PORTFOLIO MANAGER Q&A | AS OF JANUARY 31, 2024

Fidelity® Small Cap Growth Fund

Key Takeaways

- For the semiannual reporting period ending January 31, 2024, the fund's Retail Class shares gained 3.37%, handily outpacing the -3.37% return of the benchmark Russell 2000® Growth Index.
- Small-cap growth stocks declined the past six months, as concerns about interest rates, an uncertain global economic outlook and stalling disinflationary trends weighed on higher-risk assets, particularly in the first half of the period, according to Co-Managers Patrick Venanzi and Slava Kruzement-Prykhodko.
- The co-managers continued to invest in attractively valued, higher-quality companies with a strong competitive position in growing markets, resulting in strong performance versus the benchmark.
- In particular, stock choices in health care, industrials, information technology and consumer discretionary – the four largest sector weights in both the fund and benchmark – significantly contributed to the fund's relative performance.
- An out-of-benchmark position in Vertiv Holdings (+121%), a designer of power, thermal and rack management solutions for data centers, and an overweight in Rover Group (+99%), a marketplace for dog-walking and pet-sitting services, were top individual contributors.
- In contrast, non-benchmark stakes in agilon health (-69%), a provider of a value-based health care platform to primary care physicians, and chipmaker Allegro MicroSystems (-48%) detracted from relative performance most.
- As of January 31, Pat and Slava are generally optimistic amid signs of stabilizing earnings estimates for many small-cap companies. They are finding what they feel are particularly robust growth prospects among select retailers, software companies and building materials producers – all areas they added to the past six months.
- On September 29, 2023, Slava Kruzement-Prykhodko assumed co-management responsibilities for the fund, joining Patrick Venanzi.

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MARKET RECAP

U.S. equities gained 6.43% for the six months ending January 31, 2024, according to the S&P 500® index, as a slowing in the pace of inflation and resilient late-cycle expansion of the U.S. economy provided a favorable backdrop for higher-risk assets for much of the period. The upturn was driven by a narrow set of firms in the information technology and communication services sectors, largely due to excitement for generative artificial intelligence. Monetary tightening by the U.S. Federal Reserve continued until late July, when the Fed said it was too soon to tell if its latest hike would conclude a series of increases aimed at bringing down inflation. Since March 2022, the Fed has raised its benchmark interest rate 11 times before pausing and deciding to hold rates at a 22-year high while it observes inflation and the economy. After the Fed's November 1 meeting, when the central bank hinted it might be done raising rates, the S&P 500® reversed a three-month decline and gained 14.09% through year-end. The index added 1.68% in January, finishing the period just shy of a record close set on January 29. By sector for the full six months, tech and communication services (+12% each) led, followed by financials (+11%). The defensive health care sector rose about 6% and industrials gained roughly 3%. Real estate stocks were up 2%, just ahead of consumer discretionary (+1%). In contrast, utilities (-7%) and energy (-3%) lagged most, with the latter hampered by lower oil prices.

Patrick Venanzi
Co-Manager

Slava Kruzement-Prykhodko
Co-Manager

Fund Facts

Trading Symbol:	FCPGX
Start Date:	November 03, 2004
Size (in millions):	$5,731.92

Investment Approach

- Fidelity® Small Cap Growth Fund seeks small-cap companies with above-average growth prospects and that are trading at reasonable valuations.
- We believe that changes in expectations about future earnings drive stocks, and companies with secure competitive positions in growing markets tend to experience positive earnings revisions over time.
- Within the inherently volatile small-cap growth universe, we believe the companies that one chooses to avoid are just as important as those one owns. As a result, we employ a valuation discipline and focus on higher-quality businesses, especially those that are sound allocators of shareholder capital.
- Lastly, we employ a disciplined portfolio construction framework, so as to focus the fund's risk/return profile on stock selection, our core competency.

Q&A

An interview with Co-Portfolio Managers Patrick Venanzi and Slava Kruzement-Prykhodko

Q: Pat, how did the fund perform for the six months ending January 31, 2024?

P.V. The fund's Retail Class shares gained 3.37%, handily outpacing the -3.37% return of the benchmark, the Russell 2000® Growth Index, as well as the peer group average.

Looking slightly longer term, the fund gained 8.93% for the past 12 months, once again surpassing the benchmark and peer group by a notable margin.

Stock selection drove the fund's outperformance of the benchmark amid a volatile market backdrop the past six months. We had particular success with our picks in health care, industrials, information technology and consumer discretionary – the four largest sector weights in both the fund and benchmark.

In contrast, not much detracted by sector, although our choices in communication services nicked relative performance for the six months.

Q: Would you describe the backdrop for small-cap growth stocks the past six months?

P.V. Performance was choppy for the category. The fund's benchmark declined in the first half of the six-month reporting period amid concerns that the U.S. Federal Reserve would keep interest rates higher for longer than expected, as disinflationary trends stalled. An uncertain global economic outlook and rising oil prices also crimped demand for higher-risk assets.

But the benchmark rebounded in the second half of the period, when inflation prints came in milder than expected and the Fed signaled that it may begin to cut interest rates in 2024. In addition, many retailers experienced better-than-expected holiday sales. These factors gave investors more confidence the economy might experience a "soft landing" (i.e., mildly slowing growth) rather than a recession, spurring higher valuations for the broad equity market, including small-cap growth stocks.

Overall, though, the benchmark declined for the full six months, with almost all sectors ending lower. Materials and utilities (-14% each) had the weakest showings. Consumer staples (+5%) was the only sector to gain.

Q: How did you construct the portfolio?

P.V. In general, we favor companies with a strong competitive position in growing markets and a stock that is attractively valued based on our estimate of three-to-five-year earnings-per-share potential. This typically leads us to two categories of stocks: well-established, steady growers with a future that is likely to resemble their past, and well-vetted newcomers that we believe will develop a strong record over time.

A key to our portfolio construction process is balancing these two company types. Steady growers screen better on valuation and historical quality metrics, and thus can potentially lend the fund downside capture in bear markets, such as we experienced in much of 2022 and 2023.

In contrast, emerging growers usually look more expensive on current earnings as they grow off a small base. But good stock picking among these names has often helped the fund keep pace in rising markets.

Q: Slava, which individual stocks contributed to performance versus the benchmark?

S.K. An out-of-benchmark position in Vertiv Holdings (+121%) helped most the past six months. Vertiv is a designer of power, thermal and rack management solutions for data centers. The stock benefited from a surge in demand as data centers retrofitted and built out for AI applications. We meaningfully reduced the fund's position in Vertiv as the valuation rose.

Timely ownership of Rover Group (+99%), a marketplace for dog-walking and pet-sitting services, also notably helped. The stock popped in November after private-equity firm Blackstone agreed to acquire the company. At the end of the reporting period, Rover was no longer held in the fund.

Positions in biotech firms Cytokinetics (+136%) and Edgewise Therapeutics (+145%) – the latter a non-benchmark holding – were additive. Both stocks surged higher in January. Cytokinetics released promising data for its drug for hypertrophic cardiomyopathy, while investors were excited about the potential of Edgewise's drug for muscular dystrophy. We maintained both positions; Cytokinetics was the fund's fourth-largest holding at period end.

Lastly, an overweight in BellRing Brands (+53%) – the maker of Premier Protein shakes, powders and nutrition bars – was a plus. The company's sales have grown faster than the market expected, and BellRing has expanded production to satisfy strong demand. We reduced the holding to keep the position right-sized but maintained an overweight.

Q: What notably detracted?

S.K. In the health care sector, agilon health (-69%) and ICU Medical (-44%) each weighed on relative performance. Agilon, a provider of a value-based health care platform to primary care physicians, was hurt by increases in outpatient surgery, specialist visits and drug prices, which resulted in higher incurred costs.

Meanwhile, ICU, a maker of IV therapy products, struggled to integrate recent acquisitions and accurately forecast demand. We sold the fund's holding during the period.

I'll also mention stakes in semiconductor stocks Allegro MicroSystems (-48%) and Lattice Semiconductor (-33%) as notable relative detractors. Both companies make chips used in automotive and/or industrial applications. Their stocks declined this period because these markets slowed and customers reduced orders due to surplus inventory. We reduced the fund's stake in both stocks.

None of the four detractors noted above was a part of the benchmark the past six months.

Q: Pat, what is your outlook as of January 31, and how is the fund positioned?

P.V. It appears the market has entered 2024 on an optimistic note. Aside from the generally constructive direction of the economy and interest rates, there are signs of stabilizing earnings estimates for many small-cap companies. While valuations for small-cap growth stocks have moved up a bit from 12 months ago, the price-to-earnings ratio for the median, profitable small-cap company is still below the 30-year historical average, which we believe could give the category some room to grow.

Overall, the market has continued to reward companies with a strong competitive position in growing markets – which is the type of stock we favor for the fund.

As for the portfolio's positioning, we are finding attractive opportunities in almost all sectors. In particular, we're enthused about what we believe are robust growth prospects and good valuations among select retailers, software companies and building materials producers – all areas we added to the past six months. This is reflected in the fund's overweights in consumer discretionary and information technology at the end of January. ■

Co-Manager Patrick Venanzi on maintaining "sell discipline":

"When describing our investment philosophy, Slava and I tend to focus on the sort of companies and stocks we like to buy. As important, but less discussed, are the conditions under which we sell a stock. In general, there are three main reasons why we exit a holding.

"Perhaps the most intuitively appealing reason for us to sell a stock is because we were 'right.' That is, our team's thesis for buying the company played out and the stock appreciated to the point that we viewed it as fairly valued. Seems pretty straightforward, right? In theory, it is, but in practice it can be a costly mistake. Many of my biggest errors have been selling great companies too early. Investors – me included – often underestimate how successful new products will be, how much margins will expand, and, sometimes, how much the market is willing to pay for businesses with a long growth runway and a high return on capital.

"As a result, we frequently reassess our estimate of fair value, and oftentimes only sell roughly half of a position when we feel it reaches our initial estimate of fair value.

"The least appealing reason for selling is because our investment thesis was wrong. Sometimes we misjudge the size of a new market, are surprised by emerging competitors or fail to anticipate costs that depress a company's profit potential. In fact, many of the best investors are right only a little more than half of the time. Mistakes are inevitable, and when we do make them, we try to recognize them quickly and move on by allocating capital to higher-conviction ideas.

"My favorite reason for selling a portion or all of a position is because we were 'right' *and* we find a better idea, with higher risk-adjusted return potential, often in the same sector. Fund managers at Fidelity are fortunate in that we are exposed to an endless stream of well-researched investment ideas from our team of domestic and international analysts and fund manager colleagues. It's a significant competitive advantage, in our view."

ASSET ALLOCATION

Asset Class	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Six Months Ago
Domestic Equities	93.33%	98.48%	-5.15%	-2.14%
International Equities	6.63%	1.52%	5.11%	2.06%
Developed Markets	6.44%	0.99%	5.45%	2.30%
Emerging Markets	0.19%	0.46%	-0.27%	-0.23%
Tax-Advantaged Domiciles	0.00%	0.07%	-0.07%	-0.01%
Bonds	0.00%	0.00%	0.00%	-0.01%
Cash & Net Other Assets	0.04%	0.00%	0.04%	0.09%

Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the portfolio composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.

"Tax-Advantaged Domiciles" represent countries whose tax policies may be favorable for company incorporation.

MARKET-SEGMENT DIVERSIFICATION

Market Segment	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Six Months Ago
Health Care	25.32%	22.35%	2.97%	0.98%
Information Technology	23.39%	22.26%	1.13%	2.77%
Industrials	20.91%	20.13%	0.78%	-2.29%
Consumer Discretionary	12.38%	10.73%	1.65%	0.36%
Consumer Staples	4.33%	4.61%	-0.28%	-0.74%
Energy	4.22%	4.30%	-0.08%	0.70%
Financials	4.17%	6.37%	-2.20%	-0.06%
Materials	3.18%	4.04%	-0.86%	-1.74%
Communication Services	1.33%	2.15%	-0.82%	-0.36%
Real Estate	0.73%	1.64%	-0.91%	0.13%
Utilities	0.00%	1.42%	-1.42%	0.15%
Other	0.00%	0.00%	0.00%	0.00%

10 LARGEST HOLDINGS

Holding	Market Segment	Portfolio Weight	Portfolio Weight Six Months Ago
Super Micro Computer, Inc.	Information Technology	1.98%	0.91%
Applied Industrial Technologies, Inc.	Industrials	1.39%	1.02%
Eagle Materials, Inc.	Materials	1.19%	0.63%
Cytokinetics, Inc.	Health Care	1.16%	0.47%
FTAI Aviation Ltd.	Industrials	1.14%	0.16%
Fabrinet	Information Technology	1.05%	0.73%
TransMedics Group, Inc.	Health Care	1.00%	0.95%
Dynatrace, Inc.	Information Technology	0.99%	0.96%
Wix.com Ltd.	Information Technology	0.98%	0.11%
Insight Enterprises, Inc.	Information Technology	0.96%	0.80%
10 Largest Holdings as a % of Net Assets		**11.85%**	**10.33%**
Total Number of Holdings		**269**	**287**

The 10 largest holdings are as of the end of the reporting period, and may not be representative of the fund's current or future investments. Holdings do not include money market investments.

FISCAL PERFORMANCE SUMMARY: Periods ending January 31, 2024

	Cumulative		Annualized			
	6 Month	YTD	1 Year	3 Year	5 Year	10 Year/ LOF[1]
Fidelity Small Cap Growth Fund Gross Expense Ratio: 1.05%[2]	3.37%	0.11%	8.93%	-1.10%	10.23%	10.69%
Russell 2000 Growth Index	-3.37%	-3.21%	4.46%	-6.03%	6.17%	7.00%
Morningstar Fund Small Growth	-1.80%	-2.18%	4.04%	-4.02%	8.16%	8.06%
% Rank in Morningstar Category (1% = Best)	--	--	17%	34%	24%	6%
# of Funds in Morningstar Category	--	--	595	561	527	406

[1] Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 11/03/2004.
[2] This expense ratio is from the prospectus in effect as of the date shown above and generally is based on amounts incurred during that fiscal year, or estimated amounts for the current fiscal year in the case of a newly launched fund. It does not include any fee waivers or reimbursements, which would be reflected in the fund's net expense ratio.

Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance stated. Performance shown is that of the fund's Retail Class shares (if multiclass). You may own another share class of the fund with a different expense structure and, thus, have different returns. To learn more or to obtain the most recent month-end or other share-class performance, visit fidelity.com/performance, institutional.fidelity.com, or 401k.com. Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. **Please see the last page(s) of this Q&A document for most-recent calendar-quarter performance.**

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FUND RISKS

Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. The securities of smaller, less well-known companies can be more volatile than those of larger companies. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks. 'Growth' stocks can perform differently from the market as a whole and other types of stocks and can be more volatile than other types of stocks.

IMPORTANT FUND INFORMATION

Relative positioning data presented in this commentary is based on the fund's primary benchmark (index) unless a secondary benchmark is provided to assess performance.

INDICES

It is not possible to invest directly in an index. All indices represented are unmanaged. All indices include reinvestment of dividends and interest income unless otherwise noted.

Russell 2000 Growth Index is a market capitalization-weighted index designed to measure the performance of the small-cap growth segment of the U.S. equity market. It includes those Russell 2000 Index companies with higher price-to-book ratios and higher forecasted growth rates.

S&P 500 is a market-capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance.

MARKET-SEGMENT WEIGHTS

Market-segment weights illustrate examples of sectors or industries in which the fund may invest, and may not be representative of the fund's current or future investments. They should not be construed or used as a recommendation for any sector or industry.

RANKING INFORMATION

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% Rank in Morningstar Category is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1%. % Rank in Morningstar Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures.

RELATIVE WEIGHTS

Relative weights represents the % of fund assets in a particular market segment, asset class or credit quality relative to the benchmark. A positive number represents an overweight, and a negative number is an underweight. The fund's benchmark is listed immediately under the fund name in the Performance Summary.

Manager Facts

Patrick Venanzi is a portfolio manager in the Equity division at Fidelity Investments. Fidelity Investments is a leading provider of investment management, retirement planning, portfolio guidance, brokerage, benefits outsourcing, and other financial products and services to institutions, financial intermediaries, and individuals.

In this role, he manages Fidelity and Fidelity Advisor Small Cap Growth Funds, and co-manages Fidelity Series Small Cap Opportunities Fund, Fidelity Flex Small Cap Fund, as well as Fidelity and Fidelity Advisor Stock Selector Small Cap Funds.

Prior to assuming his current responsibilities, Mr. Venanzi held various positions in Fidelity's Equity research department, including that of research analyst from 2003 to 2009, research associate from 2001 to 2003, and intern on the Small Cap team from 2000 to 2001. He has been in the financial industry since joining Fidelity as an intern in 2000.

Mr. Venanzi earned his bachelor of science degree in finance and economics from Boston College.

Slava Kruzement-Prykhodko is a research analyst and portfolio manager in the Equity division at Fidelity Investments. Fidelity Investments is a leading provider of investment management, retirement planning, portfolio guidance, brokerage, benefits outsourcing, and other financial products and services to institutions, financial intermediaries, and individuals.

In this role, Mr. Kruzement-Prykhodko is responsible for the coverage of small- and mid-cap growth stocks. He also co-manages the Fidelity and Fidelity Advisor Small Cap Growth Fund.

Prior to assuming his current responsibilities, Mr. Kruzement-Prykhodko was a research analyst covering private placements. Prior to that, he was a research associate covering semiconductor stocks. He has been in the financial industry since joining Fidelity in 2012.

Mr. Kruzement-Prykhodko earned his bachelor of science degree, magna cum laude, in finance from Boston University. He is also a CFA® charterholder.

PERFORMANCE SUMMARY:
Quarter ending March 31, 2024

	Annualized			
	1 Year	3 Year	5 Year	10 Year/ LOF[1]
Fidelity Small Cap Growth Fund Gross Expense Ratio: 0.94%[2]	26.31%	2.16%	11.64%	11.97%
% Rank in Morningstar Category (1% = Best)	11%	21%	19%	5%
# of Funds in Morningstar Category	585	552	520	400

[1] Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 11/03/2004.

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Before investing in any mutual fund, please carefully consider the investment objectives, risks, charges, and expenses. For this and other information, call or write Fidelity for a free prospectus or, if available, a summary prospectus. Read it carefully before you invest.

Past performance is no guarantee of future results.

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