

# Fidelity® New Millennium Fund®

## Key Takeaways

- For the fiscal year ending November 30, 2023, the fund gained 14.66%, outpacing the 13.84% advance of the benchmark S&P 500® index.
- After returning -18.11% in 2022, the fund's benchmark rebounded the past 12 months, powered by a handful of mega-cap growth stocks in the information technology (+41%), communication services (+37%) and consumer discretionary (+20%) sectors.
- On December 31, 2022, John Roth retired from Fidelity after 24 years with the firm, leaving Dan Sherwood as sole fund manager.
- According to Dan, although stock selection in the mega-cap category meaningfully contributed to the fund's result versus the benchmark, underweight exposure there and an overweight stake in mid-caps weighed on relative performance.
- By sector, stock selection in industrials provided the biggest boost to the fund's relative result, followed by Dan's picks in health care and positioning in utilities.
- Conversely, investment choices and an underweight in information technology – especially the semiconductors & semiconductor equipment industry – detracted from the fund's relative result. Positioning in materials and consumer discretionary also hurt.
- As of November 30, Dan believes that the chances are good that the U.S. Federal Reserve's next move with interest rates will be a decrease. If so, and assuming the economy avoids a recession, it could be good for early-cyclical and rate-sensitive stocks. However, he thinks it's important not to declare victory over inflation yet, as we could see a resurgence in 2024.
- Against this backdrop, Dan has given the portfolio a sizable overweight in industrial stocks – which he believes should benefit from federal spending on infrastructure, reshoring and efforts to combat climate change – but says he's inclined to keep most other sectors near benchmark weightings in the short term.

## MARKET RECAP

U.S. equities gained 13.84% for the 12 months ending November 30, 2023, according to the S&P 500® index, as a slowing in the pace of inflation and a resilient U.S. economy provided a favorable backdrop for higher-risk assets for much of 2023. After returning -18.11% in 2022, the index's upturn was mostly driven by a narrow set of companies 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 cooling the economy and bringing down inflation. Since March 2022, the Fed has raised its benchmark interest rate 11 times before pausing and twice deciding to hold rates at a 22-year high while it observes the effect on 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 that was due to soaring yields on longer-term government bonds and mixed earnings from some big and influential firms. Favorable data on inflation provided a further boost and the index rose 9.13% in November. By sector for the full 12 months, information technology (+41%) and communications services (+37%) led the way, followed by consumer discretionary (+20%). In contrast, the defensive-oriented utilities (-9%) and consumer staples (-5%) sectors lagged most the past 12 months.



**Daniel Sherwood**  
Portfolio Manager

### Fund Facts

Trading Symbol:	FMLX
Start Date:	December 28, 1992
Size (in millions):	\$3,652.89

### Investment Approach

- Fidelity® New Millennium Fund® is a diversified core domestic equity strategy that seeks long-term capital appreciation and above-benchmark returns over the course of a market cycle.
- The fund is managed with an opportunistic approach, focusing on areas of the market offering an attractive combination of growth and value.
- Philosophically, we believe stock prices follow earnings, and we look for companies with above-average earnings growth or a positive inflection in business fundamentals.
- We rely on bottom-up fundamental analysis to identify opportunities where our view of potential earnings power differs from what is reflected in consensus estimates and/or a stock's valuation.

## Q&A

### An interview with Portfolio Manager Daniel Sherwood

**Q: Dan, how did the fund perform for the fiscal year ending November 30, 2023?**

The fund gained 14.66% the past 12 months, outpacing the 13.84% advance of the benchmark S&P 500® index. The fund handily topped the peer group average.

**Q: How did the market environment influence the fund's performance the past 12 months?**

After returning -18.11% in 2022, the fund's benchmark rebounded the past 12 months, aided by easing inflationary pressure and the perception that the U.S. Federal Reserve was near the end of its aggressive rate-hike campaign.

With that said, the advance was relatively narrow, mainly powered by a handful of mega-cap growth stocks in the information technology (+41%), communication services (+37%) and consumer discretionary (+20%) sectors. Many of these stocks benefited from investor enthusiasm about generative artificial intelligence. In November 2022, the chatbot ChatGPT from OpenAI arrived, which prompted a huge reaction from the global business community, as companies across virtually every industry immediately began strategizing about how to embrace the large language models used by generative AI applications.

Given the notable outperformance of growth stocks over their value counterparts the past 12 months, the fund's shift from a value tilt to more-balanced exposure was timely. Even so, the market dinged us because of underweights in several mega-cap stocks that were investor favorites in the technology and communication services sectors. I did consider the extreme narrowness of the period's advance unusual, however. Under normal circumstances, stock rallies see broader participation, which I believe should benefit the fund's fairly balanced positioning in the long run.

**Q: What contributed most versus the benchmark this period?**

Stock selection in industrials provided the biggest boost to the fund's relative performance, followed by my picks health care and positioning in utilities.

An out-of-benchmark stake in Uber Technologies (+107%) was the top individual contributor. This was a new position I established in the first half of the period. The shares rose in advance of the company's early-May announcement of

quarterly revenue and earnings that topped consensus estimates, driven by growth in the firm's ride-hailing and delivery-services businesses. Investors seemed to view the financial results as a signal that consumers continue to pay up for rides and food takeout, even as spending in retail and other areas remains weak. The stock had a strong November. Although demand for rides declined in the third quarter year over year, Uber made progress extending into new growth lines like grocery and prescription deliveries while slashing its costs.

Overweighting General Electric (+82%) bolstered the fund's relative performance. The company began the period with three primary businesses: aerospace, health care and power. It completed the spin-off of GE HealthCare in the first few days of 2023, and it plans to jettison the power business – called Vernova – by around mid-2024. At that point, GE will have only its aerospace operation left, which I consider the "jewel in the crown." Although aerospace has lagged a lot of other industries in recovering from COVID-19, supply chains in the group are easing and demand for widebody jets has picked up, along with global air traffic. This should all benefit GE Aerospace, which is among the top aircraft engine suppliers globally. Given the stock's outsized gain this period, I reduced the position.

In tech, a non-benchmark investment in MongoDB (+175%) lifted the fund's relative result. In June, the database platform provider reported significantly better-than-expected earnings growth for the company's fiscal first quarter, driven by higher revenue. In its quarterly report, MongoDB raised financial guidance for the remainder of its current fiscal year because management expects the company to benefit from the broad adoption of AI and the accompanying increase in demand for modern platforms. In late June, the company announced the development of new products, including generative AI-based applications. I sold some shares to nail down a profit.

### Q: What about noteworthy detractors?

Although stock selection in the mega-cap category contributed meaningfully to the fund's result versus the benchmark, underweight exposure there and an overweight in mid-caps weighed on relative performance.

Investment choices and an underweight in information technology – especially the semiconductors & semiconductor equipment industry – hampered the fund's relative result. Positioning in materials and consumer discretionary also detracted.

Not owning Nvidia (+176%) early in the period hurt most on a relative basis, as it was one of the benchmark's best-performing components. In late May, the stock leaped about 24% after the company projected a massive jump in second-quarter sales that far exceeded even the most optimistic analyst estimates. Nvidia has been investing in AI for about

10 years, and its full-stack solutions of chips, software and systems have positioned it as the provider of choice for hyperscalers (large cloud service providers) and enterprises looking to embrace generative AI. Given the impressive fundamental case for the stock, I established a position, bringing it to a roughly benchmark-neutral weight by the end of November.

Lastly, underweighting e-commerce giant Amazon.com (+51%), another mega-cap that stood out for its strong performance, hurt the fund's relative result. I didn't like the stock's elevated valuation, especially given the increased competition for Amazon's e-tailing business from rivals like Walmart and the fact that Amazon Web Services has been losing market share to Azure, Microsoft's data center service.

### Q: What's your outlook, Dan?

As of November 30, I think the chances are good that the Fed's next move with interest rates will be a decrease, which would mark an important turning point in the battle to tame inflation. If so, and assuming the economy avoids a recession, it could be good for early-cyclical and interest-rate-sensitive stocks.

However, it's important not to declare victory over inflation yet, as we could see a resurgence in 2024. Inflation can wax and wane due to cyclical forces, as we've seen in previous economic cycles.

Additionally, I believe that consumers – an important driver of economic growth – are in fairly good financial shape, and trends are playing out in artificial intelligence and infrastructure spending that could support share prices in pockets of the stock market.

Against this backdrop, I've given the portfolio a sizable overweight in industrial stocks – which I believe should benefit from federal spending on infrastructure, reshoring and efforts to combat climate change – but I'm inclined to keep most other sectors near benchmark weightings in the short term.

I continue to look for opportunities to apply my growth-at-a-reasonable-price investment philosophy to companies in the earlier stages of development, which tends to result in underweighting the very largest-cap part of the benchmark and overweighting the mid-cap segment.

Companies in the latter group are frequently overlooked, in my view, but represent a good mix of value, financial strength and growth potential. ■

## Portfolio Manager Dan Sherwood on the fund's positioning:

"I take a bottom-up approach to portfolio construction, focusing on stock selection, rather than factor or sector bets. I believe this approach best leverages my strengths, as well as the breadth and depth of Fidelity's global research platform.

"Like my predecessor, I have a bias toward mid-caps, a market segment that has historically outperformed over long periods of time, as these companies tend to be more mature and less risky than small-caps, but nimbler – with longer growth runways – than mega-caps. The fund remains underweight mega-caps, based on my view that the stock market's leadership will broaden out from the so-called 'Magnificent Seven' stocks that dominated for most of the past 12 months.

"Industrials is by far the largest sector overweight as of November 30, with the fund's holdings reflecting several themes. Commercial aerospace was hit hard during the pandemic and continues to struggle with supply-chain issues, but I view Boeing, General Electric and Howmet Aerospace as attractive plays on a recovery. The fund also owns Eaton, which should benefit from multiple long-term tailwinds, such as reshoring and electrification.

"While considerably smaller than a year ago, energy is a modest overweight. This reflects my view that the supply of crude oil and natural gas will be more constrained than in prior cycles due to environmental pressure and the shift in exploration & production spending from production growth to capital returns. Much of the fund's focus in energy is driven by holdings in equipment and services, primarily companies that specialize in offshore drilling, such as TechnipFMC and SLB (formerly Schlumberger).

"Financials is the largest sector underweight. In particular, the fund is underweight banks, which face slowing loan growth, regulatory risk and building credit concerns. This is partially offset by an overweight in property & casualty insurance, led by a sizable position in Chubb, an industry leader that stands to benefit disproportionately from a positive pricing cycle for premiums."

## LARGEST CONTRIBUTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Relative Contribution (basis points)*
Uber Technologies, Inc.	Industrials	0.80%	56
General Electric Co.	Industrials	0.79%	50
MongoDB, Inc. Class A	Information Technology	0.37%	44
Pfizer, Inc.	Health Care	-0.63%	41
Eli Lilly & Co.	Health Care	0.97%	41

\* 1 basis point = 0.01%.

## LARGEST DETRACTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Relative Contribution (basis points)*
NVIDIA Corp.	Information Technology	-0.56%	-75
Amazon.com, Inc.	Consumer Discretionary	-1.08%	-44
Broadcom, Inc.	Information Technology	-0.86%	-39
Microsoft Corp.	Information Technology	-1.08%	-37
Bank of America Corp.	Financials	0.54%	-27

\* 1 basis point = 0.01%.

## ASSET ALLOCATION

Asset Class	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Six Months Ago
Domestic Equities	93.52%	99.30%	-5.78%	3.11%
International Equities	5.89%	0.70%	5.19%	-2.48%
Developed Markets	5.03%	0.70%	4.33%	-1.72%
Emerging Markets	0.86%	0.00%	0.86%	-0.76%
Tax-Advantaged Domiciles	0.00%	0.00%	0.00%	0.00%
Bonds	0.00%	0.00%	0.00%	0.00%
Cash & Net Other Assets	0.59%	0.00%	0.59%	-0.63%

*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
Information Technology	27.77%	29.07%	-1.30%	0.34%
Industrials	14.09%	8.29%	5.80%	0.10%
Health Care	11.87%	12.69%	-0.82%	0.02%
Consumer Discretionary	10.43%	10.72%	-0.29%	-0.06%
Financials	9.42%	12.95%	-3.53%	-1.10%
Communication Services	8.92%	8.61%	0.31%	0.77%
Consumer Staples	5.40%	6.30%	-0.90%	1.77%
Energy	4.90%	4.10%	0.80%	-0.54%
Materials	3.46%	2.44%	1.02%	-0.47%
Utilities	2.11%	2.40%	-0.29%	0.59%
Real Estate	1.02%	2.43%	-1.41%	-0.80%
Other	0.00%	0.00%	0.00%	0.00%

## 10 LARGEST HOLDINGS

Holding	Market Segment	Portfolio Weight	Portfolio Weight Six Months Ago
Microsoft Corp.	Information Technology	7.84%	5.93%
Apple, Inc.	Information Technology	4.49%	5.77%
NVIDIA Corp.	Information Technology	3.29%	1.88%
Amazon.com, Inc.	Consumer Discretionary	3.15%	1.65%
Meta Platforms, Inc. Class A	Communication Services	2.39%	2.00%
Alphabet, Inc. Class A	Communication Services	2.27%	2.17%
Eli Lilly & Co.	Health Care	1.97%	2.00%
UnitedHealth Group, Inc.	Health Care	1.81%	1.61%
Visa, Inc. Class A	Financials	1.62%	1.68%
Exxon Mobil Corp.	Energy	1.56%	1.95%
10 Largest Holdings as a % of Net Assets		30.40%	26.65%
Total Number of Holdings		154	170

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 November 30, 2023

	Cumulative		Annualized			
	6 Month	YTD	1 Year	3 Year	5 Year	10 Year/ LOF <sup>1</sup>
Fidelity New Millennium Fund Gross Expense Ratio: 0.61% <sup>2</sup>	10.77%	19.67%	14.66%	15.39%	12.21%	10.36%
S&P 500 Index	10.17%	20.80%	13.84%	9.76%	12.51%	11.82%
Morningstar Fund Large Value	7.86%	5.93%	1.55%	9.18%	8.07%	8.08%
% Rank in Morningstar Category (1% = Best)	--	--	2%	2%	3%	5%
# of Funds in Morningstar Category	--	--	1,215	1,131	1,078	819

<sup>1</sup> Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 12/28/1992.

<sup>2</sup> 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](https://www.fidelity.com/performance), [institutional.fidelity.com](https://www.institutional.fidelity.com), or [401k.com](https://www.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.**

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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. 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 500 Index** 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

**Daniel Sherwood** 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. Sherwood is responsible for co-managing Fidelity Advisor Mid Cap II Fund and VIP Mid Cap Portfolio.

Prior to assuming his current responsibilities, Mr. Sherwood was a member of Fidelity's technology research team within Fidelity, covering a variety of software and consumer technology companies. He also managed Fidelity Select IT Services Portfolio.

Previously, he worked as a research analyst on the Real Estate team. In this capacity, he covered various real estate investment trusts (REITs) and other real estate related companies.

Before joining Fidelity in 2008, Mr. Sherwood was a vice president at Merrill Lynch Institutional Equity Trading, and an analyst for Merrill Lynch Institutional Equity Sales. He has been in the financial industry since 1998.

Mr. Sherwood earned his bachelor of arts degree in American studies from Yale University and his master of business administration degree in finance from The Wharton School of the University of Pennsylvania.



**PERFORMANCE SUMMARY:**  
**Quarter ending March 31, 2024**

	Annualized			
	1 Year	3 Year	5 Year	10 Year/ LOF <sup>1</sup>
Fidelity New Millennium Fund Gross Expense Ratio: 0.84% <sup>2</sup>	34.27%	15.39%	15.68%	11.52%
% Rank in Morningstar Category (1% = Best)	2%	1%	2%	5%
# of Funds in Morningstar Category	1,204	1,118	1,058	816

<sup>1</sup> Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 12/28/1992.

<sup>2</sup> 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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