

# FIDELITY SELECT FUNDRANKER™

Volume 14 Issue 2

The Right Funds at the Right Time

February 2019

## Broad Market Rallies in January

The broad market S&P 500 Index rallied strongly throughout January, falling on only five of 21 trading days and ending January more than halfway back to its all-time September 20 high from its December 24 almost-bear-market low (see *January Surge* below).

All eight *Top Eight Model Portfolio* funds gained value in January. Health Care, Health Care Services, and Medical Technology & Devices led the way with one-month gains of 10.16%, 9.26%, and 8.65%. Software & IT Services, Communications Equipment, and Gold excelled with one-month gains of 7.74%, 7.05%, and 6.36%. Pharmaceuticals and Utilities added one-month gains of 3.58% to 2.90%.

In January, the *Top Eight Model Portfolio* gained 8.077%, the Nasdaq Composite Index gained 9.748%, and the S&P 500 Index gained 8.014%.

## Final Performance of Funds Sold on January 7

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

| Fund                           | Bought    | Sold     | Return   |
|--------------------------------|-----------|----------|----------|
| Communication Services (FBMPX) | 11/5/2018 | 1/7/2019 | (3.09)%  |
| Telecommunications (FSTCX)     | 11/5/2018 | 1/7/2019 | (4.48)%  |
| Transportation (FSRFX)         | 12/6/2018 | 1/7/2019 | (10.07)% |

## Top Eight Model Portfolio Composition

In February, our *Top Eight Model Portfolio* will slightly trim its heavy weighting in Morningstar's Health category. After our February exchanges, *Fundranker* will hold three of five Health category Select funds, one of six Consumer Cyclical category Select Funds, one of one Equity Precious Metals category Select Funds, two of six Technology category Select funds, and one of one Utilities category Select funds.

## January Surge Adds to Santa Claus Rally

The S&P 500 Index rallied 6.662% on a total return basis over the last four trading days of December and then surged 8.014% in January. As of December 24, it had fallen 19.358% from its September 20 all-time high, ever so close to becoming a bear market. As of January 31, it stands 7.052% below its September 20 all-time high.

## Fed Makes Big Changes at January FOMC Meeting

The Federal Open Market Committee met on January 29 and 30 and made significant changes to its plan to reduce its balance sheet, which ballooned to \$4.5 trillion during the 2008-2009 financial crisis, and to its forward guidance on rate changes.

The statement released by the FOMC on January 30 said, "The Committee continues to view changes in the target range for the federal funds rate as its primary means for adjusting the stance of monetary policy," but that the Committee "is prepared to adjust any of the details for completing balance sheet normalization in light of economic and financial conditions." Although the Fed maintained its policy of allowing up to \$50 billion in assets to roll off its balance sheet for now, they made it clear that it is no longer on auto-pilot.

The FOMC also backed off from its December forward guidance of "some future gradual increases" in the federal funds rate. It now says it "will be patient as it determines what future adjustments to the target range for the federal funds rate may be appropriate to support" its dual mandate of full employment and 2% inflation.

## 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](#)

Investors cheered the Fed's new stance on its balance sheet and forward guidance. The S&P 500 rose 2.5% January 30 and 31.

## Fund Spotlight

[Communication Services](#), one of six Select funds in Morningstar's Consumer Cyclical category, began operations on 6/30/1986. Prior to December 1, 2018, the fund was named Multimedia. The fund primarily invests in companies engaged in the development, production, or distribution of communication services. Matthew Drukker has managed the fund since 12/1/2018. New fund name, new fund manager, but as we go to press, he is not yet listed on Communication Services' Commentary page. His predecessor was [Nidhi Gupta](#), who still is listed on Communication Services' Commentary page.

As of 12/31/2018, Communication Services' top 10 holdings made up 72.66% of the portfolio, and its top three holdings were Alphabet Inc, Facebook Inc, and Activision Blizzard Inc. As of 12/31/2018, its top three sub-industry holdings were interactive media and services at 42.19%, movies and entertainment at 14.67%, and interactive home entertainment at 12.17%. Domestic equities made up 93.43% of the fund's assets, international equities 5.42%, and cash and net other assets the remaining 1.15%.

*Fundranker's Top Eight Model Portfolio* has held Communication Services 15 times for a total of 55 months with an average monthly gain of 1.64%. *Fundranker's* biggest gain and longest holding period for Communication Services was 48.88% for 15 months from 7/2/2012 to 10/2/2013. Communication Services is ranked number 4 as of 1/31/2019.

## 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 February 2019

| Fund Name (Symbol)                | Purchase  | Return to 1/31 |
|-----------------------------------|-----------|----------------|
| 1. Medical Tech & Devices (FSMEX) | 6/6/2018  | 6.63%          |
| 2. Health Care Services (FSHCX)   | 7/6/2018  | 7.88%          |
| 3. Health Care (FSPHX)            | 8/6/2018  | (0.93)%        |
| 4. Communication Services (FBMPX) | 2/6/2019  |                |
| 5. Gold (FSAGX)                   | 1/7/2019  | 6.36%          |
| 6. IT Services (FBSOX)            | 2/6/2019  |                |
| 7. Utilities (FSUTX)              | 11/5/2018 | (0.35)%        |
| 8. Communications Eqpt (FSDCX)    | 1/7/2019  | 5.53%          |

Funds to be sold on February 6:

|                                    |           |         |
|------------------------------------|-----------|---------|
| 15. Software & IT Services (FSCSX) | 1/7/2019  | 5.66%   |
| 16. Pharmaceuticals (FPHAX)        | 11/5/2018 | (2.20)% |

## Fundranker Exchanges for February 6

Sell Pharmaceuticals (FPHAX), buy Comm Services (FBMPX)  
Sell Software & IT Services (FSCSX), buy IT Services (FBSOX)

## Start a New Portfolio

February 4 ([see new portfolio FAQ](#)).

## Optional Rebalancing Exchange Dates

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

## Upcoming Fundranker Exchange Dates

If no new funds are to be exchanged, *Fundranker* will exchange on March 4, our [early exchange date](#); otherwise, to avoid roundtrip transactions, *Fundranker* will exchange on March 8, our [late exchange date](#).

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| <i>Fundranker</i> Ratings for 1/31/19<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)                             | (6.29)               | (5.54)              | 2.11                | 10.25               | 0.133                         | 24                           |
| Automotive (FSAVX)                                     | (10.70)              | (5.27)              | 2.62                | 9.88                | (0.867)                       | 26                           |
| Banking (FSRBX)  | (13.49)              | (9.65)              | (1.39)              | 12.97*              | (1.890)                       | 29                           |
| Biotechnology (FBIOX)                                  | (8.04)               | (8.82)              | 3.47*               | 12.85*              | 1.865                         | 17                           |
| Brokerage & Investment Mgmt (FSLBX)                    | (12.32)              | (7.08)              | 1.94                | 8.39                | (2.268)                       | 30                           |
| Chemicals (FSCHX)                                      | (20.32)              | (16.58)             | 1.23                | 6.88                | (7.198)                       | 35                           |
| Communication Services (FBMPX)                         | 0.94*                | 2.34*               | 3.33*               | 11.31*              | 8.480                         | 4                            |
| Communications Equipment (FSDCX)                       | 6.86*                | 0.45*               | 0.72                | 7.05                | 5.770                         | 8                            |
| Computers (FDCPX)                                      | (0.36)               | (4.09)              | (2.29)              | 10.37               | 0.908                         | 19                           |
| Construction & Housing (FSHOX)                         | (9.81)               | (5.29)              | 5.14*               | 9.30                | 0.835                         | 20                           |
| Consumer Discretionary (FSCPX)                         | (0.44)               | (2.65)              | 2.92*               | 9.96                | 3.448                         | 12                           |
| Consumer Finance (FSVLX)                               | (3.88)               | (1.74)              | 1.66                | 11.83*              | 2.968                         | 14                           |
| Consumer Staples (FDFAX)                               | (10.26)              | (2.91)              | (1.65)              | 8.76                | (1.515)                       | 27                           |
| Defense & Aerospace (FSDAX)                            | (4.57)               | (5.28)              | 3.17*               | 12.65*              | 3.493                         | 11                           |
| Energy (FSENX)   | (16.95)              | (22.90)             | (7.76)              | 12.30*              | (7.828)                       | 37                           |
| Energy Service (FSESX)                                 | (37.80)              | (34.37)             | (19.95)             | 17.76*              | (17.590)                      | 38                           |
| Environment & Alternative Energy (FSLEX)               | (9.24)               | (4.67)              | 5.51*               | 9.36                | 1.240                         | 18                           |
| Financial Services (FIDSX)                             | (13.05)              | (7.75)              | (0.30)              | 9.72                | (2.845)                       | 31                           |
| Gold (FSAGX)   | (8.26)               | 4.23*               | 17.99*              | 6.36                | 7.080                         | 5                            |
| Health Care (FSPHX)                                    | 8.96*                | 0.66*               | 3.52*               | 10.16               | 8.825                         | 3                            |
| Health Care Services (FSHCX)                           | 11.78*               | 6.40*               | 0.31                | 9.26                | 8.938                         | 2                            |
| Industrials (FCYIX)                                    | (10.41)              | (7.88)              | 0.80                | 10.74*              | (0.688)                       | 25                           |
| Insurance (FSPCX)                                      | (8.48)               | (3.51)              | 3.42*               | 7.09                | 0.630                         | 22                           |
| IT Services (FBSOX)                                    | 6.60*                | (0.78)              | 2.37                | 11.16*              | 6.838                         | 6                            |
| Leisure (FDLSX)  | (4.15)               | 0.01*               | 4.41*               | 7.73                | 4.000                         | 9                            |
| Materials (FSDPX)                                      | (21.02)              | (16.17)             | 2.19                | 7.58                | (6.855)                       | 34                           |
| Medical Technology & Devices (FSMEX)                   | 15.51*               | 3.84*               | 4.55*               | 8.65                | 11.138                        | 1                            |
| Natural Gas (FSNGX)                                    | (15.91)              | (23.23)             | (8.39)              | 12.93*              | (7.650)                       | 36                           |
| Natural Resources (FNARX)                              | (16.79)              | (20.28)             | (3.63)              | 11.31*              | (6.348)                       | 33                           |
| Pharmaceuticals (FPHAX)                                | 3.89*                | (1.49)              | (0.37)              | 3.58                | 2.403                         | 16                           |
| Retailing (FSRPX)                                      | 3.53*                | (3.19)              | 2.04                | 9.53                | 3.978                         | 10                           |
| Semiconductors (FSELX)                                 | (6.25)               | (7.97)              | 7.23*               | 12.33*              | 3.335                         | 13                           |
| Software & IT Services (FSCSX)                         | 2.94*                | (4.20)              | 0.39                | 7.74                | 2.718                         | 15                           |
| Technology (FSPTX)                                     | (10.29)              | (12.93)             | (4.98)              | 7.30                | (5.225)                       | 32                           |
| Telecommunications (FSTCX)                             | (4.27)               | 0.58*               | (3.92)              | 6.16                | 0.638                         | 21                           |
| Transportation (FSRFX)                                 | (3.33)               | (5.54)              | 0.50                | 10.42               | 0.513                         | 23                           |
| Utilities (FSUTX)                                      | 11.33*               | 2.79*               | 0.70                | 2.90                | 6.430                         | 7                            |
| Wireless (FWRLX)                                       | (5.35)               | (3.02)              | (3.96)              | 5.11                | (1.805)                       | 28                           |

\*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 February 6, 2019

Buy on February 6, 2019

Hold

Fundranker Performance for January 2019

| 12/31            | 12/31     | 12/31             | <=1/7    | 1/7       | 1/7               | 1/7    | 1/7       | 1/7               | 1/7      | >1/7      | 1/31              | 1/31         | Jan |
|------------------|-----------|-------------------|----------|-----------|-------------------|--------|-----------|-------------------|----------|-----------|-------------------|--------------|-----|
| Funds            | Shares    | Amount            | Div Shrs | Shares    | Amount            | Funds  | Shares    | Amount            | Div Shrs | Shares    | Amount            | Return       |     |
| FSHCX            | 558.625   | 48,991.41         | none     | 558.625   | 48,734.45         | FSAGX  | 2,846.101 | 51,429.04         | none     | 2,846.101 | 54,702.06         |              |     |
| FSMEX1           | 1,089.613 | 51,506.01         | none     | 1,089.613 | 50,547.15         | FSUTX  | 644.151   | 51,429.04         | none     | 644.151   | 53,103.81         |              |     |
| FPHAX            | 2,668.961 | 51,404.19         | none     | 2,668.961 | 52,151.50         | FPHAX  | 2,631.988 | 51,429.04         | none     | 2,631.988 | 52,508.16         |              |     |
| FSPHX            | 2,286.598 | 50,419.49         | none     | 2,286.598 | 51,059.73         | FSMEX1 | 1,108.623 | 51,429.04         | none     | 1,108.623 | 56,938.88         |              |     |
| FSUTX            | 653.598   | 52,366.27         | none     | 653.598   | 52,183.26         | FSHCX  | 589.512   | 51,429.04         | none     | 589.512   | 56,487.04         |              |     |
| FSTCX            | 961.327   | 50,536.96         | none     | 961.327   | 53,382.49         | FSDCX  | 1,459.394 | 51,429.04         | none     | 1,459.394 | 54,274.86         |              |     |
| FSRFX            | 581.866   | 48,708.00         | none     | 581.866   | 49,243.32         | FSPHX  | 2,303.137 | 51,429.04         | none     | 2,303.137 | 55,943.20         |              |     |
| FBMPX            | 772.409   | 51,612.37         | none     | 772.409   | 54,130.42         | FSCSX  | 3,098.135 | 51,429.04         | none     | 3,098.135 | 54,341.29         |              |     |
| <b>Top Eight</b> |           | <b>405,544.70</b> |          |           | <b>411,432.32</b> |        |           | <b>411,432.30</b> |          |           | <b>438,299.30</b> | <b>8.077</b> |     |
| FNCMX1           | 1,718.730 | 147,931.09        | none     |           |                   |        |           |                   | none     | 1,718.730 | 162,351.24        | 9.748        |     |
| FXAIX            | 1,385.026 | 120,635.76        | none     |           |                   |        |           |                   | none     | 1,385.026 | 130,303.25        | 8.014        |     |

| 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     | 2019 YTD |
|--|----------|----------|----------|----------|----------|
|  | Return % | Return % | Return % | Return % | Return % |
| <i>Top Eight Model Portfolio</i>         | 4.592    | 7.248    | 11.784   | 0.328    | 8.077    |
| Nasdaq Composite Index Fund              | 6.818    | 8.787    | 29.245   | (3.178)  | 9.748    |
| Fidelity 500 Index Fund - Investor Class | 1.366    | 11.870   | 21.722   | (4.434)  | 8.014    |

| Lifetime Summary                         | 1/2/97 to 1/31/19 | 1/2/97 to 1/31/19       |
|--|-------------------|-------------------------|
|  | Total Return %    | Average Annual Return % |
| <i>Top Eight Model Portfolio</i>         | 1,726.247         | 14.058                  |
| Nasdaq Composite Index Fund              | N/A               | N/A                     |
| Fidelity 500 Index Fund - Investor Class | 442.930           | 7.962                   |

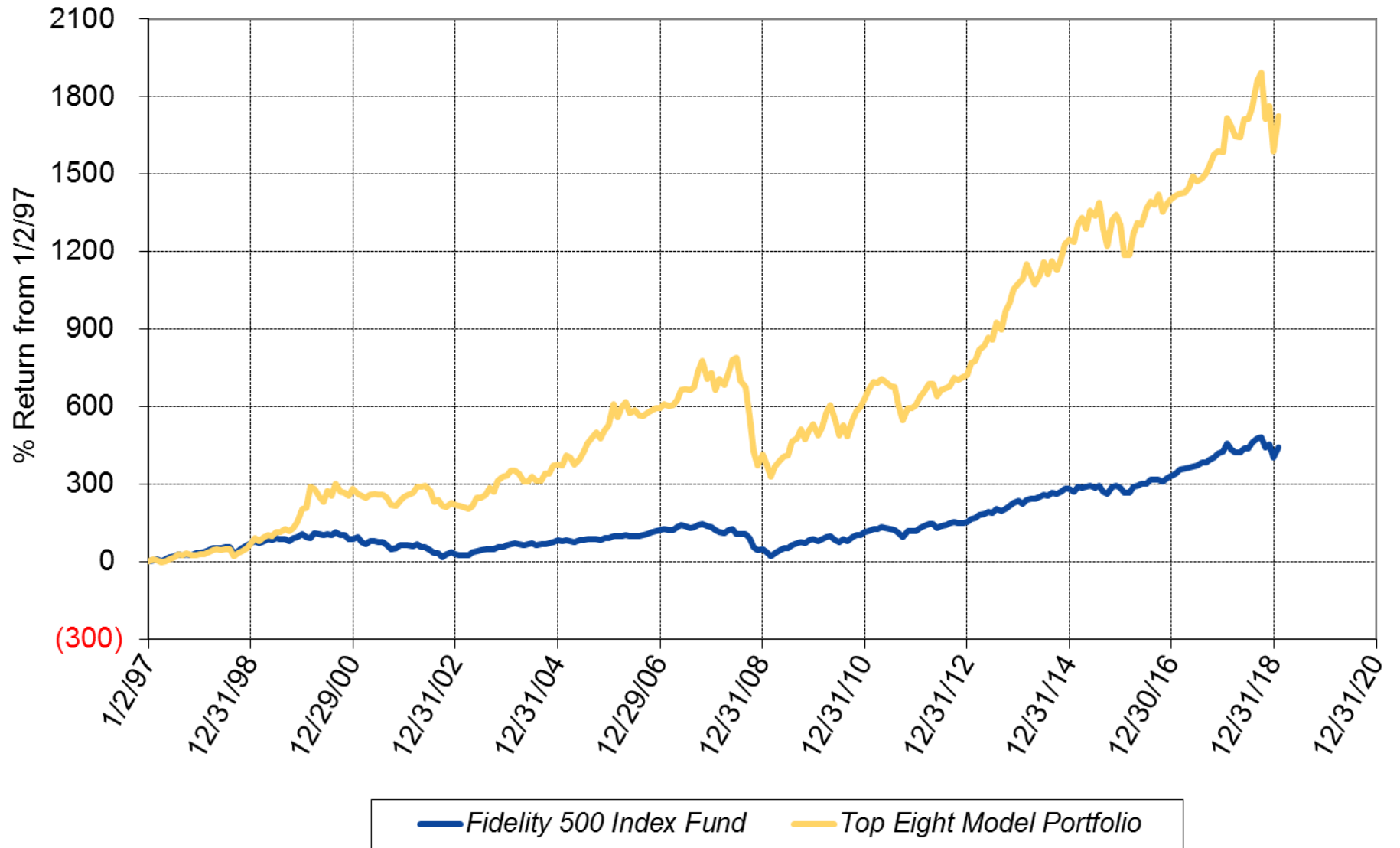
| 10-Year Summary                          | 1/30/09 to 1/31/19 | 1/30/09 to 1/31/19      |
|--|--------------------|-------------------------|
|  | Total Return %     | Average Annual Return % |
| <i>Top Eight Model Portfolio</i>         | 283.985            | 14.401                  |
| Nasdaq Composite Index Fund              | 441.775            | 18.408                  |
| Fidelity 500 Index Fund - Investor Class | 301.649            | 14.917                  |

| 5-Year Summary                           | 1/31/14 to 1/31/19 | 1/31/14 to 1/31/19      |
|--|--------------------|-------------------------|
|  | Total Return %     | Average Annual Return % |
| <i>Top Eight Model Portfolio</i>         | 53.088             | 8.890                   |
| Nasdaq Composite Index Fund              | 86.154             | 13.233                  |
| Fidelity 500 Index Fund - Investor Class | 67.658             | 10.888                  |

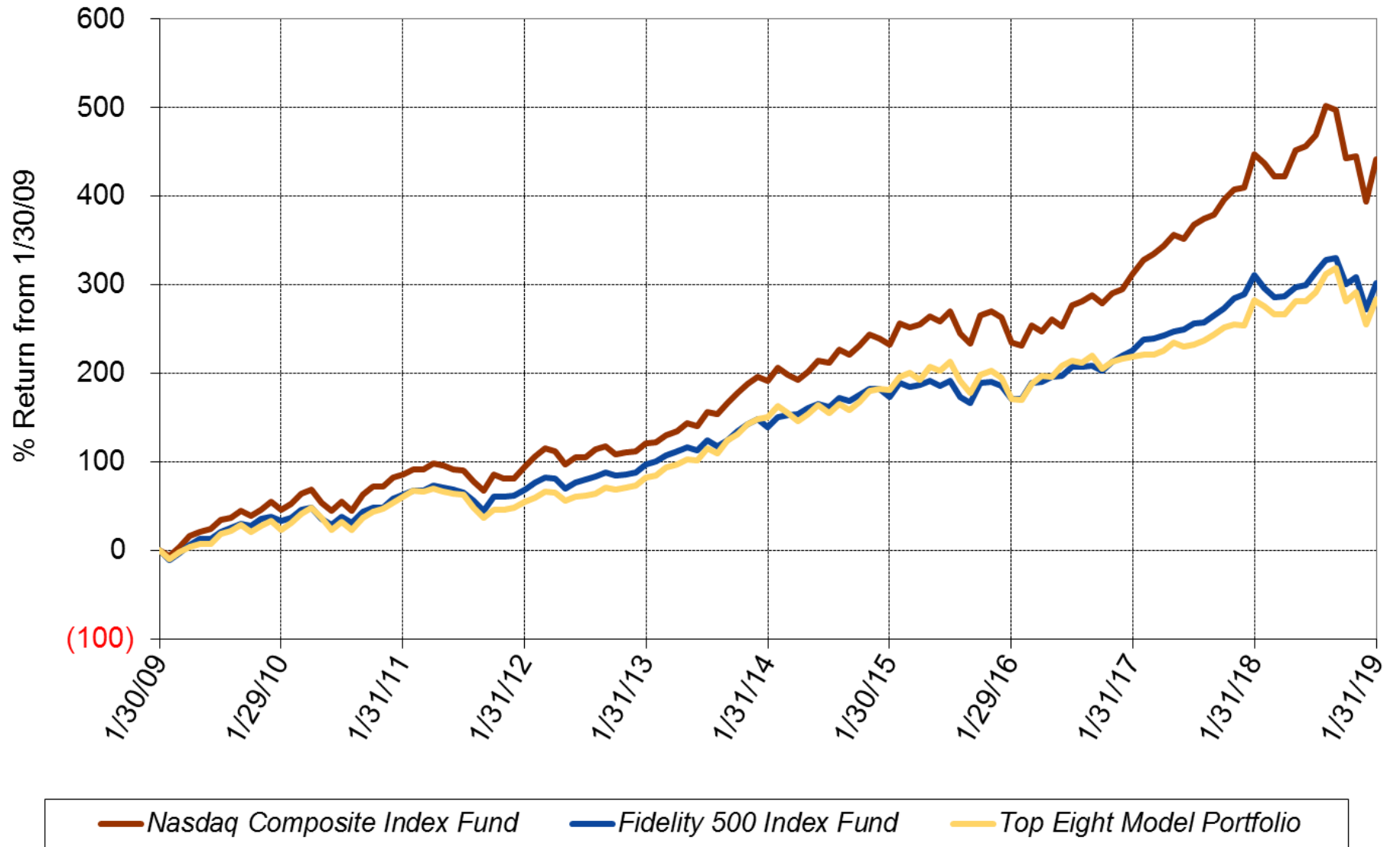
| 3-Year Summary                           | 1/29/16 to 1/31/19 | 1/29/16 to 1/31/19      |
|--|--------------------|-------------------------|
|  | Total Return %     | Average Annual Return % |
| <i>Top Eight Model Portfolio</i>         | 41.769             | 12.338                  |
| Nasdaq Composite Index Fund              | 62.070             | 17.463                  |
| Fidelity 500 Index Fund - Investor Class | 47.916             | 13.939                  |

| 1-Year Summary                   | 1/31/18 to 1/31/19 |
|----------------------------------|--------------------|
|                                  | Total Return %     |
| <i>Top Eight Model Portfolio</i> | 0.558              |
| Nasdaq Composite Index Fund      | (0.993)            |
| Fidelity 500 Index Fund          | (2.356)            |

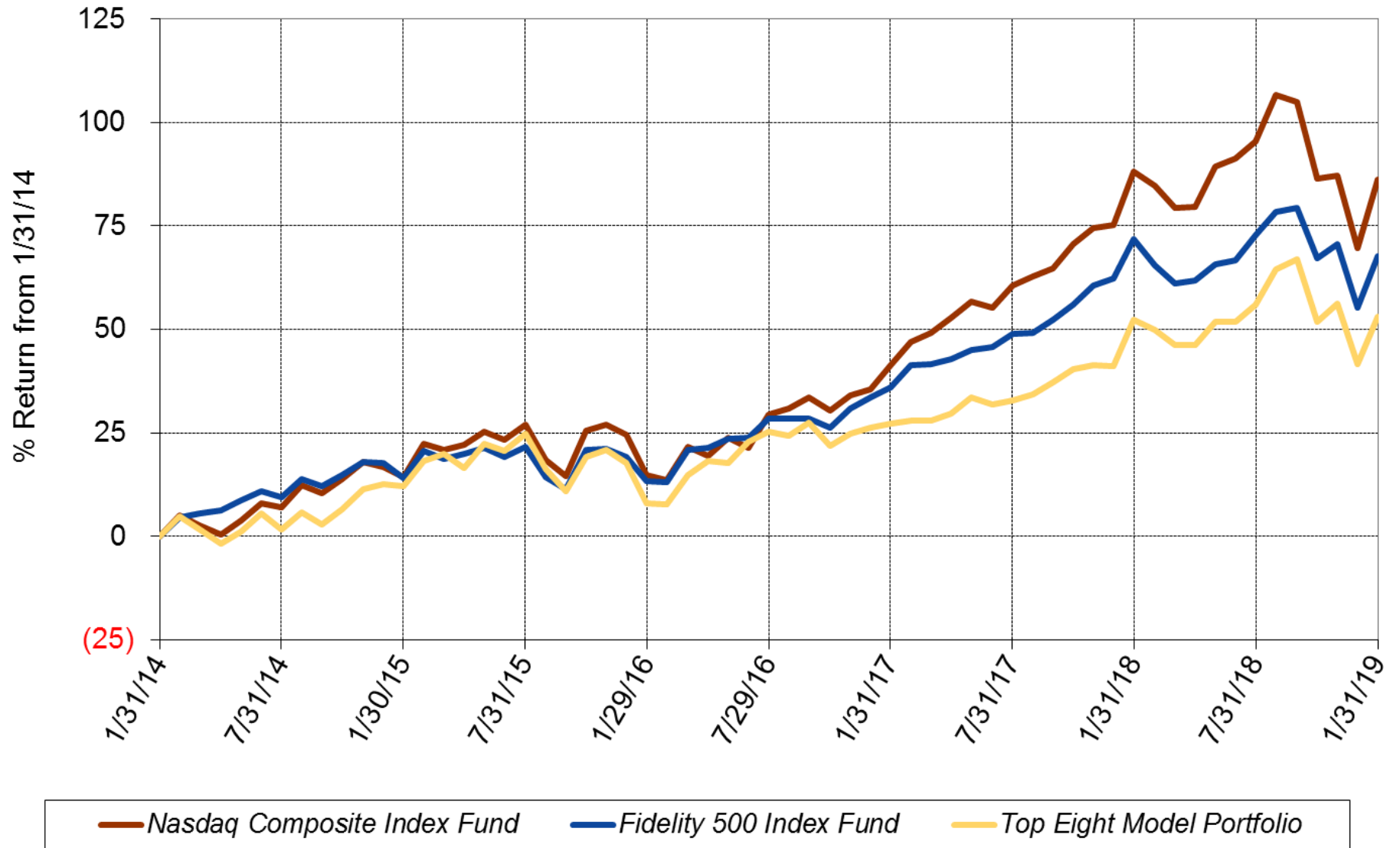
### Lifetime Chart



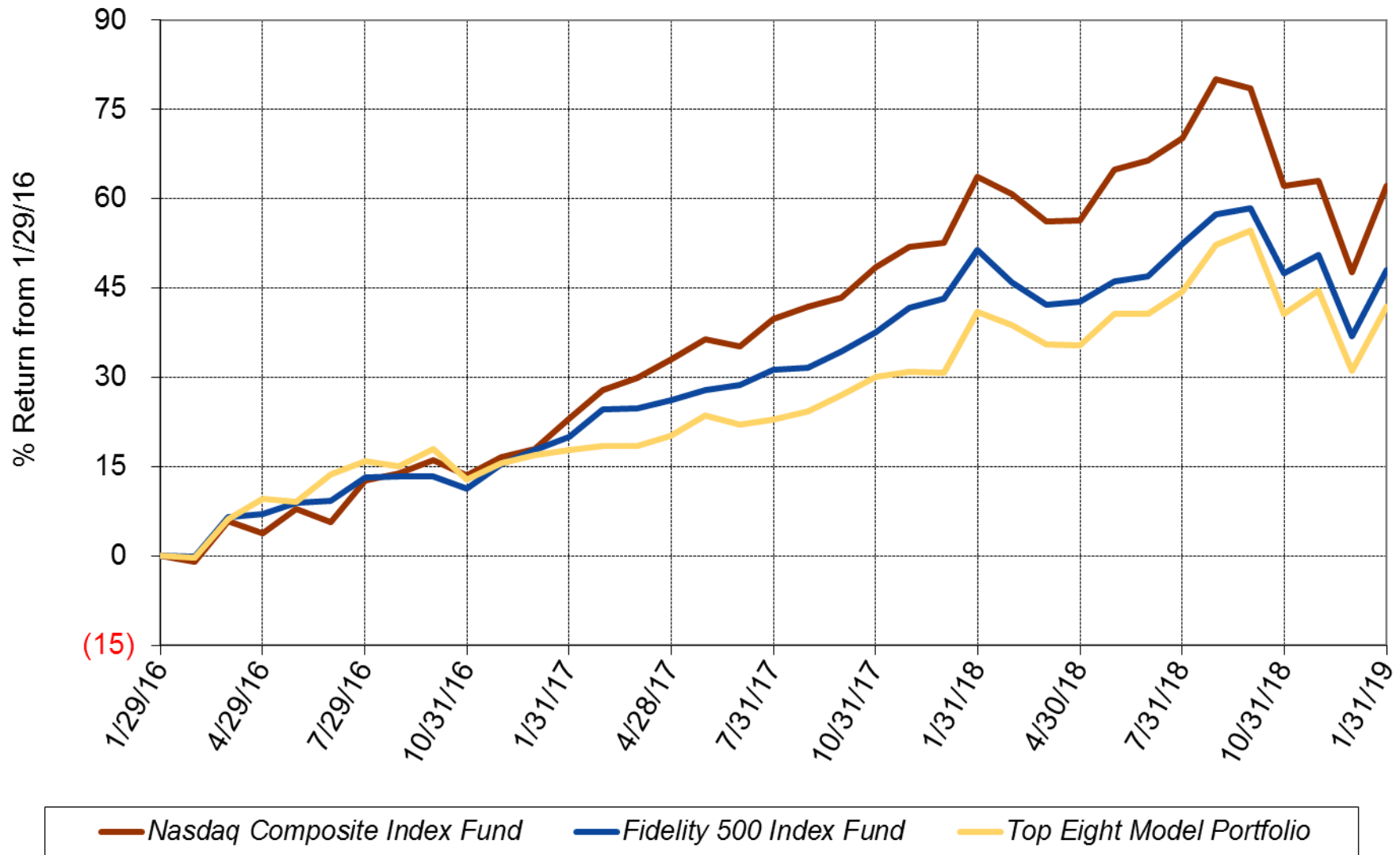
### 10-Year Chart



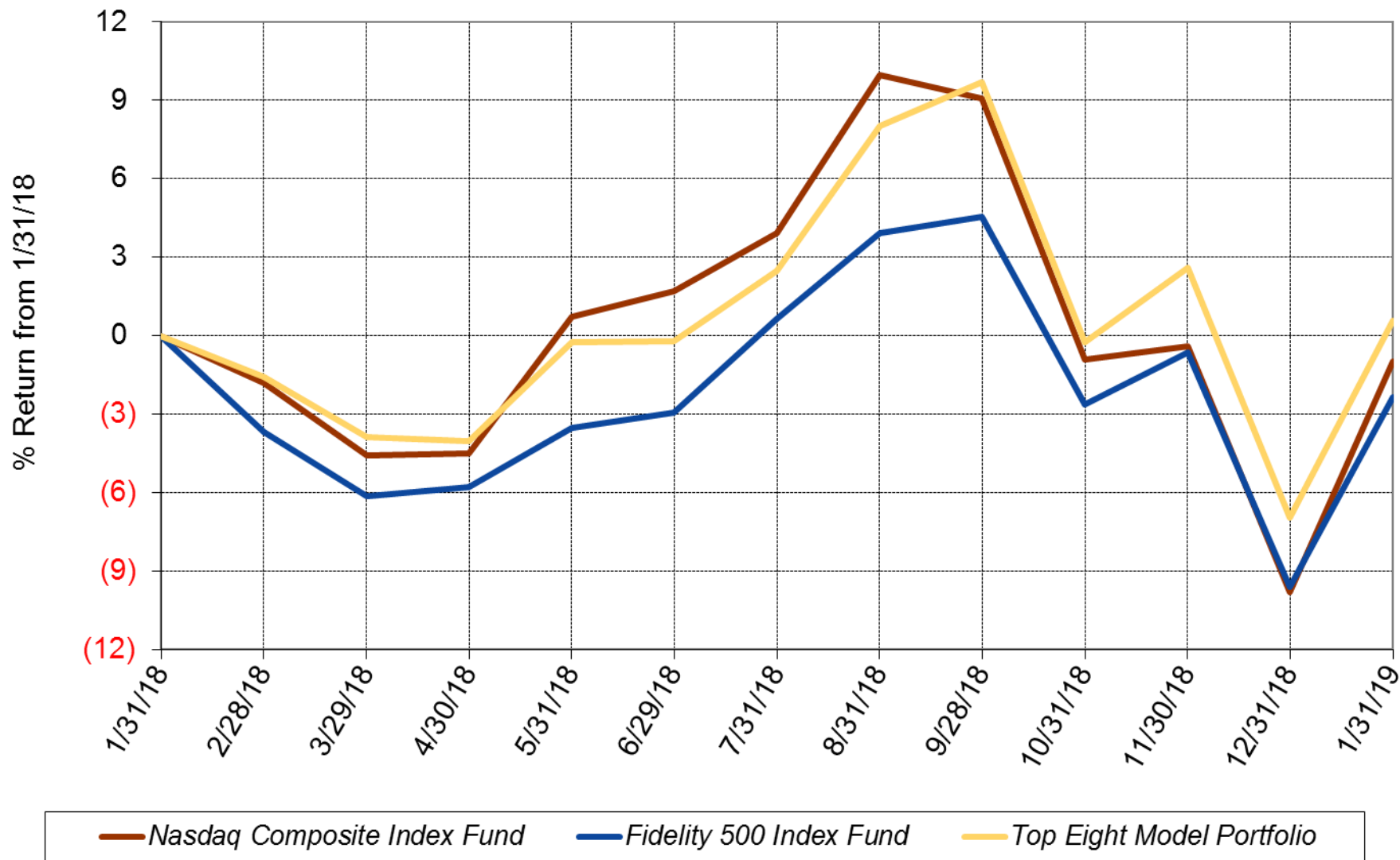
### 5-Year Chart



### 3-Year Chart



### 1-Year Chart





### Daily Chart January 2019

