FUND SPOTLIGHT

Fidelity® Real Estate Investment Portfolio

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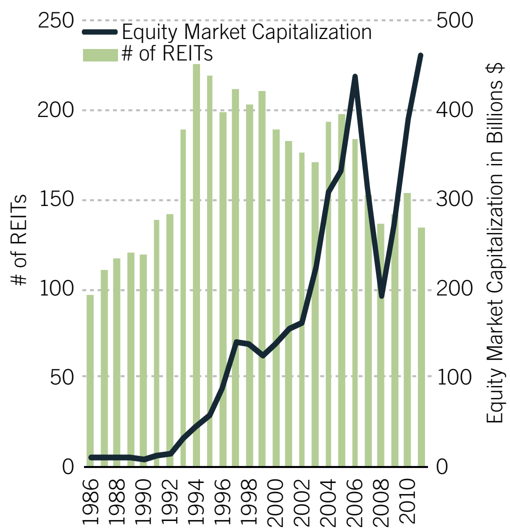
REIT overview

U.S. Congress created Real Estate Investment Trusts (REITs) in 1960 as a way to make investment in large-scale, income-producing real estate accessible to all investors. The birth of REITs provided the general public with access to a new set of investment opportunities, which previously had only been available to institutional investors and wealthy individuals through direct real estate investment. In its early years, the industry was dominated by mortgage REITs, which provide debt financing for commercial or residential properties through their investment in mortgages and mortgage-backed securities. Equity REITs that own and manage commercial properties were limited due to laws that required separation of asset ownership and management. Passage of the Tax Reform Act of 1986 permitted REITs to both own and manage properties and set the stage for a wave of equity IPOs in the mid-1990s, which caused the number of REITs to skyrocket from 119 in 1990 to 219 in 1995 (Exhibit 1). Today, the majority of publicly traded U.S. REITs are equity REITs that own and typically manage commercial real estate properties. REITs operate across a diverse group of sectors and are not directly exposed to single-family residential housing (Exhibit 2). To qualify as a REIT in the U.S., companies must invest at least 75% of total assets in real estate, derive at least 75% of gross income as rent from real property or interest from mortgages on real property, and distribute annually at least 90% of taxable income to shareholders in the form of dividends.

EXHIBIT 1

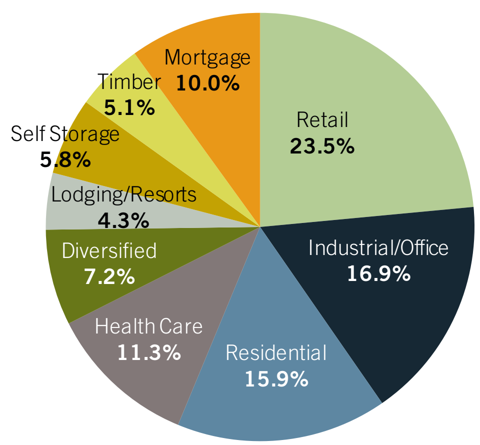
GROWTH OF U.S. REIT UNIVERSE SINCE FUND INCEPTION



Source: National Association of Real Estate Investment Trusts (NAREIT), as of 9/30/11.

EXHIBIT 2

A DIVERSE GROUP OF U.S. REIT SECTORS



Source: NAREIT, as of 9/30/11.

KEY TAKEAWAYS

- On November 17, 2011, the Fidelity Real Estate Investment Portfolio celebrated its 25th year anniversary.
- The fund is one of the industry's oldest and largest mutual funds dedicated to real estate securities investment.
- Steve Buller joined Fidelity in 1992 and has been managing the fund since 1998. Steve is only the fund's second portfolio manager, having taken over for its original skipper, Barry Greenfield.

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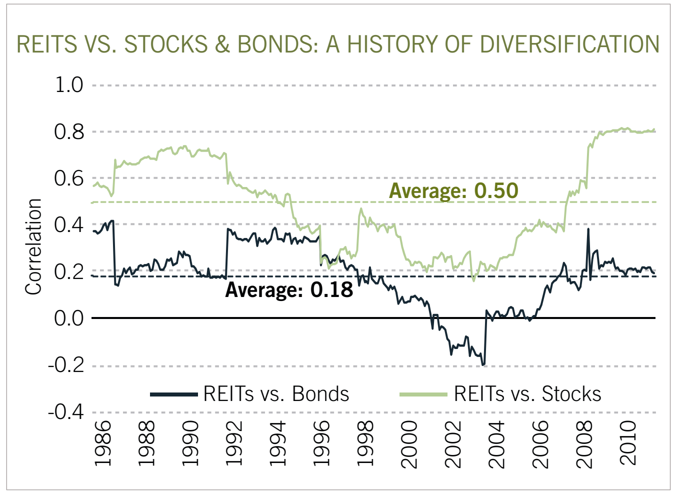
Diversification benefits of allocating to REITs

Historically, U.S. REIT equities have demonstrated relatively low levels of sensitivity to the broader stock and bond markets. The average correlation[1] between the FTSE NAREIT Equity REITs Index (a proxy for U.S. REIT equities) and the S&P 500 (a proxy for U.S. stocks) over the past 25 years is 0.50. Relative to the Barclays Capital U.S. Aggregate Bond Index (a proxy for U.S. bonds), the average correlation with REITs over the same period is just 0.18 (Exhibit 3).

Although diversification does not ensure a profit or guarantee against loss, combining assets that exhibit a low correlation to one another has the potential to reduce portfolio risk without sacrificing return potential. To demonstrate this point, we constructed five hypothetical portfolios with varying allocations to U.S. stocks, U.S. bonds and REITs and utilized a mean-variance optimization analysis (MVO)[2] in order to evaluate potential diversification benefits of altering asset class weightings. The overall objective is to maximize risk-adjusted return, with the standard Sharpe Ratio[3] providing a barometer of risk-adjusted performance. Of the five hypothetical portfolios, the two without any exposure to REITs, Portfolios #5 and #1, had the lowest Sharpe Ratios over the 25-year time period indicating relatively weak risk-adjusted return. The addition of REITs resulted in improved Sharpe Ratios, as seen by Portfolios #2, #3 and #4 (Exhibit 4). Taking the analysis one step further, Portfolio #3 generated a higher return with less volatility (as measured by standard deviation[4]) than Portfolio #2. Thus, Portfolio #2 is deemed inefficient, from a mean-variance standpoint, and is removed from consideration. We are left with Portfolio #3 and #4, which have 20% and 33.3% allocations to REITs, respectively. Although Portfolio #3 has the higher Sharpe Ratio of the two, Portfolio #4 is not inefficient since investors with greater risk appetites could be willing to accept higher levels of volatility in exchange for the perceived higher return potential offered by Portfolio #4. This hypothetical example makes clear the potential diversification benefits of adding REITs to a traditional portfolio consisting of U.S. stocks and bonds.

EXHIBIT 3



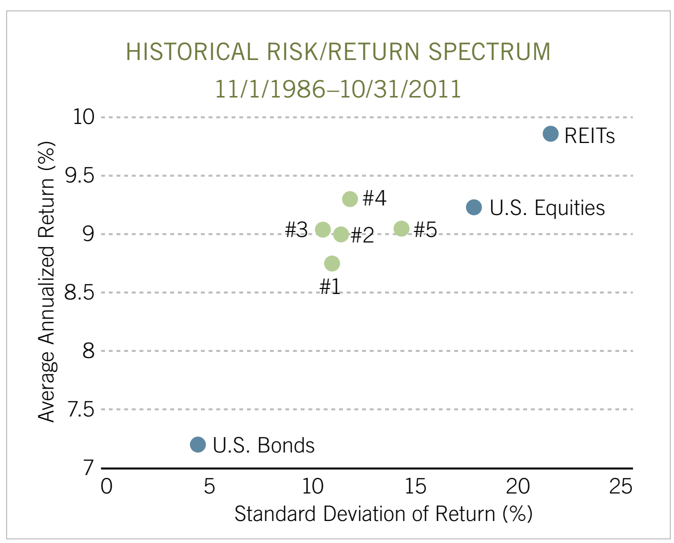
Source: Fidelity Asset Management, as of 9/30/11. FTSE NAREIT Equity REITs Index is used to represent REITs. S&P 500 is used to represent stocks. Barclays U.S. Aggregate Bond Index is used to represent bonds. Past performance is no guarantee of future results.

Fidelity Real Estate Investment Portfolio: Fund overview

The Fidelity Real Estate Investment Portfolio normally invests at least 80% of assets in securities of companies principally engaged in the real estate industry and other real estate related investments and seeks above-average income and long-term

EXHIBIT 4: HYPOTHETICAL PORTFOLIOS

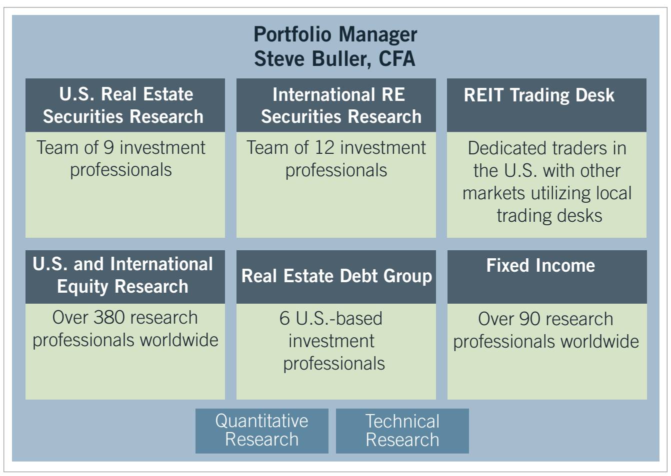
Portfolio	Allocation	Sharpe Ratio
1	60% S&P 500 40% BarCap U.S. Aggregate Bond	0.50
2	55% S&P 500 35% BarCap U.S. Aggregate Bond 10% FTSE NAREIT Equity REITs	0.51
3	40% S&P 500 40% BarCap U.S. Aggregate Bond 20% FTSE NAREIT Equity REITs	0.55
4	33.3% S&P 500 33.3% BarCap U.S. Aggregate Bond 33.3% FTSE NAREIT Equity REITs	0.52
5	80% S&P 500 20% BarCap U.S. Aggregate Bond	0.43



Source: Morningstar EnCorr, as of 10/31/11. Past performance is no guarantee of future results. FTSE NAREIT Equity REITs Index is used to represent REITs. S&P 500 is used to represent U.S. Equities. Barclays U.S. Aggregate Bond Index is used to represent U.S. Bonds.
The asset class (index) returns reflect the reinvestment of dividends and other earnings. This chart is for illustrative purposes only and does not represent actual or future performance of any investment option. It is not possible to invest directly in a market index.

capital growth, consistent with reasonable investment risk. The fund seeks to provide a yield that exceeds the composite yield of the S&P 500® Index. The fund seeks to find the appropriate balance between offensive and defensive REIT equities in order to participate in up-markets and to help minimize losses during down-markets. The portfolio is diversified across 40-60 holdings and varying business models, geographies and property types. Property types generally include office buildings, health care facilities, apartments, retail and industrial properties. Geographically, the portfolio manager looks to invest across many regions of the country, both in urban and suburban areas. Each sector, region and business model can have vastly different supply/demand dynamics and varying economic exposures. The portfolio manager utilizes all of Fidelity's global research resources to help him gain an edge in the dynamic and rapidly changing commercial property market. He also utilizes resources outside of Fidelity, which enables him to effectively manage the fund.

EXHIBIT 5: Steve Buller utilizes Fidelity's global resources.



Source: Fidelity Asset Management as of 10/31/11.

Fidelity's global real estate securities research team consists of 21 investment professionals based in eight different countries. The sheer size of this team combined with its geographic dispersion allows analysts to focus narrowly on a respective sector and/or geography – something that we believe gives us a competitive advantage over many of our peers. Other Fidelity resources that provide key inputs to the fund's investment process include the six person real estate debt team, quantitative and technical research tools, dedicated real estate securities traders and Fidelity's renowned U.S. and international equity and fixed income research organizations (Exhibit 5, above left).

Investment philosophy

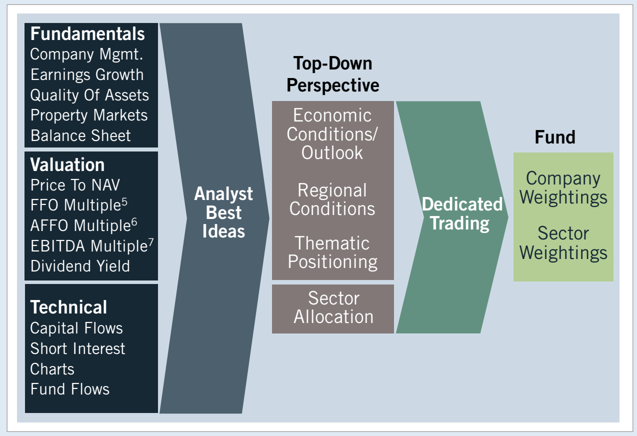
REITs are a balance of real estate and stocks
Recognizing attributes of both is key to maximizing performance

We consider real estate securities markets to be inefficient
Due to short-term behavioral dislocations that can offer attractive long-term investment opportunities

Security selection is critical
Consistent with Fidelity's bottom-up investment philosophy across the organization

Maintain flexibility to adapt to changing investment environment
Particularly necessary during challenging periods

EXHIBIT 6: Investment process.



Source: Fidelity Asset Management.

Disciplined investment process

Comprehensive research inputs
Portfolio Manager Steve Buller leverages Fidelity's global network of real estate equity analysts, as well as other Fidelity resources, including credit analysis, quantitative and technical research, to determine investments for the fund.

Combined bottom-up and top-down approach
He employs a disciplined investment process that combines company-by-company, fundamental analysis with a broader, macro perspective on the sector to build a portfolio of roughly 40 to 60 holdings. Steve takes into account both company fundamentals and stock valuations, as these have tended to be the primary drivers of real estate stock returns over the long-term. He generally looks to take advantage of opportunities where he believes the broader market may have misjudged the earnings power or valuation of a company. Steve also monitors technical factors, which have not typically impact real estate stocks over the long-term, but often provide short-term opportunities.

Rigorous risk analysis
A quantitative model is used to monitor fundamental, macroeconomic and geographic exposures, helping to optimize bottom-up and top-down factors, as well as helping to mitigate any unintended risks.

Multi-layered portfolio diversification
The portfolio tends to have investments across a number of business models, geographies and property types, giving investors a diversified exposure to commercial real estate stocks.

Past and current positioning

Following the financial crisis, the fund's positioning was characterized by what we refer to as an offense/defense strategy. Specifically, in late 2008 and early 2009, we sought to exploit the valuation disparity that existed across REIT sectors, business mod-

EXHIBIT 7

Fund Positioning			
Pre-2008	2008–2009	2010–2011	Today
Stock selection	Offensive/ defensive strategy	Companies with strong external growth prospects	Stock selection

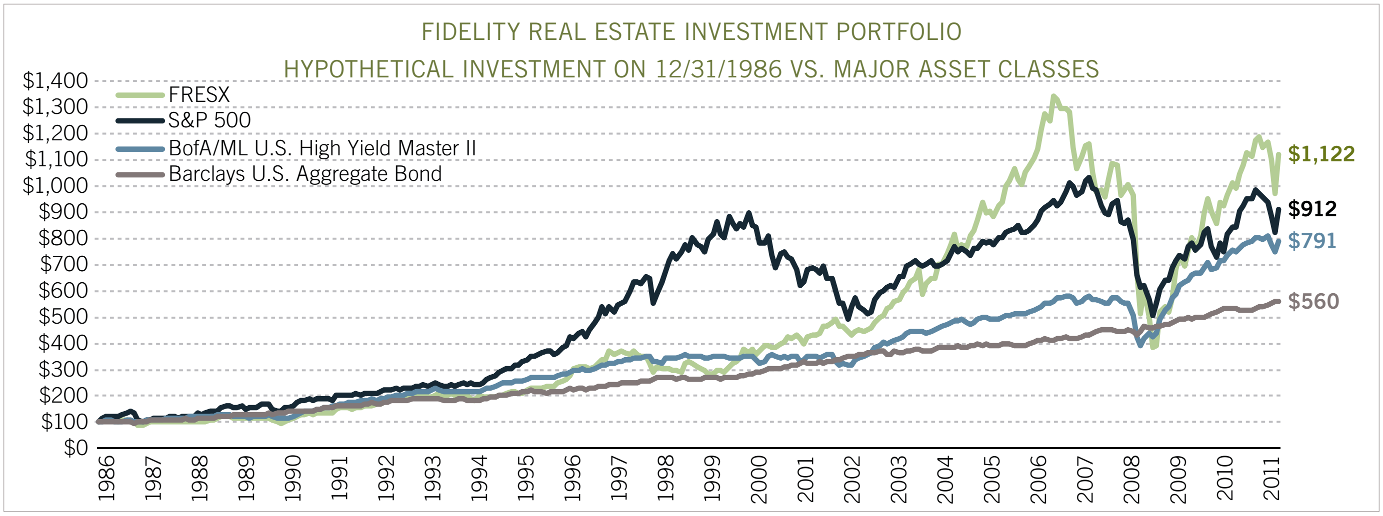
Source: Fidelity Asset Management as of 10/31/11.

els and individual companies. As we moved into 2010, we began focusing on companies that we believed had strong external growth prospects that could drive future investment returns. As such, the fund invested in REITs that we thought would take advantage of their relatively inexpensive cost of capital to buy properties in an accretive manner. More recently, we have found ourselves focused on bottom-up stock picking driven, primarily, by fundamentals and valuation. We believe that in an environment characterized by elevated volatility and global economic angst, this strategy offers us the best opportunity to achieve the fund's objectives.

2011 and beyond

U.S. commercial real estate prices as well as fundamental factors such as occupancy rates and net operating income (NOI) growth have recovered since the financial crisis. More recently, volatility in the capital markets and economic weakness have caused some to question the vitality of the commercial real estate demand cycle. Despite this fact, perhaps the most significant potential tailwind for REITs is the continued lack of new commercial real estate supply. New construction starts as a percentage of total commercial property have been at historically record low levels since 2009 and we believe that recent financial market weakness could exacerbate the situation by causing plans for new supply additions to be deferred further into the future. The earlier analysis makes a strong case for REITs and for the Fidelity Real Estate Investment Portfolio, which has navigated a rapidly changing and persistently challenging investment landscape over its 25-year history. We believe the fund is worthy of consideration by investors in pursuit of commercial real estate exposure in their portfolios. We are excited about the fund's recent milestone and look forward to another 25 years.

EXHIBIT 8



Source: Fidelity Asset Management, as of 10/31/11. The chart illustrates the performance of a hypothetical $100 investment made in the fund on 12/31/86. Figures include reinvestment of capital gains and dividends, but do not reflect the effect of any applicable sales charges or redemption fees, which would lower these figures. This chart is not intended to imply any future performance of the fund.

Understanding investment performance: As you review this update, please remember that the performance data stated represents past performance, which does not guarantee 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. To learn more or to obtain the most recent month-end performance, call Fidelity or visit www.Fidelity.com/performance.

EXHIBIT 9: Standard performance as of 9/30/11.

	Average Annual Total Return (%)				Manager Tenure (10/1/1998)	Since Inception (11/17/1986)	Gross Expense Ratio[8]	Short-Term Trading Fee (% / days)
	1 Yr	3 Yr	5 Yr	10 Yr				
Fidelity Real Estate Investment Portfolio	0.96	0.20	-3.09	8.88	9.26	9.55	0.85	0.75/90
DJ U.S. Select Real Estate Securities Index	1.64	-2.30	-3.33	9.13	9.21	N/A	N/A	N/A
Morningstar Real Estate % Beaten	63%	83%	44%	57%	N/A	N/A	N/A	N/A
# of Funds in Morningstar Category	261	229	202	112	N/A	N/A	N/A	N/A

Source: Fidelity Asset Management, as of 9/30/11. Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Life of Fund figures are reported as of the inception date to the period indicated. These figures do not include the effect of sales charges, if any. If sales charges were included, returns would have been lower. Morningstar Percent Beaten is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. % Beaten is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges.

Before investing, consider the funds' investment objectives, risks, charges, and expenses. Contact Fidelity for a prospectus or, if available, a summary prospectus containing this information. Read it carefully.

Past performance is no guarantee of future results.

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.

Real Estate is a cyclical industry that is sensitive to interest rates, economic conditions (both nationally and locally), property tax rates, and other factors. The fund may have additional volatility because it can invest a significant portion of assets in securities of a small number of individual issuers.

In general the bond market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk and credit and default risks for both issuers and counterparties. Unlike individual bonds, most bond funds do not have a maturity date, so avoiding losses caused by price volatility by holding them until maturity is not possible. Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer.

Views expressed are as of November 14, 2011 and may change based on market and other conditions. Unless otherwise noted, the opinions provided are those of the author and not necessarily those of Fidelity Investments. These materials are provided for informational purposes only and should not be used or construed as a recommendation of any security, sector, or investment strategy. Please consult your tax or financial advisor for additional information concerning your specific situation.

[1] Correlation coefficient is a measure of the interdependencies of two random variables that range in value from –1 to +1, indicating perfect negative correlation at –1, absence of correlation at zero, and perfect positive correlation at +1.

[2] Mean-variance optimization mathematically accounts for expected return (mean) and risk (variance) in an attempt to find optimal portfolios along the so-called efficient frontier with the maximum return for the minimum risk.

[3] The Sharpe ratio compares portfolio returns above the risk-free rate relative to overall portfolio volatility. A higher Sharpe ratio implies better risk-adjusted returns.

[4] Standard deviation shows how much variation there is from the "average" (mean or expected value). A low standard deviation indicates that the data points tend to be very close to the mean, whereas a high standard deviation indicates that the data points are spread out over a large range of values.

[5] FFO: Funds from Operations.

[6] AFFO: Adjusted Funds from Operations.

[7] EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization.

[8] Gross Expense Ratio is the total annual fund operating expense ratio from the fund's most recent prospectus.

Indices are unmanaged and you cannot invest directly in an index.

Standard & Poor's 500 Index is an unmanaged index of large-cap stocks commonly used as a measure of U.S. stock market performance.

The BofA Merrill Lynch BB US High Yield Constrained Index is a modified market capitalization–weighted index of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have an average rating (based on Moody's, S&P and Fitch) between BB1 and BB3, inclusive, and an investment grade rated country of risk. In addition, qualifying securities must have at least one year remaining to final maturity, a fixed coupon schedule and at least $100 million in outstanding face value. Defaulted securities are excluded. The index contains all securities of The BofA Merrill Lynch BB US High Yield Index but caps issuer exposure at 2%.

The Barclays Capital U.S. Aggregate Bond Index is an unmanaged index of domestic investment-grade bonds, including corporate, government and mortgage-backed securities.

Dow Jones U.S. Select Real Estate Securities Index is a float-adjusted market capitalization–weighted index of publicly traded real estate securities such as real estate investment trusts (REITs) and real estate operating companies (REOCs).

FTSE NAREIT Equity REITs Index is a market capitalization–weighted index that is designed to measure the performance of tax–qualified Real Estate Investment Trusts (REITs) that are listed on the New York Stock Exchange, the American Stock Exchange, or the NASDAQ National Market List with more than fifty percent of total assets in qualifying real estate assets secured by real property. Mortgage and Timber REITs are excluded.

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