

Fidelity® Select Brokerage and Investment Management Portfolio

Key Takeaways

- For the semiannual reporting period ending August 31, 2023, the fund returned 2.31%, closely in line with the 2.27% gain of the MSCI U.S. IMI Capital Markets 5% Capped Linked Index, but well behind the 14.50% advance of the broad-based S&P 500® index.
- On April 5, 2023, Pierre Sorel assumed management for the fund and was joined by co-manager Nadim Rabaia on June 15, 2023. They succeeded Charles Ackerman, who moved to a new role at Fidelity.
- Pierre and Nadim aim to position the fund to capitalize on long-term secular trends. They favor stocks they believe are mispriced relative to their potential earnings growth over a full economic cycle.
- Brokerage and investment management stocks trailed the broader equity market the past six months, as continued global economic expansion and a slowing pace of inflation provided a favorable backdrop for higher-growth stocks, according to the co-managers.
- Security selection in asset management & custody banks had the biggest positive impact on the fund's performance relative to the MSCI industry index the past six months.
- In contrast, security selection in investment banking & brokerage, as well as a combination of stock picks and market positioning in financial exchanges & data, hurt the most.
- The fund's top individual relative contributor was an out-of-index stake in alternative asset manager Apollo Global Management (+24%), whereas the biggest individual detractor was our positioning in credit-rating and analytics company Moody's (+17%).
- As of August 31, Pierre and Nadim continue to emphasize earnings stability and quality amid a mixed U.S. economic outlook because they believe having a quality bias should prove beneficial over a full economic cycle.

MARKET RECAP

U.S. equities gained 14.50% for the six months ending August 31, 2023, according to the S&P 500® index, as continued global economic expansion, falling commodity prices and a slowing in the pace of inflation provided a favorable backdrop for higher-risk assets. Large-cap stocks spearheaded the rally, which was driven by the shares of a narrow set of mega-cap companies in the information technology and communication services sectors, largely due to exuberance related to generative artificial intelligence. Aggressive monetary tightening by the U.S. Federal Reserve continued amid consistent pressure on core inflation, a measure that excludes food and energy. Since March 2022, the Fed has hiked its benchmark interest rate 11 times. The latest bump came in late July, a fourth consecutive raise of a stepped-down 25 basis points. The S&P 500® gained 3.21% in July but snapped a five-month rally in August (-1.59%), held back by softness in manufacturing and jobs. Still, U.S. stocks ended August up 18.73% year to date. For the full six months, growth (+20%) handily topped value (+9%) within the index. By sector, information technology and communication services (+33% each) led, whereas utilities (-2%) lagged most, as climbing yields offered investors better returns elsewhere. Real estate returned -1%, hampered by high borrowing costs and low home inventory.



Pierre Sorel
Co-Manager



Nadim Rabaia
Co-Manager

Fund Facts

Trading Symbol:	FSLBX
Start Date:	July 29, 1985
Size (in millions):	\$704.49

Investment Approach

- Fidelity® Select Brokerage and Investment Management Portfolio is an industry-based, equity-focused strategy that seeks to outperform its benchmark through active management.
- We believe that stocks of high-quality financial companies exhibiting persistent growth and purchased at reasonable prices can outperform the market over time.
- Our investment approach relies on fundamental analysis to help uncover divergences between expectations and underlying growth potential, presenting an opportunity to generate excess returns. In our search for companies that exhibit potential for sustainable growth, we look for higher long-term earnings power and intrinsic value than the current market value reflects.
- Stock selection and idea generation come from bottom-up research that leverages Fidelity's deep and experienced global financials team. We consider attractive financial 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 Co-Portfolio Managers Pierre Sorel and Nadim Rabaia

Q: Nadim, how did the fund perform for the six months ending August 31, 2023?

N.R. The fund returned 2.31%, compared with 2.27% for the MSCI U.S. IMI Capital Markets 5% Capped Linked Index and 14.50% for the broad-based S&P 500® index. The fund easily outperformed its peer group average, which represents a broader group of financial services stocks.

Looking a bit longer term, the fund returned 12.14% for the trailing 12 months, compared with 11.99% for the MSCI index and 15.94% for the S&P 500. The fund surpassed its peer average by a wide margin.

Q: What factors meaningfully influenced the performance of brokerage and investment management stocks the past six months?

N.R. The group underperformed the broader U.S. equity market as continued global economic expansion and a slowing pace of inflation provided a favorable backdrop for higher-growth stocks. Consequently, growth stocks outperformed value stocks by a wide margin.

The financial exchanges & data segment (+11%) was the top-performing subindustry. Asset management & custody banks, the biggest segment within the index the past six months, returned about 1%.

In contrast, the interest rate sensitive investment banking & brokerage group (-5%) was the weakest-performing category. Here, some companies faced higher funding costs that reduced their net interest margin – the difference between the interest they pay clients and the interest they receive by investing clients' cash in higher-yielding securities.

Q: Turning to you, Pierre, how did you manage the fund this period?

P.S. Since assuming responsibility for managing the fund a few months ago, Nadim and I have continued to stick closely to the fund's long-held investment approach. That's appropriate since the fund's industry-based, equity-focused strategy hasn't changed, and beating the benchmark through active management remains our primary objective.

We favor stocks we believe are mispriced relative to their

longer-term earnings power. We calculate longer-term earnings power by assessing how fast we think a company can grow over a full economic cycle – from one earnings peak to the next – based on industry dynamics, competitive positioning, balance-sheet strength and management quality. We often emphasize earnings stability and quality because we believe that having a quality bias should prove beneficial over a full economic cycle.

We also endeavor to balance exposure across five critical factors to manage risk and drive absolute and relative performance: asset-market volatility, broader equity-market returns, capital markets activity, interest rates and credit risk.

Q: What contributed to the fund's performance versus the industry index the past six months?

N.R. Security selection in asset management & custody banks helped the most, followed by a favorable out-of-benchmark stock choice – alternative asset manager Apollo Global Management (+24%) – in the diversified financial services segment. Apollo was the fund's top individual relative contributor this period. The firm completed its merger with life and retirement reinsurance company Athene Holding in January and recently updated its outlook to reflect greater optimism for asset growth. Despite the stock's rise the past six months, we continued to think its valuation was attractive relative to its peers, and although we trimmed our stake, it was our 13th-largest holding as of August 31.

P.S. In the asset management & custody banks group, Ares Management (+30%), another alternative asset manager, was our No. 2 contributor and fourth-largest overweight versus the MSCI index as of period end. Similar to Apollo, it's a well-managed company that stands to benefit from continued investor interest in alternative assets, such as private credit. We modestly reduced our stake to lock in some profit. Underweighting Goldman Sachs, an index component that returned -5%, was another key contributor. We chose to invest more heavily in other investment banking & brokerage stocks that we believed had better long-term growth potential, notably Moody's and S&P Global.

Q: How about noteworthy detractors?

N.R. Security selection in investment banking & brokerage, as well as a combination of stock picks and market positioning in financial exchanges & data, hurt the most versus the MSCI industry index. In terms of individual stocks, credit rating and analytics company Moody's (+17%) was our top individual relative detractor. Moody's operates in an industry that we think is structurally attractive. The company and its main competitor, S&P Global, are the two dominant rating agencies that companies rely on when issuing bonds or financing loans. Currently, the volume of debt refinancing is low because interest rates have risen drastically since the Fed began hiking its benchmark rate in March 2022. Moody's

should benefit in the medium term, however, as debt matures and companies need to refinance. More significantly, we believe the company stands to benefit from a secular trend of debt growth over the long term. We increased our position in the stock from a significant underweight at the beginning of the period to the fund's largest overweight at the end. Moody's and S&P Global were our top-two holdings as of August 31.

P.S. Our second biggest individual relative detractor, LPL Financial Holdings (-7%), was impacted by rising funding costs due to liability mix shifts, which created headwinds for its net interest margin. The wealth management firm provides technology, investment solutions and services to support financial advisors and their clients. It has executed well and gained market share in the wealth management space, which typically grows faster than GDP. We reduced our overweight position in LPL this period.

Modest overweight positions in Charles Schwab (-23%) and Bank of New York Mellon (-11%) also hurt the fund's relative result. We reduced our stakes in both stocks this period.

Q: What's your outlook as of August 31?

N.R. Since we view the economy as being in the late-cycle phase with a wide range of potential outcomes, we want to be prepared for different scenarios. Regardless of the economic backdrop, we aim to position the fund to capitalize on long-term secular trends, rather than temporary headwinds in the market. We manage the portfolio so it's relatively balanced from a cyclical perspective – in terms of the outlook for interest rates, credit risk, unemployment and equity market levels.

P.S. We also strive to balance the fund's holdings among companies that generate secular growth; those that do well when interest rates rise; those that benefit in favorable market conditions; and those that perform best when market conditions are less favorable. Meanwhile, we're always searching for mispriced companies where the market underestimates longer-term strength, strategic positioning and underlying earnings power. ■

Co-Manager Nadim Rabaia on the appeal of alternative asset managers and wealth management firms:

"As of August 31, the fund is overweight alternative asset managers and wealth managers. This positioning reflects Pierre's and my view that both groups should generate above-market revenue and earnings-per-share growth over a full business cycle, and that this dynamic is not fully reflected in the stocks' valuations.

"Alternative asset managers have taken market share from traditional asset managers due to better risk-adjusted performance of their funds, and we expect this trend to continue. We also believe well-managed alternative asset managers stand to benefit from continued investor interest in alternative assets, such as private credit and infrastructure.

Among the fund's largest holdings and overweight positions among alternative asset managers as of August 31 are Apollo Global Management, Ares Management and KKR. During the past six months, Apollo (+24%) and Ares (+30%) were the fund's top-two relative contributors versus the industry benchmark, while KKR (+12%) was the sixth-largest relative contributor.

"Meanwhile, the fund is underweight traditional asset managers because most have experienced flat-to-negative shareholder flows due to subpar investment performance and competition from cheaper alternatives. We expect this trend to continue."

LARGEST CONTRIBUTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Relative Contribution (basis points)*
Apollo Global Management, Inc.	Diversified Financial Services	3.02%	64
Ares Management Corp.	Asset Management & Custody Banks	2.32%	57
MarketAxess Holdings, Inc.	Financial Exchanges & Data	-0.45%	14
Affiliated Managers Group, Inc.	Asset Management & Custody Banks	-0.45%	14
Goldman Sachs Group, Inc.	Investment Banking & Brokerage	-1.57%	14

* 1 basis point = 0.01%.

LARGEST DETRACTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Relative Contribution (basis points)*
Moody's Corp.	Financial Exchanges & Data	0.18%	-52
LPL Financial	Investment Banking & Brokerage	1.99%	-27
Charles Schwab Corp.	Investment Banking & Brokerage	0.25%	-18
Bank of New York Mellon Corp.	Asset Management & Custody Banks	0.25%	-14
Freedom Holding Corp.	Investment Banking & Brokerage	-0.45%	-13

* 1 basis point = 0.01%.

ASSET ALLOCATION

Asset Class	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Six Months Ago
Domestic Equities	98.37%	100.00%	-1.63%	1.38%
International Equities	1.28%	0.00%	1.28%	0.33%
Developed Markets	0.48%	0.00%	0.48%	0.37%
Emerging Markets	0.80%	0.00%	0.80%	-0.04%
Tax-Advantaged Domiciles	0.00%	0.00%	0.00%	0.00%
Bonds	0.00%	0.00%	0.00%	0.00%
Cash & Net Other Assets	0.35%	0.00%	0.35%	-1.71%

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
Financial Exchanges & Data	36.91%	32.46%	4.45%	9.42%
Asset Management & Custody Banks	33.92%	40.02%	-6.10%	-6.56%
Investment Banking & Brokerage	25.43%	27.53%	-2.10%	-0.87%
Diversified Financial Services	3.38%	--	3.38%	0.47%
Transaction & Payment Processing Services	0.00%	--	0.00%	-0.20%

10 LARGEST HOLDINGS

Holding	Market Segment	Portfolio Weight	Portfolio Weight Six Months Ago
Moody's Corp.	Financial Exchanges & Data	7.84%	2.75%
S&P Global, Inc.	Financial Exchanges & Data	6.25%	5.34%
BlackRock, Inc. Class A	Asset Management & Custody Banks	5.79%	5.39%
Ameriprise Financial, Inc.	Asset Management & Custody Banks	5.73%	6.08%
Blackstone, Inc.	Asset Management & Custody Banks	5.64%	2.36%
Intercontinental Exchange, Inc.	Financial Exchanges & Data	5.44%	4.75%
KKR & Co. LP	Asset Management & Custody Banks	4.61%	4.10%
Morgan Stanley	Investment Banking & Brokerage	4.57%	5.84%
Charles Schwab Corp.	Investment Banking & Brokerage	4.42%	5.32%
CME Group, Inc.	Financial Exchanges & Data	4.42%	3.19%
10 Largest Holdings as a % of Net Assets		54.70%	49.78%
Total Number of Holdings		50	53

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, 2023

	Cumulative		Annualized			
	6 Month	YTD	1 Year	3 Year	5 Year	10 Year/ LOF ¹
Select Brokerage and Investment Management Portfolio Gross Expense Ratio: 0.75% ²	2.31%	10.23%	12.14%	14.30%	11.97%	10.81%
S&P 500 Index	14.50%	18.73%	15.94%	10.52%	11.12%	12.81%
MSCI US IMI Capital Markets 5% Capped Linked Index	2.27%	11.18%	11.99%	14.93%	10.92%	11.29%
Morningstar Fund Financial	-5.77%	0.19%	0.82%	11.47%	3.23%	7.62%
% Rank in Morningstar Category (1% = Best)	--	--	15%	28%	1%	9%
# of Funds in Morningstar Category	--	--	101	96	90	78

¹ Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 07/29/1985.

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.institutional.fidelity.com), or [401k.com](https://www.401k.com). Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Please see the last page(s) of this Q&A document for most-recent calendar-quarter performance.

Definitions and Important Information

Information provided in, and presentation of, this document are for informational and educational purposes only and are not a recommendation to take any particular action, or any action at all, nor an offer or solicitation to buy or sell any securities or services presented. It is not investment advice. Fidelity does not provide legal or tax advice.

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.

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 brokerage and investment management industry can be significantly affected by stock and bond market activity, changes in regulations, brokerage commission structure, and a competitive environment combined with the high operating leverage inherent in companies in this industry.

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.

MSCI U.S. IMI Capital Markets 5% Capped Linked Index is a modified market capitalization-weighted index of stocks designed to measure the performance of Capital Markets companies in the MSCI U.S. Investable Market 2500 Index. Index returns shown for periods prior to January 1, 2010 are returns of the MSCI U.S. Investable Market Capital Markets 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

© 2023 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.

Manager Facts

Pierre Sorel is a sector leader and portfolio manager in the Equity division at Fidelity Investments. Fidelity Investments is a leading provider of investment management, retirement planning, portfolio guidance, brokerage, benefits outsourcing, and other financial products and services to institutions, financial intermediaries, and individuals.

In this role, Mr. Sorel is responsible for covering the financial sector and is a member of the Stock Selector Large Cap Group. Additionally, he co-manages Fidelity and Fidelity Advisor Balanced Fund, VIP Balance Portfolio, Fidelity Series All-Sector Equity Fund, FIAM Strategic Advisor Core Research Fund, FIAM U.S. Total Stock Fund, Fidelity Advisor Stock Selector Mid Cap Fund, and Fidelity Financial Services Central Fund.

Prior to assuming his current position with the Stock Selector Large Cap Group in October 2007, Mr. Sorel managed Fidelity Funds Global Financial Services Fund, a financial services sector fund available exclusively to investors outside of the United States. Previously, he worked as an analyst covering the leisure, automobile, and banking industries in Europe at Fidelity International Limited (FIL).

Before joining FIL in 1998, Mr. Sorel was a financial services consultant at Oliver Wyman. He has been in the financial industry since 1993.

Mr. Sorel earned his bachelor of arts degree in economics, as well as his bachelor of science degree in electrical engineering, from Brown University, his master of science degree in computer engineering from Princeton University, and his master of business administration degree from INSEAD. He is also a CFA® charterholder.

Nadim Rabaia is a research analyst and portfolio manager in the Equity division at Fidelity Investments. Fidelity Investments is a leading provider of investment management, retirement planning, portfolio guidance, brokerage, benefits outsourcing, and other financial products and services to institutions, financial intermediaries, and individuals.

In his role, Mr. Rabaia provides research coverage on financial services stocks. He is also a portfolio manager on the Select Brokerage and Investment Management Portfolio.

Prior to his current role, he was a research analyst on the financials research team focusing on consumer finance and regional bank stocks. Mr. Rabaia previously worked in Fidelity's High Income & Alternatives division and covered stocks, preferred securities, convertibles, bonds, and loans in the financials, semiconductors, airlines, and wireless industries. Mr. Rabaia joined Fidelity in 2015.

He previously worked in investment banking at Morgan Stanley. He has been in the financial industry since 2011.

Mr. Rabaia earned his bachelor of arts in economics from Harvard College and his master of business administration from the Wharton School.

PERFORMANCE SUMMARY:
Quarter ending December 31, 2023

	Annualized			
	1 Year	3 Year	5 Year	10 Year/ LOF ¹
Select Brokerage and Investment Management Portfolio Gross Expense Ratio: 0.75% ²	27.75%	14.00%	19.03%	10.34%
% Rank in Morningstar Category (1% = Best)	9%	6%	3%	7%
# of Funds in Morningstar Category	102	96	95	79

¹ Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 07/29/1985.

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.



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.

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. 739116.17.0