

Fidelity® Floating Rate High Income Fund

Investment Approach

- Fidelity® Floating Rate High Income Fund is a diversified leveraged-loan strategy focused on investing primarily in loans that banks have made to non-investment-grade companies.
- We apply a core investment approach, with the majority of the fund concentrated in securities rated B and BB – the heart of the leveraged-loan market – and below-benchmark exposure to the more opportunistic, lower-rated (CCC or below) credit tiers.
- In particular, we seek companies with strong balance sheets and collateral coverage, high free cash flow, manageable capital structures and improving credit profiles. In doing so, we take a longer-term investment outlook, with an eye to where we are in the credit cycle.
- We strive to uncover these companies through in-depth fundamental credit analysis, working in concert with Fidelity's high-income and global research teams, with the goal of achieving competitive risk-adjusted returns over a full credit cycle.

PERFORMANCE SUMMARY

	Cumulative		Annualized			
	3 Month	YTD	1 Year	3 Year	5 Year	10 Year/LOF ¹
Fidelity Floating Rate High Income Fund Gross Expense Ratio: 0.73% ²	1.27%	5.43%	5.43%	8.80%	6.26%	5.51%
Morningstar LSTA US Performing Loans	1.30%	6.01%	6.01%	9.58%	6.60%	6.02%
Morningstar Fund Bank Loan	1.10%	5.19%	5.19%	8.53%	5.39%	4.74%
% Rank in Morningstar Category (1% = Best)	--	--	48%	38%	14%	6%
# of Funds in Morningstar Category	--	--	215	212	201	173

¹ Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 08/16/2000.

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 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, 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.

FUND INFORMATION

Manager(s):

Team Managed

Trading Symbol:

FFRHX

Start Date:

August 16, 2000

Size (in millions):

\$14,714.64

Morningstar Category:

Fund Bank Loan

Lower-quality bonds can be more volatile and have greater risk of default than higher-quality bonds. Floating rate loans may not be fully collateralized and therefore may decline significantly in value. Fixed income investments entail interest rate risk (as interest rates rise bond prices usually fall), the risk of issuer default, issuer credit risk and inflation risk. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks.

Loan Market Review

Leveraged loans gained 1.30% in the fourth quarter, as measured by the Morningstar LSTA US Performing Loans Index. This was slightly lower than high-yield bonds and a bit greater than taxable investment-grade bonds. For the year, leveraged loans advanced 6.01%, trailing both high yield and investment-grade credit.

Loans began the fourth quarter with a gain of 0.27% in October, despite the Federal Reserve's October 29 decision to lower its benchmark federal funds rate by 0.25 percentage points at its second consecutive meeting, as it looked to balance a recent slowdown in hiring and inflation running higher than its 2% target.

Better-than-expected corporate earnings, receding outflows from retail mutual funds and exchange-traded funds, and healthy CLO origination buoyed sentiment among loan investors.

Loans rose 0.35% in November, amid evolving expectations about Fed policy. Weakness in specific industries, including chemicals and those related to housing, along with underperformance among lower-rated credits, also dampened the category.

In December, the index gained 0.67%, its strongest gain since July, despite another Fed rate cut on December 10. An uptick in issuance of new loans, along with continued strong demand for CLOs, helped the segment rally.

Within the index for the full three months, nearly all industries posted a gain, led by aerospace & defense and retailers (except food & drug), with each advancing about 3%.

A number of groups gained about 2%, including insurance, ecological services & equipment, health care, and oil & gas.

Electronics/electrical, the largest industry in the index for the three months, at about 12%, rose 1.38%.

In contrast, chemicals & plastics returned -2.68% and trailed by the widest margin. Other notable laggards included publishing, which returned -1%, along with home furnishings and building & development, each of which roughly broke even.

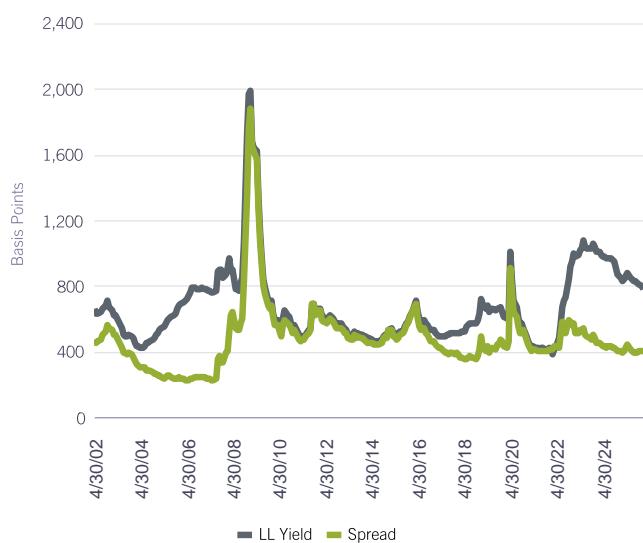
From a credit-rating perspective within the index, higher-rated loans performed better than lower-rated credits, as investors took a step back from risk amid uncertainty about Fed rate policy. Specifically, loans rated BB gained 1.47% and loans rated B rose 1.40% for the three months, while credits rated CCC and below returned -1.59%.

Gross issuance of new loans totaled \$984 billion for 2025. This was the second-largest annual total on record following 2024's apex of \$1.3 trillion. On a net basis (net of issuance for repricing/refinancing purposes), issuance totaled \$198.7 billion in 2025 – a four-year high.

On the demand side, loan funds reported \$2.2 billion of inflows in 2025, down from \$21.4 billion in 2024.

As for collateralized loan obligations, 2025 was a record year of formation on both a gross and net basis, at \$526.1 billion and \$202.6 billion, respectively. By way of explanation, CLOs bundle corporate loans and sell slices of the debt to institutional investors. They represent a major source of demand in the loan market. ■

LEVERAGED-LOAN SPREAD AND AVERAGE YIELDS (BASIS POINTS*)



*1 basis point = 0.01%.

Source: LCD, an offering of S&P Global Market Intelligence, as of 12/31/25. Yield spread is represented by the discounted spread of the Morningstar LSTA US Performing Loans. The average spread is calculated from 3/31/02 through the most recent period.

THREE-MONTH LOAN RETURNS

Quality	Total Return
BB	1.47%
B	1.40%
CCC and Below	-1.59%
Morningstar LSTA US Performing Loans	1.30%

Source: LCD, an offering of S&P Global Market Intelligence

Performance Review

For the quarter, the fund's Retail Class shares gained 1.27%, versus 1.30% for the benchmark, the Morningstar LSTA US Performing Loans Index.

The fund's core bank-loan portfolio – representing about 91% of assets, on average, in Q4 – gained 1.51%, topping the benchmark and contributing to the fund's relative performance. A much smaller stake in corporate bonds (+2.11%) also helped, whereas a negligible allocation to the stocks of loan issuers (-3.02%) detracted.

A non-benchmark equity position in Murray Energy (+15%) was the top individual relative contributor for the quarter. Murray, which operates numerous underground coal mines, and has been able to generate positive cash flow from current prices for bituminous coal.

A small stake in Juice Plus+ also helped in Q4. This struggling distributor of whole food-based nutritional supplements completed a debt restructuring in October, giving the company some near-term financial breathing room.

A large overweight in Asurion (+3%) was another contributor, as this leading provider of insurance and protection services for personal electronic devices continue to produce solid cash flow. Additionally, in December the company issued senior secured notes to finance its acquisition of Domestic & General, a provider of extended warranties for household appliances.

In contrast, an overweight in Cast & Crew (-32%) detracted from relative performance in Q4. In December, Standard & Poor's downgraded the debt of this technology and services company for the film, TV and digital media industries. The credit-rating agency cited high debt, low interest coverage and reduced entertainment industry production as reasons for the downgrade.

An overweight in New Fortress Energy (-10%) detracted in Q4. In December, the company missed a \$30.6 million interest payment on one of its term loans, and also told lenders that it would not make principal payments due that month, raising the likelihood of default. Although the company's progress isn't what we had hoped for so far, Fidelity's Special Situations team is actively involved in an effort to help the fund recover as much value as possible from its investment. ■

Outlook and Positioning

As 2026 begins, against the backdrop of a resilient U.S. economy, we have a fairly positive outlook for the loan market. We're also encouraged that the loan default rate remains in check, at about 3% of issuers within the fund's benchmark.

As of year-end, roughly 60% of the loans in the benchmark were trading at or near par. Most new issuance continued to be for repricing/refinancing purposes. When a new issue comes to market for a merger or acquisition, or some other non-repricing purpose, it is quickly snapped up by investors. We would like to see more non-repricing issues come to market, but as of now the opportunities have been limited. Within this environment, we're staying disciplined and sticking to our investment process. Part of this discipline may involve exiting a loan that is being repriced with a coupon that we think is too low.

While we can't predict the direction of interest rates, we believe the Fed may not reduce its policy rate as much as investors are currently expecting. We hold this view because inflation is still higher than 2% – the level the Fed prefers – and may remain there. Additionally, we believe the economy may reaccelerate in 2026, fueled by the multiplier effect of increased corporate capital spending. In our view, the massive tax and spending package passed on July 4 will spur corporations to invest more, partly because of the income tax provision allowing full deductibility of capital expenditures in the first year they occur.

In terms of areas where we see potential for attractive new investment opportunities, we are evaluating many of the software, technology and power-generation companies that are helping to facilitate the growth of artificial intelligence. For example, we believe independent power producers are more attractive now due to expectations for sustained electricity demand over time.

We also see potential amid the consolidation that is occurring in the building products industry. There are a lot of heavily indebted building products distributors in the loan market, and we think it's likely that some of these companies will merge or agree to be acquired. The cash flows for building products distributors have declined due to weak demand. In order for the industry to recover, mortgage rates will need to be lower to stimulate more turnover in existing homes. Any effort by the current administration to boost new home construction could also fuel a turnaround among building products companies, in our view.

Lastly, chemicals producers have underperformed, and may offer capital appreciation opportunities. ■

LARGEST OVERWEIGHTS BY MARKET SEGMENT

Market Segment	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Prior Quarter
Lodging & Casinos	5.24%	2.98%	2.26%	-0.11%
Retailers (Except Food & Drug)	5.26%	3.27%	1.98%	0.22%
Insurance	6.76%	5.30%	1.47%	0.17%
Cable & Satellite Television	2.51%	1.57%	0.94%	-0.07%
Food Service	2.68%	2.02%	0.66%	-0.06%

LARGEST UNDERWEIGHTS BY MARKET SEGMENT

Market Segment	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Prior Quarter
Business Equipment & Services	6.45%	9.04%	-2.58%	-0.10%
Health Care	6.26%	7.75%	-1.49%	0.34%
Financial Intermediaries	5.46%	6.81%	-1.35%	-0.60%
Automotive	1.77%	2.98%	-1.21%	-0.20%
Electronics/Electrical	10.99%	12.13%	-1.15%	0.62%

3-YEAR RISK/RETURN STATISTICS

	Portfolio	Index
Beta	1.00	1.00
Standard Deviation	2.32%	2.23%
Sharpe Ratio	1.62	2.04
Tracking Error	0.63%	--
Information Ratio	-1.24	--
R-Squared	0.93	--

CHARACTERISTICS

	Portfolio	Index
Duration	0.21 years	0.12 years
30-Day SEC Yield	6.84%	--
30-Day SEC Restated Yield	--	--
Net Asset Value	\$9.10	--

ASSET ALLOCATION

Asset Class	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Prior Quarter
Term & Revolving Loans	89.55%	100.00%	-10.45%	-0.45%
Other Floating-Rate Securities	0.54%	0.00%	0.54%	0.03%
Fixed-Rate Bonds	3.58%	0.00%	3.58%	-0.34%
Cash & Net Other Assets	6.33%	0.00%	6.33%	0.76%

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.

CREDIT-QUALITY DIVERSIFICATION

Credit Quality	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Prior Quarter
BBB & Above	1.89%	0.31%	1.58%	0.43%
BB	21.41%	20.14%	1.27%	0.24%
B	60.77%	62.09%	-1.32%	1.13%
CCC & Below	9.27%	6.04%	3.23%	-0.42%
Not Rated/Not Available	6.65%	11.42%	-4.77%	-1.40%
Cash & Net Other Assets	0.01%	0.00%	0.01%	0.02%

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.

Credit ratings for a rated issuer or security are categorized using Moody's Investors Service (Moody's). If Moody's does not publish a rating for a security or issuer, then the Standard & Poor's Ratings Services (S&P) rating is used. When S&P and Moody's provide different ratings for the same issuer or security, the Moody's rating is used. Securities that are not rated by these NRSROs (e.g. equity securities) are categorized as Not Rated. All U.S. government securities are included in the U.S. Government category. The table information is based on the combined investments of the fund and its pro-rata share of any investments in other Fidelity funds.

LARGEST HOLDINGS BY ISSUER

Issuer

GREAT OUTDOORS GROUP LLC	
ASURION LLC	
FERTITTA ENTERTAINMENT LLC NV	
ACRISURE LLC	
LUMEN TECHNOLOGIES	
Five Largest Issuers as a % of Net Assets	8.41%
Total Number of Issuers	463

The five largest issuers 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.

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. Accordingly, nothing in this material constitutes impartial investment advice or advice in a fiduciary capacity, as defined or under the Employee Retirement Income Security Act of 1974 or the Internal Revenue Code of 1986, both as amended. 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 the products or services and may 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. Before making any investment decisions, you should take into account all of the particular facts and circumstances of your or your client's individual situation and reach out to a professional adviser, if applicable.

CHARACTERISTICS

Duration is a measure of a security's price sensitivity to changes in interest rates. Duration differs from maturity in that it considers a security's interest payments in addition to the amount of time until the security reaches maturity, and also takes into account certain maturity shortening features (e.g., demand features, interest rate resets, and call options) when applicable. Securities with longer durations generally tend to be more sensitive to interest rate changes than securities with shorter durations. A fund with a longer average duration generally can be expected to be more sensitive to interest rate changes than a fund with a shorter average duration.

30-day SEC Yield is a standard yield calculation developed by the Securities and Exchange Commission for bond funds. The yield is calculated by dividing the net investment income per share earned during the 30-day period by the maximum offering price per share on the last day of the period. The yield figure reflects the dividends and interest earned during the 30-day period, after the deduction of the fund's expenses. It is sometimes referred to as "SEC 30-Day Yield" or "standardized yield".

30-Day SEC Restated Yield is the fund's 30-day yield without applicable waivers or reimbursements, stated as of month-end.

Net Asset Value is the dollar value of one share of a fund; determined by taking the total assets of a fund, subtracting the total liabilities, and dividing by the total number of shares outstanding.

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.

Morningstar LSTA US Performing Loans is a market-value-

weighted index designed to represent the performance of U.S. dollar-denominated institutional leveraged performing loan portfolios (excluding loans in payment default) using current market weightings, spreads and interest payments.

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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