

Fidelity Advisor® Mid Cap II Fund

Investment Approach

- Fidelity Advisor® Mid Cap II Fund is a diversified domestic-equity strategy with a mid-cap growth bias that seeks long-term growth of capital.
- In managing the fund, we look to own companies with above-average growth prospects trading at what we believe are reasonable valuations.
- Our strategy favors firms that exhibit high returns on capital, long-term revenue growth potential and healthy balance sheets.
- We strive to uncover these companies through in-depth fundamental analysis, leveraging Fidelity's global research capabilities.
- We also rely upon secondary resources, including quantitative and technical tools.
- The fund is broadly diversified and highly differentiated versus the benchmark. Individual position sizes are kept relatively flat in an attempt to reduce company-specific risk, while leaving ample opportunity to add value.

FUND INFORMATION

Manager(s):

Thomas Allen
Daniel Sherwood

Trading Symbol:

FIIMX

Start Date:

August 12, 2004

Size (in millions):

\$1,487.24

Morningstar Category:

Fund Mid-Cap Blend

Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. The securities of smaller, less well-known companies can be more volatile than those of larger companies. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks.

PERFORMANCE SUMMARY

	Cumulative		Annualized			
	3 Month	YTD	1 Year	3 Year	5 Year	10 Year LOF ¹
Fidelity Advisor Mid Cap II Fund - Class I Gross Expense Ratio: 0.75% ²	21.54%	18.68%	18.68%	7.73%	11.02%	9.43%
S&P MidCap 400 Index	24.37%	13.66%	13.66%	8.45%	12.35%	11.51%
Morningstar Fund Mid-Cap Blend	20.78%	12.39%	12.39%	8.27%	11.08%	10.32%
% Rank in Morningstar Category (1% = Best)	--	--	16%	57%	56%	72%
# of Funds in Morningstar Category	--	--	407	374	309	215

¹ Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 08/12/2004.

² This expense ratio is from the most recent prospectus and generally is based on amounts incurred during the most recent fiscal year. 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 Class I shares.

Class I shares are sold to eligible investors without a sales charge or 12b-1 fee as defined in the fund's Class I prospectus. Other share classes with these fees would have had lower performance. To learn more or to obtain the most recent month-end or other share-class performance, visit institutional.fidelity.com or 401k.com. Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated.

For definitions and other important information, please see the Definitions and Important Information section of this Fund Review.



Not FDIC Insured • May Lose Value • No Bank Guarantee

Performance Review

For the three months ending December 31, 2020, the fund's Class I shares rose 21.54%, trailing the 24.37% advance of the benchmark S&P MidCap 400® Index. However, the fund's strong relative performance over the middle two quarters of 2020 enabled it to outperform the benchmark for the full year by 5.02 percentage points.

Mid-cap stocks outpaced their large-cap counterparts this period but trailed small-caps, as investors grew more confident in the economic outlook for 2021 and thus, embraced more-cyclically sensitive investments.

Investor optimism was driven mainly by two factors. On one hand, there was considerable progress toward approving and distributing two vaccines that investors believed might finally tame the pandemic that's now been afflicting the world for almost a year.

Second, amid calls from the U.S. Federal Reserve and many on both sides of the political aisle for more government stimulus, Congress was able to agree on a roughly \$900 billion deal in December, which was then signed into law by the president. Given these developments, stocks more sensitive to broader economic trends outperformed this quarter, including mid-caps.

Versus the benchmark, security selection hampered the fund's performance, especially in information technology, but also in financials, health care and real estate.

At an individual stock level, overweighting solar company Sunrun (-10%) detracted from our relative result more than any other holding. Shares of Sunrun were a big contributor earlier in the year, gaining 291% in the third quarter alone. In a stock that has posted such a large gain, it's not uncommon to see it pull back a little from time to time. Our confidence in the stock remained intact, and we maintained a sizable overweighting. In fact, Sunrun was the fund's third-largest position at year-end.

Further weighing on performance was gold miner Barrick Gold, an out-of-benchmark position that returned about -19% in the portfolio the past three months, despite strong third-quarter financial results reflecting higher-than-expected realized gold prices and operational efficiency. In early November, the company reported a threefold

jump in quarterly adjusted profit and increased its dividend amid a highly favorable backdrop for gold. Wall Street analysts attributed the stock's decline to a short-term pullback, given its prior rapid price appreciation.

We'll also mention Electronic Arts (+10%), a video-game maker in which the fund had a non-benchmark position. Although the stock posted a gain for the quarter, it lagged the benchmark, as investors focused on more cyclically sensitive stocks. Moreover, the company reported mixed earnings in November for its fiscal second quarter ending September 30. However, we believe the stock remains a good longer-term investment because of the popularity of titles such as *Apex Legends*, *Madden* and *FIFA*, as well as *The Sims* franchise.

Conversely, stock picks in the consumer discretionary and utilities sectors lifted the portfolio's relative result. Among individual positions, a non-benchmark stake in Element Solutions was our top relative contributor, rising roughly 69%. It is a niche specialty chemicals company with exposure to industrials, electronics and energy. The company's end markets – in particular, electronics and automobiles – meaningfully recovered from pandemic-induced weakness earlier in the year. In December, the company upped its financial guidance, noting that it has benefited from the increasing complexity of electronics content and the higher density and durability requirements of 5G technology, among other factors.

Shares of battery and electronic materials manufacturer Samsung SDI gained 55% for the quarter, rewarding the fund's out-of-benchmark stake here. In late October, the company reported strong revenue and operating profit growth, owed in part to increased sales of small/large-sized batteries and polarized films, as well as smaller losses in the firm's electric vehicle battery business. The company is seen as a beneficiary of the growing green energy trend around the globe.

The stock of Zebra Technologies, a provider of asset intelligence solutions for enterprises, gained 52% the past three months for our non-benchmark position. In early November, shares rallied as the company reported better-than-expected third-quarter earnings, driven by solid organic sales growth, including record demand from strategic customers. Wall Street analysts maintained a positive outlook for Zebra given its positioning as a beneficiary of accelerated global digitization. ■

LARGEST CONTRIBUTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Contribution (basis points)*
Element Solutions, Inc.	Materials	0.79%	31
Samsung SDI Co. Ltd.	Information Technology	1.05%	31
Zebra Technologies Corp. Class A	Information Technology	0.93%	24
Digital Turbine, Inc.	Information Technology	0.50%	24
Quidel Corp.	Health Care	-0.46%	21

* 1 basis point = 0.01%.

LARGEST DETRACTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Contribution (basis points)*
Sunrun, Inc.	Industrials	1.07%	-48
Barrick Gold Corp.	Materials	0.83%	-44
Akamai Technologies, Inc.	Information Technology	0.97%	-40
Nomad Foods Ltd.	Consumer Staples	1.18%	-33
BJ's Wholesale Club Holdings, Inc.	Consumer Staples	0.67%	-26

* 1 basis point = 0.01%.

Outlook and Positioning

Looking ahead, we are both encouraged and cautious at the same time. We are encouraged about the rollout of COVID-19 vaccines, a process that's occurring faster than most people thought possible just a few months ago.

And we welcome the additional \$900 billion in stimulus finally agreed on by Congress in December. Moreover, if both Georgia Senate seats in the runoff elections scheduled for January 6 go to the Democrats, we could conceivably get even more fiscal stimulus before long.

With that said, vaccines likely won't save us from the current wave of COVID-19 infections, and that wave could get worse before it gets better. In fact, no less an authority than Dr. Anthony Fauci, Director of the National Institute of Allergy and Infectious Diseases, remarked in late December that the pandemic was "out of control" and likely to "get worse" due to people ignoring warnings about traveling during the holidays. Some states have already had to tighten restrictions for restaurants and other businesses, and we could go further in that direction if infections continue to spike.

With these points in mind, we didn't change much about the fund's positioning, after tilting it a bit more toward cyclically sensitive sectors last quarter. Companies have been aggressively cutting costs in the wake of the pandemic, and if we see a rebound in revenue, more of it could flow through to bottom-line profits.

We also see a considerable amount of capital in money market funds that could be available for stock investments. Overall, we remain confident in our GARP (growth at a reasonable price) approach to selecting stocks.

Communication services and consumer staples were the fund's largest sector overweights as of December 31. In the former case, Activision Blizzard and Electronic Arts represented much of the overweighting, as we consider video-game software a long-term growth market.

In staples, we continue to like U.K.-based Nomad Foods, a frozen foods distributor. Like virtually all companies in the food industry, this one saw its profit and revenue derailed by the pandemic. However, we also think it is positioned well and should bounce back even stronger when the pandemic is finally under control.

On the other hand, health care, industrials and financials were the fund's largest sector underweights at the end of 2020. On a stock-specific basis, the biggest individual underweighting was Monolithic Power Systems, a provider of semiconductors used to provide power solutions for industrial applications, telecom infrastructure, cloud computing and other applications. This stock's valuation was too high, in our view. Other noteworthy underweights included FactSet Research Systems, a financial data provider, and noninvasive patient monitoring technologies manufacturer Masimo.

We are striving as hard as ever on behalf of shareholders to identify the best investment ideas for the fund. We continue to leverage our stability and vast resources – especially our technology, our research expertise across asset classes and our relationships with corporations and other entities – to closely monitor the pandemic, gain insight into market dynamics as they evolve, and choose securities we think have the potential to outperform over time.

Thank you for your confidence in Fidelity's investment-management capabilities. ■

MARKET-SEGMENT DIVERSIFICATION

Market Segment	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Prior Quarter
Information				
Technology	17.67%	17.37%	0.30%	-3.44%
Industrials	15.02%	17.56%	-2.54%	-0.71%
Consumer				
Discretionary	14.79%	14.20%	0.59%	2.38%
Financials	12.96%	15.09%	-2.13%	-0.12%
Health Care	8.52%	11.09%	-2.57%	-0.29%
Real Estate	7.03%	9.03%	-2.00%	0.78%
Materials	6.36%	5.68%	0.68%	0.32%
Consumer Staples	5.13%	3.62%	1.51%	-0.09%
Communication Services	5.06%	1.74%	3.32%	-0.50%
Utilities	4.39%	3.41%	0.98%	0.09%
Energy	1.46%	1.22%	0.24%	0.03%
Other	0.00%	0.00%	0.00%	0.00%

CHARACTERISTICS

	Portfolio	Index
Valuation		
Price/Earnings Trailing	35.6x	30.4x
Price/Earnings (IBES 1-Year Forecast)	21.7x	21.1x
Price/Book	3.0x	2.7x
Price/Cash Flow	13.9x	12.8x
Return on Equity (5-Year Trailing)	10.8%	10.9%
Growth		
Sales/Share Growth 1-Year (Trailing)	7.7%	6.6%
Earnings/Share Growth 1-Year (Trailing)	-42.8%	-56.6%
Earnings/Share Growth 1-Year (IBES Forecast)	40.8%	35.2%
Earnings/Share Growth 5-Year (Trailing)	15.9%	13.5%
Size		
Weighted Average Market Cap (\$ Billions)	18.2	7.2
Weighted Median Market Cap (\$ Billions)	9.2	6.2
Median Market Cap (\$ Billions)	8.8	4.7

LARGEST OVERWEIGHTS BY HOLDING

Holding	Market Segment	Relative Weight
Deckers Outdoor Corp.	Consumer Discretionary	1.83%
Activision Blizzard, Inc.	Communication Services	1.68%
The AES Corp.	Utilities	1.51%
Samsung SDI Co. Ltd.	Information Technology	1.26%
Clearway Energy, Inc. Class C	Utilities	1.20%

LARGEST UNDERWEIGHTS BY HOLDING

Holding	Market Segment	Relative Weight
Monolithic Power Systems, Inc.	Information Technology	-0.76%
Fair Isaac Corp.	Information Technology	-0.72%
Cognex Corp.	Information Technology	-0.68%
Ceridian HCM Holding, Inc.	Information Technology	-0.67%
Masimo Corp.	Health Care	-0.66%

10 LARGEST HOLDINGS

Holding	Market Segment
Deckers Outdoor Corp.	Consumer Discretionary
Activision Blizzard, Inc.	Communication Services
Sunrun, Inc.	Industrials
Generac Holdings, Inc.	Industrials
The AES Corp.	Utilities
Caesars Entertainment, Inc.	Consumer Discretionary
ITT, Inc.	Industrials
SolarEdge Technologies, Inc.	Information Technology
Churchill Downs, Inc.	Consumer Discretionary
Samsung SDI Co. Ltd.	Information Technology
10 Largest Holdings as a % of Net Assets	15.22%
Total Number of Holdings	199

The 10 largest holdings are as of the end of the reporting period, and may not be representative of the fund's current or future investments. Holdings do not include money market investments.

ASSET ALLOCATION

Asset Class	Portfolio Weight	Index Weight	Relative Weight	Change From Prior Quarter
Domestic Equities	89.97%	100.00%	-10.03%	-1.97%
International Equities	8.41%	0.00%	8.41%	0.42%
Developed Markets	5.31%	0.00%	5.31%	-0.15%
Emerging Markets	3.10%	0.00%	3.10%	0.57%
Tax-Advantaged Domiciles	0.00%	0.00%	0.00%	0.00%
Bonds	0.00%	0.00%	0.00%	0.00%
Cash & Net Other Assets	1.62%	0.00%	1.62%	1.55%

Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the portfolio composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.

"Tax-Advantaged Domiciles" represent countries whose tax policies may be favorable for company incorporation.

3-YEAR RISK/RETURN STATISTICS

	Portfolio	Index
Beta	1.00	1.00
Standard Deviation	23.99%	23.64%
Sharpe Ratio	0.26	0.29
Tracking Error	4.33%	--
Information Ratio	-0.17	--
R-Squared	0.97	--

Definitions and Important Information

Information provided in this document is for informational and educational purposes only. To the extent any investment information in this material is deemed to be a recommendation, it is not meant to be impartial investment advice or advice in a fiduciary capacity and is not intended to be used as a primary basis for you or your client's investment decisions. 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, and receive compensation, directly or indirectly, in connection with the management, distribution and/or servicing of these products or services including Fidelity funds, certain third-party funds and products, and certain investment services.

CHARACTERISTICS

Earnings-Per-Share Growth measures the growth in reported earnings per share over the specified past time period.

Median Market Cap identifies the median market capitalization of the portfolio or benchmark as determined by the underlying security market caps.

Price-to-Book (P/B) Ratio is the ratio of a company's current share price to reported accumulated profits and capital.

Price/Cash Flow is the ratio of a company's current share price to its trailing 12-months cash flow per share.

Price-to-Earnings (P/E) Ratio (IBES 1-Year Forecast) is the ratio of a company's current share price to Wall Street analysts' estimates of earnings.

Price-to-Earnings (P/E) Ratio Trailing is the ratio of a company's current share price to its trailing 12-months earnings per share.

Return on Equity (ROE) 5-Year Trailing is the ratio of a company's last five years historical profitability to its shareholders' equity. Preferred stock is included as part of each company's net worth.

Sales-Per-Share Growth measures the growth in reported sales over the specified past time period.

Weighted Average Market Cap identifies the market capitalization of the average equity holding as determined by the dollars invested in the portfolio or benchmark.

Weighted Median Market Cap identifies the market capitalization of the median equity holding as determined by the dollars invested in the portfolio or benchmark.

IMPORTANT FUND INFORMATION

Relative positioning data presented in this commentary is based on the fund's primary benchmark (index) unless a secondary benchmark is provided to assess performance.

INDICES

It is not possible to invest directly in an index. All indices represented are unmanaged. All indices include reinvestment of dividends and interest income unless otherwise noted.

S&P MidCap 400 Index is a market-capitalization-weighted index of 400 mid cap stocks of U.S. companies chosen for market size, liquidity, and industry group representation.

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

© 2021 Morningstar, Inc. All rights reserved. The Morningstar information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or redistributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Fidelity does not review the Morningstar data and, for mutual fund performance, you should check the fund's current prospectus for the most up-to-date information concerning applicable loads, fees and expenses.

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

RELATIVE WEIGHTS

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

3-YEAR RISK/RETURN STATISTICS

Beta is a measure of the volatility of a fund relative to its benchmark index. A beta greater (less) than 1 is more (less) volatile than the index.

Information Ratio measures a fund's active return (fund's average monthly return minus the benchmark's average monthly return) in relation to the volatility of its active returns.

R-Squared measures how a fund's performance correlates with a benchmark index's performance and shows what portion of it can be explained by the performance of the overall market/index. R-Squared ranges from 0, meaning no correlation, to 1, meaning perfect correlation. An R-Squared value of less than 0.5 indicates that annualized alpha and beta are not reliable performance statistics.

Sharpe Ratio is a measure of historical risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk free" rate used is the 90-day Treasury Bill rate.

Standard Deviation is a statistical measurement of the dispersion of a fund's return over a specified time period. Fidelity calculates standard deviations by comparing a fund's monthly returns to its average monthly return over a 36-month period, and then annualizes the number. Investors may examine historical standard deviation in conjunction with historical returns to decide whether a fund's volatility would have been acceptable given the returns it would have produced. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility. Standard deviation does not indicate how the fund actually performed, but merely indicates the volatility of its returns over time.

Tracking Error is the divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark, creating an unexpected profit or loss.



Before investing in any mutual fund, please carefully consider the investment objectives, risks, charges, and expenses. For this and other information, call or write Fidelity for a free prospectus or, if available, a summary prospectus. Read it carefully before you invest.

Past performance is no guarantee of future results.

Views expressed are through the end of the period stated and do not necessarily represent the views of Fidelity. Views are subject to change at any time based upon market or other conditions and Fidelity disclaims any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for a Fidelity fund are based on numerous factors, may not be relied on as an indication of trading intent on behalf of any Fidelity fund. The securities mentioned are not necessarily holdings invested in by the portfolio manager(s) or FMR LLC. References to specific company securities should not be construed as recommendations or investment advice.

Diversification does not ensure a profit or guarantee against a loss.

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

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

All other marks appearing herein are registered or unregistered trademarks or service marks of FMR LLC or an affiliated company. Fidelity Brokerage Services LLC, Member NYSE, SIPC., 900 Salem Street, Smithfield, RI 02917.

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

© 2021 FMR LLC. All rights reserved.

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

656578.30.0