

Fidelity® Value Discovery K6 Fund

Investment Approach

- Fidelity® Value Discovery K6 Fund is a large-cap, value-oriented strategy that seeks capital appreciation.
- We focus on companies where there is a significant price dislocation, believing that a stock's market value will move towards its intrinsic (fair) value over time. We seek to purchase securities with a large "margin of safety" and use three different valuation measures to determine a company's intrinsic value.
- We favor firms with both cheap valuations and high-quality franchises – those with above-average returns on invested capital and that operate in businesses protected by strong entry barriers. Our strategy aims to benefit from lower earnings volatility and higher long-term growth. We also like companies with healthy cash-flow generation.
- Capital preservation is as important a factor in investing as is upside potential. The fund is structured to maintain a lower beta (sensitivity to market risk) and a higher-quality orientation than its benchmark, the Russell 3000® Value Index.

FUND INFORMATION

Manager(s):
Sean Gavin

Trading Symbol:
FDVKK

Start Date:
May 25, 2017

Size (in millions):
\$147.95

Morningstar Category:
Fund Large Value

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 from other types of stocks and can continue to be undervalued by the market for long periods of time

PERFORMANCE SUMMARY

| | Cumulative | | Annualized | | | |
|---|------------|--------|------------|--------|--------|--------------------------|
| | 3 Month | YTD | 1 Year | 3 Year | 5 Year | 10 Year/LOF ¹ |
| Fidelity Value Discovery K6 Fund Gross Expense Ratio: 0.45% ² | 0.00% | 0.00% | 12.76% | 15.14% | -- | 11.02% |
| Russell 3000 Value Index | -0.85% | -0.85% | 11.10% | 12.99% | 10.16% | 10.49% |
| Morningstar Fund Large Value | -0.19% | -0.19% | 12.90% | 13.55% | 10.82% | -- |
| % Rank in Morningstar Category (1% = Best) | -- | -- | 53% | 26% | -- | -- |
| # of Funds in Morningstar Category | -- | -- | 1,215 | 1,146 | 1,047 | -- |

¹ Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 05/25/2017.

² This expense ratio is from the most recent prospectus and generally is based on amounts incurred during the most recent fiscal year, or estimated amounts for the current fiscal year in the case of a newly launched fund. It does not include any fee waivers or reimbursements, which would be reflected in the fund's net expense ratio.

Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance stated. Performance shown is that of the fund's Retail Class shares (if multiclass). You may own another share class of the fund with a different expense structure and, thus, have different returns. To learn more or to obtain the most recent month-end or other share-class performance, visit [fidelity.com/performance](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.

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 March 31, 2022, the fund's Retail Class shares produced a flat return, topping the -0.85% result of the benchmark Russell 3000® Value Index.

The S&P 500® index returned -4.60% in the first quarter of 2022, as uncertainty washed over the market to begin the new year. Stocks slid as investors digested geopolitical unrest, with Russia invading and escalating its attack on Ukraine, and the Fed's accelerated plan to hike interest rates amid soaring inflation. The index lost ground in both January (-5.17%) and February (-2.99%) before gaining 3.71% in March. Against this backdrop, value stocks outperformed growth stocks within the S&P 500 the past three months.

The disappointing quarter followed a year in which the S&P 500® gained 28.71% and finished just shy of an all-time high amid improved economic growth, strong corporate earnings, widespread COVID-19 vaccination, and accommodative fiscal and monetary stimulus. These tailwinds, among others, have supported the historic rebound for U.S. stocks since the early-2020 outbreak and spread of COVID-19.

But a different backdrop emerged as the calendar turned, with high and rising inflation proving challenging for U.S. stocks and almost all major asset categories, along with higher bond yields and increased expectations of Fed tightening. Russia's late-February invasion of Ukraine exacerbated these trends, propelled commodity prices even higher and injected a stagflationary flavor into the global economic expansion. Elevated volatility resurfaced across almost all asset markets, but trended downward toward the end of March.

Relative to the benchmark, security selection contributed to the fund's result the past three months, especially in the health care and financials sectors. Sector positioning, meanwhile, was modestly negative, with an underweight in the market-leading energy category detracting the most. Picks in consumer staples also hurt.

Individually, the biggest relative contributor was an overweight in Exxon Mobil, the fund's second-largest holding on March 31. Shares of this integrated oil and gas firm gained roughly 36% in the first quarter. On February 1, the company reported better-than-expected earnings and debt reduction for Q4 2021. Exxon Mobil cited a favorable macro backdrop that included positive supply-and-demand conditions for energy commodities and elevated prices.

Despite our broader concerns about the energy sector, which represented only about 5% of the fund's assets as of quarter-end, we saw the firm as undervalued, with significantly less downside risk compared to its competitors. These included Chevron (+40%), another integrated oil and gas company and benchmark component that we declined to own, also which that proved to be the fund's biggest relative detractor in Q1.

Within financials, the fund benefited from an overweighting in Berkshire Hathaway (+18%), our largest holding at quarter end. A growing economy boosted the insurance-focused conglomerate's railroad, energy and consumer-oriented businesses. Net earnings rose 11% in the fourth quarter of 2021, boosting this figure to a record \$90 billion for the full year. Operating income, which excludes some investments in the company's vast stock portfolio, increased 45% for the quarter.

Also bolstering the portfolio's relative return was an overweighting in Bristol-Myers Squibb (+19%). In February, this pharmaceutical company reported better-than-expected quarterly financial results, and the company's shares rose steadily throughout the quarter. The firm finished the quarter as one of our largest individual holdings.

An out-of-benchmark position in Lundin Mining (+32%) further contributed, as this Canadian producer of copper, zinc, gold and nickel benefited from higher commodity prices.

In contrast, the fund was hampered by untimely positioning in banking company Wells Fargo, as our holding returned -18%, compared to a roughly 1% gain in the benchmark. Investors appear to have grown more concerned about the potential for recession amid higher oil prices and rising inflation – factors that could be detrimental to the firm, as well as other bank stocks.

Another performance challenge was an out-of-benchmark stake in Samsung Electronics (-13%). Shares of this Korean electronics company declined due to investors' near-term concern about its memory business. We continued to see the stock as a long-term holding, however, given our view that the company's valuation was especially attractive, considering Samsung's dominant competitive position in most of its businesses, as well as its strong balance sheet, healthy cash flow and improved corporate governance. ■

LARGEST CONTRIBUTORS VS. BENCHMARK

| Holding | Market Segment | Average Relative Weight | Relative Contribution (basis points)* |
|----------------------------------|----------------|-------------------------|---------------------------------------|
| Exxon Mobil Corp. | Energy | 1.98% | 56 |
| Berkshire Hathaway, Inc. Class B | Financials | 1.74% | 31 |
| Bristol-Myers Squibb Co. | Health Care | 1.58% | 29 |
| Lundin Mining Corp. | Materials | 0.92% | 26 |
| The Travelers Companies, Inc. | Financials | 1.46% | 24 |

* 1 basis point = 0.01%.

LARGEST DETRACTORS VS. BENCHMARK

| Holding | Market Segment | Average Relative Weight | Relative Contribution (basis points)* |
|------------------------------|------------------------|-------------------------|---------------------------------------|
| Chevron Corp. | Energy | -1.25% | -41 |
| Wells Fargo & Co. | Financials | 0.19% | -25 |
| TE Connectivity Ltd. | Information Technology | 1.33% | -25 |
| Siemens AG | Industrials | 1.12% | -23 |
| Samsung Electronics Co. Ltd. | Information Technology | 1.50% | -20 |

* 1 basis point = 0.01%.

Outlook and Positioning

Our view is that a stock's market value eventually will converge with its intrinsic value – or true underlying worth – over time. This is a crucial aspect of our investment approach. We use four different valuation measures when determining the intrinsic value of a company, and we invest in what we believe are high-quality firms. By high quality, we mean corporations that operate in a specific niche or possess a strong competitive position that provides a "moat," or barrier to entry to their businesses.

We also look for above-average returns on invested capital. We expect the fund's holdings to have a significantly higher return on equity (ROE) – a measure of profitability – than the benchmark because of this focus on quality, which we believe has led to lower earnings volatility over time. We pay close attention to a firm's cash generation, which we think can contribute to faster long-term growth when it's combined with a high ROE. Or, to put it more succinctly: We believe that a stock that is merely cheap doesn't represent a great value, but a quality stock at a low price does.

As of March 31, the largest individual overweights within the fund – all of which were stocks that we saw as good fits for our investment strategy – were managed care companies Centene and Cigna, our largest and third-largest overweights, respectively; Exxon Mobil; and Berkshire Hathaway. All these stocks were among the portfolio's top-10 holdings. Conversely, the portfolio's largest stock-specific underweights were pharmaceutical and medical-products company Johnson & Johnson; Chevron; drug maker Pfizer; and media company Disney. We avoided these benchmark components throughout Q1, as we found better matches for our investment strategy elsewhere.

At the end of March, the fund's largest sector overweight was in utilities. This outsized exposure grew a bit during the three-month

period. Here, we've found several attractively valued companies with the opportunity to generate above-average earnings growth, in our view. Although utilities tend to underperform when interest rates go up because their dividend yields become less attractive on a relative basis, they also offer investors a guaranteed rate of return. We believe this can make them more attractive than other yield-oriented groups, including real estate, which finished Q1 as the largest underweight.

Although inflation has grown faster and proved more durable than many observers – ourselves included – expected, we still see some forces pushing back on it in the next year. Still, we expect at least several more months of year-over-year increases. In turn, this will likely push the U.S. Federal Reserve to continue to meaningfully raise interest rates, as they have already signaled. All of this has generated economic uncertainty and resulted in market volatility.

Firms in certain sectors are seeing much higher profit margins amid increased consumer and business spending, as well as supply-chain challenges. For example, the market has rewarded various retail and industrials stocks whose businesses have expanded relative to pre-pandemic levels. Over time, though, we'd expect much of the growth these firms have already seen in their stock price to revert to the mean, as their businesses decline from likely temporary factors.

In following our investment strategy, we think a lot about how much certainty lays behind a company's cash flow and business model. There are no sure things in investing. However, by focusing on companies with dominant market share, high return on invested capital and what we believe are a lower-than deserved valuation, we can gain greater confidence about the fund's holdings.

In today's market environment, with so much uncertainty about inflation, interest rates and the direction of the economy, we think our focus on high-quality, attractively valued stocks may set up the portfolio well as 2022 progresses. ■

MARKET-SEGMENT DIVERSIFICATION

| Market Segment | Portfolio Weight | Index Weight | Relative Weight | Relative Change From Prior Quarter |
|------------------------|------------------|--------------|-----------------|------------------------------------|
| Financials | 21.06% | 21.05% | 0.01% | 2.43% |
| Health Care | 19.01% | 17.36% | 1.65% | -0.07% |
| Utilities | 10.64% | 5.41% | 5.23% | 0.38% |
| Information Technology | 9.89% | 9.04% | 0.85% | 0.25% |
| Industrials | 9.38% | 11.25% | -1.87% | -0.24% |
| Communication Services | 8.16% | 6.92% | 1.24% | -1.51% |
| Consumer Staples | 8.10% | 7.12% | 0.98% | 0.50% |
| Energy | 4.63% | 7.26% | -2.63% | -0.64% |
| Consumer Discretionary | 4.39% | 5.14% | -0.75% | 1.19% |
| Materials | 3.40% | 4.08% | -0.68% | -0.55% |
| Real Estate | 0.79% | 5.37% | -4.58% | -1.93% |
| Other | 0.00% | 0.00% | 0.00% | 0.00% |

CHARACTERISTICS

| | Portfolio | Index |
|--|-----------|--------|
| Valuation | | |
| Price/Earnings Trailing | 15.6x | 17.3x |
| Price/Earnings (IBES 1-Year Forecast) | 14.4x | 15.6x |
| Price/Book | 2.4x | 2.6x |
| Price/Cash Flow | 12.3x | 13.2x |
| Return on Equity (5-Year Trailing) | 12.7% | 11.8% |
| Growth | | |
| Sales/Share Growth 1-Year (Trailing) | 14.7% | 16.8% |
| Earnings/Share Growth 1-Year (Trailing) | 134.3% | 182.7% |
| Earnings/Share Growth 1-Year (IBES Forecast) | 10.4% | 11.1% |
| Earnings/Share Growth 5-Year (Trailing) | 12.6% | 12.8% |
| Size | | |
| Weighted Average Market Cap (\$ Billions) | 178.9 | 149.1 |
| Weighted Median Market Cap (\$ Billions) | 76.9 | 69.8 |
| Median Market Cap (\$ Billions) | 44.1 | 2.3 |

LARGEST OVERWEIGHTS BY HOLDING

| Holding | Market Segment | Relative Weight |
|----------------------------------|----------------|-----------------|
| Centene Corp. | Health Care | 2.24% |
| Exxon Mobil Corp. | Energy | 2.18% |
| Cigna Corp. | Health Care | 2.05% |
| Berkshire Hathaway, Inc. Class B | Financials | 1.86% |
| Bristol-Myers Squibb Co. | Health Care | 1.71% |

LARGEST UNDERWEIGHTS BY HOLDING

| Holding | Market Segment | Relative Weight |
|--------------------------------|------------------------|-----------------|
| Johnson & Johnson | Health Care | -2.10% |
| Chevron Corp. | Energy | -1.42% |
| Pfizer, Inc. | Health Care | -1.30% |
| The Walt Disney Co. | Communication Services | -1.06% |
| Thermo Fisher Scientific, Inc. | Health Care | -0.95% |

10 LARGEST HOLDINGS

| Holding | Market Segment |
|---|------------------------|
| Berkshire Hathaway, Inc. Class B | Financials |
| Exxon Mobil Corp. | Energy |
| UnitedHealth Group, Inc. | Health Care |
| Comcast Corp. Class A | Communication Services |
| Centene Corp. | Health Care |
| Bristol-Myers Squibb Co. | Health Care |
| Cigna Corp. | Health Care |
| Bank of America Corp. | Financials |
| Procter & Gamble Co. | Consumer Staples |
| Alphabet, Inc. Class A | Communication Services |
| 10 Largest Holdings as a % of Net Assets | 28.43% |
| Total Number of Holdings | 88 |

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 | Relative Change From Prior Quarter |
|--------------------------|------------------|--------------|-----------------|------------------------------------|
| Domestic Equities | 86.83% | 99.74% | -12.91% | -1.49% |
| International Equities | 12.63% | 0.26% | 12.37% | 1.32% |
| Developed Markets | 11.26% | 0.15% | 11.11% | 1.55% |
| Emerging Markets | 1.37% | 0.10% | 1.27% | -0.23% |
| Tax-Advantaged Domiciles | 0.00% | 0.01% | -0.01% | 0.00% |
| Bonds | 0.00% | 0.00% | 0.00% | 0.00% |
| Cash & Net Other Assets | 0.54% | 0.00% | 0.54% | 0.17% |

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

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

3-YEAR RISK/RETURN STATISTICS

| | Portfolio | Index |
|--------------------|-----------|--------|
| Beta | 0.95 | 1.00 |
| Standard Deviation | 18.69% | 19.39% |
| Sharpe Ratio | 0.77 | 0.63 |
| Tracking Error | 3.79% | -- |
| Information Ratio | 0.57 | -- |
| R-Squared | 0.96 | -- |

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.

K6 Shares generally are available only to certain employer-sponsored retirement plans.

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 3000 Value Index is a market-capitalization-weighted index

designed to measure the performance of the broad value segment of the U.S. equity market. It includes those Russell 3000 Index companies with lower price-to-book ratios and lower forecasted growth rates.

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.

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.

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