PORTFOLIO MANAGER Q&A | AS OF NOVEMBER 30, 2023

Fidelity® Value Strategies Fund

Key Takeaways

- For the fiscal year ending November 30, 2023, the fund's Retail Class shares gained 5.01%, handily topping the -0.75% result of the benchmark, the Russell Midcap® Value Index.
- It was a challenging 12 months for mid-cap value stocks, as moderating inflation data and indications from the Federal Reserve that it was nearing the end of its interest-rate-hiking campaign prompted a market rotation toward growth-oriented stocks.
- Portfolio Manager Matt Friedman says the fund was well-positioned in certain outperforming stocks with a historically lower price-to-earnings ratio and higher free-cash-flow yield than the benchmark. This approach resulted in the fund's holdings outperforming the benchmark in nine of 11 sectors.
- In particular, security selection in utilities and materials were the biggest contributors to performance versus the benchmark this period. Choices in industrials, real estate and financials also helped, as did the decision to underweight financials.
- Builders FirstSource (+108%), a supplier of structural building products, was the fund's top individual relative contributor, followed by outsized exposure to the shares of trucking company XPO (+118%).
- Conversely, stock picks in health care and communication services detracted. The fund's stake in Signature Bank was a total loss and the largest individual relative detractor. An overweight in Darling Ingredients, a low-cost supplier of raw materials used to make renewable diesel, also hurt the portfolio's relative result.
- As of November 30, Matt says the bifurcated market has created investment opportunities among the kinds of companies he looks to invest in – those that are attractively valued relative to the earnings and free-cash-flow yield they generate.

MARKET RECAP

U.S. equities gained 13.84% for the 12 months ending November 30, 2023, according to the S&P 500® index, as a slowing in the pace of inflation and a resilient U.S. economy provided a favorable backdrop for higher-risk assets for much of 2023. After returning -18.11% in 2022, the index's upturn was mostly driven by a narrow set of companies in the information technology and communication services sectors, largely due to excitement for generative artificial intelligence. Monetary tightening by the U.S. Federal Reserve continued until late July, when the Fed said it was too soon to tell if its latest hike would conclude a series of increases aimed at cooling the economy and bringing down inflation. Since March 2022, the Fed has raised its benchmark interest rate 11 times before pausing and twice deciding to hold rates at a 22-year high while it observes the effect on inflation and the economy. After the Fed's November 1 meeting, when the central bank hinted it might be done raising rates, the S&P 500® reversed a three-month decline that was due to soaring yields on longer-term government bonds and mixed earnings from some big and influential firms. Favorable data on inflation provided a further boost and the index rose 9.13% in November. By sector for the full 12 months, information technology (+41%) and communications services (+37%) led the way, followed by consumer discretionary (+20%). In contrast, the defensive-oriented utilities (-9%) and consumer staples (-5%) sectors lagged most the past 12 months.

Fidelity INVESTMENTS

Matt Friedman
Portfolio Manager

Fund Facts

Trading Symbol:	FSLSX
Start Date:	December 31, 1983
Size (in millions):	$1,902.81

Investment Approach

- Fidelity® Value Strategies Fund is a mid-cap value U.S. equity strategy that seeks capital appreciation by investing in 60 to 80 stocks.
- Core to our investment philosophy is the belief that cheap stocks outperform expensive stocks over the long term. Consistent with this value orientation, we try to find companies that are underappreciated by the market relative to their earnings and free cash flow.
- Our approach emphasizes high-quality companies with strong competitive positions and superior returns on invested capital.
- We also favor firms that we believe offer greater visibility into the future, having demonstrated the ability to grow earnings and cash flow over multiyear periods.
- Supported by Fidelity's deep research infrastructure, we rely on fundamental security selection and disciplined portfolio construction as we seek to deliver attractive risk-adjusted returns over the long term.

Q&A

An interview with Portfolio Manager Matthew Friedman

Q: Matt, how did the fund perform for the fiscal year ending November 30, 2023?

The fund's Retail Class shares gained 5.01% the past 12 months, handily topping the -0.75% result of the benchmark, the Russell Midcap® Value Index, and also outpacing the peer group average.

In managing the fund, I primarily focus on companies' price-to-earnings ratio and free-cash-flow yield. I'm typically able to find a variety of opportunities that fit my investment objective, and it's common for many of these stocks to be non-benchmark holdings.

Q: What factors notably influenced fund's performance the past 12 months?

It was a challenging period for mid-cap value stocks, as moderating inflation data and indications from the Federal Reserve that it was nearing the end of its interest-rate-hiking campaign prompted a rotation among investors toward growth-oriented stocks. This was further intensified by the emergence of the ChatGPT viral chatbot propelling AI to the forefront, causing information technology and some communication services stocks to rally. Meanwhile, some health care stocks performed well, as GLP-1 drugs rapidly became blockbusters in the treatment of diabetes and obesity. These new products also created market dispersion among the "have" and "have nots" within these and other sectors, where investors gauged whether firms could benefit from the innovation.

Additionally, stress in the financial system started to show when Silicon Valley Bank collapsed on March 10, followed two days later by Signature Bank and then First Republic Bank on May 1. As a result, financials – the largest sector in the benchmark this period at about 17% of assets – returned -2% the past 12 months, with banks returning roughly -30%.

Against this backdrop, the fund was well-positioned in stocks with a historically lower price-to-earnings ratio and higher free-cash-flow yield than the benchmark. This resulted in a relative contribution from the fund's holdings in nine of 11 sectors. In particular, security selection in utilities and materials helped most. My choices in industrials, real estate and financials also materially contributed, as did the decision to underweight financials. Conversely, my picks in health care and communication services modestly detracted.

Q: Which individual stocks were noteworthy contributors versus the benchmark?

It helped most to overweight Builders FirstSource (+109%), a supplier of structural building products. The business executed well this period, increasing its profit margin and taking market share from competitors through strengthening demand for its value-added products, despite higher interest rates that curtailed real estate development. I reduced the fund's holdings in the company to lock in a profit as the stock's valuation increased.

Transportation names XPO and FedEx outperformed and contributed. After suffering from cost issues in 2022, our shares of XPO gained about 118% the past 12 months, as demand began to recover amid the improving economy. In addition, XPO benefited from the bankruptcy of large competitor Yellow, which helped boost XPO's market share. The stock was our eighth-largest holding on November 30. Meanwhile, an out-of-benchmark stake in shipping, transportation and e-commerce company FedEx benefited from an ongoing business transformation. Under pressure from activist shareholders, the firm's new management team plans to boost profits by implementing $4 billion in cost-cutting efforts by the end of its 2025 fiscal year.

Turning to banks, outsized exposure to the shares of First Citizens Bancshares was helpful. The stock gained roughly 81% this period, popping in late March following the firm's acquisition of assets from failed regional Silicon Valley Bank. First Citizens went on to report better-than-expected earnings and revenue, partly stemming from the acquisition.

Q: What else notably helped?

In financials, a sizable stake in Apollo Global Management gained about 36% for the 12 months. Apollo is a private-equity firm and alternative investment manager – a term for asset managers that specialize in private-market investment strategies like private debt, hedge funds and real estate. The firm benefited from higher interest rates, which boosted inflows to its large credit business.

Another key contributor was Constellation Energy (+28%), a prominent provider of natural gas, electric power and energy-management services across the United States. Rising energy prices boosted Constellation's share price. The company expanded its clean-energy offerings this period through strategic acquisitions. Constellation was the fund's largest holding at the end of November.

It also helped to overweight Tenet Healthcare, an owner of hospitals, as the stock advanced 71%. Tenet posted strong quarterly financial results, driven by expanding patient volume, solid performance from its ambulatory care business unit and improved labor costs. I eliminated our stake in Tenet this period, based on the stock's increased valuation.

Q: Which investment decisions hurt the fund's relative result?

The fund's biggest individual detractor versus the benchmark was an overweight position in Signature Bank. Federal regulators shut down the bank on concerns about depositors withdrawing significant amounts of money, and fear of subsequent contagion through the system. The fund's stake in Signature was a total loss.

Medical equipment provider AdaptHealth (-62%) was another noteworthy relative detractor. Our non-benchmark position fell this period, as the company lost market share in the market for diabetes treatment. I increased our stake in the stock this period because I have confidence in the company's longer-term outlook.

It also hurt to hold Darling Ingredients, a stock held in the fund for many years. Darling is a low-cost supplier of raw materials used to make renewable diesel, and I expect more states and countries to embrace renewable diesel in the next couple of years. However, the stock returned -39% this period amid concerns about the supply-demand dynamic for renewable diesel and the need for even more government support. I increased the fund's stake in Darling because I believe the recent issues will be short-lived.

I'll also mention Victoria's Secret (-41%) as another relative detractor. I thought many retail firms were attractively valued, so I invested in an assortment of specialty retailers/malls/brands, including Victoria's Secret. Unfortunately, the stock underperformed amid a confusing rebranding strategy and a challenging consumer backdrop that forced management to increase its promotions, which hampered the company's profit.

Q: Matt, what's your outlook?

As of November 30, I am optimistic. The market is bifurcated, with many of the large, high-valuation stocks driving the broad-market S&P 500® index. Conversely, the stocks I look to invest in – those that are attractively valued relative to the earnings and free-cash-flow yield they generate – are cheap, creating a lot of investment opportunities for the fund.

In terms of the U.S. macro backdrop, many forecasters are predicting an economic recession. Whether or not one materializes, historically such an environment has been a good time to invest in value stocks because economic expectations are low.

As of November 30, the fund is overweight cyclical equities because valuations in many names are the most attractive to me. Additionally, economically sensitive companies tend to fare well coming out of a recession. ■

Matt Friedman on where he's finding value in the stock market:

"At the end of November, I'm finding what I see as the best opportunities in pockets of the materials, energy and financials sectors – all based on attractive valuations.

"In materials, I'm interested in chemicals firms, particularly those that produce titanium oxide and chlor-alkali chemicals. These materials are a critical component of a number of products: titanium oxide is used in architectural paint, sunscreen and cosmetics, while chlor-alkali chemicals are used in the manufacturing of pharmaceuticals, detergent, fertilizer and more. As of November 30, the fund owns titanium oxide producers Tronox Holdings and Chemours, a newly added position. In chlor-alkali, we hold stakes in Olin and Westlake. The fund also owns a large position in Celanese, an exceptionally well-run specialty chemical producer with innovative new products and a thoughtful capital allocation/acquisition strategy.

"Despite occasional spikes, prices for crude oil have been roughly flat so far in 2023, making energy stocks better looking from a valuation perspective. Specifically, I am bullish on offshore energy service firms, including Valaris, as this industry has pricing power and the potential for earnings revisions. I also like Antero Resources, a hydrocarbon exploration company. Both were new positions the past 12 months.

"I tend to avoid making explicit commodity bets, and instead focus on capital-efficient energy companies. I believe our holdings have more downside support than the benchmark, should oil prices weaken, given the companies' stronger balance sheets. I also believe they have more upside potential if oil prices increase, given their attractive assets.

"This period, a crisis of confidence among regional banks led to a broad sell-off in the industry. Although I exited some holdings the past 12 months, lower valuations for the group allowed me to establish several positions among banks when I saw concerns about credit as overstated and if I remained optimistic about the potential for improvement in net interest margin. For instance, I added stakes in US Bancorp and Popular Bank."

LARGEST CONTRIBUTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Relative Contribution (basis points)*
Builders FirstSource, Inc.	Industrials	1.14%	102
XPO, Inc.	Industrials	1.05%	101
First Citizens Bancshares, Inc.	Financials	1.26%	96
Apollo Global Management, Inc.	Financials	1.37%	47
Constellation Energy Corp.	Utilities	1.19%	46

** 1 basis point = 0.01%.*

LARGEST DETRACTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Relative Contribution (basis points)*
Signature Bank	Financials	0.27%	-128
Darling Ingredients, Inc.	Consumer Staples	1.04%	-47
AdaptHealth Corp.	Health Care	0.51%	-45
Victoria's Secret & Co.	Consumer Discretionary	0.70%	-40
Cigna Group	Health Care	1.65%	-33

** 1 basis point = 0.01%.*

ASSET ALLOCATION

Asset Class	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Six Months Ago
Domestic Equities	89.92%	99.29%	-9.37%	-0.70%
International Equities	8.93%	0.71%	8.22%	1.02%
Developed Markets	8.93%	0.52%	8.41%	1.16%
Emerging Markets	0.00%	0.19%	-0.19%	-0.14%
Tax-Advantaged Domiciles	0.00%	0.00%	0.00%	0.00%
Bonds	0.00%	0.00%	0.00%	0.00%
Cash & Net Other Assets	1.15%	0.00%	1.15%	-0.32%

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
Financials	20.77%	17.66%	3.11%	1.51%
Industrials	16.32%	19.00%	-2.68%	-3.30%
Consumer Discretionary	10.80%	9.02%	1.78%	1.53%
Materials	9.35%	7.73%	1.62%	-1.40%
Utilities	8.71%	7.57%	1.14%	1.87%
Real Estate	7.85%	10.34%	-2.49%	0.07%
Energy	7.67%	5.58%	2.09%	-1.60%
Health Care	6.33%	6.73%	-0.40%	1.45%
Information Technology	5.14%	9.27%	-4.13%	-1.48%
Consumer Staples	4.64%	3.76%	0.88%	1.86%
Communication Services	1.27%	3.34%	-2.07%	-0.19%
Other	0.00%	0.00%	0.00%	0.00%

10 LARGEST HOLDINGS

Holding	Market Segment	Portfolio Weight	Portfolio Weight Six Months Ago
Constellation Energy Corp.	Utilities	2.22%	1.72%
Canadian Natural Resources Ltd.	Energy	2.21%	2.26%
Centene Corp.	Health Care	2.13%	1.68%
Cigna Group	Health Care	1.80%	1.57%
PG&E Corp.	Utilities	1.75%	2.05%
Welltower, Inc.	Real Estate	1.68%	1.96%
Apollo Global Management, Inc.	Financials	1.58%	1.43%
XPO, Inc.	Industrials	1.53%	1.44%
Gildan Activewear, Inc.	Consumer Discretionary	1.47%	--
Global Payments, Inc.	Financials	1.47%	1.18%
10 Largest Holdings as a % of Net Assets		**17.84%**	**18.51%**
Total Number of Holdings		**105**	**106**

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 November 30, 2023

	Cumulative		Annualized			
	6 Month	YTD	1 Year	3 Year	5 Year	10 Year/ LOF[1]
Fidelity Value Strategies Fund Gross Expense Ratio: 0.88%[2]	12.51%	10.83%	5.01%	13.57%	12.15%	8.78%
Russell Midcap Value Index	7.99%	4.57%	-0.75%	7.29%	7.10%	7.74%
Morningstar Fund Mid-Cap Value	8.66%	5.93%	0.99%	9.58%	7.71%	7.20%
% Rank in Morningstar Category (1% = Best)	--	--	15%	9%	3%	12%
# of Funds in Morningstar Category	--	--	397	381	363	269

[1] Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 12/31/1983.
[2] This expense ratio is from the prospectus in effect as of the date shown above and generally is based on amounts incurred during that fiscal year, or estimated amounts for the current fiscal year in the case of a newly launched fund. It does not include any fee waivers or reimbursements, which would be reflected in the fund's net expense ratio.

Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance stated. Performance shown is that of the fund's Retail Class shares (if multiclass). You may own another share class of the fund with a different expense structure and, thus, have different returns. To learn more or to obtain the most recent month-end or other share-class performance, visit fidelity.com/performance, institutional.fidelity.com, or 401k.com. Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. **Please see the last page(s) of this Q&A document for most-recent calendar-quarter performance.**

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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.

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FUND RISKS

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. Value stocks can perform differently than other types of stocks and can continue to be undervalued by the market for long periods of time.

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.

Russell Midcap Value Index is a market-capitalization-weighted index designed to measure the performance of the mid-cap value segment of the U.S. equity market. It includes those Russell Midcap Index companies with lower price-to-book ratios and lower forecasted growth values.

S&P 500 is a market-capitalization-weighted index of 500 common stocks chosen for market size, liquidity and industry group representation to represent U.S. equity performance.

MARKET-SEGMENT WEIGHTS

Market-segment weights illustrate examples of sectors or industries in which the fund may invest, and may not be representative of the fund's current or future investments. They should not be construed or used as a recommendation for any sector or industry.

RANKING INFORMATION

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

% Rank in Morningstar Category is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1%. % Rank in Morningstar Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures.

RELATIVE WEIGHTS

Relative weights represents the % of fund assets in a particular market segment, asset class or credit quality relative to the benchmark. A positive number represents an overweight, and a negative number is an underweight. The fund's benchmark is listed immediately under the fund name in the Performance Summary.

Manager Facts

Matthew Friedman is a 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. Friedman manages Fidelity and Fidelity Advisor Value Fund, Fidelity VIP Value Portfolio, Fidelity and Fidelity Advisor Stock Selector Large Cap Value Fund, and Fidelity and Fidelity Advisor Series Stock Selector Large Cap Value Fund. Additionally, he manages Fidelity and Fidelity Advisor Value Strategies Fund, Fidelity VIP Value Strategies Portfolio, and Fidelity Flex Mid Cap Value Fund.

Prior to assuming his current responsibilities, Mr. Friedman managed several select funds. Additionally, he was sector leader of the industrials and energy research groups and followed specialty pharmaceuticals and generics stocks, as well as media, cable, and satellite. Previously, Mr. Friedman was a summer intern following internet infrastructure stocks.

Before joining Fidelity in 1999, Mr. Friedman worked as an investment banking analyst at Lehman Brothers and as an audit senior at Arthur Andersen. He has been in the financial industry since 1994.

Mr. Friedman earned his bachelor of business administration degree in accounting from Emory University and his master of business administration degree from the University of Chicago. He is also a CFA® charterholder and a Certified Public Accountant (CPA).

PERFORMANCE SUMMARY:
Quarter ending December 31, 2023

	Annualized			
	1 Year	3 Year	5 Year	10 Year/ LOF[1]
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Fidelity INVESTMENTS

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.

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

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