Fidelity® Contrafund®

Key Takeaways

- For the semiannual reporting period ending June 30, 2022, the fund's Retail Class shares returned -28.19%, lagging the -19.96% result of the benchmark, the S&P 500® index.
- Portfolio Manager Will Danoff says he is disappointed with the fund's performance the past six months, noting that it was a difficult market, particularly for growth investors.
- Inflation accelerated meaningfully, according to Will, as Russia's invasion of Ukraine produced spikes in prices for energy and food. Will says the tightening of these two important pillars of the global economy stoked already-rising inflationary pressure.
- Against this backdrop, Will sold expensive stocks, primarily in tech, and stocks of companies that had not generated any free cash flow. Due to price depreciation and stock sales, the fund's exposure to the information technology and communication services sectors fell to 39% of assets at midyear, from 51% at the beginning of 2022.
- Will increased the fund's commitment to energy as oil prices rose, as well as health care, which includes many high-margin, innovative biotech and pharmaceutical companies that were less vulnerable to a slowing economy sectors, according to Will.
- The fund's big commitment to Meta Platforms (-52%), the parent company of Facebook and Instagram, was by far the largest individual relative detractor for the six months.
- In contrast, the fund's large and longtime holding in Berkshire Hathaway, which ended the period as the largest position and overweight, was a top relative contributor.
- As of midyear, Will says the fund's tilt toward more-defensive holdings feels right to him, and he remains confident that he and the Fidelity team can identify companies that can grow profits during this difficult environment. If inflation slows and rates stop rising, stocks could rebound in the second half of the year, according to Will.

MARKET RECAP

The S&P 500® index returned -19.96% for the six months ending June 30, 2022, as a multitude of crosscurrents challenged the global economy and financial markets. It was the index's worst first-half result to begin a year since 1970. Persistently high inflation, exacerbated by energy price shocks from the Russia–Ukraine conflict, spurred the U.S. Federal Reserve to hike interest rates more aggressively than anticipated, and concerns about the outlook for economic growth sent stocks into bear market territory. Against this backdrop, the index returned -8.72% in April amid clearer signals of the Fed's intention to tighten monetary policy. In early May, the Fed approved a rare half-percentage-point interest rate increase and announced plans to shrink its $9 trillion asset portfolio. The S&P 500® gained 0.18% for the month. June began with the Fed allowing up to billions in Treasuries and mortgage bonds to mature every month without investing the proceeds. Two weeks later, the central bank raised rates by 0.75 percentage points, its largest increase since 1994, and said it was becoming more difficult to achieve a soft landing, in which the economy slows enough to bring down inflation while avoiding a recession. Partly in reaction, the S&P 500 returned -8.25% in June. By sector for the full six months, the growth-oriented consumer discretionary (-33%) and communication services (-30%) groups lagged most. In contrast, energy (+32%) rode a surge in commodity prices and led by a wide margin, followed by defensive sectors, such as utilities (-1%).

William Danoff
Portfolio Manager

Fund Facts

Trading Symbol:	FCNTX
Start Date:	May 17, 1967
Size (in millions):	$97,040.11

Investment Approach

- Fidelity® Contrafund® is an opportunistic, diversified equity strategy with a large-cap growth bias.
- Philosophically, we believe stock prices follow companies' earnings, and those companies that can deliver durable multiyear earnings growth provide attractive investment opportunities.
- As a result, our investment approach seeks firms we believe are poised for sustained, above-average earnings growth that is not accurately reflected in the stocks' current valuation.
- In particular, we emphasize companies with "best of breed" qualities, including those with a strong competitive position, high returns on capital, solid free-cash-flow generation and management teams that are stewards of shareholder capital.
- We strive to uncover these investment opportunities through in-depth bottom-up, fundamental analysis, working in concert with Fidelity's global research team.

Q&A

An interview with Portfolio Manager William Danoff

Q: Will, how did the fund perform for the six months ending June 30, 2022?

The fund's Retail Class shares returned -28.19% this period, lagging the -19.96% result of the benchmark, the S&P 500® index, and modestly topping the peer group average.

It was a difficult market, particularly for growth investors. As a fellow shareholder and experienced portfolio manager, I am disappointed in this result.

Looking slightly longer term, the fund returned -21.97% for the past 12 months, trailing the -10.62% result of the benchmark and topping the peer group average.

Q: Would you reflect on the developments and market dynamics of the first half of 2022?

Inflation accelerated meaningfully, as Russia's invasion of Ukraine produced spikes in prices for energy and food. The tightening of these two important pillars of the global economy stoked already-rising inflationary pressure, driven by supply-chain bottlenecks and labor shortages. The Consumer Price Index in May, the latest statistic available, rose 8.6% from 12 months earlier. This increase was the largest in 40 years, and much higher than the 1% to 2% inflation Americans have experienced since the early 1980s. The jump in inflation forced the U.S. Federal Reserve to raise interest rates, and the rate on the benchmark 10-year U.S. Treasury note roughly doubled, from 1.52% to 2.98%, during the period. Higher interest rates act as a downward gravitational force on stock-price valuations, and they also depress economic demand. So, the market fell sharply as rates rose and fear of a global recession intensified.

Q: As the year unfolded, did you make any notable changes to the fund's positioning?

Investors use interest rates to value all assets, including stocks, by discounting the future cash flows back to the present value. For example, $10 in five years is worth $6.83 today, using a 10% interest rate to discount. But, with a lower interest rate of 5%, the same $10 in five years is worth $8.22 today. So, higher rates reduce the value of future cash flows, and higher rates during the past six months were particularly harsh on the valuations of the stocks of companies with low or no current earnings.

Many of these stocks were concentrated in the information technology sector and the biotechnology industry. As rates rose, I sold expensive stocks, primarily in tech, and stocks of companies that had not generated any free cash flow. Due to price depreciation and stock sales, the fund's exposure to the tech and communication services sectors fell to 39% of assets at midyear, from 51% at the beginning of 2022.

I reduced significant overweights in longtime holdings Adobe, Salesforce.com and Netflix because valuations for each became stretched amid the euphoria of last year's work-from-anywhere trend and the recent rise in interest rates. All are very well run companies and remain overweights and sizable holdings at midyear.

As oil prices rose, I increased our commitment to the energy sector, where earnings and free-cash-flow estimates jumped sharply. The fund's allocation to energy increased to 4.3% of assets on June 30, from 0.4% at year-end. Notable new positions include Exxon Mobil and Chevron, and I added to our stakes in Conoco Phillips and EOG Resources.

The fund's weighting in the health care sector, which includes many high-margin, innovative biotech and pharmaceutical companies that were less vulnerable to a slowing economy, increased from 12% of assets to 16%. Here, I established a new investments in Bristol-Myers Squibb and Johnson & Johnson.

Q: What detracted from fund performance?

Security selection in the communication services and information technology sectors hurt most, costing us 276 basis points (bps) and 200 bps versus the benchmark, respectively. Both sectors performed well in 2020, driven by acceleration in the "digital transformation" trend and the decline in interest rates during the COVID-19 pandemic. These two forces slowed or reversed in the first half of 2022 – rates rose and tech-related stocks had very difficult financial comparisons, and therefore growth slowed. Thus, the communication services sector, which includes Google parent Alphabet and Meta Platforms (formerly Facebook), returned -30% for the period, while tech returned -27%.

I was late to invest in the energy sector, which rose 32% as oil prices spiked from $75 per barrel to $106 per barrel during the period. This deemphasis of the energy sector cost the fund another 101 bps of relative performance.

Q: Which individual stocks detracted most?

It was a very difficult market. So, even though I am an experienced stock picker, my stock picking cost the fund 533 bps versus the benchmark this period. The fund's big commitment to Meta Platforms, the parent company of Facebook and Instagram, was by far the largest individual relative detractor, costing the fund 258 bps. Meta faced intense competition from short-form video service TikTok, which hurt time spent on Meta's products. In addition, changes in the privacy rules on Apple iPhone® devices hampered Meta's ability to target users for its advertising customers. Meta's first-quarter financial results were disappointing – revenue grew only 7% and earnings per share fell 18%. Meta lowered its earnings estimates by 25%, and the stock returned -52% for the six months. I maintained the fund's commitment to Meta because its valuation is very attractive relative to its expected rebound in free cash flow next year. It was our No. 2 holding at midyear and our second-largest overweight.

Elsewhere, Amazon.com (-36%) and Netflix (-71%) were similarly pummeled, as their earnings estimates and valuations fell. Amazon and Netflix detracted from relative performance by 70 and 63 bps, respectively. I reduced our commitments to Amazon and Netflix because they were not generating free cash flow, but both are very well run and remain sizable fund holdings and overweightings.

Q: How about notable contributors?

In a period when growth stocks were shunned, there were not many silver linings. I did a decent job identifying a hardening insurance market, and stock picking in the broader financials sector contributed 40 bps versus the benchmark. Stock picking in health care and industrials helped to a lesser extent.

Q: Which individual stocks helped most versus the benchmark?

The fund's large and longtime holding in Berkshire Hathaway, which ended the period as the fund's largest position and overweight, added 43 bps. Berkshire, one of the world's leading and biggest insurance companies, benefited from higher insurance rates and saw its book value increase about 17% in the past year. Berkshire shares returned -9% for the period, outperforming the overall market. About a dozen colleagues and I attended the Berkshire Hathaway annual meeting in Omaha this spring and heard Berkshire CEO Warren Buffett emphasize his commitment to a true partnership between management and company shareholders. As a Berkshire shareholder for about 25 years, Contrafund is very pleased with this partnership paradigm.

Another longtime holding and top-10 position, UnitedHealth Group, rose 3% and was the fund's top individual relative contributor for the period, adding 64 basis points. UnitedHealth is the largest healthcare services company in the country, but it has still grown earnings close to 15% annually. Its higher-margin Optum services division has gained market share to fuel UnitedHealth's earnings growth. The stock, our fifth-biggest holding at midyear, benefited as investors sought the relative safety of a market leader with a high return in a recession-resistant sector.

Q: Will, what is your outlook at midyear, and how have you positioned the fund for the second half of 2022?

Growth-stock investors have been kicked in the shins. Many growth-oriented hedge funds were down close to 50% in the first half of the year. Sentiment is very cautious. So, with many stocks down more than 50%, there are opportunities for long-term investors. But, high inflation, running at levels not seen in four decades, is particularly bad for corporate earnings. Inflation squeezes consumer-spending power, weakening demand while also increasing costs.

Corporate earnings estimates have been stable until very recently, but they are likely to fall as second-quarter earnings are reported. Central banks around the world are playing catch-up in their fight against inflation. Until they can control inflation, interest rates will most likely stay higher than hoped and stocks will probably struggle.

Therefore, the fund's tilt toward more-defensive holdings feels right to me at midyear. The Fidelity team and I are working hard to identify companies that can grow profits during this difficult environment.

On the optimistic side of my outlook, the current high rate of U.S. inflation may be peaking, as higher mortgage rates slow housing-price appreciation, weaker markets may restrain wage pressure in the tech and financials sectors, and oil prices may decline as consumers balk at paying higher prices at the pump.

In addition, most economies in Europe will remain strained by Russia's war in Ukraine, and China, the world's second-largest economy, may slow as it continues to confront COVID. Weaker global growth could alleviate inflationary pressure. If inflation slows and rates stop rising, stocks could rebound in the second half of the year. ■

Portfolio Manager Will Danoff on difficult market conditions:

"Bear markets are painful. I apologize for the fund's performance in the first half of 2022. Stock market history can help investors gain perspective on the current market environment.

"The S&P 500® index has declined 20% or more 23 times since 1900, or once every 5.3 years, on average. The average return of these 23 bear markets is -34.7%. The average duration of the eight bear markets since 1987 is only eight months, while the average duration since 1900 is a much longer 20 months. Based on this historical data, the current bear market (down 20% in six months) probably has lower and longer to go.

"Regardless of the direction of the overall market, the Fidelity research department and I have a tremendous opportunity to analyze the thousands of companies in the market and try to determine which ones will emerge as bigger and more valuable companies in a few years, when the bear market is a memory.

"Because of the uncertain economic outlook, the team and I are favoring profitable companies with a strong balance sheet and free-cash-flow generation, a differentiated offering and growing market share, and experienced and reputable management.

"We have an opportunity to buy these well-run companies at more-reasonable valuations, given the current bear market.

"Looking ahead, I am confident that Contrafund will rebound over time. Thank you very much for your confidence in me and your patience during these difficult market conditions."

LARGEST CONTRIBUTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Relative Contribution (basis points)*
UnitedHealth Group, Inc.	Health Care	3.13%	64
Berkshire Hathaway, Inc. Class A	Financials	6.08%	43
Eli Lilly & Co.	Health Care	0.93%	32
Tesla, Inc.	Consumer Discretionary	-1.93%	32
Vertex Pharmaceuticals, Inc.	Health Care	0.31%	11

** 1 basis point = 0.01%.*

LARGEST DETRACTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Relative Contribution (basis points)*
Meta Platforms, Inc. Class A	Communication Services	6.35%	-258
Amazon.com, Inc.	Consumer Discretionary	4.14%	-70
Netflix, Inc.	Communication Services	0.74%	-63
NVIDIA Corp.	Information Technology	1.23%	-40
Exxon Mobil Corp.	Energy	-0.85%	-38

** 1 basis point = 0.01%.*

ASSET ALLOCATION

Asset Class	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Six Months Ago
Domestic Equities	91.12%	100.00%	-8.88%	-2.41%
International Equities	6.14%	0.00%	6.14%	0.58%
Developed Markets	5.51%	0.00%	5.51%	0.69%
Emerging Markets	0.63%	0.00%	0.63%	-0.11%
Tax-Advantaged Domiciles	0.00%	0.00%	0.00%	0.00%
Bonds	0.01%	0.00%	0.01%	-0.02%
Cash & Net Other Assets	2.73%	0.00%	2.73%	1.85%

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	24.41%	26.84%	-2.43%	-5.31%
Health Care	15.87%	15.14%	0.73%	2.26%
Communication Services	14.89%	8.87%	6.02%	-3.03%
Financials	14.55%	10.84%	3.71%	1.51%
Consumer Discretionary	10.93%	10.54%	0.39%	-0.81%
Industrials	4.96%	7.81%	-2.85%	1.20%
Energy	4.30%	4.35%	-0.05%	2.23%
Consumer Staples	3.58%	6.99%	-3.41%	-0.37%
Materials	3.18%	2.60%	0.58%	0.87%
Real Estate	0.31%	2.92%	-2.61%	-0.03%
Utilities	0.27%	3.10%	-2.83%	-0.37%
Other	0.00%	0.00%	0.00%	0.00%

10 LARGEST HOLDINGS

Holding	Market Segment	Portfolio Weight	Portfolio Weight Six Months Ago
Berkshire Hathaway, Inc. Class A	Financials	7.98%	5.87%
Meta Platforms, Inc. Class A	Communication Services	6.93%	9.65%
Microsoft Corp.	Information Technology	6.80%	6.48%
Amazon.com, Inc.	Consumer Discretionary	6.57%	7.73%
UnitedHealth Group, Inc.	Health Care	5.59%	3.61%
Apple, Inc.	Information Technology	4.23%	3.76%
Alphabet, Inc. Class A	Communication Services	3.48%	3.35%
Alphabet, Inc. Class C	Communication Services	3.14%	3.09%
Eli Lilly & Co.	Health Care	2.21%	1.22%
NVIDIA Corp.	Information Technology	2.17%	3.21%
10 Largest Holdings as a % of Net Assets		**49.10%**	**49.14%**
Total Number of Holdings		**341**	**354**

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 June 30, 2022

	Cumulative		Annualized			
	6 Month	YTD	1 Year	3 Year	5 Year	10 Year/ LOF[1]
Fidelity Contrafund Gross Expense Ratio: 0.81%[2]	-28.19%	-28.19%	-21.97%	8.41%	11.26%	12.94%
S&P 500 Index	-19.96%	-19.96%	-10.62%	10.60%	11.31%	12.96%
Morningstar Fund Large Growth	-29.12%	-29.12%	-23.86%	8.10%	11.01%	12.51%
% Rank in Morningstar Category (1% = Best)	--	--	51%	54%	49%	42%
# of Funds in Morningstar Category	--	--	1,248	1,138	1,052	787

[1] Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 05/17/1967.

[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 this document is for informational and educational purposes only. To the extent any investment information in this material is deemed to be a recommendation, it is not meant to be impartial investment advice or advice in a fiduciary capacity and is not intended to be used as a primary basis for you or your client's investment decisions. Fidelity, and its representatives may have a conflict of interest in the products or services mentioned in this material because they have a financial interest in, 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

The value of the fund's domestic and foreign investments will vary from day to day in response to many factors. Stock values fluctuate in response to the activities of individual companies, and general market and economic conditions. Investments in foreign securities involve greater risk than U.S. investments. You may have a gain or loss when you sell your shares.

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 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

 Fidelity does not review the Morningstar data and, for mutual fund performance, you should check the fund's current prospectus for the most up-to-date information concerning applicable loads, fees and expenses.

% 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

Will Danoff joined Fidelity as an equity research analyst in 1986, after graduating from the Wharton School of the University of Pennsylvania. He covered the retail industry and managed the Fidelity Select Retailing Portfolio from 1986 to 1989.

Mr. Danoff served as the portfolio assistant for the Magellan Fund in 1989 and 1990, before being asked to manage the Fidelity Contrafund in September 1990. The fund is the largest solely managed active equity mutual fund in the world. Contrafund strategies1 have more than $219 billion in assets.

Mr. Danoff started Fidelity Advisor New Insights Fund in 2003, which has grown to $26 billion. He currently co-manages the fund with Nidhi Gupta. He started Fidelity Series Opportunistic Insights Fund in 2012, which has grown to $8 billion.

In addition, Mr. Danoff resumed management of the $23 billion Fidelity VIP Contrafund in May 2018, a portfolio he launched in 1995 before handing off to colleagues in 2007. He co-manages that fund with Jean Park.

Mr. Danoff also manages Fidelity Insights Class2, Fidelity U.S. Equity3, and co-manages Fidelity Global Growth & Value Class2 with Joel Tillinghast. These strategies were launched in January 2017, May 2018, and June 2018, respectively, and have grown to over $12 billion in aggregate.

Morningstar named Mr. Danoff "Domestic Stock Manager of the Year"4 in 2007.

All data related to assets managed is as of 12/31/2021 unless otherwise noted.

1. Contrafund strategies include Fidelity Contrafund, Fidelity Contrafund K6, and the Fidelity Contrafund Commingled Pool.
2. Only available to Canadian Investors.
3. Only available to Japanese Investors.
4. Established in 1988, the Morningstar Fund Manager of the Year award recognizes portfolio managers who demonstrate excellent investment skill and the courage to differ from the consensus to benefit investors. To qualify for the award, managers' funds must have not only posted impressive returns for the year, but the managers also must have a record of delivering outstanding long-term performance and of aligning their interests with shareholders'. The Fund Manager of the Year award winners are chosen based on Morningstar's proprietary research and in-depth evaluation by its fund analysts. For mutual fund performance information, you should check the fund's current prospectus for the most up-to-date information concerning applicable loads, fees, and expenses.

PERFORMANCE SUMMARY:
Quarter ending December 31, 2022

	Annualized			
	1 Year	3 Year	5 Year	10 Year/ LOF[1]
Fidelity Contrafund Gross Expense Ratio: 0.81%[2]	-28.26%	5.76%	8.52%	12.40%

[1] Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 05/17/1967.

[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.

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.

Views expressed are through the end of the period stated and do not necessarily represent the views of Fidelity. Views are subject to change at any time based upon market or other conditions and Fidelity disclaims any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for a Fidelity fund are based on numerous factors, may not be relied on as an indication of trading intent on behalf of any Fidelity fund. The securities mentioned are not necessarily holdings invested in by the portfolio manager(s) or FMR LLC. References to specific company securities should not be construed as recommendations or investment advice.

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

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

Fidelity Brokerage Services LLC, Member NYSE, SIPC, 900 Salem Street, Smithfield, RI 02917.

Fidelity Distributors Company LLC, 500 Salem Street, Smithfield, RI 02917.

711640.16.0