

# Fidelity® Growth Strategies Fund

## Investment Approach

- Fidelity® Growth Strategies Fund is a diversified domestic equity strategy with a mid-cap growth orientation.
- Our guiding philosophy is that stocks of high-quality companies that exhibit persistent growth and generate positive free cash flow, when purchased at reasonable prices, can outperform the market over time.
- We believe differences often exist between a stock's price and its true value because the market incorrectly forecasts the sustainability and/or magnitude of future growth.
- We look to uncover these opportunities through in-depth bottom-up, fundamental analysis, working in concert with Fidelity's global research team.

## PERFORMANCE SUMMARY

	Cumulative		Annualized			
	3 Month	YTD	1 Year	3 Year	5 Year	10 Year/LOF <sup>1</sup>
Fidelity Growth Strategies Fund Gross Expense Ratio: 0.56% <sup>2</sup>	7.75%	12.59%	22.78%	15.15%	13.28%	12.88%
Russell Midcap Growth Index	9.37%	13.92%	23.23%	16.23%	15.53%	14.55%
Morningstar Fund Mid-Cap Growth	10.20%	15.01%	24.49%	14.68%	14.28%	13.22%
% Rank in Morningstar Category (1% = Best)	--	--	43%	47%	61%	62%
# of Funds in Morningstar Category	--	--	607	557	500	380

<sup>1</sup> Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 12/28/1990.

<sup>2</sup> 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 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](http://fidelity.com/performance), [institutional.fidelity.com](http://institutional.fidelity.com), or [401k.com](http://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.

## FUND INFORMATION

**Manager(s):**  
Jean Park

**Trading Symbol:**  
FDEGX

**Start Date:**  
December 28, 1990

**Size (in millions):**  
\$3,176.03

**Morningstar Category:**  
Fund Mid-Cap Growth

*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 the activities of individual companies, general market, and economic conditions. You may have a gain or loss when you sell your shares. The securities of smaller, less well-known companies may be more volatile than those of larger companies. Foreign investments involve greater risks than those of U.S. investments. "Growth" stocks can perform differently from the market as a whole and other types of stocks and can be more volatile than other types of stocks.*



Not FDIC Insured • May Lose Value • No Bank Guarantee

## Performance Review

For the three months ending September 30, 2020, the fund's Retail Class shares gained 7.75%, trailing the 9.37% advance of the benchmark Russell Midcap® Growth Index.

Equity markets worldwide continued to gain ground in the third quarter, rising steadily before cooling off to end the period. The abundant provision of liquidity from central banks and sustained progress on economic reopening in the wake of the coronavirus pandemic underpinned a continued rally in riskier assets, extending a broad-based recovery from a steep, brief decline from late February through March 23. After a historically sharp and short-lived recession during the spring, most major economies are now in early-cycle recovery. China remains somewhat ahead of the rest of the world due largely to its faster reopening. In the U.S. and Europe, consumer and business confidence continued to improve, although activity remains below normal, progress is uneven and COVID-19 cases remain elevated.

Against this backdrop, both security selection and sector positioning detracted from the fund's relative result. Specifically, picks among health care equipment & services stocks disappointed notably. Investment choices within consumer discretionary – particularly retailing stocks – also hurt. Security selection in information technology also weighed on the portfolio's return versus the benchmark.

On an individual stock basis, the fund's positioning in three health care stocks – ResMed, Immunomedics and Centene – proved to be the most detrimental in Q3.

Medical equipment company ResMed, which specializes in manufacturing devices for the treatment of sleep apnea and other respiratory illnesses, returned -11% for the three months. Even though the company posted strong quarterly revenue and income in early August, driven by growth in its European and Asian markets, the stock sold off as investors looked to take profits. That said, given our conviction is ResMed's growth prospects, as demand remains robust, we maintained the fund's position as of September 30.

Not owning benchmark component Immunomedics detracted. Shares of this pharmaceutical company gained 140% this period,

surging in mid-September on news that it would be acquired by Gilead Sciences for \$21 billion, a deal slated to close in the fourth quarter. Immunomedics appealed to Gilead for its drug Trodelvy™, which in April received approval from the U.S. Food and Drug Administration as a treatment for breast cancer. We avoided owning this company due to its negative free-cash-flow (FCF) yield, a notable component of our investment criteria when building the portfolio.

The fund's out-of-benchmark stake in Medicaid managed-care provider Centene returned -9% for the quarter. In September, shares of the firm, one of the biggest providers on the U.S. health care exchange platform through the Affordable Care Act, declined in the fallout from U.S. Supreme Court Justice Ruth Bader Ginsburg's death, which cast a shadow on the future of this comprehensive health care reform legislation, also known as ObamaCare. As such, we chose to reduce the fund's exposure to this company.

Conversely, stock picks in the commercial & professional services segment of the industrials sector added value the past three months. However, the fund's biggest contributions on a relative basis came from the investment choices in the pharmaceuticals, biotechnology & life sciences group in health care – BioMarin Pharmaceutical and Charles River Laboratories International.

Avoiding benchmark component BioMarin proved advantageous, as the stock returned -38% the past three months. Shares of the company fell sharply in August after it received negative news from the U.S. Food & Drug Administration related to the firm's blockbuster drug Roctavian, the first gene therapy to treat hemophilia A. BioMarin's negative FCF yield deterred us from owning shares of this company.

Shares of Charles River Labs rose 30% for the three-month period, bolstered by increasing demand for the its products that help pharmaceutical and biotechnology firms research, develop and manufacture new drug treatments. In August, the company reported that its products had played a role in 85% of the drugs, including vaccines, approved over the past year, as well as 85% of those that were not approved. With a strong FCF yield, Charles River Labs continued to meet our investment criteria, and as a result, we maintained the fund's position. ■

### LARGEST CONTRIBUTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Relative Contribution (basis points)*
BioMarin Pharmaceutical, Inc.	Health Care	-0.61%	37
Charles River Laboratories International, Inc.	Health Care	1.14%	21
Spotify Technology SA	Communication Services	-1.24%	20
Splunk, Inc.	Information Technology	-1.16%	18
EPAM Systems, Inc.	Information Technology	1.05%	17

\* 1 basis point = 0.01%.

### LARGEST DETRACTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Relative Contribution (basis points)*
ResMed, Inc.	Health Care	1.96%	-43
Immunomedics, Inc.	Health Care	-0.37%	-37
Centene Corp.	Health Care	1.82%	-35
Fortinet, Inc.	Information Technology	1.18%	-31
Roku, Inc. Class A	Communication Services	-0.59%	-24

\* 1 basis point = 0.01%.

## Outlook and Positioning

Our focus is on owning higher-quality stocks with below-average valuations within the portfolio, emphasizing companies with higher relative free-cash-flow (FCF) yield. Historically, the fund's holdings have exhibited above-benchmark longer-term earnings-per-share growth at relatively lower price-to-earnings and price-to-cash-flow multiples.

We aim to optimize potential for upside return while focusing on downside-risk protection, and we believe we can accomplish this through individual security selection.

As of September 30, the fund maintained an overweighting in the industrials, financials, consumer staples and real estate sectors. On the other hand, we remained most underweight health care, information technology, materials, consumer discretionary, and communication services stocks. The portfolio continued to maintain no exposure to utilities and energy.

Over the past three months, we reduced the portfolio's large position in information technology, choosing to take profits where stocks had delivered strong results in the wake of the sharp market downturn in February and March. For example, by September 30, we trimmed the fund's positions in website domain provider VeriSign and semiconductor processing equipment maker LAM Research, two companies that had previously been among the fund's largest overweightings and strongest performers in the previous quarter. That said, we continue to believe secular trends here continue to look favorable. As more enterprises and consumers shift their business transactions to the digital arena, we are looking to invest in companies poised to benefit from this trend.

This period, the fund's exposure to health care stocks increased, given our confidence in several individual stocks within the sector. Medical equipment companies ResMed and DexCom; Veeva Systems, a cloud software provider for life science companies; and West Pharmaceutical Services, which develops injectable pharmaceutical packaging, were among the fund's largest holdings and overweight positions on September 30.

We would like to underscore that all our stock choices are made individually and in light of company-specific opportunities, as well as what we deem a low valuation relative to what we calculate as the growth potential for that specific company.

As of September 30, the market continued to post new highs, even though we still see many unknowns regarding how the coronavirus will continue to impact economies and businesses in the U.S. and across the globe.

We remain focused on delivering downside protection for the fund's shareholders, whom I believe are trusting us to make the right decisions on their behalf. We are also aiming to maintain a tax-efficient portfolio by seeking to minimize short-term capital gains for shareholders.

We are looking to own shares of companies that generate FCF and have net cash on their balance sheets, which we believe can provide more stability in times of uncertainty. We are also emphasizing firms that could improve their fundamentals and, therefore, potentially remain more resilient than the average holding in the benchmark. ■

## MARKET-SEGMENT DIVERSIFICATION

Market Segment	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Prior Quarter
Information Technology	33.09%	36.27%	-3.18%	-5.06%
Health Care	19.58%	22.98%	-3.40%	1.27%
Industrials	15.59%	12.11%	3.48%	0.38%
Consumer Discretionary	9.93%	11.26%	-1.33%	0.54%
Financials	6.95%	3.52%	3.43%	0.31%
Consumer Staples	6.24%	4.21%	2.03%	2.34%
Communication Services	4.37%	5.64%	-1.27%	1.38%
Real Estate	1.81%	1.35%	0.46%	-1.60%
Materials	0.78%	2.18%	-1.40%	0.42%
Energy	0.00%	0.39%	-0.39%	0.06%
Utilities	0.00%	0.09%	-0.09%	0.02%
Other	0.00%	0.00%	0.00%	0.00%

## CHARACTERISTICS

	Portfolio	Index
<b>Valuation</b>		
Price/Earnings Trailing	38.8x	57.4x
Price/Earnings (IBES 1-Year Forecast)	31.2x	38.3x
Price/Book	10.1x	10.7x
Price/Cash Flow	23.2x	29.8x
Return on Equity (5-Year Trailing)	25.8%	20.8%
<b>Growth</b>		
Sales/Share Growth 1-Year (Trailing)	13.7%	15.8%
Earnings/Share Growth 1-Year (Trailing)	16.8%	-4.9%
Earnings/Share Growth 1-Year (IBES Forecast)	13.2%	23.5%
Earnings/Share Growth 5-Year (Trailing)	22.9%	19.1%
<b>Size</b>		
Weighted Average Market Cap (\$ Billions)	27.4	20.4
Weighted Median Market Cap (\$ Billions)	24.8	18.9
Median Market Cap (\$ Billions)	23.6	11.1

### LARGEST OVERWEIGHTS BY HOLDING

Holding	Market Segment	Relative Weight
DexCom, Inc.	Health Care	2.62%
Dollar General Corp.	Consumer Discretionary	2.01%
ResMed, Inc.	Health Care	1.84%
Take-Two Interactive Software, Inc.	Communication Services	1.37%
MSCI, Inc.	Financials	1.25%

### LARGEST UNDERWEIGHTS BY HOLDING

Holding	Market Segment	Relative Weight
DocuSign, Inc.	Information Technology	-1.35%
lululemon athletica, Inc.	Consumer Discretionary	-1.32%
Chipotle Mexican Grill, Inc.	Consumer Discretionary	-1.22%
Spotify Technology SA	Communication Services	-1.12%
Splunk, Inc.	Information Technology	-1.06%

### 10 LARGEST HOLDINGS

Holding	Market Segment
ResMed, Inc.	Health Care
DexCom, Inc.	Health Care
MSCI, Inc.	Financials
Cadence Design Systems, Inc.	Information Technology
Dollar General Corp.	Consumer Discretionary
Take-Two Interactive Software, Inc.	Communication Services
Cintas Corp.	Industrials
Veeva Systems, Inc. Class A	Health Care
West Pharmaceutical Services, Inc.	Health Care
KLA-Tencor Corp.	Information Technology
<b>10 Largest Holdings as a % of Net Assets</b>	<b>21.23%</b>
<b>Total Number of Holdings</b>	<b>115</b>

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	98.25%	99.37%	-1.12%	0.18%
International Equities	0.08%	0.63%	-0.55%	-0.12%
Developed Markets	0.08%	0.00%	0.08%	0.02%
Emerging Markets	0.00%	0.63%	-0.63%	-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	1.67%	0.00%	1.67%	-0.06%

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	0.87	1.00
Standard Deviation	18.10%	20.56%
Sharpe Ratio	0.75	0.71
Tracking Error	3.76%	--
Information Ratio	-0.29	--
R-Squared	0.98	--

## 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.

**Russell Midcap Growth Index** is a market-capitalization-weighted index designed to measure the performance of the mid-cap growth segment of the U.S. equity market. It includes those Russell

Midcap Index companies with higher price-to-book ratios and higher 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

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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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