

Fidelity NorthStar Fund

Quarterly Investment Review

June 30, 2023

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Overview

INCEPTION DATE: October 31, 2002

FUND MANAGER: David Wolf, Daniel Dupont, Joel Tillinghast, Kyle Weaver, Morgen Peck, Samuel Chamovitz

OBJECTIVE

The Fund aims to achieve long-term capital growth.

It invests primarily in equity securities of companies anywhere in the world.

APPROACH

- Offers an unconstrained strategy that seeks to invest in the best companies anywhere in the world.
- Managed by two veteran portfolio managers who are supported by Fidelity's global resources.
- Unique co-management approach aims to mitigate downside risk in volatile markets.

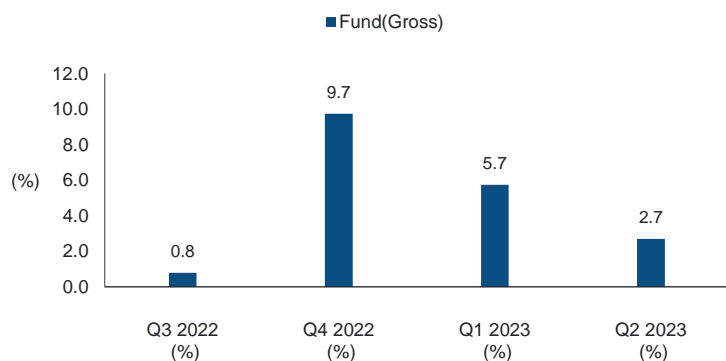
PERFORMANCE RETURNS (%)

	Cumulative					Annualized				
	Q3 2022	Q4 2022	Q1 2023	Q2 2023	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Fidelity NorthStar Fund - Series O	0.79	9.73	5.73	2.70	8.59	20.10	11.01	7.65	10.61	9.65

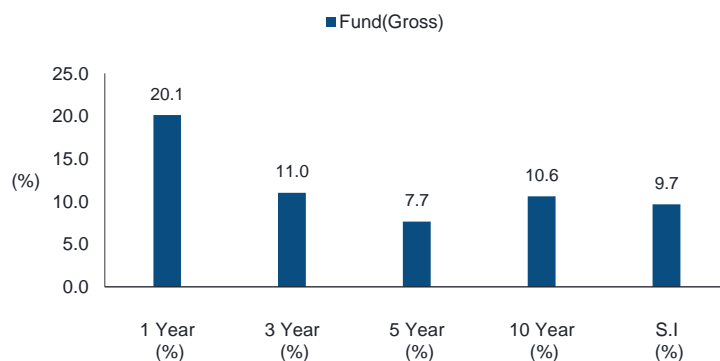
Performance returns are unaudited and time-weighted.

Note: Differences may be due to rounding.

Cumulative Quarterly Performance



Annualized as of June 30, 2023



Overview

PERFORMANCE RETURNS (%): CALENDAR YEAR RETURNS

	Calendar Year Returns									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Fidelity NorthStar Fund - Series O	(4.31)	10.29	22.88	7.36	(2.88)	6.58	0.33	27.82	16.21	49.57

Performance returns are unaudited and time-weighted.

Note: Differences may be due to rounding.

Quarterly Fund Commentary

- The Fund's investments in the information technology and consumer discretionary sectors contributed to absolute performance.
- In information technology, investments in Nvidia and Microsoft boosted absolute returns the most. In consumer discretionary, investments in Amazon and Jumbo were notable contributors.
- Investments in the consumer staples sector detracted from absolute performance.
- In consumer staples, investments in British American Tobacco and Ottogi were the primary detractors. In other sectors, holdings in First Horizon and Trancom detracted from absolute returns.

12 Month Fund Commentary

- The Fund's investments in the information technology and consumer discretionary sectors contributed to absolute performance.
- In information technology, holdings in Nvidia and Microsoft contributed to absolute performance. In consumer discretionary, Jumbo and Amazon boosted absolute returns. In other sectors, investments in Uber Technologies and Universal Health Services were notable contributors.
- Investments in the real estate sector detracted from absolute returns.
- In real estate, holdings in Opendoor Technologies detracted from absolute returns. In other sectors, investments in Rogers Corp. and Kingboard Holdings were notable detractors.

Positioning and Outlook

- Portfolio co-managers Joel Tillinghast, Sam Chamovitz and Morgen Peck acknowledge there are ongoing risks in the macroeconomic environment, including elevated inflation, heightened geopolitical tension, central banks' policy actions and stress in the U.S. and European banking systems. Despite this market backdrop, their investment process remains unchanged, and they continue to manage the portfolio with a focus on value and quality.
- The managers continue to find opportunities internationally, particularly in Japan. They believe they can find many small- and mid-capitalization companies in that region that are highly cash generative and have very attractive valuations, robust balance sheets and strong management teams.
- In addition to offering a rich opportunity set for value-oriented investors, Japan has recently undergone structural reforms that have been helpful to equities broadly. The Japanese government has made several efforts to implement more shareholder-friendly policies and improve capital allocation (through share buybacks or dividends).
- Portfolio co-manager Dan Dupont maintains a cautious tone because of the economic uncertainties and valuation risks he sees in the market. In doing so, he has been more conservative than usual and believes it is prudent to focus on security selection now and to remain patient to effectively capitalize on future opportunities as they present themselves. Dan continues to find opportunities in tobacco and discount grocers: both tend to deliver sustainable cash flows, trade at attractive valuations and maintain stability against a recessionary backdrop.
- Portfolio co-manager Kyle Weaver continues to focus on companies expected to benefit from long-term secular themes, including e-commerce, electronic payments, the 5G mobile network, electric vehicles, cloud computing and more. Overall, Kyle continues to focus on companies with strong fundamentals that are attractively valued based on a long-term investment horizon, typically three to seven years. He stresses the importance of having a portfolio of stocks that are likely to behave differently during different types of markets.

Performance Attribution

SECTOR ATTRIBUTION SUMMARY - 3 MONTHS

Sector	Average Fund Weight (%)	Fund Return (%)	Total Absolute Contribution (bps)
INFORMATION TECHNOLOGY	21.54	10.23	219
CONSUMER DISCRETIONARY	9.99	4.79	50
INDUSTRIALS	12.34	2.34	31
COMMUNICATION SERVICES	6.22	4.53	27
UTILITIES	1.49	1.99	3
MULTI SECTOR	0.07	2.57	0
HEALTH CARE	11.93	(0.06)	0
FINANCIALS	9.25	(0.28)	(2)
REAL ESTATE	0.43	(8.31)	(3)
ENERGY	5.51	(0.61)	(4)
MATERIALS	4.68	(3.11)	(15)
CONSUMER STAPLES	13.25	(2.23)	(30)
SUBTOTAL	96.70	2.81	275
CASH AND OTHER	3.30	-	(5)
TOTAL	100.00	2.70	270

Note: Differences may be due to rounding.

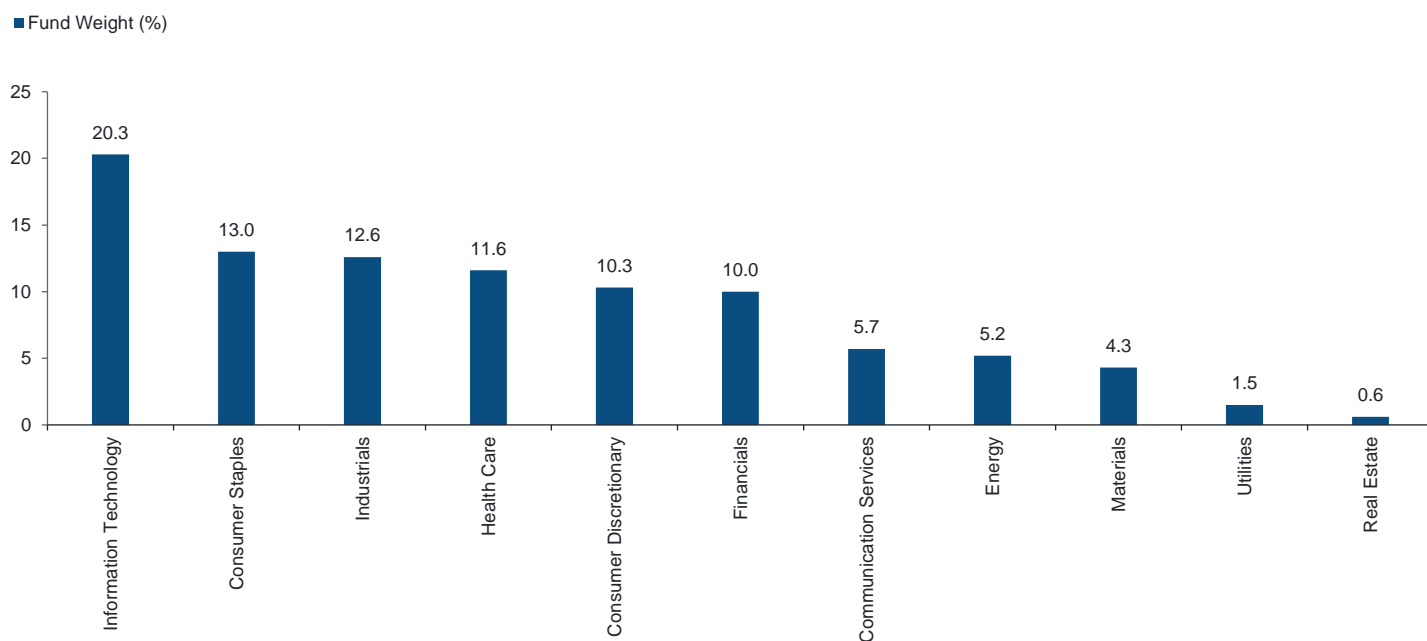
SECTOR ATTRIBUTION SUMMARY - 1 YEAR

Sector	Average Fund Weight (%)	Fund Return (%)	Total Absolute Contribution (bps)
INFORMATION TECHNOLOGY	19.51	35.47	679
CONSUMER DISCRETIONARY	9.82	28.34	271
INDUSTRIALS	11.17	23.90	252
HEALTH CARE	13.06	16.12	204
CONSUMER STAPLES	13.02	11.26	154
COMMUNICATION SERVICES	7.32	17.08	129
FINANCIALS	8.40	14.56	111
ENERGY	7.01	11.07	98
MATERIALS	4.72	15.49	67
UTILITIES	1.47	13.31	18
MULTI SECTOR	0.03	10.25	2
REAL ESTATE	0.47	(41.25)	(12)
SUBTOTAL	95.99	21.02	1,973
CASH AND OTHER	4.01	-	37
TOTAL	100.00	20.10	2,010

Note: Differences may be due to rounding.

Fund Positioning

SECTOR ALLOCATION



Sector breakdowns are only applied to equities and convertibles and the allocation percentages may not add to 100%.

Fund weights are based on end weights as at each quarter end.

TOP 10 HOLDINGS

Holding	Sector
MICROSOFT CORP	INFORMATION TECHNOLOGY
NVIDIA CORP	INFORMATION TECHNOLOGY
METRO INC	CONSUMER STAPLES
ALPHABET INC	COMMUNICATION SERVICES
AMAZON.COM INC	CONSUMER DISCRETIONARY
JOHNSON & JOHNSON	HEALTH CARE
ALTRIA GROUP INC	CONSUMER STAPLES
PHILIP MORRIS INTL INC	CONSUMER STAPLES
NESTLE SA (REG)	CONSUMER STAPLES
IMPERIAL BRANDS PLC	CONSUMER STAPLES

Investment Process

Daniel Dupont – Process overview

- Bottom-up, fundamental company analysis is the primary driver of portfolio construction
- Employs a value oriented style by aiming to purchase stocks at significant discounts
- Looks for strong companies with unrealized growth potential trading at discounted prices
- Highly values quality management with a strong and consistent track record of effective execution
- Looks for stocks that will deliver high return on capital over time, with long-term sustainable businesses, that are trading at low valuation multiples
- Number of holdings typically between 20-50 names and will typically have low turnover; position size is a function of conviction and is considered in relative terms.
- Assesses relative value among stocks on the basis of relative upside potential and downside risk
- Buys/sells purely a function of relative valuation and company fundamentals

Joel Tillinghast – Process overview

Because of his focus on discounted valuations relative to intrinsic value, most investment theses on the companies in which he invests tend to take time to play out.

Valuations assessment is focused on the balance sheet and income statement. Joel Tillinghast aims to seek out companies with little or no debt and primarily tangible assets. He also looks for companies that are growing faster than their peers. His evaluation process involves testing for quality of earnings, consistency of earnings, and stability of revenue. The ability of management to execute successfully on sound strategy is a key consideration in assessing the value of a company as well.

Key factors that are considered in the valuation process include:

- Discounted valuations
- Management quality
- Low debt-to-equity ratios
- High margin businesses
- Niche products/services and market leadership with strong evidence of a sustainable competitive advantage
- High levels of free cash flow
- Business models that target repeat or habitual purchases or that are based on repeatable fee-generating activities

Kyle Weaver – Process overview

Looking for good companies that can be owned for years or decades and are extremely cheap on a 3-7 year view of earnings.

U.S. focused with flexibility to seek investments globally

Seeks to buy companies with:

- Well positioned industries or niches
- Secular tailwinds
- Ability to build or unlock shareholder value
- Revenue that is growing and durable
- Profit margins that are stable or improving
- Above-average capital stewardship
- Valuation that is reasonable, or reflects skepticism or misunderstanding