

Fidelity® New Markets Income Fund

Investment Approach

- Fidelity® New Markets Income Fund is an emerging-markets (EM) bond strategy that offers dedicated exposure to sovereign debt of EM nations around the world.
- The fund focuses primarily on U.S.-dollar-denominated sovereign debt, and to a lesser extent on EM corporate bonds.
- Our investment approach in managing the fund begins with country research, rooted in macroeconomic analysis, to help identify undervalued sovereign bonds with positive catalysts.
- We incorporate global macro perspectives to supplement our country-level research. Our extensive experience investing in emerging markets and deep research capabilities support us in our efforts to take advantage of long-term trends and short-term opportunities.

PERFORMANCE SUMMARY

	Cumulative		Annualized			
	3 Month	YTD	1 Year	3 Year	5 Year	10 Year/LOF ¹
Fidelity New Markets Income Fund Gross Expense Ratio: 0.79% ²	2.42%	2.42%	15.01%	0.51%	1.13%	2.87%
J.P. Morgan EMBI Global Diversified Index	2.04%	2.04%	11.28%	-1.40%	0.71%	3.05%
J.P. Morgan EMBI Global Diversified 01-Sep-2022 Linked Index	2.04%	2.04%	11.28%	-0.60%	1.24%	3.00%
Morningstar Fund Emerging Markets Bond	2.14%	2.14%	11.22%	-0.96%	1.25%	2.51%
% Rank in Morningstar Category (1% = Best)	--	--	14%	19%	59%	38%
# of Funds in Morningstar Category	--	--	239	224	209	112

¹ Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 05/03/1993.

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](https://www.fidelity.com/performance), [institutional.fidelity.com](https://www.institutional.fidelity.com), or [401k.com](https://www.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):
Timothy Gill
Nader Nazmi

Trading Symbol:
FNMIX

Start Date:
May 03, 1993

Size (in millions):
\$4,161.83

Morningstar Category:
Fund Emerging Markets Bond

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. 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, all of which are magnified in emerging markets. Lower-quality bonds can be more volatile and have greater risk of default than higher-quality bonds. The fund may have additional volatility because it can invest a significant portion of assets in securities of a small number of individual issuers.



Not FDIC Insured • May Lose Value • No Bank Guarantee

Emerging-Markets Bond Market Review

Emerging-markets debt gained 2.04% in the first quarter, according to the J.P. Morgan Emerging Markets Bond Index Global Diversified Index, significantly influenced by the U.S. economy and investors' outlook for the magnitude and timing of U.S. Federal Reserve interest rate cuts. After the index gained 10.66% in the final two months of 2023, it returned -1.02% in January amid modestly widening credit spreads. A resilient U.S. economy and sticky inflation prompted investors to dial back expectations for Fed rate cuts. This, in combination with heightened concerns of escalation in the Israel-Hamas war, crimped sentiment for riskier assets.

However, credit spreads narrowed starting in February (+0.98%). Sentiment improved amid ongoing hopes for an economic "soft landing" (slowing growth) instead of a recession. Risk assets advanced further in March, when the Fed held steady its benchmark federal funds rate and affirmed its projection to cut it three times this year, despite firmer-than-anticipated inflation in recent months. The emerging-markets debt index rose 2.09% for the month. As with the cycle of tightening their monetary policies, emerging economies have led the charge over developed markets in the move to easing. Beginning last year, some emerging-markets central banks cut interest rates as inflation in these markets fell below or closer to target rates. Many countries, notably Mexico, deepened rate cuts in Q1, and were joined by other Latin America and Eastern Europe central banks in the policy easing shift.

Against this dynamic backdrop, higher-yielding emerging-markets debt markets outpaced investment-grade emerging-markets bonds within the benchmark. By region, Latin American markets notably outperformed in the first quarter, with Ecuador (+52%) notching the strongest gain. The bonds rallied in February following the fast-tracking of a tax-hike bill, which is expected to provide the government with around \$1 billion a year, according to Ecuador's finance ministry. Investors cheered the swift move, which was spearheaded by new President Daniel Noboa in an effort to address the country's \$5 billion deficit and public security risks. The higher tax was viewed as a key step for Ecuador in securing a new financing agreement with the International Monetary Fund.

Pakistan rose about 27%, driven by optimism about support from the IMF. Following a disputed election in early February, the country struggled to form a new coalition government. In March, Prime Minister Shehbaz Sharif was sworn in, after which the IMF announced that it would support a new economic program for Pakistan, should it seek one. Pakistan received \$3 billion in "standby" support from the IMF, which will terminate in April. Meanwhile, the country continued to grapple with record inflation, dwindling foreign reserves and a weakening currency.

Another strong-performing index component was Argentina (+26%). Since the November election victory of the nation's far-right Presidential Javier Milei, investors have been bullish on his plan to stabilize the economy and tamp down inflation.

Turning to notable laggards, South Africa and Senegal each returned about -3%. Colombia also trailed, returning roughly -2%, partly due to disappointment at the finance minister's budget target. Lastly, higher-quality Middle Eastern issuers lagged the index, including Qatar and Saudi Arabia, which each returned -1%. This was mostly a function of higher rates for U.S. Treasuries. ■

EMERGING-MARKETS SPREAD AND AVERAGE YIELDS (BASIS POINTS*)



*1 basis point = 0.01%.

Source: J.P. Morgan as of 3/31/24. Yield spread is represented by the strip spread of the J.P. Morgan EMBI Global Diversified Index. The average spread is calculated from 12/31/97 through the most recent period.

THREE-MONTH COUNTRY RETURNS

Country	Total Return
Top 5	
Ecuador	51.50%
Pakistan	27.32%
Argentina	25.87%
Ukraine	25.17%
Egypt	22.22%
Bottom 5	
South Africa	-3.08%
Senegal	-3.07%
Colombia	-2.37%
Jamaica	-2.10%
Philippines	-1.48%

Source: FMR

Performance Review

For the quarter, the fund's Retail Class shares gained 2.42%, outpacing the 2.04% advance of the benchmark, the J.P. Morgan Emerging Markets Bond Index Global Diversified Index.

In the first quarter, we continued to focus on sovereign and quasi-sovereign debt denominated in U.S. dollars, and, to a lesser extent, on local-currency debt and emerging-markets corporate securities. In managing the fund, we seek to consistently outperform the fund's benchmark, which is denominated in U.S. dollars.

Country positioning was the primary contributor to the fund's performance versus the benchmark for the three months. Specifically, it helped to overweight Ukraine, which significantly outperformed the index, rising on expectations for a potential debt deal and optimism that the release of frozen Russian assets could help fund the country. Security selection in Ukraine helped relative performance to a lesser extent.

Elsewhere, security selection in Chile, Brazil and Mexico contributed the past three months, driven by the fund's holdings in corporate bonds. In Egypt, relative performance benefited from our position in longer-maturity sovereign debt.

Conversely, exposure to Venezuela, a country that has not been part of the J.P. Morgan index since its removal in late 2019, detracted most in the first quarter. In January, the U.S. warned Venezuela that the sanctions lifted in October 2023 would be restored if the country continued to prevent opposition candidates from running in its 2024 election. The fund's holdings in Venezuela securities returned roughly -8% for the quarter.

A non-benchmark stake in U.S. Treasuries detracted from performance versus the benchmark. We use Treasuries from time to time as a risk-management tool and a means to increase the fund's duration, a measure of sensitivity to interest rates. The fund's position returned about -4%, as nominal 10-year Treasury yields rose the past three months amid strong U.S. economic data and reduced expectations for the Fed's interest rate cuts. ■

Outlook and Positioning

The global economic backdrop exhibited signs of broadening stabilization in the first quarter. Although core U.S. inflation remained elevated and investors dialed back their expectations for the magnitude of Federal Reserve rate cuts, investors remained largely optimistic that global monetary policymakers would soon shift to easing.

Moreover, central banks in emerging markets have continued to adjust monetary policy to near-term inflation trends more quickly than many other regions around the globe. Further global rate cuts could prove positive for emerging markets.

While global monetary tightening appears to be over, the pace and magnitude of easing remains uncertain. Alternative scenarios to the soft-landing consensus include both upside inflation risk and the possibility of a greater-than-expected economic slowdown.

In addition, geopolitical risk remains elevated, with the Russia-Ukraine and Israel-Hamas wars, U.S.-China relations and economic uncertainty in a number of emerging markets just a few of the factors we're watching closely.

Changes to the portfolio were minimal the past three months, but we'll note that we added exposure to Brazil, Turkey and Panama, whereas we reduced the fund's allocation to Oman and Mexico.

As of March 31, the fund is overweight corporate bonds and underweight sovereign bonds, due to better valuations and fundamentals in the former category.

As of quarter end, the duration of the fund's investments in investment-grade bonds is modestly overweight. This is principally due to a slightly higher stake in U.S. Treasuries.

As April begins, the top country weights are in Venezuela, the U.S. (Treasury securities), Mexico, Brazil and Ghana, whereas underweights are most pronounced in China, the Philippines, Bahrain, Malaysia and Uruguay. ■

LARGEST CONTRIBUTORS VS. BENCHMARK

Country	Average Relative Weight	Relative Contribution (basis points)*
Ukraine	0.89%	25
Chile	0.29%	14
Brazil	1.01%	10
Egypt	-0.01%	9
Mexico	2.20%	9

*1 basis point = 0.01%.

LARGEST DETRACTORS VS. BENCHMARK

Country	Average Relative Weight	Relative Contribution (basis points)*
Venezuela	4.50%	-50
United States	4.01%	-22
Qatar	0.45%	-3
Bolivia	-0.16%	-2
United Arab Emirates	-0.30%	-2

*1 basis point = 0.01%.

LARGEST OVERWEIGHTS BY COUNTRY

Country	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Prior Quarter
Venezuela	3.98%	--	3.98%	-0.48%
United States	3.37%	--	3.37%	-1.29%
Mexico	7.23%	5.03%	2.20%	-0.24%
Brazil	4.43%	3.30%	1.12%	0.41%
Ghana	2.01%	1.00%	1.01%	0.09%

LARGEST UNDERWEIGHTS BY COUNTRY

Country	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Prior Quarter
China	1.06%	3.95%	-2.89%	-0.13%
Philippines	0.79%	3.14%	-2.35%	0.14%
Bahrain	0.89%	2.99%	-2.10%	-0.10%
Malaysia	0.97%	2.50%	-1.53%	0.04%
Uruguay	0.72%	2.21%	-1.49%	0.11%

3-YEAR RISK/RETURN STATISTICS

	Portfolio	Index
Beta	--	1.00
Standard Deviation	10.95%	10.51%
Sharpe Ratio	-0.20	-0.31
Tracking Error	--	--
Information Ratio	--	--
R-Squared	--	--

CREDIT-QUALITY DIVERSIFICATION

Credit Quality	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Prior Quarter
U.S. Government	2.77%	0.00%	2.77%	-1.28%
AAA	0.00%	0.00%	0.00%	0.00%
AA	6.50%	6.23%	0.27%	-0.08%
A	6.87%	14.98%	-8.11%	-0.13%
BBB	20.73%	30.30%	-9.57%	-0.57%
BB	21.20%	18.08%	3.12%	0.03%
B	18.26%	16.64%	1.62%	0.39%
CCC & Below	16.49%	12.02%	4.47%	1.02%
Short-Term Rated	0.00%	0.00%	0.00%	0.00%
Not Rated/Not Available	4.23%	1.75%	2.48%	-0.13%
Cash & Net Other Assets	2.95%	0.00%	2.95%	0.75%

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.

CHARACTERISTICS

	Portfolio	Index
Duration	6.90 years	6.60 years
30-Day SEC Yield	6.45%	--
30-Day SEC Restated Yield	--	--
Net Asset Value	\$12.56	--

ASSET ALLOCATION

Asset Class	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Prior Quarter
Sovereign Bonds	62.47%	82.21%	-19.74%	-0.17%
USD	61.39%	81.83%	-20.44%	-0.15%
Local	0.23%	0.38%	-0.15%	0.09%
G7 FX	0.85%	0.00%	0.85%	-0.11%
Agency Bonds	14.50%	17.59%	-3.09%	-0.35%
Corporate Bonds	17.35%	0.00%	17.35%	-0.08%
Derivatives	0.54%	0.00%	0.54%	-0.04%
Equities	0.00%	0.00%	0.00%	0.00%
Loans	0.00%	0.00%	0.00%	0.00%
Local Authority	0.02%	0.00%	0.02%	-0.09%
U.S. Treasury Bonds	2.36%	0.00%	2.36%	-0.11%
Rights & Warrants	0.12%	0.00%	0.12%	0.03%
Cash & Net Other Assets	2.64%	0.20%	2.44%	0.81%

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.

10 LARGEST COUNTRY WEIGHTS

Country	Portfolio Weight
Mexico	7.10%
Saudi Arabia	4.36%
Brazil	4.22%
United States	4.04%
Venezuela	3.98%
Qatar	3.77%
Colombia	3.75%
Turkey	3.64%
Indonesia	3.63%
United Arab Emirates	3.61%
10 Largest Countries as a % of Net Assets	42.10%
Total Number of Holdings	422

The 10 largest country weights 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.

CURRENCY DIVERSIFICATION

Currency	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Prior Quarter
U.S. Dollar	98.30%	100.00%	-1.70%	-0.50%
European Monetary Unit (Euro)	1.01%	--	1.01%	-0.10%
Turkish Lira	0.19%	--	0.19%	0.10%
Nigerian Naira	0.17%	--	0.17%	0.17%
Egyptian Pound	0.15%	--	0.15%	0.15%
Romanian Leu (New)	0.12%	--	0.12%	0.12%
Kenyan Shilling	0.06%	--	0.06%	0.06%

Definitions and Important Information

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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.

The initial offering of Class I shares took place on December 4, 2018. Returns prior to December 4, 2018, are those of Fidelity® New Markets Income Fund, the original class of the fund.

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.

J.P. Morgan EMBI Global Diversified Index series consists of USD

denominated Brady bonds, Eurobonds and Traded loans issued by sovereign and quasi sovereign entities. The Diversified version limits the weights of the index countries by only including a specified portion of those countries' eligible current face amounts of debt outstanding. This provides a more even distribution of weights within the countries in the index.

JPMorgan EMBI Global Diversified 01-Sep-2022 Linked Index represents the performance of the J.P. Morgan EMBI Global Diversified Index since September 01, 2022, and J.P. Morgan Global EMBI Index prior to that date.

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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