Fidelity® Stock Selector Mid Cap Fund

Key Takeaways

- For the semiannual reporting period ending May 31, 2024, the fund's Retail Class shares gained 16.84%, versus 17.27% for the benchmark S&P MidCap 400® Index.
- Aided by a powerful rally the past six months, the fund's benchmark reached new all-time highs and posted a gain in four months.
- Subdued inflation enabled the U.S. Federal Reserve to keep further increases in its policy interest rate on hold and even contemplate rate cuts, a stance that won market participants' approval. An expanding global economy, coupled with a frenzy about generative artificial intelligence, also fueled investors' bullish stance on stocks.
- Investment choices in industrials contributed most to the fund's performance versus the benchmark , followed by security selection in materials, financials and utilities.
- In contrast, stock selection in the information technology sector detracted most, especially positioning in the technology hardware & equipment industry. Picks in health care also weighed on the portfolio' s relative result.
- As of May 31, it seems likely that the Fed will follow the path of central banks in Switzerland, Sweden and Brazil, which have already begun lowering interest rates. However, the timing of the U.S. central bank's moves remains uncertain, in view of lingering concern about domestic inflationary pressures.
- On December 31, 2023, Nicola Stafford came off of the fund, leaving management of the consumer discretionary and communication services sleeves to Ingrid Chung and the consumer staples sleeve to Laurie Mundt.

MARKET RECAP

U.S. equities gained 16.35% for the six months ending May 31, 2024, according to the S&P 500® index, driven by resilient corporate profits, a frenzy over generative artificial intelligence and the Federal Reserve's likely pivot to cutting interest rates later this year. Amid this favorable backdrop for higher-risk assets, the S&P 500® continued its late-2023 momentum and ended May just shy of a record close, powered by signs of continued U.S. economic strength. Growth stocks led the rally, mostly driven by a narrow set of firms in the communication services (+27%) and information technology (+22%) sectors, largely due to excitement for AI. In particular, semiconductor-related stocks (+73%) were a standout. On December 13, the central bank signaled three rate cuts in 2024, and the S&P 500® went on to gain 4.54% for the final month of 2023 and 10.56% in the new year's first quarter. Risk assets were further aided on March 20, when the central bank held steady its benchmark federal funds rate and affirmed its projection to cut rates in 2024. The index then slipped in April (-4.08%), as inflation remained stickier than expected, but rebounded in May (+4.96%). For the full six months, the utilities (+18%) and financials (+17%) sectors also topped the benchmark. In contrast, real estate (+4%) and consumer discretionary (+7%) stocks lagged, along with the defensive-oriented health care (+10%) and consumer staples (+12%) sectors.

Christopher Lee
Co-Manager

Ingrid Chung
Co-Manager

Fund Facts

Trading Symbol:	FSSMX
Start Date:	February 20, 1996
Size (in millions):	$2,232.75

Investment Approach

- Fidelity® Stock Selector Mid Cap Fund is a diversified domestic equity strategy focused on the mid-cap segment of the market.
- The fund employs a team of portfolio managers, with each member dedicated to one or more of the major market sectors, plus a group leader who is responsible for general team oversight, cash management and risk monitoring.
- Portfolio sector weightings are kept similar to those of the index in an effort to add value through active stock selection – our core competency – and also to minimize the risks associated with sector or market timing.
- Focused sector expertise, supported by our deep research infrastructure, is combined with disciplined portfolio construction to provide investment-process consistency in seeking to deliver attractive risk-adjusted returns over time.
- Our sector-based structure preserves individual creativity and accountability, core to Fidelity's investment culture.

Q&A

An interview with Co-Manager Christopher Lee, with additional comments by Co-Manager Ingrid Chung, who oversees the fund's consumer discretionary and communication services sleeves

Q: Chris, how did the fund perform for the six months ending May 31, 2024?

The fund's Retail Class shares gained 16.84%, versus 17.27% for the benchmark S&P MidCap 400® Index and 15.04% for the peer group average.

Looking a bit longer term, the fund was up 24.21% for the trailing 12 months, lagging the benchmark but edging the peer group average.

Q: What did you find noteworthy about the investment backdrop the past six months?

Aided by a powerful rally this period, the fund's benchmark reached new all-time highs and posted a gain in four of six months. Subdued inflation enabled the U.S. Federal Reserve to keep further increases in its policy interest rate on hold and even contemplate rate cuts, a stance that won market participants' approval.

An expanding global economy, coupled with a frenzy about generative artificial intelligence, also fueled investors' bullish stance on stocks. With that said, progress on taming inflation stalled in the first five months of 2024, leading investors to rein in their expectations about the timing and pace of Fed rate cuts.

Despite this tempered optimism about rates, the stock market remained resilient. In fact, all but two sectors – real estate (+4%) and communication services (+6%) – recorded double-digit gains, led by information technology (+31%) and utilities (+29%), two groups that historically have not moved in unison. Lately, though, the latter has outperformed, as market participants have priced in higher demand for power due to an expected increase in the use of computing-intensive AI applications.

Mid-cap stocks lagged their small- and large-cap counterparts, especially growth-oriented firms. The latter continued to be propelled by a handful of mega-cap favorites in the tech and communication services sectors.

Q: Please remind us how the fund is managed.

Sure. The portfolio utilizes nine sector-focused co-managers and one co-manager – me – who monitors the fund as a whole. Each sector specialist is charged with adding value through security selection, building his or her subportfolio stock by stock. Our philosophy is that stock picking has a higher probability of success and repeatability than trying to time the market or rotating among sectors. As a result, we take an essentially sector-neutral approach to investing, but overweight and underweight at both the industry and individual stock levels. I'm head of the group, responsible for overall risk management, sector rebalancing and maintaining a disciplined portfolio-construction process.

Q: What contributed most to performance versus the benchmark?

Investment choices in industrials helped most, followed by security selection in materials, financials and utilities.

An out-of-benchmark stake in Baldwin Insurance Group (+93%) was the top individual relative contributor the past six months. Pierre notes that the stock became oversold in late 2023, as the company was affected by higher rates, which led to increased net interest costs and negative earnings revisions. There were also some delays in profit margin improvement due to operational issues, the timing of investments and other factors. However, shares of the firm recovered nicely during the reporting period, as investors recognized the stock's significant discount versus its peers. In addition, the company's earnings outlook stabilized while maintaining a higher-than-average growth profile. As a result, Pierre added to the position this period.

Lastly, outsized exposure to Vistra also was timely, as the Texas-based independent power producer gained about 184%. Douglas Simmons, who manages the fund's utilities investments, says this is one example of a stock that benefited from the expected growth in power demand stemming from the increased use of generative AI. The stock also was aided by weather volatility in Texas, where Vistra is headquartered. The business has power generation facilities utilizing a wide range of energy sources, with a fossil-fuel footprint that's useful for backstopping alternative sources such as solar and wind when the latter falter due to uncooperative weather. Consequently, Doug meaningfully increased the fund's share count this period.

Q: What notably detracted?

Stock selection in the information technology sector hurt most versus the benchmark, especially positioning in the technology hardware & equipment industry. Picks in health care also detracted.

Avoiding benchmark component Super Micro Computer detracted more than any other stock by far, given its gain of roughly 291% this period. In late January, the maker of high-end servers and networking solutions for data centers and cloud applications – doing business as Supermicro – reported soaring revenue and earnings growth for its fiscal second quarter that handily surpassed consensus expectations. According to Ali Khan, who oversees the fund's information technology sleeve, the company's valuation seemed stretched, and he passed on the stock in favor of other growth opportunities with more attractive valuations.

A non-benchmark position in The Bancorp (-14%) hurt as well. This was the portfolio's largest bank position and top overweight as of May 31, notes financials co-manager Pierre Sorel. The firm is a payment services provider and specialized lender, supporting the payments and banking needs of nonbank businesses, from entrepreneurial startups to Fortune 500 companies.

Pierre explains that The Bancorp's deposits are highly diversified and sticky, thus involving less pressure to boost deposit rates. The company also has good interest-rate positioning on the asset side, with short-duration loans that reprice relatively quickly. With that said, the stock sold off in March following the publication of a report expressing concern over the firm's commercial real estate lending, a segment of the business that's been challenged by the hybrid work environment coming out of the pandemic.

According to Pierre, Fidelity's financials team reviewed the report and had detailed discussions with the lender. They came away from these talks convinced that the report was both misleading and inaccurate. Management appears to be backing this assessment, as it stepped up its share buybacks after the stock's decline. Pierre added to this position, making it the fund's second-largest holding at period end.

Q: What's the team's outlook as of the end of May, Chris?

It seems likely that the Fed will follow the path of central banks in Switzerland, Sweden and Brazil, which have already begun lowering interest rates. However, the exact timing of the U.S. central bank's moves remains uncertain, in view of lingering concern about domestic inflationary pressures.

Given the ongoing macroeconomic uncertainty, our portfolio managers will likely continue to favor high-quality businesses with idiosyncratic drivers and the pricing power to offset increases in labor and materials costs, thus enabling them to maintain their profit margins. ■

Co-Manager Ingrid Chung on the state of U.S. consumers:

"I recently attended the two-day Jefferies Consumer Conference. One of the key takeaways is that consumers are doing fine overall against a backdrop of low unemployment and real wage growth. However, the nation's lower-income cohorts are feeling some pain.

"These groups have spent most of their pandemic stimulus money and are relying more on credit card debt once again. Given continued inflationary pressure, they have less room to spend on discretionary items and are becoming more value-conscious.

"Against this mixed backdrop, I'm looking to increase exposure to companies in the consumer discretionary sector that are taking steps to help themselves. Williams-Sonoma, a retailer of furniture and home products, is a good example. This was a new position I added in January.

"I like that Williams-Sonoma is reducing its promotional activity, which I think should support profit margins, even while sales are weak due to a historically low level of existing home sales. An inflection in mortgage rates and housing turnover would likely act as tailwinds to not only sales, but also to further margin expansion and earnings growth.

"Elsewhere, Tapestry and PVH are holdings I added to this period within the 'self-help' bucket. The former is in the process of buying rival Capri, which owns the Michael Kors, Versace and Jimmy Choo brands. The $8.5 billion deal was announced in August 2023 but has been held up by regulators due to concerns about the merger potentially undercutting competition in the industry.

"With that said, I believe the deal will ultimately be approved and that Tapestry will benefit from bringing efficiency gains to Capri's operations.

"The opportunity at PVH is similar. A somewhat new management team has the opportunity to improve on what predecessors had achieved in terms of managing the company's brands and profitability."

LARGEST CONTRIBUTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Relative Contribution (basis points)*
The Baldwin Insurance Group, Inc.	Financials	0.73%	39
Vistra Corp.	Utilities	0.23%	37
Tandem Diabetes Care, Inc.	Health Care	0.28%	29
Kirby Corp.	Industrials	0.66%	26
Howmet Aerospace, Inc.	Industrials	0.66%	26

** 1 basis point = 0.01%.*

LARGEST DETRACTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Relative Contribution (basis points)*
Super Micro Computer, Inc.	Information Technology	-0.58%	-154
Bancorp, Inc., Delaware	Financials	1.62%	-58
Five9, Inc.	Information Technology	0.42%	-30
10X Genomics, Inc.	Health Care	0.33%	-26
SolarEdge Technologies, Inc.	Information Technology	0.36%	-25

** 1 basis point = 0.01%.*

ASSET ALLOCATION

Asset Class	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Six Months Ago
Domestic Equities	95.36%	100.00%	-4.64%	-1.32%
International Equities	2.71%	0.00%	2.71%	0.68%
Developed Markets	2.05%	0.00%	2.05%	0.32%
Emerging Markets	0.66%	0.00%	0.66%	0.36%
Tax-Advantaged Domiciles	0.00%	0.00%	0.00%	0.00%
Bonds	0.00%	0.00%	0.00%	0.00%
Cash & Net Other Assets	1.93%	0.00%	1.93%	0.64%

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
Industrials	21.99%	22.06%	-0.07%	-0.89%
Financials	15.18%	16.01%	-0.83%	-0.77%
Consumer Discretionary	14.69%	15.28%	-0.59%	1.26%
Information Technology	9.23%	9.88%	-0.65%	-0.90%
Health Care	7.28%	7.99%	-0.71%	-0.68%
Real Estate	6.94%	7.11%	-0.17%	0.23%
Materials	6.87%	7.05%	-0.18%	-0.26%
Energy	5.20%	5.73%	-0.53%	0.50%
Consumer Staples	4.79%	4.78%	0.01%	-0.75%
Utilities	3.58%	2.64%	0.94%	1.06%
Communication Services	1.48%	1.47%	0.01%	-0.07%
Multi Sector	0.84%	--	0.84%	0.64%
Other	0.00%	0.00%	0.00%	0.00%

10 LARGEST HOLDINGS

Holding	Market Segment	Portfolio Weight	Portfolio Weight Six Months Ago
Carlisle Companies, Inc.	Industrials	1.46%	1.30%
Bancorp, Inc., Delaware	Financials	1.43%	1.85%
Vistra Corp.	Utilities	1.31%	0.33%
CACI International, Inc. Class A	Industrials	1.23%	1.22%
XPO, Inc.	Industrials	1.18%	1.26%
KBR, Inc.	Industrials	1.10%	1.04%
WESCO International, Inc.	Industrials	1.08%	1.23%
HEICO Corp. Class A	Industrials	1.07%	1.10%
Kirby Corp.	Industrials	1.06%	0.87%
The Baldwin Insurance Group, Inc.	Financials	1.06%	0.50%
10 Largest Holdings as a % of Net Assets		**11.97%**	**13.52%**
Total Number of Holdings		**206**	**206**

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 May 31, 2024

	Cumulative		Annualized			
	6 Month	YTD	1 Year	3 Year	5 Year	10 Year/ LOF[1]
Fidelity Stock Selector Mid Cap Fund Gross Expense Ratio: 0.65%[2]	16.84%	6.95%	24.21%	3.68%	11.59%	9.32%
S&P MidCap 400 Index	17.27%	7.87%	25.97%	4.67%	12.26%	9.76%
Morningstar Fund Mid-Cap Blend	15.04%	6.66%	23.87%	3.81%	11.13%	8.68%
% Rank in Morningstar Category (1% = Best)	--	--	48%	55%	40%	34%
# of Funds in Morningstar Category	--	--	424	396	364	252

[1] Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 02/20/1996.
[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.**

Definitions and Important Information

Information provided in, and presentation of, this document are for informational and educational purposes only and are not a recommendation to take any particular action, or any action at all, nor an offer or solicitation to buy or sell any securities or services presented. It is not investment advice. Fidelity does not provide legal or tax advice.

Before making any investment decisions, you should consult with your own professional advisers and take into account all of the particular facts and circumstances of your individual situation. Fidelity and its representatives may have a conflict of interest in the products or services mentioned in these materials because they have a financial interest in them, and receive compensation, directly or indirectly, in connection with the management, distribution, and/or servicing of these products or services, including Fidelity funds, certain third-party funds and products, and certain investment services.

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.

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.

S&P MidCap 400 Index is a market-capitalization-weighted index of 400 mid cap stocks of U.S. companies chosen for market size, liquidity, and industry group representation.

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

% 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

Christopher Lee is a chief investment officer 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. Lee is responsible for overseeing the Stock Selector and institutional equity teams. He also co-manages Fidelity and Fidelity Advisor Balanced Fund, Fidelity Series All Sector Equity Fund, Fidelity and Fidelity Advisor Stock Selector Mid Cap Fund, Fidelity VIP Balanced Portfolio, and the FIAM U. S. and Global Sector Strategies.

Prior to assuming his current responsibilities, Mr. Lee served as a manager director of research in the Equity division. Before that, he managed Fidelity Advisor Financial Services Fund, Fidelity VIP Financial Services Portfolio, Fidelity Select Financial Services Portfolio, Fidelity Financial Services Central Fund, the Fidelity and Fidelity Advisor Stock Selector All Cap Funds, Fidelity Select Brokerage and Investment Management Portfolio, Fidelity VIP Growth Strategies Portfolio, Fidelity Growth Strategies Fund, and Fidelity Select Consumer Finance Portfolio. Previously, he managed Fidelity Select Electronics Portfolio and Fidelity Advisor Electronics Fund. He joined Fidelity as an equity analyst covering the semiconductor industry in 2004.

Before joining Fidelity, Mr. Lee was an associate in the Technology group at TA Associates, a private equity firm in Boston. Previously, he worked as a financial analyst in the Technology group at Robertson Stephens. He has been in the financial industry since 1997.

Mr. Lee earned his bachelor of arts degree in East Asian studies from Yale University and his master of business administration degree from the Massachusetts Institute of Technology (MIT) Sloan School of Management.

Ingrid Chung 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, Ms. Chung is responsible for global investments in the consumer discretionary and communication services sectors. Additionally, she co-manages the consumer discretionary sleeve of the FIAM Small/Mid Cap Core.

Prior to joining Fidelity in 2012, Ms. Chung served as a vice president and senior equity research analyst at Goldman Sachs & Co. In this capacity, she covered the internet, media, and cable and satellite sectors. Previously, she was an equity research associate at Citigroup/Salomon Smith Barney and an investment banking associate at Goldman Sachs & Co. Ms. Chung also worked as a financial analyst at Salomon Brothers Inc., advising on the high-yield capital markets. She has been in the financial industry since 1993.

Ms. Chung earned her bachelor of arts degree in economics from the University of Chicago and her master of business administration degree from the Stanford Graduate School of Business.

PERFORMANCE SUMMARY:
Quarter ending June 30, 2024

	Annualized			
	1 Year	3 Year	5 Year	10 Year/ LOF[1]
Fidelity Stock Selector Mid Cap Fund Gross Expense Ratio: 0.65%[2]	12.09%	3.40%	9.58%	8.73%
% Rank in Morningstar Category (1% = Best)	61%	54%	43%	37%
# of Funds in Morningstar Category	425	397	364	251

[1] Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 02/20/1996.

[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.

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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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Diversification does not ensure a profit or guarantee against a loss.

Information included on this page is as of the most recent calendar quarter.

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