

Fidelity® Mid-Cap Stock Fund

Investment Approach

- Fidelity® Mid-Cap Stock Fund is a diversified domestic equity strategy focused on companies valued at \$1 billion to \$10 billion across the growth-to-value universe.
- Philosophically, we believe a company's stock price reflects the market's collective view of its future earnings power, but the collective view can be wrong.
- We believe bottom-up, fundamental analysis can identify those opportunities where our earnings forecasts deviate from consensus, and where the potential reward for being right is high.
- We look for investment opportunities in emerging growth stocks, where we have a differentiated view on the magnitude of the growth rate; compounders, where we have a differentiated view on the sustainability of the growth rate; and mean-reversion stocks, where we have a differentiated view on the timing, duration or magnitude of the cycle.
- In constructing the portfolio, we size positions by assessing our conviction in the differentiated view on future earnings power versus its potential payoff.

FUND INFORMATION

Manager(s):
Daniel Sherwood
Nicola Stafford

Trading Symbol:
FMCSX

Start Date:
March 29, 1994

Size (in millions):
\$7,147.63

Morningstar Category:
Fund Mid-Cap Blend

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

PERFORMANCE SUMMARY

	Cumulative		Annualized			
	3 Month	YTD	1 Year	3 Year	5 Year	10 Year/ LOF ¹
Fidelity Mid-Cap Stock Fund Gross Expense Ratio: 0.79% ²	-4.45%	3.88%	10.65%	5.02%	10.56%	9.16%
S&P MidCap 400 Index	-3.45%	6.17%	13.57%	4.47%	10.27%	9.14%
Morningstar Fund Mid-Cap Blend	-3.32%	5.57%	13.23%	3.41%	9.43%	8.19%
% Rank in Morningstar Category (1% = Best)	--	--	72%	27%	23%	19%
# of Funds in Morningstar Category	--	--	425	397	364	251

¹ Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 03/29/1994.

² This expense ratio is from the most recent prospectus and generally is based on amounts incurred during the most recent 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.

For definitions and other important information, please see the Definitions and Important Information section of this Fund Review.



Not FDIC Insured • May Lose Value • No Bank Guarantee

Performance Review

For the quarter, the fund returned -4.45%, underperforming the -3.45% result of the benchmark, the S&P MidCap 400® Index.

For the quarter, mid-cap stocks significantly lagged their larger-cap counterparts, as the broad market S&P 500® Index advanced 4.28% in Q2. Investor demand for large-cap growth stocks continued this quarter amid resilient corporate profits, the Federal Reserve's likely pivot to cutting interest rates later this year and a frenzy over generative artificial intelligence. These factors mainly benefited the largest U.S. companies by market capitalization concentrated in the higher-growth information technology and communication services sectors.

Meanwhile, mid-caps struggled for most of the quarter. In April, the S&P Mid-Cap 400® Index returned -6.02%, as inflation remained stickier than expected, spurring doubts of a soft landing for the economy. Reversing course, the index rose 4.39% in May. Tech stocks, particularly AI-related names, came back into focus, while the bull market finally began to reflect broader participation. At its June meeting, the Fed bumped up its inflation forecast and reduced its outlook from three cuts to one in 2024. The market followed suit, reducing its rate-cut expectations for the second straight quarter. As a result, the index returned -1.58% for the month. Still, the index was positive on a year-to-date basis, notching a 6.17% gain for the first half of 2024.

By sector within the S&P MidCap 400® Index, utilities was the top-performing group, rising roughly 5% during the past three months. The sector benefited from strong fundamentals, powerful multiyear secular trends and the potential for a growth super-cycle driven by utilities' key role in the AI revolution. Information technology (+3%) and communication services (+4%) also stood out, fanned by AI fervor.

Conversely, notable sectors trailing the index included materials (-9%), consumer discretionary (-7%) and industrials (-5%). Financials and energy (-4% each) also lagged, the latter hampered by sluggish oil prices.

Security selection detracted from relative performance during the past three months, especially our choices in the health care, information technology and financials sectors. An underweight in technology also weighed on the fund results. Conversely, stock picking in energy and industrials contributed most to the fund's performance versus the benchmark.

In terms of individual stocks, Molina Healthcare was the fund's top relative detractor this period. Shares of the managed health care firm returned about -28% for the three months. The stock trended lower throughout the second quarter, even though Q1 financial results reported on April 24 were better than expected, propelled by higher premiums, most notably in its flagship Medicaid insurance business, in which membership rose for the quarter. We maintain a favorable view of Molina, and it remained a top 10 holding at quarter end.

Another notable detractor was PVH. Among retailers, we favored stocks of companies that we believed were positioned well to weather a more price-conscious consumer, such as PVH. Shares of the stock, however, returned about -25% in Q2, falling sharply on April 2 after the owner of the Tommy Hilfiger and Calvin Klein brands announced disappointing earnings for the three months ending February 4 and issued weaker than expected forward guidance. The company said revenue barely grew in the quarter, due to lackluster performance in North America, and warned about a significant drop in sales. Management partly attributed its lowered financial guidance to sluggish consumer demand in Europe. PVH was our No. 14 holding at quarter end.

On the positive side, the fund's relative performance was lifted by a non-index stake in Space Exploration Technologies, also known as SpaceX. The valuation of the private company rose late in the period on reports it plans to sell insider shares in a tender offer valuing the company at about \$210 billion. SpaceX was the fund's largest holding at period end.

Meanwhile, the stock of Texas-based independent power producer Vistra gained 23% the past three months. On May 8, the company reported better-than-expected Q1 financial results, crediting strong synergies from its recent acquisition of Energy Harbor, which also prompted management to raise guidance for 2024. We pared the fund's position in Vistra, but it remained a top 20 position at the end of June. ■

LARGEST CONTRIBUTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Relative Contribution (basis points)*
Space Exploration Technologies Corp. Class C	Industrials	1.87%	34
Vistra Corp.	Utilities	0.94%	22
Fabrinet	Information Technology	0.71%	20
Arch Capital Group Ltd.	Financials	1.53%	18
GFL Environmental, Inc.	Industrials	1.07%	17

* 1 basis point = 0.01%.

LARGEST DETRACTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Relative Contribution (basis points)*
Molina Healthcare, Inc.	Health Care	1.26%	-35
PVH Corp.	Consumer Discretionary	0.87%	-22
O-I Glass, Inc.	Materials	0.63%	-22
Regal Rexnord Corp.	Industrials	0.78%	-18
United Therapeutics Corp.	Health Care	-0.47%	-17

* 1 basis point = 0.01%.

Outlook and Positioning

As of midyear, markets enjoy favorable momentum and easier financial conditions, even though the pace and magnitude of global monetary easing is uncertain. The European Central Bank and the Bank of Canada both cut their policy interest rate by a quarter point in early June, becoming the first major central banks to ease after the rapid tightening cycle that began in 2022. Market projections signal an expectation of more rate cuts in 2024, including from the Federal Reserve and Bank of England, but the timing and pace is significantly diminished compared with expectations entering this year.

Disinflation trends have progressed globally, but persistent core inflation in the U.S. has made the "last mile" of disinflation toward the Fed's target more difficult. After declining significantly from 2022, both headline and core inflation remain higher than 3%. The Fed's preferred measure of inflation, the Personal Consumption Expenditures Index, registered a lower price gain compared with other metrics.

Still, while the broader U.S. market has pivoted to the Fed taking a softer stance on interest rates, we have seen the number of prospective rate cuts from the central bank this year vacillate from six to zero to two cuts and – most recently – to one. Thus, it remains a difficult environment to make macro calls. Given this backdrop, we continue to focus on businesses we believe are likely to experience stock-price multiple expansion on improving business conditions.

One example that fits this description is GFL Environmental, a Canadian waste management company, the fund's No. 5 relative contributor this quarter and No. 7 holding at period end. We expect GFL to experience a free-cash-flow inflection that should help to drive the stock's upward rerating against the backdrop of an attractive industry.

Core to our investment process is the belief that the price paid for an asset matters and that valuation in the context of long-term earnings power is the best barometer of investor expectations. Based on this fundamental principle, the fund has been flexible over time, holding investments across the style spectrum – from rapidly growing secular disruptors to quality compounders and more-traditional cyclicals – depending on where opportunities present themselves.

As of June 30, we are finding opportunities across sectors and business models. Importantly, we believe we are in the early phase of the emergence of significant structural growth drivers, ranging from government-funded infrastructure investment and reshoring to potentially generational innovation in both health care and technology.

At the end of June, the fund's largest relative sector overweights were industrials, utilities and energy. Meanwhile, the fund was most notably underweight in consumer discretionary, real estate and health care.

This period we established modest positions in Parkland (energy), Grocery Outlet Holding (consumer staples), JD Sports Fashion (consumer discretionary), and Exact Sciences and Bruker (both health care). We also eliminated several small holdings where we had lost conviction.

We aim to be flexible as we continue to look for investment opportunities, and we are optimistic that Fidelity research has the capability and resources required to support us in this dynamic environment. ■

MARKET-SEGMENT DIVERSIFICATION

Market Segment	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Prior Quarter
Industrials	25.44%	22.13%	3.31%	0.59%
Financials	15.76%	16.00%	-0.24%	-0.03%
Consumer Discretionary	11.68%	14.72%	-3.04%	0.36%
Information Technology	8.87%	9.50%	-0.63%	0.13%
Health Care	7.67%	9.25%	-1.58%	-1.89%
Energy	7.21%	5.98%	1.23%	0.30%
Materials	7.14%	6.53%	0.61%	0.58%
Real Estate	5.04%	7.07%	-2.03%	0.82%
Consumer Staples	4.88%	4.66%	0.22%	0.08%
Utilities	4.36%	2.58%	1.78%	0.15%
Communication Services	1.70%	1.57%	0.13%	-0.69%
Other	0.00%	0.00%	0.00%	0.00%

CHARACTERISTICS

	Portfolio	Index
Valuation		
Price/Earnings Trailing	19.1x	20.0x
Price/Earnings (IBES 1-Year Forecast)	14.8x	15.8x
Price/Book	2.5x	2.5x
Price/Cash Flow	11.4x	12.3x
Return on Equity (5-Year Trailing)	12.1%	12.4%
Growth		
Sales/Share Growth 1-Year (Trailing)	8.6%	7.6%
Earnings/Share Growth 1-Year (Trailing)	-8.9%	-7.4%
Earnings/Share Growth 1-Year (IBES Forecast)	13.3%	14.0%
Earnings/Share Growth 5-Year (Trailing)	12.6%	14.6%
Size		
Weighted Average Market Cap (\$ Billions)	16.3	9.0
Weighted Median Market Cap (\$ Billions)	10.3	8.2
Median Market Cap (\$ Billions)	9.5	6.5

LARGEST OVERWEIGHTS BY HOLDING

Holding	Market Segment	Relative Weight
Space Exploration Technologies Corp. Class C	Industrials	2.22%
Imperial Oil Ltd.	Energy	1.58%
Arch Capital Group Ltd.	Financials	1.57%
Cheniere Energy, Inc.	Energy	1.43%
GFL Environmental, Inc.	Industrials	1.25%

LARGEST UNDERWEIGHTS BY HOLDING

Holding	Market Segment	Relative Weight
Pure Storage, Inc. Class A	Information Technology	-0.74%
Carlisle Companies, Inc.	Industrials	-0.72%
Williams-Sonoma, Inc.	Consumer Discretionary	-0.68%
Lennox International, Inc.	Industrials	-0.64%
Illumina, Inc.	Health Care	-0.62%

10 LARGEST HOLDINGS

Holding	Market Segment
Space Exploration Technologies Corp. Class A	Industrials
Imperial Oil Ltd.	Energy
Arch Capital Group Ltd.	Financials
Cheniere Energy, Inc.	Energy
American Financial Group, Inc.	Financials
AECOM	Industrials
GFL Environmental, Inc.	Industrials
Performance Food Group Co.	Consumer Staples
Chart Industries, Inc.	Industrials
Molina Healthcare, Inc.	Health Care
10 Largest Holdings as a % of Net Assets	14.14%
Total Number of Holdings	161

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.

ASSET ALLOCATION

Asset Class	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Prior Quarter
Domestic Equities	89.30%	99.47%	-10.17%	-0.12%
International Equities	10.44%	0.53%	9.91%	0.51%
Developed Markets	9.63%	0.53%	9.10%	0.43%
Emerging Markets	0.81%	0.00%	0.81%	0.08%
Tax-Advantaged Domiciles	0.00%	0.00%	0.00%	0.00%
Bonds	0.00%	0.00%	0.00%	0.00%
Cash & Net Other Assets	0.26%	0.00%	0.26%	-0.39%

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.

3-YEAR RISK/RETURN STATISTICS

	Portfolio	Index
Beta	0.85	1.00
Standard Deviation	17.63%	20.44%
Sharpe Ratio	0.10	0.06
Tracking Error	4.51%	--
Information Ratio	0.12	--
R-Squared	0.97	--

Definitions and Important Information

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CHARACTERISTICS

Earnings-Per-Share Growth Trailing measures the growth in reported earnings per share over trailing one- and five-year periods.

Earnings-Per-Share Growth (IBES 1-Year Forecast) measures the growth in reported earnings per share as estimated by Wall Street analysts.

Median Market Cap identifies the median market capitalization of the portfolio or benchmark as determined by the underlying security market caps.

Price-to-Book (P/B) Ratio is the ratio of a company's current share price to reported accumulated profits and capital.

Price/Cash Flow is the ratio of a company's current share price to its trailing 12-months cash flow per share.

Price-to-Earnings (P/E) Ratio (IBES 1-Year Forecast) is the ratio of a company's current share price to Wall Street analysts' estimates of earnings.

Price-to-Earnings (P/E) Ratio Trailing is the ratio of a company's current share price to its trailing 12-months earnings per share.

Return on Equity (ROE) 5-Year Trailing is the ratio of a company's last five years historical profitability to its shareholders' equity. Preferred stock is included as part of each company's net worth.

Sales-Per-Share Growth measures the growth in reported sales over the specified past time period.

Weighted Average Market Cap identifies the market capitalization of the average equity holding as determined by the dollars invested in the portfolio or benchmark.

Weighted Median Market Cap identifies the market capitalization of the median equity holding as determined by the dollars invested in the portfolio or benchmark.

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.

On July 1, 2024, Dan Sherwood assumed co-management responsibilities for the fund, joining Co-Manager Nicola Stafford.

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.

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.

3-YEAR RISK/RETURN STATISTICS

Beta is a measure of the volatility of a fund relative to its benchmark index. A beta greater (less) than 1 is more (less) volatile than the index.

Information Ratio measures a fund's active return (fund's average monthly return minus the benchmark's average monthly return) in relation to the volatility of its active returns.

R-Squared measures how a fund's performance correlates with a benchmark index's performance and shows what portion of it can be explained by the performance of the overall market/index. R-Squared ranges from 0, meaning no correlation, to 1, meaning perfect correlation. An R-Squared value of less than 0.5 indicates that annualized alpha and beta are not reliable performance statistics.

Sharpe Ratio is a measure of historical risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk free" rate used is the 90-day Treasury Bill rate.

Standard Deviation is a statistical measurement of the dispersion of a fund's return over a specified time period. Fidelity calculates standard deviations by comparing a fund's monthly returns to its average monthly return over a 36-month period, and then annualizes the number. Investors may examine historical standard deviation in conjunction with historical returns to decide whether a fund's volatility would have been acceptable given the returns it would have produced. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility. Standard deviation does not indicate how the fund actually performed, but merely indicates the volatility of its returns over time.

Tracking Error is the divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark, creating an unexpected profit or loss.



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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