

Fidelity Advisor[®] Real Estate Fund

Key Takeaways

- For the semiannual reporting period ending January 31, 2026, the fund's Class I shares gained 3.79%, versus 3.85% for the MSCI US IMI Real Estate 25/50 Linked Index.
- According to Portfolio Manager Steve Buller, real estate investment trusts markedly underperformed broader equities the past six months, as many market participants continued to favor growth stocks – particularly those connected to artificial intelligence – over their income-oriented counterparts.
- However, in the reporting period's final month, conditions shifted to favor REITs and other slower-growth equities, as investors considered the possibility of an AI-spending bubble.
- Steve's investment approach remained focused on bottom-up security selection based on company fundamentals and valuations. Notable positioning changes this period included modest increases in exposure to health care and data center REITs, along with reductions to the apartment and infrastructure categories.
- Stock picks detracted from performance versus the MSCI sector index, particularly among retail and industrial REITs. An overweight in the telecom tower segment also hurt.
- Within the latter group, outsized stakes in American Tower (-12%) and SBA Communications (-17%) weighed on the portfolio's return versus the MSCI sector index, as stocks in this segment underperformed amid a legal dispute surrounding a large customer's lease payments.
- On the positive side, investment choices in real estate services notably contributed – especially an underweight in CoStar Group (-35%) – a provider of information and analytics for the real estate industry. A larger-than-index allocation to industrial REITs and a lack of exposure to the weak-performing office category also helped.
- As of January 31, Steve remains optimistic about favorable supply/demand dynamics across many areas of the REIT market, even though he expects the trend of wide variance in the performance of different REIT sectors to continue.

MARKET RECAP

U.S. stocks gained 10.13% for the six months ending January 31, 2026, according to the S&P 500[®] index, extending a historically fast rebound that began in early April, bolstered by strong corporate fundamentals, a resilient economy and, beginning in September, the Federal Reserve's first interest-rate reductions since December 2024. The S&P 500[®] returned -12.12% from April 2 through April 8 but rose 40.66% through period end. The rally was sparked by easing global trade tension following the Trump administration's swift rollback of several steep tariffs and its signal of willingness to negotiate new trade deals. Momentum faded late in the year, as stocks weathered a 43-day shutdown of the federal government that began on October 1 and a brief sell-off in mid-November that mostly reflected concern about an artificial-intelligence bubble. But the focus returned to strong corporate earnings, easing inflation and a resilient U.S. economy, with the index closing January just shy of its all-time high. Renewed expectations for Fed rate cuts also supported stocks ahead of the central bank lowering its benchmark federal funds rate in September, October and December, aiming to cushion weakness in the labor conditions. By sector for the six months, communication services (+24%), energy and health care (+20% each) shined. Materials (+14%) also stood out, but all other sectors trailed, especially utilities (+2%), real estate and financials (+3% each).



Steve Buller
Portfolio Manager

Fund Facts

Trading Symbol:	FRVHX
Start Date:	November 17, 1986
Size (in millions):	\$3,051.55

Investment Approach

- Fidelity Advisor® Real Estate Fund seeks above-average income and long-term capital growth, consistent with reasonable investment risk, by investing in securities of companies that own and, in most cases, operate commercial real estate properties.
- Investment in real estate securities has the potential to provide portfolio diversification, consistent income generation, total return and the ability to outpace inflation.
- We believe real estate investment trusts (REITs) represent a balance between real estate and stocks, and that recognizing attributes of both is key to identifying opportunities to outperform.
- Through rigorous bottom-up research from Fidelity's dedicated real estate team and the firm's broader research resources, we strive to add value through security selection within a disciplined risk framework. Our process seeks to determine the relative attractiveness of individual REITs and will try to take advantage of pricing discrepancies in the market.

Q&A

An interview with Portfolio Manager Steve Buller

Q: Steve, how did the fund perform for the six months ending January 31, 2026?

The portfolio's Class I shares gained 3.79%, versus 3.85% for the MSCI US IMI Real Estate 25/50 Linked Index. The fund lagged the 4.70% advance of the peer group average and the 10.13% increase in the broad-based S&P 500® index.

Looking slightly longer term, the portfolio was up 4.27% for the trailing 12 months, performing roughly in line with the MSCI sector index. Meanwhile, the fund outpaced the peer group average but notably trailed the S&P 500®. Importantly, given our focus, long-term performance favors the fund over the MSCI real estate index.

Q: What factors influenced the portfolio's result the past six months?

Real estate investment trusts markedly underperformed broader equities, as many market participants continued to favor growth stocks – particularly those connected to artificial intelligence – over their income-oriented counterparts. However, in the period's final month, conditions shifted toward REITs and other slower-growth equities, as investors considered the possibility of an AI-spending bubble. Within this environment, real estate stocks exhibited significant differences in performance among the sector's various industries. For example, industrial (+20%) and health care REITs (+13%) were particularly strong standouts, whereas the telecom tower (-14%) and office segments (-7%) lagged.

Turning to the portfolio, stock picks detracted from performance versus the MSCI sector index this period, especially among retail and industrial REITs. An overweight in the telecom tower segment also hurt. In contrast, industry positioning contributed to the fund's relative result, primarily due to an outsized allocation to industrial REITs. Investment choices in the real estate services category also helped.

Q: How did you manage the fund this period?

I follow the same investment strategy regardless of the prevailing market backdrop. My approach entails carefully considering both the similarities and differences between REITs and the broader equity market. Long term, I believe the former's valuations should trend toward the value of their underlying properties. That said, REIT shares represent an equity stake in a company, so their prices can fluctuate along

with changes in the economy and/or investor sentiment, among other factors. Furthermore, the REIT market can be inefficient, which sometimes causes individual securities to be temporarily mispriced. Occasionally, this can present opportunities to buy real estate stocks I like at undeservedly low prices, or to sell those trading for more than I think they are worth.

My primary focus is on bottom-up security selection, meaning I select investments one at a time, relying in part on Fidelity's team of real estate analysts to find what I consider reasonably valued REITs of sufficient quality. I also maintain a flexible approach in order to adapt to a constantly changing investment environment. The REIT universe is fairly narrow, so I may adjust my emphasis based on current market conditions or where I believe they may be heading.

The composition of the fund remained relatively consistent the past six months. When I did adjust the portfolio, it was generally a reflection of "bottom-up" – security-by-security – changes as opposed to top-down industry adjustments. As evidenced by this approach, notable shifts within the portfolio this period included modest increases in health care and data center REITs, in addition to reductions in apartment and infrastructure real estate holdings.

Q: What detracted most from the fund's performance versus the MSCI sector index?

Outsized stakes in tower REITs American Tower (-12%) – the fund's No. 4 holding on January 31 – and SBA Communications (-17%) hurt the portfolio's relative result. Tower stocks struggled this period for a few reasons, including investors' preference for faster-growing tech-related companies, a legal dispute surrounding a large customer's lease payments to several tower firms, and slower-than-anticipated usage of 5G wireless networks.

Not owning Simon Property Group (+20%), a large mall REIT and index component, was another negative. Although I maintained an overweight to the retail segment the past six months, it was driven by my preference for strip centers over malls, due to the former's more-limited vulnerability to tariffs and other economic forces. This period, however, Simon enjoyed strong financial results amid an improved business environment for retailers and favorable supply/demand dynamics among retail property owners.

A bigger-than-index position in Americold Realty Trust (-20%), an owner and operator of cold-storage warehouse properties, further weighed on relative performance. I originally invested in this company when I felt it was attractively valued, given my view that industry fundamentals would eventually stop getting worse. Unfortunately, the opposite happened. Conditions deteriorated, as several cold-food manufacturers continued to hold back inventory. Seeing less upside, I ultimately reduced the fund's holding in

Americold, moving from a large to a significantly smaller overweight as of January 31.

Q: What notably helped?

The fund's top individual contributor was an overweight in Prologis (+24%), the world's largest industrial REIT. As fundamentals bottomed in this real estate category, investors anticipated a nascent recovery. In addition, market participants appeared to note the upside opportunity presented by Prologis's exposure to data centers. To manage risk, I trimmed the position during the reporting period, though it still finished January as the fund's biggest holding.

Also adding value was an underweight in CoStar Group (-34%), a provider of information and analytics for the real estate industry. In October, the firm reported quarterly earnings that came up short of analysts' expectations, while concern about the future impact of AI on the business's cash flow further weighed on its shares. As CoStar's stock declined, I opportunistically added to the position on weakness.

Meanwhile, a lack of exposure to tower REIT and index component Crown Castle (-15%) helped. As I mentioned, tower stocks underperformed this period.

Lastly, overweight positions in health care REITs Ventas (+17%) and Welltower (+15%) were other bright spots. These owners of senior-living and health care facilities continued to see higher occupancy and rental-income rates due to the favorable demographic tailwind of an aging baby boomer generation, coupled with a decline in the supply of senior-housing properties. I continued to see opportunity in both stocks but reduced exposure to them this period to manage risk. Still, Welltower was a top-10 holding at period end.

Q: Any closing thoughts for shareholders as of January 31, Steve?

Although REITs once again lagged the broader equity market the past six months, they significantly outperformed the S&P 500[®] in January, reflecting investors' concern about future spending on AI. In the callout portion of this review, I'll discuss how AI is affecting the world of real estate stocks.

For now, time will tell if REITs continue to outperform other stocks. That said, I do feel optimistic about favorable supply/demand dynamics across many segments of the market, even though I am expecting the trend of wide variance in the performance of different industries within the sector to continue. Irrespective of the economic and market environment, I'm going to continue to follow my investment approach, paying close attention to the broader economic context in which the fund operates while focusing my attention on bottom-up stock picking. ■

Portfolio Manager Steve Buller on the potential impact of AI on REITs:

"Although real estate might not be the first place you would think of when considering the disruptive effect of artificial intelligence, multiple industries within the sector are, in fact, candidates to experience fundamental changes due to this fast-evolving technology.

"One area where we are already seeing a tangible impact from AI on stock prices is among commercial real estate brokerage stocks. These include fund holdings CBRE Group – the portfolio's eighth-largest position on January 31 – and Jones Lang Lasalle. Besides providing property management services, these companies serve as agents for firms buying or selling buildings, in addition to helping tenants and owners with leasing, and providing intelligence about potential transactions. The concern is that some of these activities could become automated via AI, potentially cutting into brokers' business.

"Offices are a second potentially vulnerable area of the REIT market. Even though we're seeing a slight nationwide pickup in office leasing, we do worry that the lack of hiring among new university graduates being a harbinger of reduced employment and thus, lower demand for office space down the road.

"We also are seeing AI's effect on real-estate-adjacent businesses, including software companies and information providers CoStar and Zillow. Their business models could become susceptible if AI can provide either some or all the information these firms are currently offering their clients.

"I do think that some of investors' worries about AI may be exaggerated, however, particularly over the near term. Still, I do share some of the concerns about the long-term impact of AI and, as a result, have been managing the fund's exposure to companies whose business could be at risk. For example, I started to scale back exposure to real estate brokers, while continuing to avoid office REITs entirely. I also sold certain real estate-related software stocks that I see as particularly vulnerable."

LARGEST CONTRIBUTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Relative Contribution (basis points)*
CoStar Group Inc	Diversified	-1.23%	67
Crown Castle Inc	Infrastructure REITs	-2.73%	60
Prologis Inc	Industrial	2.51%	50
VICI Properties Inc	Gaming	-2.17%	35
Compass Inc Class A	Unknown Industry	0.64%	29

* 1 basis point = 0.01%.

LARGEST DETRACTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Relative Contribution (basis points)*
American Tower Corp	Infrastructure REITs	2.95%	-58
Simon Property Group Inc	Regional Malls	-3.95%	-57
Americold Realty Trust Inc	Industrial	0.91%	-49
UDR Inc	Apartments	2.87%	-26
SBA Communications Corp Class A	Infrastructure REITs	0.76%	-25

* 1 basis point = 0.01%.

ASSET ALLOCATION

Asset Class	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Six Months Ago
Domestic Equities	99.30%	100.00%	-0.70%	-0.28%
International Equities	0.00%	0.00%	0.00%	0.00%
Developed Markets	0.00%	0.00%	0.00%	0.00%
Emerging Markets	0.00%	0.00%	0.00%	0.00%
Tax-Advantaged Domiciles	0.00%	0.00%	0.00%	0.00%
Bonds	0.00%	0.00%	0.00%	0.00%
Cash & Net Other Assets	0.70%	0.00%	0.70%	0.28%

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
Industrial	15.28%	11.41%	3.87%	-1.74%
Health Care	12.92%	15.47%	-2.55%	0.09%
Data Centers	12.80%	9.09%	3.71%	1.12%
Infrastructure	9.92%	9.40%	0.52%	0.26%
Shopping Centers	9.67%	4.64%	5.03%	-0.44%
Free Standing	7.99%	5.56%	2.43%	2.27%
Apartments	7.93%	7.37%	0.56%	-0.76%
Self Storage	5.59%	5.63%	-0.04%	0.10%
Diversified	5.53%	6.98%	-1.45%	1.29%
Single Family Homes	3.18%	2.04%	1.14%	-0.42%
Other	8.50%	14.94%	-6.44%	-3.00%

10 LARGEST HOLDINGS

Holding	Market Segment	Portfolio Weight	Portfolio Weight Six Months Ago
Prologis Inc	Industrial	10.02%	9.13%
Equinix Inc	Data Centers	8.95%	7.63%
Welltower Inc	Health Care	8.59%	7.48%
American Tower Corp	Infrastructure REITs	8.17%	9.78%
NNN REIT Inc	Free Standing	4.35%	4.22%
Kimco Realty Corp	Shopping Centers	4.23%	4.53%
Public Storage	Self Storage	4.10%	3.98%
CBRE Group Inc Class A	Diversified	3.86%	3.92%
Digital Realty Trust Inc	Data Centers	3.85%	4.25%
UDR Inc	Apartments	3.45%	4.05%
10 Largest Holdings as a % of Net Assets		59.57%	58.97%
Total Number of Holdings		43	44

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 January 31, 2026

	Cumulative		Annualized			
	6 Month	YTD	1 Year	3 Year	5 Year	10 Year/LOF ¹
Fidelity Advisor Real Estate Fund - Class I Gross Expense Ratio: 0.68% ²	3.79%	3.33%	4.27%	3.90%	6.16%	5.59%
S&P 500 Index	10.13%	1.45%	16.35%	21.11%	14.99%	15.57%
MSCI US IMI Real Estate 25/50 Linked Index	3.85%	2.66%	4.31%	4.14%	5.31%	4.23%
Morningstar Real Estate	4.70%	2.78%	3.72%	4.07%	5.31%	5.70%
% Rank in Morningstar Category (1% = Best)	--	--	33%	53%	28%	59%
# of Funds in Morningstar Category	--	--	207	197	188	147

¹ Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 11/17/1986.

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 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. Please see the last page(s) of this document for most-recent calendar-quarter performance.

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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. Changes in real estate values or economic downturns can have a significant negative effect on issuers in the real estate industry. The value of securities of issuers in the real estate industry can be affected by changes in real estate values and rental income, property taxes, interest rates, tax and regulatory requirements, and the management skill and creditworthiness of the issuer. The fund may have additional volatility because it can invest a significant portion of assets in securities of a small number of individual issuers.

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

MSCI US IMI Real Estate 25/50 Linked Index is a modified market capitalization-weighted index of stocks designed to measure the performance of real estate companies in the MSCI US Investable Market 2500 Index. Index returns shown for periods prior to October 1, 2020 are returns of the Dow Jones U.S. Select Real Estate Securities Index (RESI).

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.

Manager Facts

Steve Buller 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. Buller manages Fidelity Real Estate Investment Portfolio, Fidelity Advisor Global Real Estate Fund, and Fidelity Flex Real Estate Fund.

Prior to assuming his current responsibilities, Mr. Buller managed Fidelity and Fidelity Advisor International Real Estate Funds and VIP Real Estate Portfolio. Previously, he worked as an analyst covering real estate investment trusts (REITs) and the environmental industry in Fidelity's Equity group, and as a fixed income analyst at Fidelity International Limited's (FIL) London office. Mr. Buller also served as a distressed securities analyst and as a high yield analyst in Fidelity's High Income group. He has been in the financial industry since joining Fidelity in 1992.

Mr. Buller earned his bachelor of arts degree in finance and German literature, as well as his master of science degree in finance from the University of Wisconsin-Madison. He is also a CFA® charterholder.

The Chartered Financial Analyst (CFA) designation is offered by the CFA Institute. To obtain the CFA charter, candidates must pass three exams demonstrating their competence, integrity, and extensive knowledge in accounting, ethical and professional standards, economics, portfolio management, and security analysis, and must also have at least 4,000 hours of qualifying work experience completed in a minimum of 36 months, among other requirements. CFA® is a trademark owned by CFA Institute.

PERFORMANCE SUMMARY:
Quarter ending March 31, 2026

	Annualized			
	1 Year	3 Year	5 Year	10 Year/ LOF ¹
Fidelity Advisor Real Estate Fund - Class I Gross Expense Ratio: 0.68% ²	2.47%	6.42%	4.45%	4.60%
% Rank in Morningstar Category (1% = Best)	58%	59%	34%	61%
# of Funds in Morningstar Category	207	197	190	149

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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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