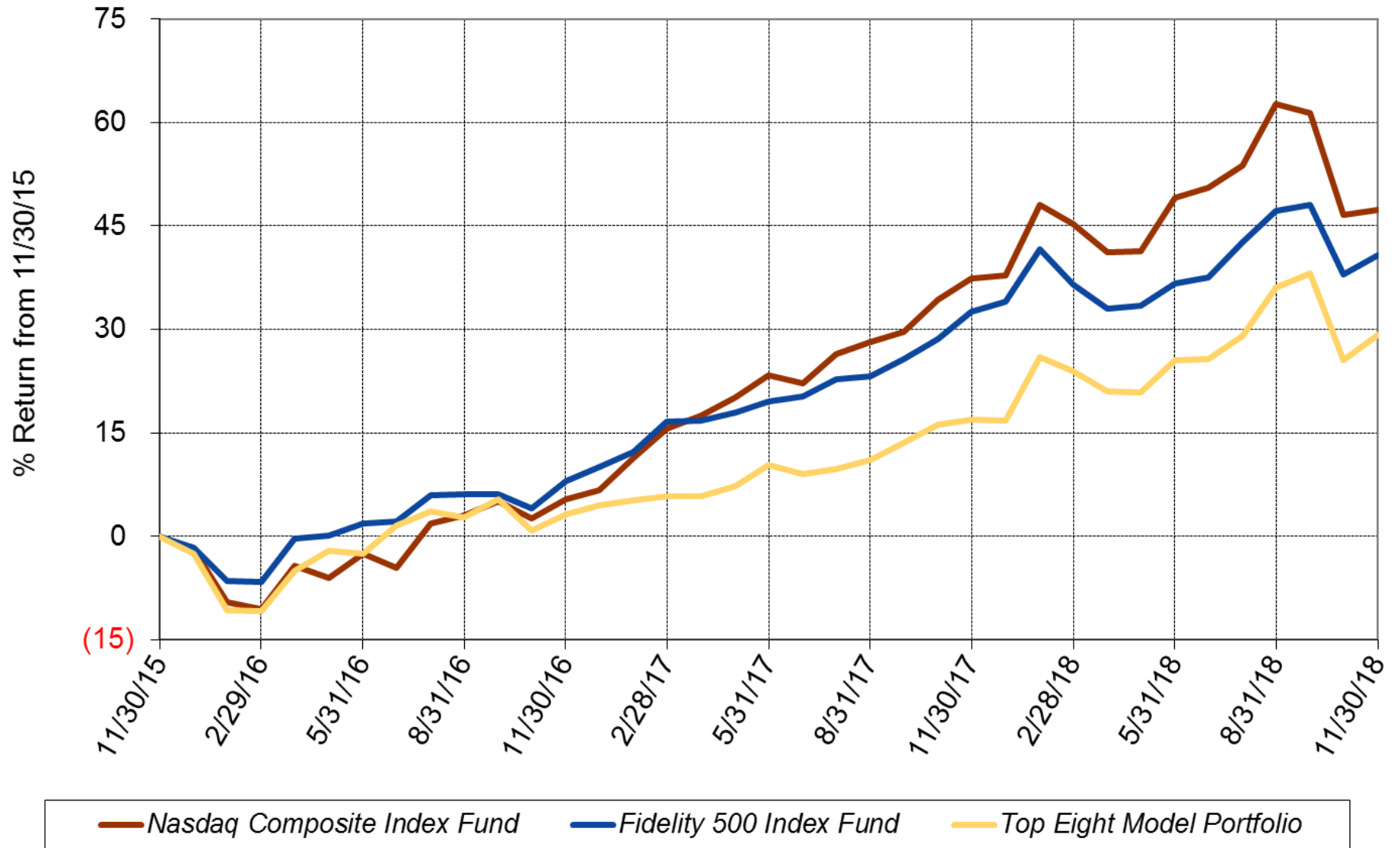
### 10-Year Chart



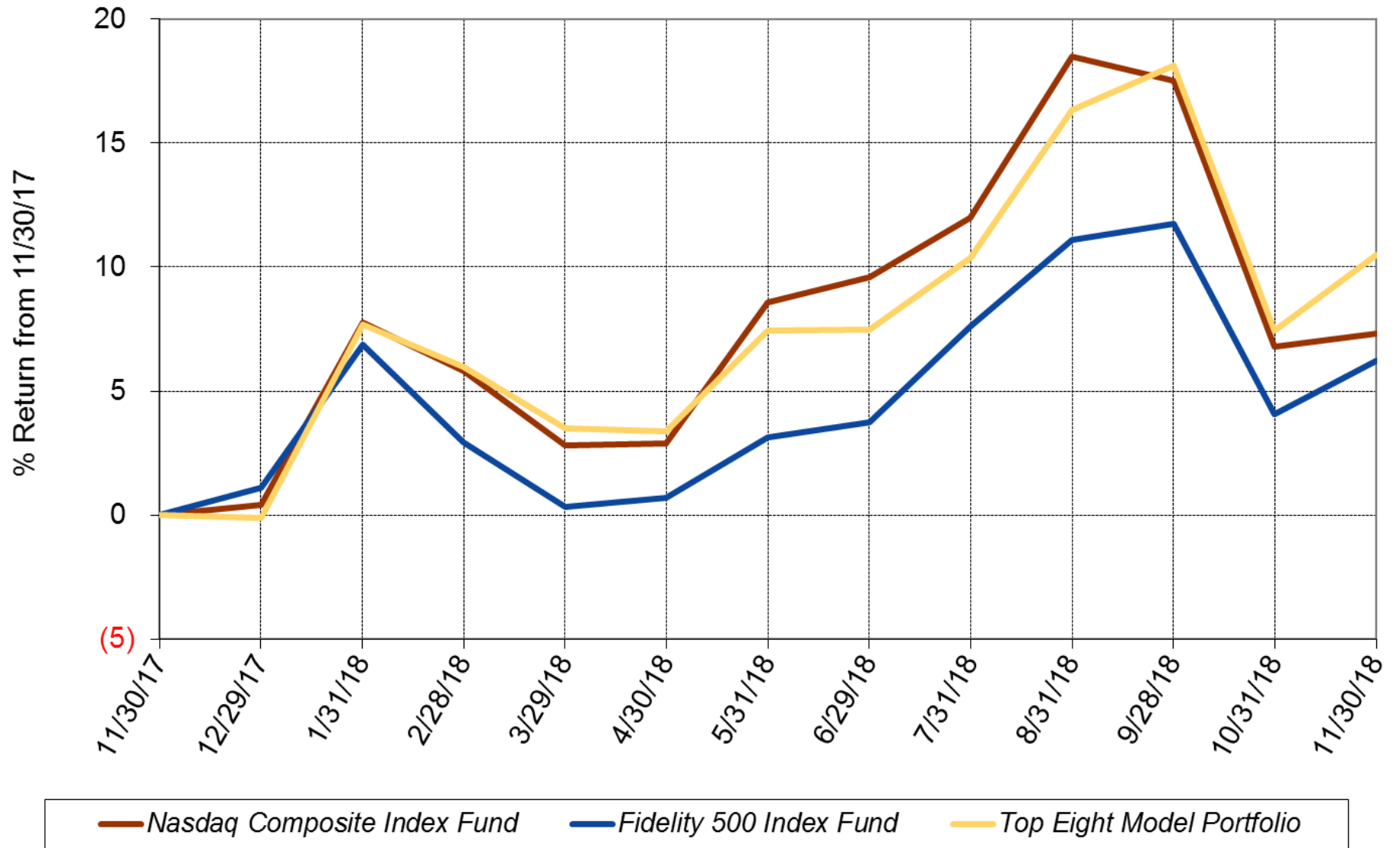
### 5-Year Chart



### 3-Year Chart



### 1-Year Chart





### Daily Chart November 2018

