

Fidelity Advisor[®] Utilities Fund

Investment Approach

- Fidelity Advisor[®] Utilities Portfolio is a sector-based, equity-focused strategy that seeks to outperform the benchmark through active management.
- Within the utilities sector, we favor companies with durable earnings growth that are trading at reasonable valuations. We are looking for companies that operate in favorable regulatory jurisdictions, as we believe a constructive relationship between the regulator and the utilities is very important.
- Our investment approach focuses on finding companies that are mispriced given their underlying growth and return profile. These opportunities usually exist because investors underestimate the durability of long-term growth. Long-term growth in the sector comes from deploying capital at attractive rates of return.
- Given the high amount of capital needs in the sector, balance sheet management is extremely important. We look for utilities that run their balance sheet prudently and are judicious around issuing equity.

FUND INFORMATION

Manager(s):
Pranay Kirpalani

Trading Symbol:
FFUIX

Start Date:
December 10, 1981

Size (in millions):
\$3,974.90

Morningstar Category:
Utilities

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 issuer, political, regulatory, market, or economic developments. You may have a gain or loss when you sell your shares. Investments in foreign securities, especially those in emerging markets, involve risks in addition to those of U.S. investments, including increased political and economic risk, as well as exposure to currency fluctuations. Because FMR concentrates the fund's investments in a particular industry, the fund's performance could depend heavily on the performance of that industry and could be more volatile than the performance of less concentrated funds and the market as a whole. The fund is considered non-diversified and can invest a greater portion of assets in securities of individual issuers than a diversified fund; thus changes in the market value of a single investment could cause greater fluctuations in share price than would occur in a more diversified fund. The utilities industries can be significantly affected by government regulation, financing difficulties, supply and demand of services or fuel, and natural resource conservation.

PERFORMANCE SUMMARY

	Cumulative		Annualized			
	3 Month	YTD	1 Year	3 Year	5 Year	10 Year/ LOF ¹
Fidelity Advisor Utilities Fund - Class I Gross Expense Ratio: 0.70% ²	7.22%	7.22%	19.45%	17.19%	13.42%	11.92%
S&P 500 Index	-4.33%	-4.33%	17.80%	18.32%	12.06%	14.16%
MSCI US IMI Utilities 25/50	7.80%	7.80%	19.31%	13.91%	10.59%	9.77%
Morningstar Utilities	9.00%	9.00%	20.50%	14.90%	10.92%	9.55%
% Rank in Morningstar Category (1% = Best)	--	--	54%	16%	15%	7%
# of Funds in Morningstar Category	--	--	54	53	49	44

¹ Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 12/10/1981.

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 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

Market Review

The utilities sector gained 7.80% in the first quarter, according to the MSCI U.S. IMI Utilities 25/50 Index. The broad U.S. stock market, as measured by the S&P 500® index, returned -4.33%, as concern about the viability of artificial intelligence-related investments began to surface and conflict in the Middle East took center stage in late February, sapping an equity market that entered 2026 with strong momentum. The Iran war sent a shockwave through oil markets and was viewed by investors as having the potential to dampen growth and stoke inflation in the broader U.S. economy.

Against this backdrop, the result for utilities was favorable, finishing Q1 as the third-strongest sector, behind only energy and materials. Historically, utilities have had the least economic sensitivity among the 11 equity market sectors, as well as having low beta – meaning the sector's volatility compared with the broader market. In this quarter's risk-off environment, the utilities sector benefited from investors looking for relative safety amid growing market volatility.

Gas utilities (+10%), one of the MSCI sector index's most defensive groups, delivered the strongest return, with natural gas distributor Atmos Energy (+11%) among the group's best performers. Multi-utilities (+10%) and electric utilities (+8%) – which, in aggregate, comprised roughly 86% of the index – also delivered solid results. Among multi-utilities, WEC Energy and Ameren (each +11%) bolstered the group's return, while electric utility and index heavyweight NextEra Energy (+16%) delivered one of the best returns. Water utilities, one of the smaller index components, gained 6%.

Conversely, the independent power producers & energy traders group (-7%) delivered the weakest result this quarter. From the segment, Vistra (-7%) and Talen Energy (-15%) were among the notable laggards. The pullback among AI-related investments weighed heavily on this group, which is considered to be among the highest-growth segments of the utilities sector. ■

Performance Review

For the three months, the fund's Class I shares advanced 7.22%, falling short of the 7.80% gain of the MSCI U.S. IMI Utilities 25/50 Index but outpacing the -4.33% return of the broad-based S&P 500® index. Importantly, given our focus, long-term performance comparisons favor the fund over the sector index.

Industry selection, especially in the independent power producers & energy traders group, detracted from the fund's relative performance in Q1. Stock selection in electric utilities also notably hindered the fund's relative result. Conversely, stock choices in construction & engineering, electrical components & equipment, and heavy electrical equipment – industries that are all from outside the sector index – added value.

Looking at individual stocks, a large overweight in electric utility NRG Energy (-8%) was the fund's biggest relative detractor. In late January, NRG Energy completed its \$13 billion acquisition of a portfolio of natural gas generation facilities and a commercial and industrial power plant from LS Energy. In March, the company announced an upsized secondary offering of more than 14 million shares held by affiliates of LS Energy at \$164 per share, lower than market value at that time. The addition of shares to the market created concerns about near-term dilution of the stock. As a result, shares of NRG Energy fell through quarter end. We believe this is a temporary dip, as the company's business fundamentals remained strong, in our view. This quarter, we increased the fund's position, and the stock was the fund's fourth-largest position at quarter end.

Conversely, the fund's non-index position in Nextpower (+39%) in the electrical components & equipment group, contributed the most relative to the MSCI index. Nextpower designs and supplies integrated technology systems used in utility-scale power plants. In January, the firm said revenue and earnings for Q4 came in significantly higher than already lofty analyst expectations. At the same time, the firm raised its financial guidance, which was viewed as conservative. At quarter end, Nextpower had a work order backlog that exceeded \$4.75 billion. The stock was among the portfolio's top-20 holdings as of March 31.

In construction & engineering, a non-index stake in infrastructure company MasTec gained 48%. In February, the business reported Q4 and full-year 2025 results that were well ahead of consensus estimates. During the quarter, MasTec also benefited from a wave of analyst upgrades for firms tied to secular infrastructure demand. ■

LARGEST CONTRIBUTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Relative Contribution (basis points)*
Nextpower Inc Class A	Electrical	1.41%	37
	Components & Equipment		
MasTec Inc	Construction & Engineering	0.90%	30
Entergy Corp	Electric Utilities	1.94%	27
GE Vernova Inc	Heavy Electrical Equipment	1.06%	24
Quanta Services Inc	Construction & Engineering	1.02%	23

* 1 basis point = 0.01%.

LARGEST DETRACTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Relative Contribution (basis points)*
NRG Energy Inc	Electric Utilities	4.03%	-69
Constellation Energy Corp	Electric Utilities	1.83%	-59
Edison International	Electric Utilities	-1.69%	-25
Vistra Corp	Independent	1.53%	-24
	Power Producers & Energy Traders		
EchoStar Corp Class A	Cable & Satellite	0.80%	-18

* 1 basis point = 0.01%.

Outlook and Positioning

We continue to seek companies we believe are mispriced, given our view of their underlying growth and return profile. Within the utilities sector, the bulk of value is driven by cash flows linked to regulated assets. Earnings and cash flows increase when the utility invests capital, and the regulator allows an agreed rate of return. So, we look for jurisdictions where we believe regulators are investor friendly and allow utilities to earn an adequate return for the risk they take on. And we look for companies where large capital investments are planned – for example, to build better networks or increase power generation.

In Q1, we maintained confidence in the fund's overweight among independent power producers & energy traders but trimmed the position to manage risk and take advantage of opportunities in other areas of the utilities market. Roughly 6% of the fund's total assets are invested in the group at quarter end, versus about 5% for the MSCI index. Over time, we still believe companies in this segment could benefit from higher power prices resulting from rising demand for electricity, especially as a result of the growth in artificial intelligence, which requires an immense amount of power to fuel its data centers.

We continue to appreciate the dividend growth offered by certain electric utilities companies. As of March 31, stocks in this segment represented about 68% of fund assets, which was overweight versus the MSCI index. Most of the capacity growth, measured by megawatts produced, comes from the renewables group, which has been another beneficiary of rising power demand, stoked in part by the growth of AI.

As AI expands and the U.S. continues to focus on electrifying the transportation sector, fundamentals for most utility segments remain strong. After experiencing flat demand the past decade, demand for electricity is expected to grow substantially over the coming years, driven by not only the growth of AI, but also the onshoring of overseas manufacturing and the slowly increasing penetration of electric vehicles in the U.S.

Given this trend, we are seeing an urgency to find reliable base load power, and that could drive massive investment in power generation across the U.S. The future earnings growth of utilities is tied to these companies' ability to deploy capital at attractive rates of return, and we think capital deployment opportunities over the next 10 years could be strong.

In short, we believe the utilities sector remains an attractive area for investment, given its stable earnings growth and low volatility when compared with the broader equity market. These qualities help make utilities the least economically sensitive sector in the equity market, and we believe sector stocks can provide ballast to an investment portfolio in an uncertain investment environment.

As always, thank you for your confidence in Fidelity's investment-management capabilities. ■

10 LARGEST HOLDINGS

Holding	Market Segment
NextEra Energy Inc	Electric Utilities
Constellation Energy Corp	Electric Utilities
Duke Energy Corp	Electric Utilities
NRG Energy Inc	Electric Utilities
Sempra	Multi-Utilities
Entergy Corp	Electric Utilities
Vistra Corp	Independent Power Producers & Energy Traders
American Electric Power Co Inc	Electric Utilities
Exelon Corp	Electric Utilities
Xcel Energy Inc	Electric Utilities
10 Largest Holdings as a % of Net Assets	63.61%
Total Number of Holdings	34

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.

CHARACTERISTICS

	Portfolio	Index
Valuation		
Price/Earnings Trailing	26.4x	22.6x
Price/Earnings (IBES 1-Year Forecast)	19.7x	18.7x
Price/Book	2.8x	2.4x
Price/Cash Flow	11.6x	10.4x
Return on Equity (5-Year Trailing)	10.2%	10.3%
Growth		
Sales/Share Growth 1-Year (Trailing)	7.3%	8.5%
Earnings/Share Growth 1-Year (Trailing)	-7.7%	8.5%
Earnings/Share Growth 1-Year (IBES Forecast)	20.1%	14.0%
Earnings/Share Growth 5-Year (Trailing)	11.7%	10.7%
Size		
Weighted Average Market Cap (\$ Billions)	74.9	67.4
Weighted Median Market Cap (\$ Billions)	50.8	50.1
Median Market Cap (\$ Billions)	38.3	9.9

LARGEST OVERWEIGHTS BY MARKET SEGMENT

Market Segment	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Prior Quarter
Electric Utilities	67.75%	62.12%	5.63%	3.11%
Construction & Engineering	2.00%	--	2.00%	-0.37%
Heavy Electrical Equipment	1.57%	--	1.57%	-0.47%
Electrical Components & Equipment	1.51%	--	1.51%	0.38%
Independent Power Producers & Energy Traders	5.88%	4.72%	1.16%	-0.41%

LARGEST UNDERWEIGHTS BY MARKET SEGMENT

Market Segment	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Prior Quarter
Multi-Utilities	16.18%	24.43%	-8.25%	-0.85%
Gas Utilities	0.85%	4.90%	-4.05%	-0.23%
Water Utilities	--	3.06%	-3.06%	0.05%
Renewable Electricity	--	0.77%	-0.77%	-0.01%

LARGEST OVERWEIGHTS BY HOLDING

Holding	Market Segment	Relative Weight
NRG Energy Inc	Electric Utilities	4.20%
Entergy Corp	Electric Utilities	2.05%
CenterPoint Energy Inc	Multi-Utilities	1.92%
Eversource Energy	Electric Utilities	1.85%
Ameren Corp	Multi-Utilities	1.78%

LARGEST UNDERWEIGHTS BY HOLDING

Holding	Market Segment	Relative Weight
Southern Co/The	Electric Utilities	-3.97%
Dominion Energy Inc	Multi-Utilities	-3.37%
Consolidated Edison Inc	Multi-Utilities	-2.61%
Public Service Enterprise Group Inc	Multi-Utilities	-2.58%
WEC Energy Group Inc	Multi-Utilities	-2.40%

ASSET ALLOCATION

Asset Class	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Prior Quarter
Domestic Equities	96.36%	100.00%	-3.64%	0.74%
International Equities	0.65%	0.00%	0.65%	-0.66%
Developed Markets	0.65%	0.00%	0.65%	-0.66%
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	2.99%	0.00%	2.99%	-0.08%

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	1.04	1.00
Standard Deviation	15.99%	15.00%
Sharpe Ratio	0.76	0.60
Tracking Error	3.64%	--
Information Ratio	0.90	--
R-Squared	0.95	--

Definitions and Important Information

Unless otherwise expressly disclosed to you in writing, the information provided in this material is for educational purposes only. Any viewpoints expressed by Fidelity are not intended to be used as a primary basis for your investment decisions and are based on facts and circumstances at the point in time they are made and are not particular to you.

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CHARACTERISTICS

Earnings-Per-Share Growth Trailing measures the growth in reported earnings per share over trailing one- and five-year periods.

Earnings-Per-Share Growth (IBES 1-Year Forecast) measures the growth in reported earnings per share as estimated by Wall Street analysts.

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.

Initial offering of the Advisor Class shares for Fidelity Advisor Utilities Fund was on 10/14/25. Prior returns are those of the retail share classes and reflect the retail expense ratio. Had the Advisor Class expense ratios been reflected, total returns would have been lower.

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.

MSCI U.S. IMI Utilities 25/50 Index is a customized blend of the following unmanaged indices: MSCI US IM Utilities 25/50 Index - 100%. The composition differed in periods prior to January 01 2010.

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.

Select Utilities Growth Linked Index represents the performance of the MSCI US IM Utilities 25/50 Index since January 1st 2010, the MSCI US Investable Market Utilities Index from October 2nd, 2006 to December 31st, 2009, and the Goldman Sachs Utilities Index prior to that date.

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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