# Fidelity® Short Duration High Income Fund

## Key Takeaways

- For the semiannual reporting period ending October 31, 2023, the fund's Retail Class shares gained 0.96%, lagging the 1.69% advance of the Fidelity Short Duration High Income Fund Composite Index℠.
- Co-Manager Alex Karam says short-duration high-yield bonds struggled the past six months, although they outpaced longer-term issues because a spike in U.S. Treasury bond yields, which move inversely to prices, put pressure on most fixed-income assets.
- Despite moderating inflation and slowing global economic growth this period, investors were concerned interest rates would remain "higher for longer" than had been anticipated, according to Alex. Against this backdrop, Alex and Co-Manager Benjamin Harrison continued to take a consistent, conservative approach to investing in high-yield bonds.
- The fund's core allocation to high-yield bonds gained 0.32% this period and detracted from performance versus the Composite index.
- By industry, security selection in financial services and health care hurt relative performance most. The biggest individual relative detractor an overweight in Icahn Enterprises (-6%).
- In contrast, a non-Composite allocation to floating-rate leveraged bank loans (+6%) contributed to performance versus the Composite, as did security selection in the services and media industries.
- An overweight in Dish Networks gained 2% and was the biggest individual contributor for the six months.
- As of October 31, the co-managers say the high-yield market could come under pressure if the economy enters a recession, although they believe high recent yields may help absorb and cushion a price decline in that scenario.
- On June 8, Michael Weaver came off of the fund.



## MARKET RECAP

High-yield bonds returned -0.07% for the six months ending October 31, 2023, according to the ICE BofA® US High Yield Constrained Index, as the year-to-date rally in higher-risk assets sputtered amid a stalling pattern in disinflationary trends, soaring yields on longer-term government bonds and concern that the U.S. Federal Reserve will keep interest rates higher for longer than expected. These factors, among others, slowed the advance of a market that had been powered by continued global economic expansion, falling commodity prices and a slowing in the pace of inflation. Meanwhile, monetary tightening by the Fed continued amid consistent pressure on core inflation, a key measure that excludes food and energy. Since March 2022, the Fed has hiked its benchmark interest rate 11 times. The latest bump came in late July, a fourth consecutive raise of 25 basis points, followed by the decision to hold rates in September at a 22-year high so the central bank can observe the pause's effect on inflation and the economy. The high-yield index sputtered the past two months (-2.41%), held back by volatility among U.S. Treasuries. Despite the downturn, high yield ended October up 4.66% year to date. By industry for the full six months, retail (+2.49%) led the way. Energy, by far the largest group in the index this period, rose 1.62%. Conversely, the defensive-oriented health care (-3.41%) and transportation (-2.86%) segments lagged most.

Fidelity INVESTMENTS

**Alexandre Karam**
Co-Manager

**Benjamin Harrison**
Co-Manager

## Fund Facts

| | |
|---|---|
| **Trading Symbol:** | FSAHX |
| **Start Date:** | November 05, 2013 |
| **Size (in millions):** | $342.55 |

## Investment Approach

- Fidelity® Short Duration High Income Fund is a diversified high-yield bond strategy that seeks income by investing primarily in securities with durations of three years or less.
- We apply a core investment approach, with the majority of the fund concentrated in bonds rated B and BB, and only selective exposure to the more opportunistic, lower-rated (CCC or below) credit tiers. The fund has the flexibility to also invest in leveraged loans, but avoids direct equity exposure, distressed situations and inherent restructurings that are largely dependent on equity valuations.
- In general, we seek companies with strong balance sheets, high free cash flow, improving business/industry fundamentals and solid management teams, especially those issuers with adequate liquidity to absorb maturities and/or refinance existing debt. 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 effectively managing performance volatility.

# Q&A

## An interview with Co-Portfolio Managers Alexandre Karam and Benjamin Harrison

### Q: Alex, how did the fund perform for the six months ending October 31, 2023?

**A.K.** The fund's Retail Class shares gained 0.96%, lagging the 1.69% advance of the Fidelity Short Duration High Income Fund Composite Index℠. The fund outperformed its Morningstar peer group average.

Looking a bit longer term, the fund gained 5.15% for the past 12 months, underperforming the Composite index and the Morningstar peer group average.

### Q: What influenced the backdrop for short-duration high-yield bonds the past six months?

**A.K.** Like most fixed-income categories, short-duration U.S. corporate high-yield bonds struggled, as rising yields sent prices – which move inversely to yields – lower. That said, short-duration bonds held up better than their intermediate- and long-duration counterparts, which have more sensitivity to interest rates and therefore were hurt more as yields rose.

The reporting period got off to a solid start, with short-duration high-yield debt gaining 2.37% through August 31, supported by high starting yields, solid fundamentals and moderating inflation data that raised expectations the U.S. Federal Reserve was nearing the end of its interest rate-hiking regime.

In June, the Fed held interest rates steady – its first pause during the rate-hiking cycle that began in March 2022. The central bank raised rates again in July and indicated it was too soon to tell whether the boost would conclude its campaign to cool inflation.

This raised concern that interest rates would remain "higher for longer" than expected just months earlier, prompting investors to push higher yields on U.S. Treasuries and other bonds. A late-summer bond-market sell-off ensued, as short-duration high yield returned -0.65% in September. This was somewhat surprising, given several factors generally viewed as positive for bonds, including the Fed's decision to skip a rate hike at its September meeting, easing inflation pressure and slowing global economic growth.

The sell-off for short-duration high yield continued in October (-0.70%), although intermediate- and long-term bond yields rose sharply, and their prices declined more because investors struggled to price a flood of U.S. government debt sales amid higher-for-longer sentiment.

## Q: How did you manage the fund in this challenging environment?

**A.K.** Consistent with Fidelity's approach to managing high-yield bond funds, Ben and I worked with our research group to evaluate companies, analyze industries and generate investment ideas. We believe in taking a consistent, conservative approach to investing in high-yield bonds.

Our investment philosophy remained grounded in our belief that higher-quality businesses in the high-yield market offer the best balance of risk and reward over time. Our investment process emphasizes a bottom-up approach, with a heavy focus on primary insights generated from our research team. We aim to have individual security selection drive fund performance over time.

I'll note that this period investors pulled money from short-term bond funds, including this fund, showing a willingness to assume more interest rate risk. As a result, we pared our stake in many holdings to meet shareholder redemptions.

## Q: What notably detracted from the fund's performance versus the Composite index?

**A.K.** The fund's core allocation to high-yield bonds gained 0.32% for the six months, lagging the Composite and therefore hurting our relative result. By industry, security selection in financial services and health care detracted most this period.

In financial services, we lost ground to the Composite index with an overweight in Icahn Enterprises (-6%), one of our larger holdings for the six months and the biggest individual relative detractor. The investing arm of billionaire activist Carl Icahn was hurt by a critical report from a major short seller. We maintained exposure to Icahn based on our analysis that the bonds are well-supported by the company's assets.

In health care, we were hurt by a disappointing result for the fund's overweight stake in Community Health Systems, which returned -12%. From a fundamental perspective, the company showed improvement in key operating metrics, including patient volume and net operating revenue, among others, and executed growth and expense-management initiatives that produced favorable financial results.

Still, the bonds were under pressure because rising bond yields led investors to shy away from issuers, including Community Health Systems, with above-average leverage, meaning how much debt they carry. We continued to hold the securities, given our view that the hospital system can continue to improve fundamental results.

The third-biggest individual relative detractor was an overweight in Ardagh, which returned roughly -11%. The bonds from this global supplier of sustainable, recyclable metal and glass packaging faltered amid worries that a global economic slowdown could curtail demand for the company's products, particularly in Europe. As of October 31, we continued to hold Ardagh based on our view that the company's longer-term prospects are solid.

## Q: What notably contributed?

**A.K.** Non-Composite exposure to floating-rate bank loans, which represented 13% of assets as of October 31, gained 6% the past six months and boosted our result versus the Composite. Higher short-term interest rates buoyed these bank loans' floating-rate coupons and, as such, their total returns for the period.

By industry at the total portfolio level, security selection in services, media and basic industry helped most.

The fund's top individual contributor, as well as one of its largest holdings as of period end, was Dish Network. The fund's overweight position in the media company gained about 12% for the six months, boosted partly by the company's better-than-expected financial results, as well as favorable regulatory developments.

Not owning Spirit Airlines, a Composite index component that returned roughly -23%, contributed. We avoided Spirit mainly because of concerns about the U.S. Department of Justice's case to block the airline's merger with JetBlue.

Our third-best individual contributor was MISys, a non-Composite holding in the technology & electronics space that gained 14%. The banking software firm logged impressive growth and investors cheered the company's decision to hold an initial public offering of stock.

## Q: Alex and Ben, what's your outlook for high yield as of October 31?

**A.K.** High-yield performance may depend on the strength of the economy. High yield tends to underperform when the economy heads into a recession, because investors grow worried about rising default. That underperformance could be compounded if rates rose at the same time say, for example, inflation begins to rise again. On the other hand, high recent yields could help absorb and cushion a price decline in such a scenario. If the long-awaited recession never materializes, or is milder than anticipated, high yield could shine, in our view.

**B.H.** Given the unsettled landscape for interest rates, the economy and geopolitics, Alex and I don't think it's the time to take significantly increased risk. Instead, we plan to continue favoring durable, higher-quality business with improving fundamentals. ■

## The co-managers on high-yield valuations as of October 31:

**B.H.** "For high yield, valuation is primarily measured by spreads, meaning how much additional yield, over and above U.S. Treasuries, an investor can earn with the asset class. A higher spread means investors can earn more yield for taking on additional credit risk. Recently, valuations have been reasonable, though not cheap, with the yield spread over 10-year Treasuries slightly lower than the historical average, at about 4.4 percentage points as of the end of October.

"But this is offset by fairly high credit quality for the asset class. Many corporations seized the opportunity of low interest rates in 2020 and 2021 to raise capital at rock-bottom interest rates. Roughly 90% of the debt issued in those two years was rated BB or B."

**A.K.** "Other measures point to credit-quality improvement. Leverage among high-yield issuers is at its lowest in roughly a decade, according to some measures. Companies are in a fairly strong position to service their debt, as measured by ratios of income to interest expense. And there's a low proportion of debt coming due in 2024 to 2025, which could help reduce the risk of conditions deteriorating if issuers need to refinance maturing debt at higher rates.

"High-yield bonds face a higher risk of default and price volatility if investors become nervous about credit conditions. Understanding and balancing credit risk takes deep research into issuers. We draw on a dedicated team of analysts, divided by sector, who research hundreds of companies on a bottom-up basis. We try to remain well-diversified across sectors, taking industry overweights and underweights when we have conviction.

"As of October 31, the fund is notably overweight energy, due to an attractive supply/demand picture for oil, and the U.S.'s advantages in producing cheap liquid natural gas. By contrast, we're cautious of some telecom issuers, based on our concerns about competition from wireless and broadband, and certain financial issuers."

## LARGEST HOLDINGS BY ISSUER

| Issuer | |
|---|---|
| TRANSDIGM INC | |
| FORD MTR CR CO LLC | |
| MPT OPER PARTNERSHIP LP/CORP | |
| ICAHN ENTERPRISES LP/FIN CORP | |
| CHS/CMNTY HEALTH SYSTEMS INC | |
| **Five Largest Issuers as a % of Net Assets** | **10.18%** |
| **Total Number of Holdings** | **395** |

*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.*

## 10 LARGEST HOLDINGS

| Holding | Market Segment |
|---|---|
| TransDigm, Inc. 6.25% 3/15/26 | Capital Goods |
| Community Health Systems, Inc. 5.625% 3/15/27 | Healthcare |
| MPT Operating Partnership LP/MPT Finance Corp. 5.25% 8/1/26 | Real Estate |
| Ford Motor Credit Co. LLC 3.375% 11/13/25 | Automotive |
| SBA Communications Corp. 3.875% 2/15/27 | Real Estate |
| CSC Holdings LLC 5.25% 6/1/24 | Media |
| T-Mobile U.S.A., Inc. 2.25% 2/15/26 | Telecommunications |
| DISH Network Corp. 3.375% 8/15/26 | Media |
| Centennial Resource Production LLC 5.875% 7/1/29 | Energy |
| WASH Multifamily Acquisition, Inc. 5.75% 4/15/26 | Services |
| **10 Largest Holdings as a % of Net Assets** | **12.25%** |
| **Total Number of Holdings** | **395** |

*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.*

## ASSET ALLOCATION

| Asset Class | Portfolio Weight | Index Weight | Relative Weight | Relative Change From Six Months Ago |
|---|---|---|---|---|
| Bank Debt | 12.96% | 0.00% | 12.96% | -0.07% |
| Corporate Bond: Cash Pay | 86.68% | 99.45% | -12.77% | 8.18% |
| Corporate Bond: Deferred Pay | 0.00% | 0.00% | 0.00% | 0.00% |
| Other Debt | 0.00% | 0.55% | -0.55% | -0.04% |
| Convertible Bonds | 1.00% | 0.00% | 1.00% | 0.26% |
| Convertible Preferred Stock | 0.00% | 0.00% | 0.00% | 0.00% |
| Non-Convertible Preferred Stock | 0.00% | 0.00% | 0.00% | 0.00% |
| Equities | 0.05% | 0.00% | 0.05% | 0.03% |
| Cash & Net Other Assets | -0.69% | 0.00% | -0.69% | -8.36% |

*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.*

## MARKET-SEGMENT DIVERSIFICATION

| Market Segment | Portfolio Weight | Index Weight | Relative Weight | Relative Change From Six Months Ago |
|---|---|---|---|---|
| Energy | 15.68% | 12.98% | 2.70% | 1.75% |
| Capital Goods | 10.74% | 7.90% | 2.84% | 1.00% |
| Basic Industry | 8.46% | 6.73% | 1.73% | 2.87% |
| Leisure | 8.32% | 9.95% | -1.63% | 0.05% |
| Services | 7.74% | 7.85% | -0.11% | 0.18% |
| Media | 7.25% | 8.07% | -0.82% | -0.24% |
| Health Care | 6.93% | 6.01% | 0.92% | -0.24% |
| Real Estate | 6.82% | 5.05% | 1.77% | 2.38% |
| Financial Services | 5.69% | 6.49% | -0.80% | -1.03% |
| Telecommunications | 5.33% | 4.43% | 0.90% | 0.65% |
| Technology & Electronics | 4.02% | 4.54% | -0.52% | 0.84% |
| Retail | 3.10% | 4.67% | -1.57% | -1.08% |
| Utility | 2.69% | 3.69% | -1.00% | 0.13% |
| Transportation | 2.55% | 2.93% | -0.38% | 0.72% |
| Automotive | 2.38% | 3.89% | -1.51% | 0.97% |
| Consumer Goods | 1.95% | 2.63% | -0.68% | -0.55% |
| Other | 0.00% | 0.00% | 0.00% | 0.00% |

## CREDIT-QUALITY DIVERSIFICATION

| Credit Quality | Portfolio Weight | Index Weight | Relative Weight | Relative Change From Six Months Ago |
|---|---|---|---|---|
| BBB & Above | 4.80% | 2.43% | 2.37% | 3.32% |
| BB | 37.59% | 42.49% | -4.90% | 1.53% |
| B | 49.03% | 52.98% | -3.95% | 0.90% |
| CCC & Below | 8.12% | 1.49% | 6.63% | 2.03% |
| Not Rated/Not Available | 1.17% | 0.06% | 1.11% | 0.63% |
| Cash & Net Other Assets | -0.71% | 0.55% | -1.26% | -8.41% |

*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.*

## FISCAL PERFORMANCE SUMMARY: Periods ending October 31, 2023

| | Cumulative | | Annualized | | | |
|---|---|---|---|---|---|---|
| | 6 Month | YTD | 1 Year | 3 Year | 5 Year | 10 Year/ LOF[1] |
| Fidelity Short Duration High Income Fund Gross Expense Ratio: 0.76%[2] | 0.96% | 4.44% | 5.15% | 1.40% | 2.36% | 2.53% |
| Fidelity Short Duration High Income Fund Composite Index | 1.69% | 5.66% | 6.96% | 3.28% | 3.66% | 3.69% |
| ICE BofA 1-5 Year BB-B US Cash Pay High Yield Constrained Index | 0.99% | 4.84% | 6.06% | 2.76% | 3.25% | 3.56% |
| Morningstar Fund High Yield Bond | 0.10% | 4.17% | 5.72% | 1.30% | 2.58% | -- |
| % Rank in Morningstar Category (1% = Best) | -- | -- | 65% | 43% | 60% | -- |
| # of Funds in Morningstar Category | -- | -- | 686 | 632 | 588 | -- |

*[1] Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 11/05/2013.*
*[2] This expense ratio is from the prospectus in effect as of the date shown above and generally is based on amounts incurred during that 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. **Please see the last page(s) of this Q&A document for most-recent calendar-quarter performance.**

## DIVIDENDS AND YIELD: Fiscal Periods ending October 31, 2023

| | Past One Month | Past Six Months | Past One Year |
|---|---|---|---|
| 30-Day SEC Yield | 8.27% | -- | -- |
| 30-Day SEC Restated Yield | -- | -- | -- |
| Average Share Price | $8.52 | $8.61 | $8.61 |
| Dividends Per Share | 4.13¢ | 24.35¢ | 47.44¢ |

*Fiscal period represents the fund's semiannual or annual review period.*

## Definitions and Important Information

**Information provided in, and presentation of, this document are for informational and educational purposes only and are not a recommendation to take any particular action, or any action at all, nor an offer or solicitation to buy or sell any securities or services presented. It is not investment advice. Fidelity does not provide legal or tax advice.**

Before making any investment decisions, you should consult with your own professional advisers and take into account all of the particular facts and circumstances of your individual situation. Fidelity and its representatives may have a conflict of interest in the products or services mentioned in these materials because they have a financial interest in them, and 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.

### DIVIDENDS AND YIELD

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

**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".

**Dividends per share** show the income paid by the fund for a set period of time. If you annualize this number, you can compare the fund's income over different periods.

### FUND RISKS

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 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. 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.

### 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.

**Fidelity Short Duration High Income Fund - Composite Index** is a customized blend of the following unmanaged indices: ICE BofA 1-5 Year BB-B US Cash Pay High Yield Constrained Index and S&P/LSTA Leveraged Performing Loan Index. The composition differed in periods prior to 2020-06-30. The index weightings are adjusted monthly to reflect the fund's changing asset allocations.

**ICE BofA 1-5 Year BB-B U.S. Cash Pay High Yield Constrained Index** is a market-capitalization-weighted index of U.S. dollar denominated below investment grade corporate debt currently in a coupon paying period that is publicly issued in the U.S. domestic market, with maturities between one and five years. Qualifying securities must have an average rating (based on Moody's, S&P and Fitch) between BB and B, inclusive. The country of risk of qualifying issuers must be an FX-G10 member, a Western European nation, or a territory of the U.S. or a Western European nation. The FX-G10 includes all Euro members, the U.S., Japan, the UK, Canada, Australia, New Zealand, Switzerland, Norway and Sweden. 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 and deferred interest bonds that are not yet accruing a coupon are excluded.

**ICE BofA 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 a below investment grade rating (based on an average of Moody's, S&P and Fitch). The country of risk of qualifying issuers must be an FX-G10 member, a Western European nation, or a territory of the US or a Western European nation. The FX-G10 includes all Euro members, the US, Japan, the U. K., Canada, Australia, New Zealand, Switzerland, Norway and Sweden. 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 ICE BofA US High Yield Index but caps issuer exposure at 2%.

### 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

 Fidelity does not review the Morningstar data and, for mutual fund performance, you should check the fund's current prospectus for the most up-to-date information concerning applicable loads, fees and expenses.

% 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.

## Manager Facts

**Alexandre Karam** is a portfolio manager in the High Income and Alternatives division at Fidelity Investments. Fidelity Investments is a leading provider of investment management, retirement planning, portfolio guidance, brokerage, benefits outsourcing, and other financial products and services to institutions, financial intermediaries, and individuals.

In this role, Mr. Karam co-manages Fidelity and Fidelity Advisor High Income Fund, Fidelity and Fidelity Advisor Short Duration High Income Funds, Fidelity VIP High Income Portfolio, Fidelity Focused High Income Fund, Fidelity High Yield Factor ETF, the U.S. high-yield sub-portfolios of Fidelity and Fidelity Advisor Global High Income Funds, and various institutional portfolios for U.S. and non-U.S. investors.

Prior to assuming his current responsibilities, Mr. Karam was a research analyst focused primarily on distressed credits across a variety of industries.

Before joining Fidelity in 2016, Mr. Karam was a vice president at Paulson & Company. Before that, he was an analyst at Goldman Sachs and Morgan Stanley. He has been in the financial industry since 2005.

Mr. Karam earned his bachelor of arts degree in economics and bachelor of science degree in electrical engineering from Stanford University. He also earned his master of science degree in electrical engineering from Stanford University and his master of business administration from Harvard Business School.

**Benjamin Harrison** is a portfolio manager in the High Income and Alternatives division at Fidelity Investments. Fidelity Investments is a leading provider of investment management, retirement planning, portfolio guidance, brokerage, benefits outsourcing, and other financial products and services to institutions, financial intermediaries, and individuals.

In this role, Mr. Harrison co-manages Fidelity Focused High Income Fund, Fidelity and Fidelity Advisor High Income Fund, Fidelity and Fidelity Advisor Short Duration High Income Fund, Fidelity High Yield Factor ETF, Fidelity Sustainable High Yield ETF, Fidelity VIP High Income Portfolio, and various institutional portfolios.

Prior to assuming his current portfolio management responsibilities, Mr. Harrison was a Managing Director of Research and Business Development, where he had oversight of the high income, emerging market debt, and real estate research teams. He also served as a research analyst covering chemical, services, forest products, and technology credits. He has been in the financial industry since joining Fidelity in 2009.

Mr. Harrison earned his bachelor of arts degree in 20th century history from Brown University and his master of science in management research from the University of Oxford Saïd Business School. He is also a CFA® charterholder.

PERFORMANCE SUMMARY:
Quarter ending March 31, 2024

| | Annualized | | | |
|---|---|---|---|---|
| | 1 Year | 3 Year | 5 Year | 10 Year/ LOF[1] |
| Fidelity Short Duration High Income Fund<br>Gross Expense Ratio: 0.70%[2] | 9.38% | 2.62% | 3.30% | 3.08% |
| % Rank in Morningstar Category (1% = Best) | 73% | 30% | 67% | 78% |
| # of Funds in Morningstar Category | 666 | 606 | 575 | 432 |

*[1] Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 11/05/2013.*

*[2] This expense ratio is from the prospectus in effect as of the date shown above and generally is based on amounts incurred during that 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.

***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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