

Fidelity® Magellan® Fund

Investment Approach

- Fidelity® Magellan® Fund is a diversified domestic equity strategy with a large-cap growth orientation and that seeks capital appreciation.
- The fund's mandate is highly flexible, giving us the ability to invest in domestic and foreign issuers across all market capitalizations and styles.
- Our investment approach seeks to identify high-quality growth stocks benefiting from long-term "mega trends," as well as the three "B's" – brands, barriers to entry and "best in class" management teams – using a proprietary quantitative screen and bottom-up fundamental analysis.
- The fund employs a unique risk-managed portfolio construction process that attempts to optimize alpha (risk-adjusted excess return). Rather than adjusting security weights according to conviction, we use an equal-active-weight approach, which helps to limit the impact of dramatic fluctuations in any single position, while still allowing for high active share (benchmark differentiation).

FUND INFORMATION

Manager(s):
Sammy Simnegar

Trading Symbol:
FMAGX

Start Date:
May 02, 1963

Size (in millions):
\$33,460.14

Morningstar Category:
Fund Large Growth

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.

PERFORMANCE SUMMARY

| | Cumulative | | Annualized | | | |
|---|------------|--------|------------|--------|--------|--------------------------|
| | 3 Month | YTD | 1 Year | 3 Year | 5 Year | 10 Year/LOF ¹ |
| Fidelity Magellan Fund Gross Expense Ratio: 0.42% ² | 16.08% | 16.08% | 40.08% | 11.86% | 15.72% | 13.22% |
| S&P 500 Index | 10.56% | 10.56% | 29.88% | 11.49% | 15.05% | 12.96% |
| Morningstar Fund Large Growth | 11.92% | 11.92% | 36.45% | 7.95% | 14.89% | 13.24% |
| % Rank in Morningstar Category (1% = Best) | -- | -- | 37% | 17% | 41% | 57% |
| # of Funds in Morningstar Category | -- | -- | 1,191 | 1,111 | 1,037 | 807 |

¹ Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 05/02/1963.

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 first three months of 2024, the fund's Retail Class shares gained 16.08%, faring considerably better than the 10.56% advance of the benchmark S&P 500® index.

The S&P 500® index achieved its best start to a new year since 2019, 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 index continued its late-2023 momentum and ended March at its all-time high – in fact, 22 new closing highs were set in the past three months alone. Growth stocks led the broad rally, with all but one of 11 market sectors advancing.

In Q1, the U.S. economy and corporate earnings exhibited signs of broadening stabilization. Although core U.S. inflation remained elevated and investors dialed back their expectation for the pace and magnitude of expected rate cuts, investors remained largely optimistic that the Fed would soon shift to easing after a historic hiking cycle from March 2022 to July 2023.

That sentiment was evident in January, when the index gained 1.68%, and grew even stronger amid widespread optimism the central bank would bring down inflation to its target of 2% without inflicting too much damage to the economy, thereby pulling off a "soft landing." Sure enough, stocks gained 5.34% in February, boosted by strong corporate earnings. On March 20, the central bank held steady its benchmark federal funds rate and affirmed its projection to cut it three times this year, despite firmer-than-anticipated inflation in recent months. The index rose 3.22% for the month.

For the quarter, growth (+13%) shares within the index topped value (+8%), while large-caps bested smaller-caps. By sector within the S&P 500®, excitement about high-growth megatrends, fanned by AI fervor, was reflected in the roughly 13% gain for information technology – led by AI-focused chipmaker Nvidia (+82%) and cloud-computing giant Microsoft (+12%) – as well as communication services (+16%), with Facebook parent Meta Platforms (+37%) a standout. Amazon.com, from the consumer discretionary sector, rose about 19%, but the dominance of the so-called Magnificent Seven faded with steep pullbacks in personal-electronics giant Apple (-11%) and electric-vehicle maker Tesla (-29%), along with a lagging result from Google parent Alphabet (+8%). Turning to the fund's performance compared with the benchmark, security selection was the primary reason for the portfolio's notable outperformance. Picks among information technology stocks

were particularly strong, as were those in consumer discretionary and industrials. Overall, active management added value in nine of 11 sectors.

On an individual basis, a lack of exposure to benchmark heavyweight Apple helped the most from a relative return standpoint. Shares of the personal electronics giant returned -11% the past three months, falling in early February even though management announced quarterly financial results that were better than expected, including revenue growth for the first time since the third quarter of 2022. Instead, impatient investors seemed to focus on when the company would share specifics about its plan to capitalize on generative artificial intelligence, as well as management's 2024 forecast for lower sales of the firm's flagship device in China, a crucial market where it has lost share. The stock took another hit on March 21, when the U.S. Department of Justice sued the firm for violating federal law to limit competition for its mobile phones.

An overweight stake in Nvidia also contributed meaningfully as well. The stock gained about 83% in the first quarter, rising steadily as the chipmaker continued to capitalize on booming interest in language-generating artificial intelligence. After years of investment in the development of chips and software for AI, Nvidia dominates the market for advanced graphics chips that are the lifeblood of new generative AI systems, including the viral chatbot ChatGPT. In mid-February, the firm reported financial results for the three months ending January 28 that far exceeded expectations – sales roughly tripled and earnings surged about eightfold – and also raised its forecast for its next fiscal quarter.

Conversely, subpar investment choices within the financials sector and avoiding energy stocks altogether pressured the funds' relative result this past quarter.

An outsized position in UnitedHealth Group was one of the portfolio's largest relative detractors, as the stock of the managed health care and insurance giant returned about -6% the past three months. In January, the firm reported Q4 financial results that topped consensus estimates on both the top and bottom lines, although medical costs as a percentage of premiums were higher than analysts had been expecting. Then, in late February, shares came under further pressure after the U.S. Department of Health and Human Services opened an investigation into the company following a cyberattack to determine if there was a breach of patients' protected health care data. ■

LARGEST CONTRIBUTORS VS. BENCHMARK

| Holding | Market Segment | Average Relative Weight | Relative Contribution (basis points)* |
|------------------------------|------------------------|-------------------------|---------------------------------------|
| Apple, Inc. | Information Technology | -6.38% | 154 |
| Tesla, Inc. | Consumer Discretionary | -1.31% | 70 |
| NVIDIA Corp. | Information Technology | 1.19% | 69 |
| Meta Platforms, Inc. Class A | Communication Services | 1.37% | 34 |
| General Electric Co. | Industrials | 0.92% | 27 |

* 1 basis point = 0.01%.

LARGEST DETRACTORS VS. BENCHMARK

| Holding | Market Segment | Average Relative Weight | Relative Contribution (basis points)* |
|-------------------------------------|------------------------|-------------------------|---------------------------------------|
| Zoetis, Inc. Class A | Health Care | 1.07% | -29 |
| UnitedHealth Group, Inc. | Health Care | 1.12% | -20 |
| S&P Global, Inc. | Financials | 1.16% | -17 |
| Uber Technologies, Inc. | Industrials | 0.33% | -15 |
| LVMH Moët Hennessy Louis Vuitton SE | Consumer Discretionary | 0.21% | -15 |

* 1 basis point = 0.01%.

Outlook and Positioning

Although a policy error by central banks remains a possibility, we believe that the significant increase in U.S. spending on infrastructure, reshoring, new semiconductor capacity and combatting climate change should help the U.S. economy achieve a soft landing and have spillover benefits for other nations around the world.

Another positive for the global outlook is the low level of unemployment in most key markets. As long as people have jobs, they'll probably spend freely, which we believe bodes well for future economic growth, at least in the foreseeable future. Moreover, with interest rates as high as they are, the Fed and other central banks have plenty of room to reduce rates, if necessary. Conflict in Ukraine and Gaza remains a wild card, however.

We continue to focus a significant percentage of the fund's assets on steady growers with strong balance sheets. The portfolio's overall positioning remains consistent with the four key factors we look for: quality, growth, momentum and free cash flow – a strategy that has served us well over multiple market and economic cycles.

Given our expectation for infrastructure spending to be a focal point for economic growth in the foreseeable future, the fund's largest sector area of emphasis as of period end was industrials, and we notably increased this overweight in Q1. Most of our buying was focused on capital goods stocks. There, Transdigm Group, General Electric and HEICO all represented large overweights as of March 31.

The fund's second-largest sector overweight at quarter end was materials. Noteworthy overweights here included Martin Marietta Materials and Vulcan Materials, both of which we think could benefit from the significant capital spending boom supporting reshoring and infrastructure upgrades.

The portfolio also had two sizable overweights within the semiconductor equipment portion of the technology sector: ASML Holding and KLA. Given the importance of semiconductors to the development of artificial intelligence, 5G wireless networks, self-driving automobiles, corporate digital transformation and other key technology initiatives, we foresee a long runway for growth in these holdings. Other key overweights held in the fund at the end of March included Thermo Fisher Scientific – the top overweight overall – and Meta Platforms.

On the other hand, consumer staples and energy represented the biggest underweights from a sector standpoint. The portfolio had some consumer staples holdings but we avoided energy entirely, as it is mainly driven by commodity prices, which can change significantly in a relatively short period of time. Furthermore, it is a highly capital-intensive sector in which we believe it is difficult to identify durable sources of competitive advantage. We also did not own any real estate or utilities stocks within the portfolio on March 31.

We continued to avoid some sizable benchmark components that did not meet our investment criteria, including Apple, Berkshire Hathaway and JPMorgan Chase & Co. Thank you for your confidence in Fidelity's investment-management capabilities. ■

MARKET-SEGMENT DIVERSIFICATION

| Market Segment | Portfolio Weight | Index Weight | Relative Weight | Relative Change From Prior Quarter |
|------------------------|------------------|--------------|-----------------|------------------------------------|
| Information Technology | 31.35% | 29.57% | 1.78% | -1.29% |
| Industrials | 18.06% | 8.80% | 9.26% | 4.32% |
| Consumer Discretionary | 12.19% | 10.34% | 1.85% | -0.39% |
| Health Care | 11.10% | 12.42% | -1.32% | -0.28% |
| Financials | 10.51% | 13.16% | -2.65% | -1.26% |
| Communication Services | 8.51% | 8.95% | -0.44% | -0.22% |
| Materials | 5.59% | 2.37% | 3.22% | 0.09% |
| Consumer Staples | 1.79% | 5.97% | -4.18% | -1.15% |
| Energy | 0.00% | 3.95% | -3.95% | -0.06% |
| Utilities | 0.00% | 2.20% | -2.20% | 0.14% |
| Real Estate | 0.00% | 2.28% | -2.28% | 0.24% |
| Other | 0.00% | 0.00% | 0.00% | 0.00% |

CHARACTERISTICS

| | Portfolio | Index |
|--|-----------|-------|
| Valuation | | |
| Price/Earnings Trailing | 36.5x | 24.8x |
| Price/Earnings (IBES 1-Year Forecast) | 29.6x | 21.2x |
| Price/Book | 11.2x | 4.8x |
| Price/Cash Flow | 27.7x | 18.1x |
| Return on Equity (5-Year Trailing) | 25.0% | 18.2% |
| Growth | | |
| Sales/Share Growth 1-Year (Trailing) | 15.0% | 12.1% |
| Earnings/Share Growth 1-Year (Trailing) | 37.0% | 11.9% |
| Earnings/Share Growth 1-Year (IBES Forecast) | 20.9% | 13.9% |
| Earnings/Share Growth 5-Year (Trailing) | 19.1% | 17.4% |
| Size | | |
| Weighted Average Market Cap (\$ Billions) | 759.7 | 796.9 |
| Weighted Median Market Cap (\$ Billions) | 191.1 | 224.4 |
| Median Market Cap (\$ Billions) | 94.5 | 35.4 |

LARGEST OVERWEIGHTS BY HOLDING

| Holding | Market Segment | Relative Weight |
|---------------------------------|------------------------|-----------------|
| Thermo Fisher Scientific, Inc. | Health Care | 1.36% |
| Martin Marietta Materials, Inc. | Materials | 1.34% |
| Meta Platforms, Inc. Class A | Communication Services | 1.34% |
| TransDigm Group, Inc. | Industrials | 1.29% |
| General Electric Co. | Industrials | 1.27% |

LARGEST UNDERWEIGHTS BY HOLDING

| Holding | Market Segment | Relative Weight |
|----------------------------------|------------------------|-----------------|
| Apple, Inc. | Information Technology | -5.65% |
| Berkshire Hathaway, Inc. Class B | Financials | -1.74% |
| JPMorgan Chase & Co. | Financials | -1.31% |
| Tesla, Inc. | Consumer Discretionary | -1.11% |
| Exxon Mobil Corp. | Energy | -1.05% |

10 LARGEST HOLDINGS

| Holding | Market Segment |
|---|------------------------|
| Microsoft Corp. | Information Technology |
| NVIDIA Corp. | Information Technology |
| Amazon.com, Inc. | Consumer Discretionary |
| Meta Platforms, Inc. Class A | Communication Services |
| Alphabet, Inc. Class A | Communication Services |
| Eli Lilly & Co. | Health Care |
| Broadcom, Inc. | Information Technology |
| Visa, Inc. Class A | Financials |
| UnitedHealth Group, Inc. | Health Care |
| MasterCard, Inc. Class A | Financials |
| 10 Largest Holdings as a % of Net Assets | 37.17% |
| Total Number of Holdings | 61 |

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 | 95.10% | 99.34% | -4.24% | -0.01% |
| International Equities | 3.97% | 0.66% | 3.31% | 0.12% |
| Developed Markets | 3.97% | 0.66% | 3.31% | 0.12% |
| Emerging Markets | 0.00% | 0.00% | 0.00% | 0.00% |
| Tax-Advantaged Domiciles | 0.00% | 0.00% | 0.00% | 0.00% |
| Bonds | 0.00% | 0.00% | 0.00% | 0.00% |
| Cash & Net Other Assets | 0.93% | 0.00% | 0.93% | -0.11% |

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 | 1.13 | 1.00 |
| Standard Deviation | 20.79% | 17.60% |
| Sharpe Ratio | 0.44 | 0.50 |
| Tracking Error | 6.29% | -- |
| Information Ratio | 0.06 | -- |
| R-Squared | 0.92 | -- |

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.

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.

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

© 2024 Morningstar, Inc. All rights reserved. The Morningstar information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or redistributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this 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.

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.

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.

S&P 500 is a registered service mark of Standard & Poor's Financial Services LLC.

Other third-party marks appearing herein are the property of their respective owners.

All other marks appearing herein are registered or unregistered trademarks or service marks of FMR LLC or an affiliated company.

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

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

© 2024 FMR LLC. All rights reserved.

Not NCUA or NCUSIF insured. May lose value. No credit union guarantee.

656712.45.0