QUARTERLY FUND REVIEW | AS OF DECEMBER 31, 2025

Fidelity® Real Estate Investment Portfolio

Investment Approach

- Fidelity® Real Estate Investment Portfolio seeks above-average income and long-term capital growth, consistent with reasonable investment risk, by investing in securities of companies that own and, in most cases, operate commercial real estate properties.
- Investment in real estate securities has the potential to provide portfolio diversification, consistent income generation, total return and the ability to outpace inflation.
- We believe real estate investment trusts (REITs) represent a balance between real estate and stocks, and that recognizing attributes of both is key to identifying opportunities to outperform.
- Through rigorous bottom-up research from both Fidelity's dedicated real estate team and the firm's broader research resources, we strive to add value through security selection within a disciplined risk framework. Our process seeks to determine the relative attractiveness of individual REITs and will try to take advantage of pricing discrepancies in the market.

PERFORMANCE SUMMARY

	Cumulative		Annualized			
	3 Month	YTD	1 Year	3 Year	5 Year	10 Year/ LOF[1]
Fidelity Real Estate Investment Portfolio Gross Expense Ratio: 0.64%[2]	-0.85%	2.51%	2.51%	6.34%	5.32%	4.89%
S&P 500 Index	2.66%	17.88%	17.88%	23.01%	14.42%	14.82%
MSCI US IMI Real Estate 25/50 Linked Index	-2.39%	3.31%	3.31%	6.71%	4.76%	3.53%
Morningstar Fund Real Estate	-1.80%	1.60%	1.60%	6.61%	4.51%	4.91%
% Rank in Morningstar Category (1% = Best)	--	--	40%	53%	36%	56%
# of Funds in Morningstar Category	--	--	215	205	196	153

[1] Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 11/17/1986.
[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.

FUND INFORMATION

Manager(s):
Steve Buller

Trading Symbol:
FRESX

Start Date:
November 17, 1986

Size (in millions):
$2,812.50

Morningstar Category:
Fund Real Estate

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. Changes in real estate values or economic downturns can have a significant negative effect on issuers in the real estate industry. The value of securities of issuers in the real estate industry can be affected by changes in real estate values and rental income, property taxes, interest rates, tax and regulatory requirements, and the management skill and creditworthiness of the issuer. The fund may have additional volatility because it can invest a significant portion of assets in securities of a small number of individual issuers.

Market Review

For the fourth quarter of 2025, U.S. real estate investment trusts, as measured by the MSCI U.S. IMI Real Estate 25/50 Linked Index, returned -2.39%, lagging the 2.66% gain of the large-cap-oriented U. S. stock market, according to the S&P 500® index.

Although some sectors continued to benefit from the strength of investments in artificial intelligence, REITs overall were weak in Q4 as fiscal stimulus, multiple interest-rate cuts and some reduction in uncertainty surrounding tariffs boosted growth stocks and more economically sensitive asset types. Meanwhile, REITs and other income-oriented categories were relative laggards.

Against this backdrop, notable industry laggards in the real estate index included office REITs (-13%) – which despite some "green shoots" in certain markets further struggled with an excess of supply as the market continues to adjust to post-pandemic needs – self-storage (-8%) and data center REITs (-5%).

In contrast, industrial (+10%) and hotel (+4%) REITs performed relatively well, given their more economically sensitive nature tied to near-term economic growth after two U.S. Federal Reserve rate cuts in Q4 and three total in the second half of 2025.

Meanwhile, the U.S. equity market's advance in Q4 extended a historically fast rebound that began in early April, but at a slower pace. The advance has been supported by strong corporate fundamentals, a resilient economy, an ongoing boom in spending on artificial intelligence and the Federal Reserve's policy interest-rate reductions.

Amid this favorable backdrop for higher-risk assets, the index closed the year just shy of its all-time high. Value stocks modestly outpaced growth in Q4, while large-caps had only a slight advantage over small-caps, as investors' appetite for risk waned versus the prior three months. ■

Performance Review

For the fourth quarter, the fund returned -0.85%, outperforming the -2.39% result of the benchmark, the MSCI U.S. IMI Real Estate 25/50 Linked Index. The fund also outperformed the benchmark on a five- and 10-year basis ending December 31, 2025.

Versus the MSCI real estate index, security selection in the real estate services and health care REITs segment notably contributed to the fund's performance. Also meaningfully adding relative value was a portfolio overweight in the outperforming industrial REIT segment. Lacking exposure to the office segment, the weakest-performing category in the benchmark in Q4, also helped.

Within the health care REITs segment, not holding benchmark component Alexandria Real Estate Equities (-40%) boosted the fund's result. Alexandria struggled in Q4 along with the broader life sciences industry amid an oversupply of space and research funding. In the industrial segment, an overweight in Prologis (+12%) – the world's largest industrial REIT and the fund's largest holding on December 31 – was the fund's biggest relative contributor. Prologis benefited from a rebound in leasing activity, and from the market's expectation for the firm to continue its growth trajectory. We reduced our stake as the stock appreciated.

In contrast, security selection in the retail REITs group hurt the fund's relative result. From a stock-specific standpoint, Iron Mountain (-18%) was the fund's top relative detractor. This company, which specializes in document management and storage, saw its stock fall sharply after a short-sale report was released in November, worrying market participants. Also detracting was an overweight in American Tower (-8%) – the fund's No. 4 holding on December 31. As relatively defensive investments, tower stocks largely lagged their more economically sensitive counterparts this quarter. ■

LARGEST CONTRIBUTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Relative Contribution (basis points)*
Prologis Inc	Industrial	2.63%	38
Alexandria Real Estate Equities Inc	Health Care	-0.62%	33
CoStar Group Inc	Diversified	-1.16%	31
Ventas Inc	Health Care	1.87%	26
VICI Properties Inc	Gaming	-2.12%	23

** 1 basis point = 0.01%.*

LARGEST DETRACTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Relative Contribution (basis points)*
Iron Mountain Inc	Specialty	1.62%	-27
American Tower Corp	Infrastructure REITs	2.68%	-15
Kimco Realty Corp	Shopping Centers	3.71%	-14
NNN REIT Inc	Free Standing	3.88%	-13
Simon Property Group Inc	Regional Malls	-3.99%	-9

** 1 basis point = 0.01%.*

Outlook and Positioning

Our investment strategy in Q4 emphasized our best stock picking ideas based on individual company fundamentals and valuations. As of December 31, modest outsized exposure to apartment REITs reflected our view that the industry is well positioned over the long term. Even in the heavily built Sunbelt region, we believe that new supply is likely to decline over time. We also believe this trend is likely to persist, given higher construction costs, restrictive immigration policies leading to rising labor rates and massive demand for data centers that is further distorting labor supply. All told, it's adding delays to the construction process, which could further constrain supply and push up rents over time.

Elsewhere, we maintained substantial exposure to industrial REITs due to strong demand for specialized distribution facilities, driven in part by rapid growth in e-commerce. Although industrial REITs encountered difficulty earlier in 2025, we expect to see occupancy rates start to tick up as the supply/demand balance improves. The positive impact of this reduction will take time to play out, but we believe it ultimately could be quite beneficial to industrial REIT cash flows, as property owners will need higher rental rates to economically justify new construction. Another area of opportunity that we continue to see is the assisted-living industry, which is benefiting from a favorable combination of strong demand and constrained supply. Meanwhile, the fund maintained limited exposure to mall owners, given the significant long-term business challenges they face.

However, we did see attractive opportunities among retail strip-center shopping REITs and, as such, maintained an overweight in the industry. As we see it, owners of strip centers have better businesses than mall owners, benefiting from favorable demand and more limited supply of attractive locations. The fund is also overweight data centers. It's become increasingly challenging to satisfy the demand for data centers due to constraints on new supply, which include access to power and water resources and the scarcity of optimal locations. Many customers want to be close to the internet's on- and off ramps to make their data connections faster. Thus, well-located data centers are experiencing strong growth in rental income. This situation is creating tremendous pricing power for the industry. In seeking data center industry investments, we've prioritized REITs that operate in desirable locations close to their customers, as well as those with stronger financial positions and greater access to capital.

Overall, our outlook for REITs is generally positive. Market participants are anticipating additional cuts to short-term interest rates – a positive factor if it also leads to lower long-term rates and, as a result, the cost of capital. In addition, after the REIT market's significant underperformance in recent years, valuations have become much more attractive relative to the broader equity market. In short, we're relatively optimistic about REITs, though we're also mindful of how growth-oriented equities seemingly continue to go up daily. In this environment, one should remember that REITs have historically been good diversifiers of a growth-heavy portfolio. All told, we're going to continue to pay close attention to the broader economic context in which the fund operates, while focusing our attention on bottom-up stock picking.

LARGEST OVERWEIGHTS BY MARKET SEGMENT

Market Segment	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Prior Quarter
Shopping Centers	10.17%	4.65%	5.52%	-0.47%
Industrial	15.62%	11.48%	4.13%	-1.48%
Data Centers	11.84%	8.68%	3.16%	0.39%
Free Standing	7.18%	5.33%	1.85%	1.57%
Single Family Homes	3.36%	2.19%	1.17%	-0.11%

LARGEST UNDERWEIGHTS BY MARKET SEGMENT

Market Segment	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Prior Quarter
Regional Malls	0.83%	4.46%	-3.64%	-0.26%
Gaming	--	2.90%	-2.90%	0.23%
Office	--	2.68%	-2.68%	0.45%
Health Care	13.09%	15.55%	-2.46%	0.06%
Lodging Resorts	--	2.10%	-2.10%	-0.08%

10 LARGEST HOLDINGS

Holding	Market Segment
Prologis Inc	Industrial
Welltower Inc	Health Care
Equinix Inc	Data Centers
American Tower Corp	Infrastructure REITs
Kimco Realty Corp	Shopping Centers
NNN REIT Inc	Free Standing
Public Storage	Self Storage
Ventas Inc	Health Care
CBRE Group Inc Class A	Diversified
UDR Inc	Apartments
10 Largest Holdings as a % of Net Assets	**59.62%**
Total Number of Holdings	**43**

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.

LARGEST OVERWEIGHTS BY HOLDING

Holding	Market Segment	Relative Weight
NNN REIT Inc	Free Standing	3.81%
Kimco Realty Corp	Shopping Centers	3.67%
Equinix Inc	Data Centers	3.38%
STAG Industrial Inc Class A	Industrial	2.89%
UDR Inc	Apartments	2.69%

LARGEST UNDERWEIGHTS BY HOLDING

Holding	Market Segment	Relative Weight
Simon Property Group Inc	Regional Malls	-4.11%
Crown Castle Inc	Infrastructure REITs	-2.63%
VICI Properties Inc	Gaming	-2.04%
Realty Income Corp	Free Standing	-1.89%
AvalonBay Communities Inc	Apartments	-1.76%

ASSET ALLOCATION

Asset Class	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Prior Quarter
Domestic Equities	98.89%	100.00%	-1.11%	-0.94%
International Equities	0.00%	0.00%	0.00%	0.00%
Developed Markets	0.00%	0.00%	0.00%	0.00%
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	1.11%	0.00%	1.11%	0.94%

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	0.95	1.00
Standard Deviation	16.59%	17.25%
Sharpe Ratio	0.08	0.10
Tracking Error	2.62%	--
Information Ratio	-0.14	--
R-Squared	0.98	--

Definitions and Important Information

Unless otherwise expressly disclosed to you in writing, the information provided in this material is for educational purposes only. Any viewpoints expressed by Fidelity are not intended to be used as a primary basis for your investment decisions and are based on facts and circumstances at the point in time they are made and are not particular to you. Accordingly, nothing in this material constitutes impartial investment advice or advice in a fiduciary capacity, as defined or under the Employee Retirement Income Security Act of 1974 or the Internal Revenue Code of 1986, both as amended. 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 the products or services and may 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. Before making any investment decisions, you should take into account all of the particular facts and circumstances of your or your client's individual situation and reach out to a professional adviser, if applicable.

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.

MSCI US IMI Real Estate 25/50 Linked Index is a modified market capitalization-weighted index of stocks designed to measure the performance of real estate companies in the MSCI US Investable Market 2500 Index. Index returns shown for periods prior to October 1, 2020 are returns of the Dow Jones U.S. Select Real Estate Securities Index (RESI).

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.

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.

656358.54.0