

# FIDELITY SELECT FUNDRANKER™

Volume 14 Issue 3

The Right Funds at the Right Time

March 2019

## Broad Market Continues 2019 Rally in February

The broad market S&P 500 Index continued its strong 2019 rally in February, tailing off just a little in the last few trading days, but closing February just 4.1% below its September 20 all-time high.

Six *Top Eight Model Portfolio* funds gained value in February. Communications Equipment and IT Services led all Select funds with one-month gains of 8.52% and 7.94%. Utilities and Medical Technology & Devices added one-month gains of 3.49% and 3.02%. Health Care and Communication Services managed fractional one-month gains of 0.78% and 0.76%. Gold and Health Care Services pulled the *Top Eight Model Portfolio* down with one-month losses of 0.78% and 6.83%.

In February, the *Top Eight Model Portfolio* gained 2.158%, the Nasdaq Composite Index gained 3.652%, and the S&P 500 Index gained 3.210%. For YTD through February, the *Top Eight Model Portfolio* gained 10.409%, the Nasdaq Composite Index gained 13.756%, and the S&P 500 Index gained 11.481%.

## Final Performance of Funds Sold on February 6

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

Fund	Bought	Sold	Return
Pharmaceuticals (FPHAX)	11/5/2018	2/6/2019	(1.02)%
Software & IT Services (FSCSX)	1/7/2019	2/6/2019	8.19%

## Top Eight Model Portfolio Composition

In March, our *Top Eight Model Portfolio* heaviest weighting will be in Morningstar's Technology category. After our March exchanges, *Fundranker* will hold three of six Select funds in Morningstar's Technology category, one of one Select funds in their Equity Precious Metals category, one of five Select funds in their Industrials category, one of one Select funds in their Utilities category, and two of five Select funds in their Health category.

## February Strength Adds to 2019 Rally

After a gangbuster Santa Claus rally and a January surge, the S&P 500 Index rallied another 3.210% on a total return basis in February. 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 February 28, it stands 4.110% below its September 20 all-time high.

## Stocks: Don't Fight the Fed

In a [Fidelity Viewpoints article](#), Jurrien Timmer, Director of Global Macro for Fidelity Management & Research Company, points to the Fed's dovish pivot, low recession risk, and 2018's fourth quarter selloff, saying they leave the market in better shape for 2019. He thinks lows likely already have been hit for this correction, but he doesn't expect imminent new highs either.

## Fed to Meet Again on March 19 and 20

The Federal Open Market Committee will meet again on March 19 and 20, when they are widely expected to keep rates level. Check out the [CME FedWatch Tool](#), which uses CME Group 30-Day Fed Fund futures prices to gauge the probability of an upcoming rate hike. Using that tool, you can check out probabilities of rate changes at upcoming FOMC meetings through January 2020. Given the Fed's new dovish stance, it's not surprising to see high probabilities that the FOMC will keep rates level throughout 2019.

## Web Roll of Interesting Sites

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

## Fund Spotlight

[Communications Equipment](#), one of six Select funds in Morningstar's Technology category, began operations on 6/29/1990. The fund primarily invests in companies engaged in the development, manufacture, or sale of communications equipment. [Caroline Tall](#) is listed on the fund's Summary page as managing the fund since 8/1/2018. In addition, [Colin Anderson](#) is listed as lead manager on the fund's Commentary page.

As of 12/31/2018, Communications Equipment's top 10 holdings made up 66.08% of the portfolio, and its top three holdings were Cysco Systems Inc, Nokia Corp, and Ericsson. As of 12/31/2018, its top three sub-industry holdings were communications equipment at 84.11%, systems software at 4.57%, and interactive media and services at 2.42%. Domestic equities made up 81.78% of the fund's assets, international equities 17.17%, and cash and net other assets the remaining 1.05%.

*Fundranker's Top Eight Model Portfolio* has held Communications Equipment 18 times for a total of 55 months with an average monthly gain of 2.79%. *Fundranker's* biggest gain and longest holding period for Communications Equipment was 182.11% for 18 months from 12/2/1998 to 6/2/2000. Communications Equipment is ranked number 2 as of 2/28/2019, and *Fundranker* will be holding it for a third month at this point.

## 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 March 2019

Fund Name (Symbol)	Purchase	Return to 2/28
1. IT Services (FBSOX)	2/6/2019	4.52%
2. Communications Eqpt (FSDCX)	1/7/2019	14.53%
3. Gold (FSAGX)	1/7/2019	5.53%
4. Defense & Aerospace (FSDAX)	3/8/2019	
5. Utilities (FSUTX)	11/5/2018	3.13%
6. Software & IT Services (FSCSX)	3/8/2019	
7. Medical Tech & Devices (FSMEX)	6/6/2018	9.85%
8. Pharmaceuticals (FPHAX)	3/8/2019	
Funds to be sold on March 8:		
10. Communication Services (FBMPX)	2/6/2019	1.00%
16. Health Care (FSPHX)	8/6/2018	(0.15)%
32. Health Care Services (FSHCX)	7/6/2018	0.52%

## Fundranker Exchanges for March 8

Sell Health Care Services (FSHCX), buy Def & Aerospace (FSDAX)  
Sell Health Care (FSPHX), buy Software & IT Services (FSCSX)  
Sell Comm Services (FBMPX), buy Pharmaceuticals (FPHAX)

## Start a New Portfolio

March 4 ([see new portfolio FAQ](#)). Note that shares purchased on March 4 should be held at least until April 3 to avoid roundtrip transactions, regardless of *Fundranker's* April exchange date.

## Optional Rebalancing Exchange Dates

Held funds: none; New funds: March 8 ([see rebalancing FAQ](#))

## Upcoming Fundranker Exchange Dates

If no new funds are to be exchanged, *Fundranker* will exchange on April 2, our [early exchange date](#); otherwise, to avoid roundtrip transactions, *Fundranker* will exchange on April 8, our [late exchange date](#).

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<i>Fundranker</i> Ratings for 2/28/19 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)	3.79	(2.24)	(0.02)	5.43*	2.740	17
Automotive (FSAVX)	(4.66)	(1.94)	1.93	1.49	(0.795)	26
Banking (FSRBX)	(6.57)	(7.62)	1.13	5.34*	(0.930)	27
Biotechnology (FBIOX)	(0.44)	(8.93)	5.20*	5.59*	2.355	19
Brokerage & Investment Mgmt (FSLBX)	(8.04)	(4.56)	2.46	3.15	(1.748)	30
Chemicals (FSCHX)	(11.09)	(13.03)	2.50	3.98	(4.410)	34
Communication Services (FBMPX)	8.13*	1.50*	3.88	0.66	5.543	10
Communications Equipment (FSDCX)	11.08*	0.55*	9.24*	8.52*	11.348	2
Computers (FDCPX)	0.59	(10.00)	2.85	1.12	(1.360)	29
Construction & Housing (FSHOX)	4.05	(3.70)	6.07*	4.11	3.633	15
Consumer Discretionary (FSCPX)	4.83*	(5.68)	1.90	1.35	1.600	21
Consumer Finance (FSVLX)	4.83*	(1.68)	5.70*	5.12	5.493	11
Consumer Staples (FDFAX)	(0.03)	1.19*	1.31	3.70	2.543	18
Defense & Aerospace (FSDAX)	3.57	3.80*	10.54*	8.96*	9.718	4
Energy (FSENX)	(7.30)	(19.93)	(2.05)	0.89	(7.098)	37
Energy Service (FSESX)	(26.40)	(30.26)	(5.01)	3.73	(14.485)	38
Environment & Alternative Energy (FSLEX)	0.39	0.30*	5.48*	5.59*	5.940	9
Financial Services (FIDSX)	(6.90)	(6.23)	0.44	2.99	(2.425)	31
Gold (FSAGX)	1.54	17.93*	17.43*	(0.78)	11.030	3
Health Care (FSPHX)	13.32*	(4.70)	(0.54)	0.78	3.215	16
Health Care Services (FSHCX)	9.61*	(8.80)	(11.80)	(6.83)	(3.455)	32
Industrials (FCYIX)	(0.48)	(2.74)	5.44*	6.58*	4.200	14
Insurance (FSPCX)	(0.29)	(0.02)	3.03	3.56	1.570	22
IT Services (FBSOX)	16.04*	0.12*	9.98*	7.94*	12.520	1
Leisure (FDLSX)	4.48	2.88*	2.43	4.31	4.525	13
Materials (FSDPX)	(12.35)	(11.40)	3.58	4.29	(3.970)	33
Medical Technology & Devices (FSMEX)	23.80*	(0.45)	2.50	3.02	8.218	7
Natural Gas (FSNGX)	(4.82)	(18.72)	(2.01)	1.79	(5.940)	36
Natural Resources (FNARX)	(6.06)	(15.34)	1.21	1.79	(4.600)	35
Pharmaceuticals (FPHAX)	14.15*	0.00	0.57	5.61*	7.083	8
Retailing (FSRPX)	6.83*	(8.47)	1.83	0.47	1.165	24
Semiconductors (FSELX)	0.19	(4.06)	9.86*	6.45*	5.110	12
Software & IT Services (FSCSX)	10.90*	(1.78)	5.86*	6.67*	8.413	6
Technology (FSPTX)	(3.04)	(10.62)	5.04*	7.29*	1.668	20
Telecommunications (FSTCX)	3.38	(3.41)	(4.78)	0.41	(1.100)	28
Transportation (FSRFX)	6.84*	(5.36)	(2.58)	3.22	1.530	23
Utilities (FSUTX)	20.17*	4.22*	2.93	3.49	9.703	5
Wireless (FWRLX)	0.11	(3.64)	1.33	3.36	0.290	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 March 8, 2019

Buy on March 8, 2019

Hold

Fundranker Performance for February 2019

1/31	1/31	1/31	<=2/6	2/6	2/6	2/6	2/6	2/6	2/6	>2/6	2/28	2/28	Feb
Funds	Shares	Amount	Div Shrs	Shares	Amount	Funds	Shares	Amount	Div Shrs	Shares	Amount	Return	
FSAGX	2,846.101	54,702.06	none	2,846.101	53,705.93	FSMEX	1,067.197	54,939.28	none	1,067.197	56,465.39		
FSUTX	644.151	53,103.81	none	644.151	53,039.39	FSHCX	574.258	54,939.28	none	574.258	51,269.75		
FPHAX	2,631.988	52,508.16	none	2,631.988	53,139.84	FSPHX	2,262.738	54,939.28	none	2,262.738	55,391.83		
FSMEX	1,108.623	56,938.88	none	1,108.623	57,071.91	FBMPX	741.121	54,939.28	none	741.121	55,487.73		
FSHCX	589.512	56,487.04	none	589.512	56,398.61	FSAGX	2,911.462	54,939.28	none	2,911.462	55,521.58		
FSDCX	1,459.394	54,274.86	none	1,459.394	54,595.93	FBSOX	883.979	54,939.28	none	883.979	57,423.28		
FSPHX	2,303.137	55,943.20	none	2,303.137	55,920.17	FSUTX	667.225	54,939.28	none	667.225	56,927.64		
FSCSX	3,098.135	54,341.29	none	3,098.135	55,642.50	FSDCX	1,468.572	54,939.28	none	1,468.572	59,271.57		
<b>Top Eight</b>		<b>438,299.30</b>			<b>439,514.28</b>			<b>439,514.30</b>			<b>447,758.77</b>	<b>2.158</b>	
FNCMX	1,718.730	162,351.24	none						none	1,718.730	168,280.85	3.652	
FXAIX	1,385.026	130,303.25	none						none	1,385.026	134,486.02	3.210	

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	10.409
Nasdaq Composite Index Fund	6.818	8.787	29.245	(3.178)	13.756
Fidelity 500 Index Fund - Investor Class	1.366	11.870	21.722	(4.434)	11.481

Lifetime Summary	1/2/97 to 2/28/19	1/2/97 to 2/28/19
	Total Return %	Average Annual Return %
<i>Top Eight Model Portfolio</i>	1,765.662	14.112
Nasdaq Composite Index Fund	N/A	N/A
Fidelity 500 Index Fund - Investor Class	460.358	8.085

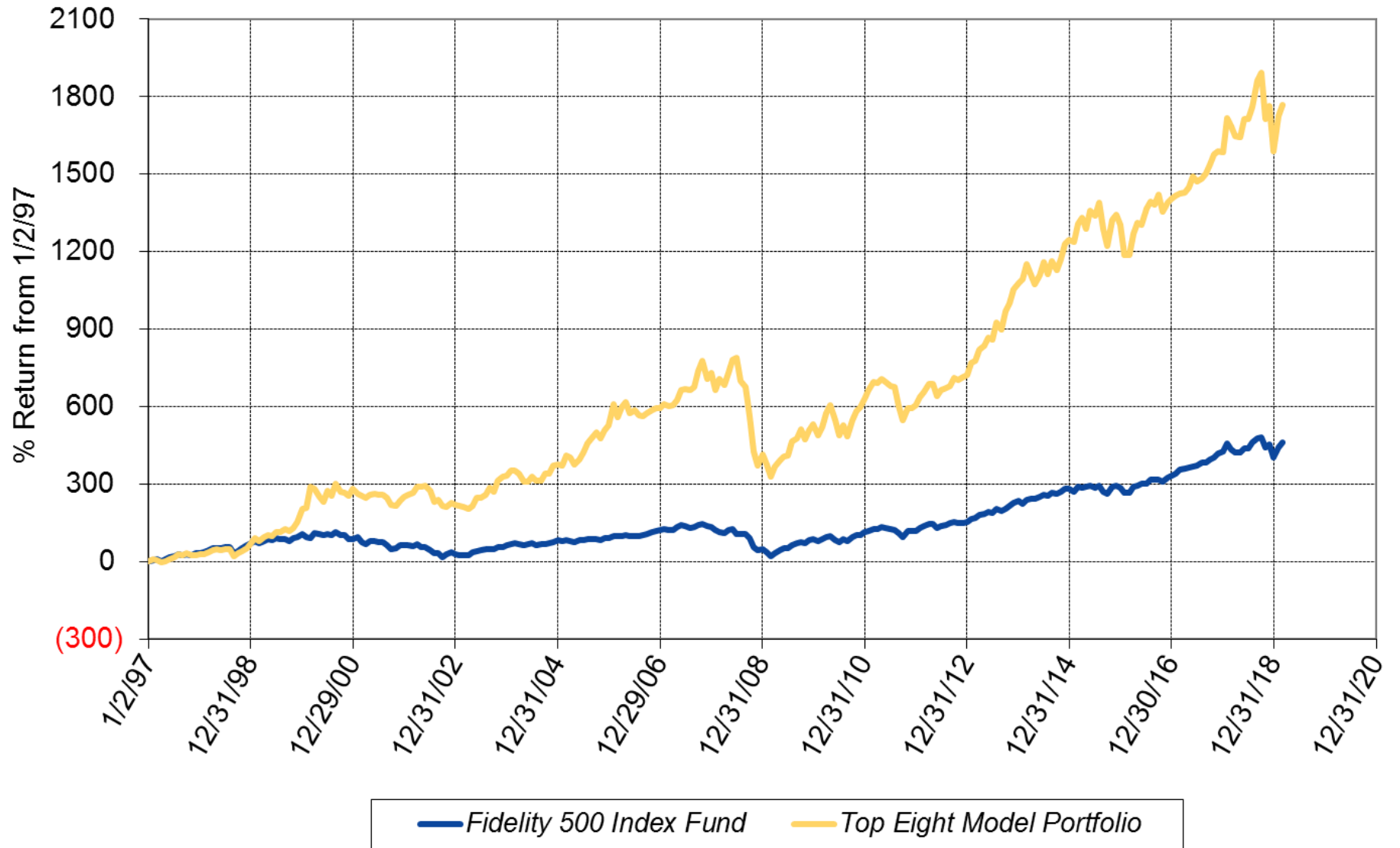
10-Year Summary	2/27/09 to 2/28/19	2/27/09 to 2/28/19
	Total Return %	Average Annual Return %
<i>Top Eight Model Portfolio</i>	334.834	15.833
Nasdaq Composite Index Fund	500.641	19.636
Fidelity 500 Index Fund - Investor Class	363.974	16.587

5-Year Summary	2/28/14 to 2/28/19	2/28/14 to 2/28/19
	Total Return %	Average Annual Return %
<i>Top Eight Model Portfolio</i>	49.136	8.322
Nasdaq Composite Index Fund	83.525	12.912
Fidelity 500 Index Fund - Investor Class	65.474	10.598

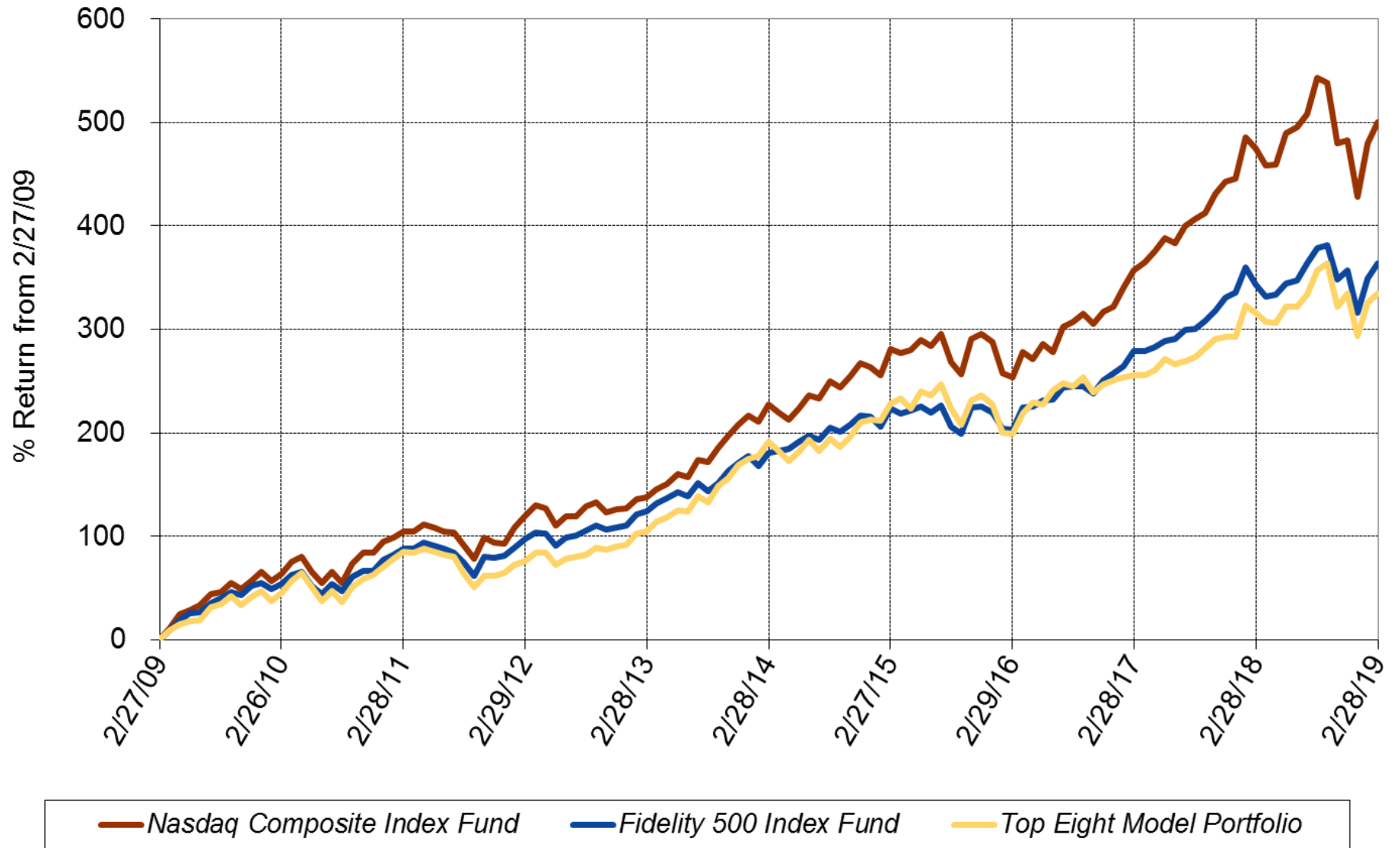
3-Year Summary	2/29/16 to 2/28/19	2/29/16 to 2/28/19
	Total Return %	Average Annual Return %
<i>Top Eight Model Portfolio</i>	45.131	13.219
Nasdaq Composite Index Fund	69.731	19.285
Fidelity 500 Index Fund - Investor Class	52.888	15.201

1-Year Summary	2/28/18 to 2/28/19
	Total Return %
<i>Top Eight Model Portfolio</i>	4.391
Nasdaq Composite Index Fund	4.503
Fidelity 500 Index Fund	4.645

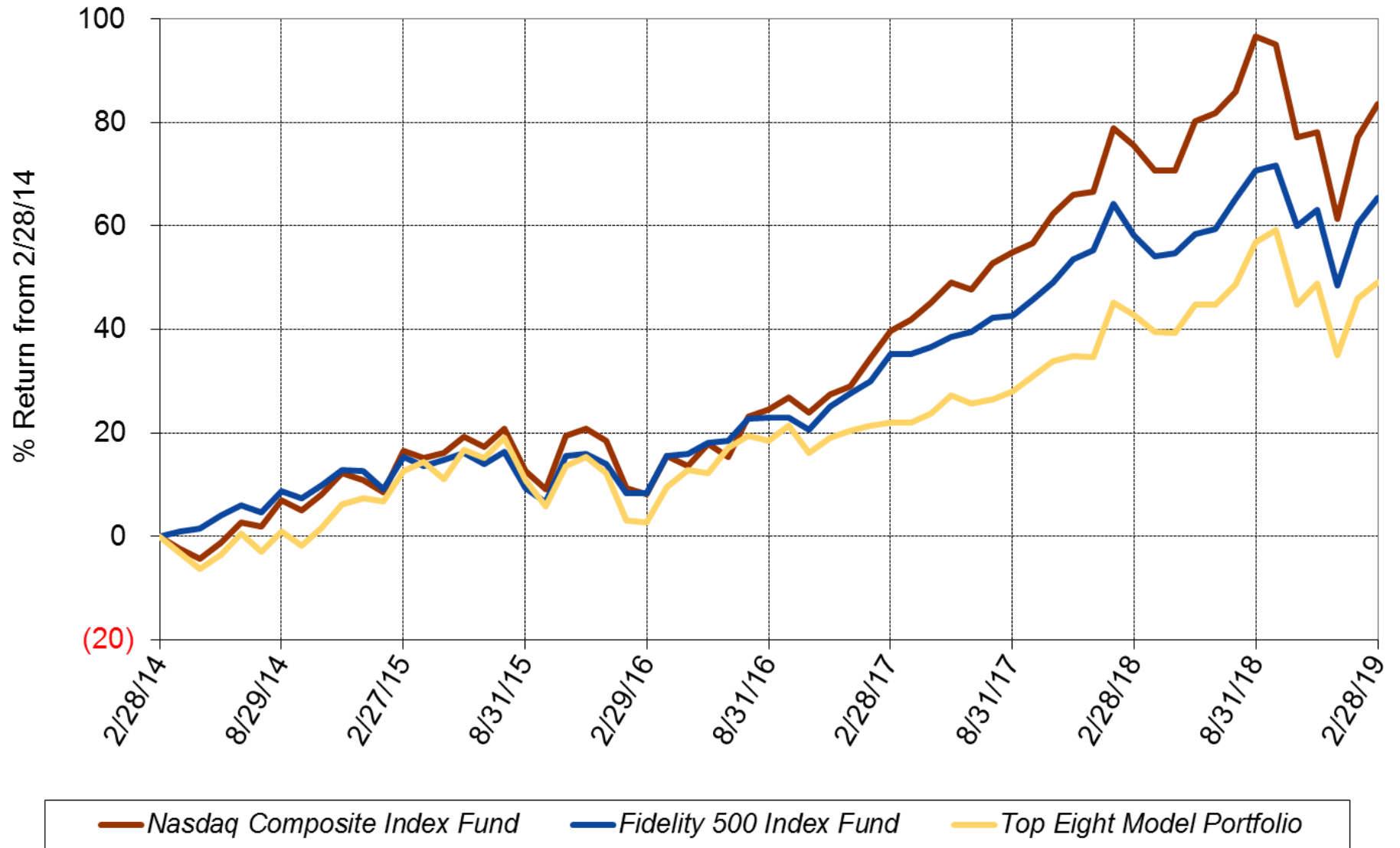
### Lifetime Chart



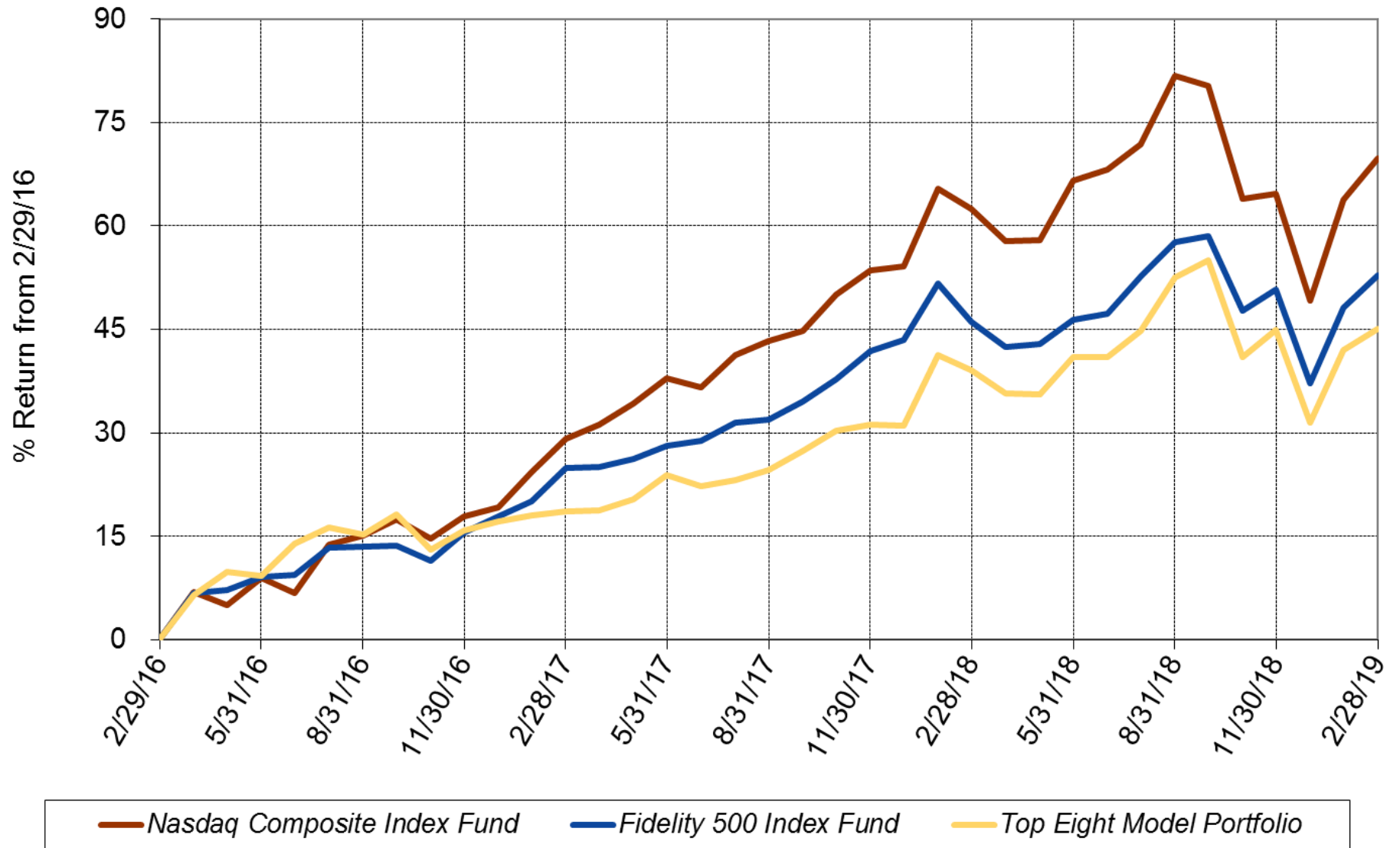
### 10-Year Chart



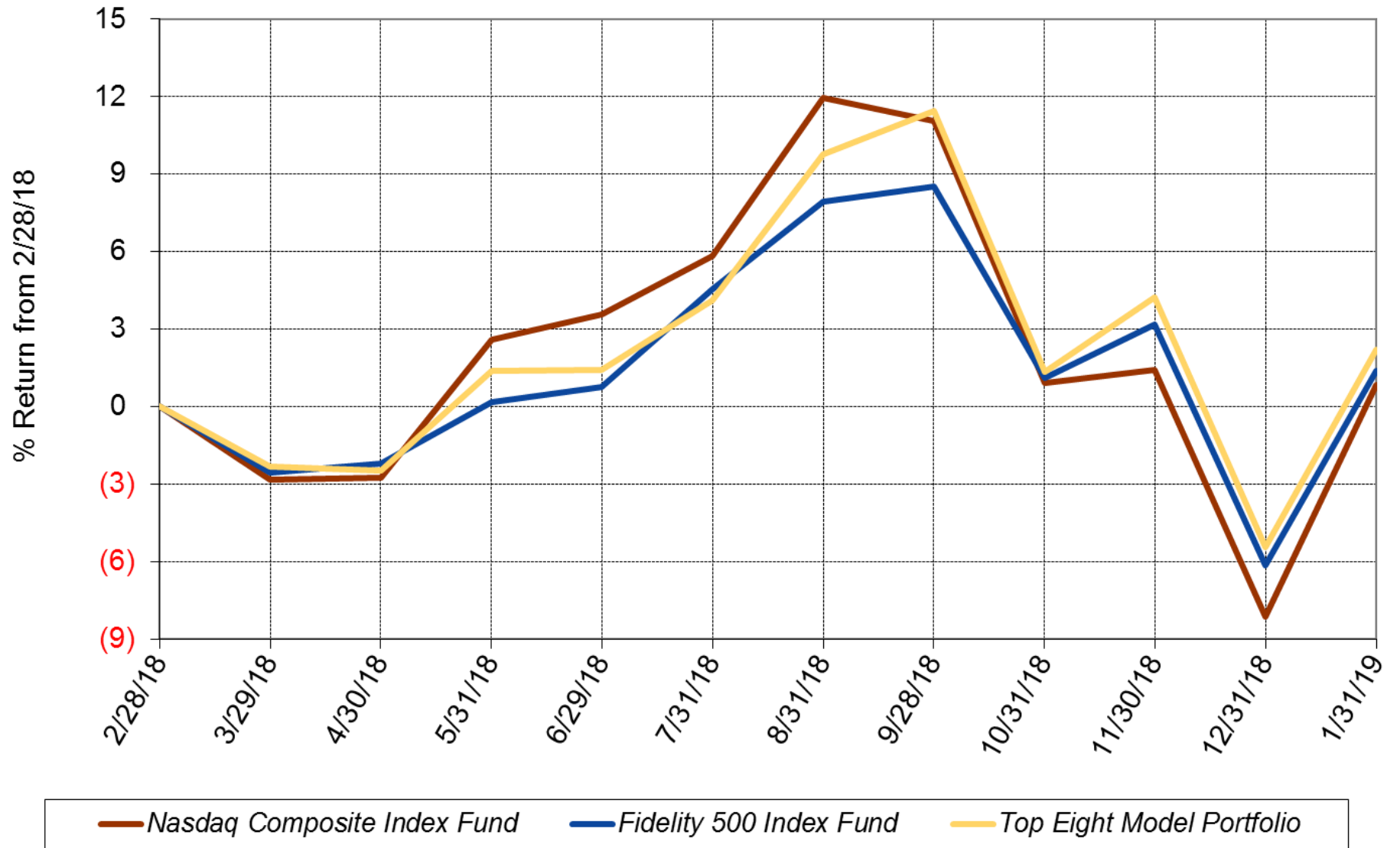
### 5-Year Chart



### 3-Year Chart



### 1-Year Chart





### Daily Chart February 2019

