

Fidelity® Select Automotive Portfolio

Key Takeaways

- For the semiannual reporting period ending August 31, 2025, the fund gained 12.84%, outpacing the 11.78% advance of the FactSet Automotive Linked Index and 9.21% increase in the broad-based S&P 500® index.
- According to Portfolio Manager Amy Ge, the automotive industry was not immune to investors' tariff-related concerns the past six months, but nonetheless vehicle sales continued to grow and suppliers fared exceptionally well. Accordingly, she notes that the automotive parts & equipment (+29%) and automotive retail (+18%) categories fared best this period, whereas auto manufacturers (+9%) – accounting for about 53% of the index the past six months – lagged by comparison.
- Against this backdrop, security selection and an overweight in the automotive parts & equipment category notably contributed to the fund's result versus the FactSet auto index for the six months, as did Amy's picks among diversified support services and automobile manufacturers.
- A timely outsized stake in U.S. automotive technology firm Visteon (+64%) led the way, followed by an underweight in multinational automaker Stellantis (-16%) and an opportune position in Chinese electric-vehicle maker Nio (+25%).
- Conversely, investment choices among automotive retailers was the biggest detractor versus the industry index for the reporting period.
- On a stock-specific basis, overweight positions in two dealerships – Group 1 Automotive (+2%) and Lithia Motors (-4%) – hurt the most, in addition to smaller-than-index exposure to U.S.-based EV manufacturer Tesla (+13%).
- As of August 31, Amy is keeping a particularly close eye on the potential ramifications of federal tax credits for electric vehicles, set to expire on September 30. Furthermore, she believes a rollback of some federal and state vehicle-emission requirements for automakers has the potential to challenge smaller, EV-only manufacturers.

MARKET RECAP

U.S. equities gained 9.21% for the six months ending August 31, 2025, according to the S&P 500® index, reaching period end just shy of a record. U.S. stocks erased a sharp decline that began on February 20, as post-election optimism gave way to investor concern about a flurry of executive actions by the new administration, disruption to government programs and a rise in uncertainty stemming from shifting policy priorities, especially related to tariffs. The downtrend steepened on April 2, upon the announcement of a sweeping tariff plan. Amid rising volatility and concern about a global trade war, the index returned -12.12% through April 8, but then sharply reversed course and gained 30.31% through period end. The historically fast rebound was set off by a 90-day pause on most planned tariffs, and sustained by robust corporate profits, a solid economy, inflation trending around the Federal Reserve's 2% target and renewed expectations for rate cuts. By sector for the full six months, information technology (+19%) led the way, boosted by exuberance for artificial intelligence. Communication services (+15%) and industrials (+12%) also topped the index, helped by AI and trends related to power generation and reshoring. Conversely, health care (-7%), consumer staples (-2%) and real estate (-0.44%) lagged most, while consumer discretionary and utilities (+8% each), materials (+6%), financials (+4%), and energy (+1%) all gained but lagged the index for the six months.





Amy Ge
Portfolio Manager

Fund Facts

Trading Symbol:	FSAVX
Start Date:	June 30, 1986
Size (in millions):	\$71.00

Investment Approach

- Fidelity® Select Automotive Portfolio is an industry-based, equity-focused strategy that seeks to outperform its benchmark through active management.
- The fund seeks companies where the velocity, magnitude or longevity of earnings growth is under-appreciated and better than the overall automotive index.
- Our investment process emphasizes stock selection. Idea generation comes from fundamental, bottom-up research that leverages the deep and experienced global consumer team at Fidelity.
- We consider attractive automotive stocks outside of the benchmark that offer the potential for favorable risk-adjusted returns.
- Sector and industry strategies could be used by investors as alternatives to individual stocks for either tactical- or strategic-allocation purposes.

Q&A

An interview with Portfolio Manager Amy Ge

Q: Amy, how did the fund perform for the six months ending August 31, 2025?

The fund gained 12.84%, outpacing the 11.78% advance of the FactSet Automotive Linked Index and the 9.21% increase in the broad-based S&P 500® index. The portfolio topped the peer group average, which represents a broad group of consumer cyclical stocks.

Looking slightly longer term, the fund rose 20.02% the past 12 months, outperforming the FactSet index, S&P 500® and peer group average.

Q: Could you please describe the environment for automotive stocks the past six months?

The beginning of the reporting period roughly coincided with the first wave of tariff proposals put forth by the Trump administration, creating substantial apprehension among investors. While the auto industry was not immune to these concerns, an easing of the initial hardline rhetoric resulted in a lower tariff burden and was a positive development for most automotive firms.

In terms of vehicle sales, there was some concern that tariff-driven price increases were going to put pressure on consumer spending throughout the economy, yet that did not materialize to the extent many had anticipated. In fact, new car sales in particular – which tend to skew toward higher-income buyers relative to the used vehicle market – proved quite resilient.

More broadly, new car sales have grown modestly on a year-over-year basis the past six months, putting them firmly where I would expect in a mid-cycle environment. This is especially noteworthy from an affordability standpoint, considering that new vehicle prices remain historically expensive. All in all, these factors have helped drive automotive stocks higher this period.

Elsewhere, there has been a disproportionate surge in shares of auto suppliers. However, this is largely because the group came into 2025 with a historically low valuation after a period of underperforming other segments of the industry. What ultimately propelled these companies higher, though, stems from some of the nuances surrounding tariffs.

Specifically, many suppliers are more favorably positioned than manufacturers due to how the tariffs are structured,

putting most of the burden on the latter. Simply put, so long as manufacturers assemble the final vehicle in the U.S., components can still be sourced from Canada and Mexico exempt from tariffs, in compliance with the existing free-trade agreement. This tends to benefit suppliers, as most have existing footprints in Canada and Mexico, essentially putting the onus on manufacturers to move final assembly into the U.S. to receive tariff relief.

Looking at the three largest components of the FactSet industry index this period, automotive parts & equipment (+29%) stocks fared best by a wide margin. The automotive retail (+18%) category also outperformed, whereas auto manufacturers (+9%) – accounting for about 53% of the index the past six months – lagged by comparison.

Q: What meaningfully contributed to the fund's outcome versus the FactSet industry index?

Security selection and an overweight in the automotive parts & equipment group notably helped, as did my picks in the diversified support services and automobile manufacturers groups.

A timely outsized stake in U.S. automotive technology firm Visteon (+64%), established in April, was the largest individual relative contributor the past six months. The company supplies cockpit electronics, a growing category driven by the increased digitization of instrument clusters and larger and more-advanced infotainment screens. While Visteon has historically focused on U.S. automakers, it has won impressive market share among large Asian manufacturers. As the stock surged higher, I sold it in July to lock in profit after it hit my price target.

An underweight in multinational automaker Stellantis (-16%) also helped performance versus the index. Known for its Chrysler, Dodge, Fiat, Jeep and Ram Truck brands, the company is going through a transition period under new management. Also, it has a significant truck-assembly operation in Mexico that is subject to U.S. tariffs. Based on this, it is a fairly sizable underweight as of period end.

An opportune position in Chinese electric-vehicle maker Nio (+25%) further bolstered the portfolio's relative return, as I meaningfully increased exposure the past six months, moving from a slight underweight to a notable overweight on August 31. At the end of July, the company introduced its three-row electric SUV, the ONVO L90, which I felt was appropriately priced and should sell well versus comparable vehicles in the Chinese market. The firm was a top-10 holding and No. 5 overweight as of period end.

Q: What notably hurt?

My investment choices among automotive retailers was the biggest detractor versus the FactSet index. Within this group, investments in two dealerships, Group 1 Automotive (+2%)

and Lithia Motors (-4%), hurt the fund's relative result the past six months. When I first purchased these stocks, my investment thesis was predicated on the view that these companies were somewhat defensive in nature, given that a portion of their profitability is derived from repair services, as opposed to being entirely reliant on sales of new and used vehicle. To that point, during the reporting period, Group 1 – which operates roughly 200 locations throughout the U.S. and U.K. – reported second-quarter corporate earnings that topped the consensus estimate by 10%, in part due to better-than-expected financial results in its parts and service division, which accounted for roughly 40% of the business' gross profit. Meanwhile, Oregon-headquartered Lithia also exceeded Wall Street's Q2 expectations amid stronger profitability in automotive sales, as well as parts and services. Management raised its outlook for the 2025 fiscal year. However, both these stocks were simply unable to keep pace with industry's strong upward momentum, which prompted me to reduce exposure to each prior to August 31. Group 1 remained an overweight at period end, but Lithia slipped to an underweight.

Lastly, slightly smaller-than-index exposure to U.S.-based EV manufacturer Tesla (+13%) further weighed on the portfolio's relative return. The company continued to show momentum in autonomous driving with the June launch of robotaxi service in Austin, Texas, utilizing a small fleet of Tesla model Y SUVs, a topic I'll discuss further in the callout portion of this review. During the reporting period, CEO Elon Musk stepped back from a highly visible role in U.S. politics and returned his full-time focus to leading his businesses, including Tesla. The stock remained the portfolio's third-largest holding as of period end, at roughly 10% of assets.

Q: What's your outlook for automotive stocks as of August 31, Amy?

I'm keeping a particularly close eye on the potential ramifications of federal tax credits for electric vehicles, set to expire on September 30, following the passage of a bill that accelerated their termination.

At the same time, there has been a rollback of some federal and state vehicle-emission requirements for automakers. In combination, these developments could lead to changes to the types of vehicles sold in the U.S., possibly setting the stage for a difficult environment among smaller, EV-only manufacturers. ■

Amy Ge on advancements in autonomous vehicles:

"In many ways, autonomous vehicles are not a far-fetched, futuristic dream. For example, people in San Francisco, Los Angeles, Phoenix and Austin can hail a fully autonomous Waymo ride. Similarly, residents of Shenzhen, China, can summon a Pony. ai robotaxi or hop onto a WeRide autonomous bus.

"Closer to home, in June, a new Tesla Model Y successfully drove itself from the firm's Austin manufacturing plant to a customer's home 15 miles away, across highways and residential roads.

"Consequently, it's not surprising to me to see a growing number of partnerships between automakers, autonomous-vehicle makers and ride-hailing services.

"As with any technological advancement, however, there are inevitably going to be challenges. The first and most critical is ensuring safety in all situations, notably the 'edge cases' that are rare but just as important to get right. This requires massive amounts of real-world driving that underlies the vehicle's driving algorithm.

"Encouragingly, I believe recent advancements in AI and data-simulation techniques could accelerate this process. One notable headwind is the charging infrastructure required to power a fleet of autonomous vehicles, which are generally EVs.

"As of August 31, the fund holds investments in several autonomous-vehicle companies, in addition to auto manufacturers that are investing in autonomous driving, including Tesla and China-based XPeng."

LARGEST CONTRIBUTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Relative Contribution (basis points)*
Visteon Corp	Automotive Parts & Equipment	0.58%	69
Stellantis NV	Automobile Manufacturers	-1.60%	54
NIO Inc Class A ADR	Automobile Manufacturers	-0.54%	43
LKQ Corp	Distributors	-0.87%	42
OPENLANE Inc	Diversified Support Services	1.33%	40

* 1 basis point = 0.01%.

LARGEST DETRACTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Relative Contribution (basis points)*
Group 1 Automotive Inc	Automotive Retail	2.25%	-37
Lithia Motors Inc Class A	Automotive Retail	0.27%	-35
Tesla Inc	Automobile Manufacturers	-0.99%	-27
Magna International Inc (United States)	Automotive Parts & Equipment	-0.83%	-26
BYD Co Ltd H Shares	Automobile Manufacturers	1.15%	-25

* 1 basis point = 0.01%.

ASSET ALLOCATION

Asset Class	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Six Months Ago
Domestic Equities	66.85%	67.40%	-0.55%	-5.11%
International Equities	32.41%	32.60%	-0.19%	4.54%
Developed Markets	25.35%	25.27%	0.08%	4.46%
Emerging Markets	7.06%	7.33%	-0.27%	0.08%
Tax-Advantaged Domiciles	0.00%	0.00%	0.00%	0.00%
Bonds	0.00%	0.00%	0.00%	0.00%
Cash & Net Other Assets	0.74%	0.00%	0.74%	0.57%

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
Automobile Manufacturers	50.02%	52.16%	-2.14%	4.50%
Automotive Retail	26.41%	28.57%	-2.16%	-8.58%
Automotive Parts & Equipment	14.49%	10.40%	4.09%	3.00%
Diversified Support Services	6.19%	3.23%	2.96%	1.75%
Electronic Manufacturing Services	1.14%	0.19%	0.95%	0.95%
Electrical Components & Equipment	0.98%	0.61%	0.37%	0.37%
Electronic Components	0.02%	--	0.02%	0.00%

10 LARGEST HOLDINGS

Holding	Market Segment	Portfolio Weight	Portfolio Weight Six Months Ago
O'Reilly Automotive Inc	Automotive Retail	10.88%	10.47%
Toyota Motor Corp ADR	Automobile Manufacturers	9.98%	9.61%
Tesla Inc	Automobile Manufacturers	9.52%	7.76%
Ferrari NV	Automobile Manufacturers	9.38%	6.62%
AutoZone Inc	Automotive Retail	6.23%	5.21%
Carvana Co Class A	Automotive Retail	5.89%	3.89%
General Motors Co	Automobile Manufacturers	5.38%	7.25%
Aptiv PLC	Automotive Parts & Equipment	4.65%	4.17%
BorgWarner Inc	Automotive Parts & Equipment	4.15%	1.95%
NIO Inc Class A ADR	Automobile Manufacturers	3.81%	1.19%
10 Largest Holdings as a % of Net Assets		69.87%	63.06%
Total Number of Holdings		33	36

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 August 31, 2025

	Cumulative		Annualized			
	6 Month	YTD	1 Year	3 Year	5 Year	10 Year/ LOF ¹
Select Automotive Portfolio Gross Expense Ratio: 0.78% ²	12.84%	13.35%	20.02%	11.14%	10.42%	10.99%
S&P 500 Index	9.21%	10.79%	15.88%	19.54%	14.74%	14.60%
FactSet Automotive Linked Index	11.78%	11.50%	18.13%	9.26%	10.21%	10.78%
Morningstar Fund Consumer Cyclical	8.32%	9.27%	18.27%	16.45%	9.51%	10.96%
% Rank in Morningstar Category (1% = Best)	--	--	46%	98%	44%	52%
# of Funds in Morningstar Category	--	--	49	47	45	37

¹ Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 06/30/1986.

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](https://www.fidelity.com/performance), institutional. [fidelity.com](https://www.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

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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 issuer, political, regulatory, market, or economic developments. You may have a gain or loss when you sell your shares. Investments in foreign securities, especially those in emerging markets, involve risks in addition to those of U.S. investments, including increased political and economic risk, as well as exposure to currency fluctuations. Because FMR concentrates the fund's investments in a particular industry, the fund's performance could depend heavily on the performance of that industry and could be more volatile than the performance of less concentrated funds and the market as a whole. The fund is considered non-diversified and can invest a greater portion of assets in securities of individual issuers than a diversified fund; thus changes in the market value of a single investment could cause greater fluctuations in share price than would occur in a more diversified fund. The automotive industry is highly cyclical and can be significantly affected by labor relations and fluctuating component prices.

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.

FactSet Automotive Linked Index is a float-adjusted modified market capitalization weighted index designed to measure and track the performance of companies engaged in the manufacturing and distribution of automotive vehicles, parts and components. Index returns shown for periods prior to April 1, 2017 are returns of the S&P Custom Automobiles & Components Index; returns shown for periods prior to January 1, 2010 are returns of the MSCI U.S. Investable Market Automobiles & Components Index.

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

Amy Ge is a research analyst 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, Amy is responsible for covering automotive and rideshare stocks. She also manages the Fidelity Select Automotive Portfolio.

Prior to joining Fidelity in 2017, Ms. Ge was an associate in Goldman Sachs' Merchant Banking Division. She has been in the financial industry since 2009.

Ms. Ge earned her bachelor of arts and master of business administration degrees from the Wharton School of the University of Pennsylvania.

PERFORMANCE SUMMARY:
Quarter ending December 31, 2025

	Annualized			
	1 Year	3 Year	5 Year	10 Year/ LOF ¹
Select Automotive Portfolio Gross Expense Ratio: 0.78% ²	16.47%	17.89%	5.75%	10.82%
% Rank in Morningstar Category (1% = Best)	13%	46%	73%	53%
# of Funds in Morningstar Category	41	40	38	32

¹ Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 06/30/1986.

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.

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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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