Fidelity Viewpoints®

market sense

The latest headlines, the current market conditions, and what it all means for you.

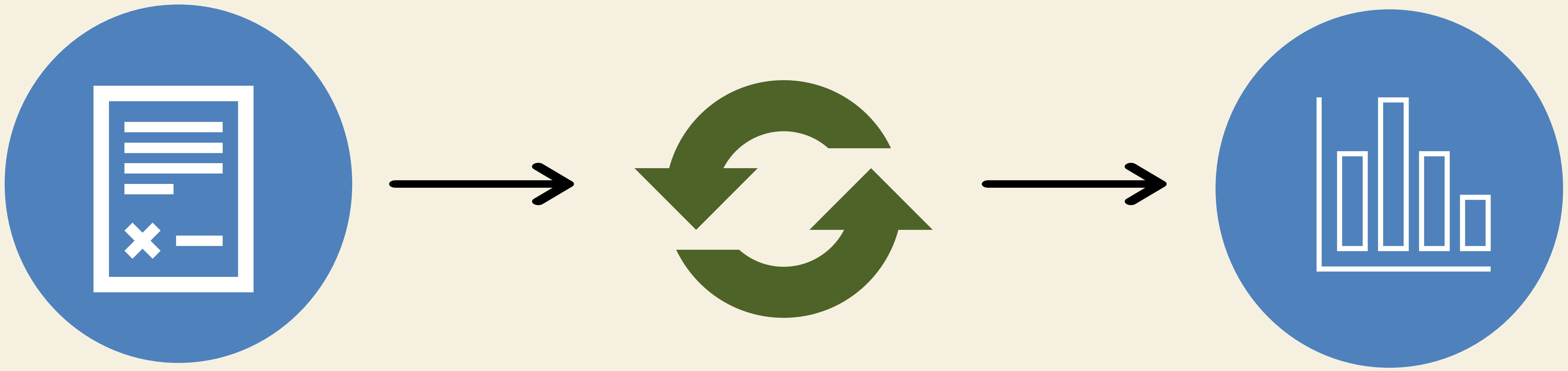
Fidelity INVESTMENTS®

Convertible Bonds

A fixed-income, interest –paying debt security that can be converted into common stock

Bond

Stock



Investor receives interest on debt

Debt can be converted into shares of stock or cash

Preferred Stock

A class of stock that provides **fixed** dividends and **priority** over common stock in the event of liquidation

Common Types of Preferred Stocks

Banks

Utilities

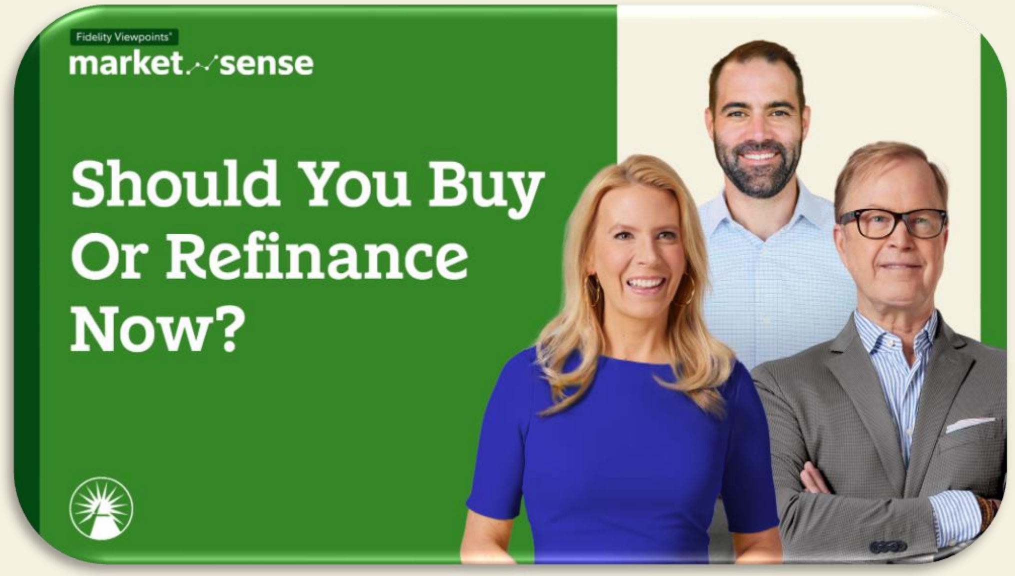
REITs

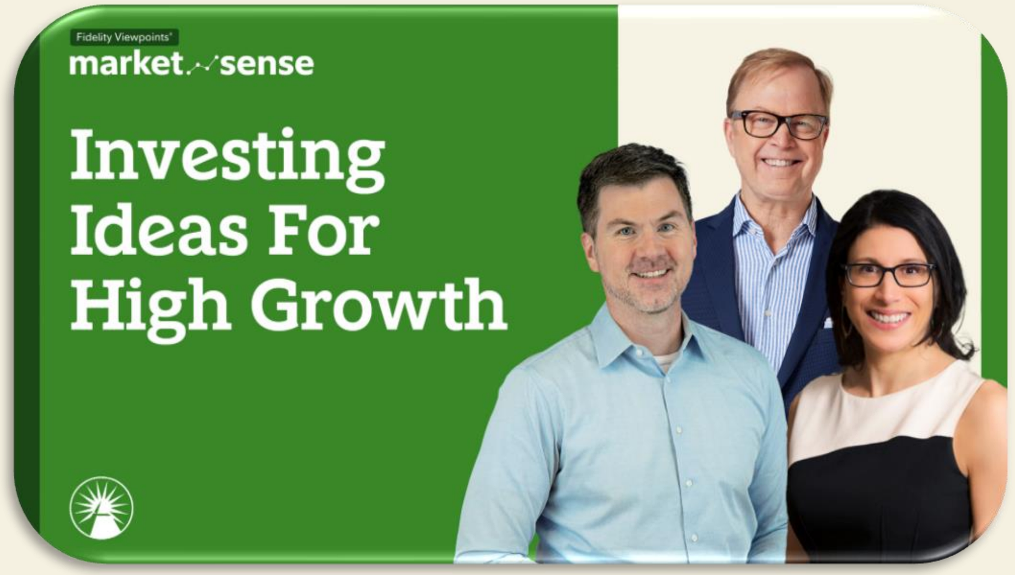
Digital Credit Preferred Stock

Digital credit is a category of **income-generating preferred stocks** used to finance Bitcoin acquisitions while offering investors high-yield and lower exposure to Bitcoin

- Potentially higher yields
- Strong downside protection
- Tax deferred yields
- Bitcoin concentration poses potential risk

Watch other Market Sense episodes





1. Fidelity Viewpoints; March 31. 2026: www.fidelity.com/learning-center/trading-investing/income-investing-ideas

The S&P 500® Index is a market capitalization–weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance. S&P and S&P 500 are registered service marks of Standard & Poor's Financial Services LLC. You cannot invest directly in an index.

Diversification and/or asset allocation do not ensure a profit or protect against loss.

Stock markets are volatile and can fluctuate significantly in response to company, industry, political, regulatory, market, or economic developments. Investing in stock involves risks, including the loss of principal.

Foreign markets can be more volatile than U.S. markets due to increased risks of adverse issuer, political, market, or economic developments, all of which are magnified in emerging markets. These risks are particularly significant for investments that focus on a single country or region.

Fixed income investments entail interest rate risk (as interest rates rise bond prices usually fall), the risk of issuer or counterparty default, issuer credit risk and inflation risk. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks all of which are magnified in emerging markets.

Preferred securities are subject to interest rate risk. (As interest rates rise, preferred securities prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Preferred securities also have credit and default risks for both issuers and counterparties, liquidity risk, and if callable, call risk. Dividend or interest payments on preferred securities may be variable, suspended or deferred by the issuer at any time, and missed or deferred payments may not be paid at a future date. If payments are suspended or deferred by the issuer, the deferred income may still be taxable. See your tax advisor for more details. Most Preferred securities have call features which allow the issuer to redeem the securities at its discretion on specified dates as well as upon the occurrence of certain events. Other early redemption provisions may exist which could affect yield. Certain preferred securities are convertible into common stock of the issuer, therefore, their market prices can be sensitive to changes in the value of the issuer's common stock. Some preferred securities are perpetual, meaning they have no stated maturity date. In the case of preferred securities with a stated maturity date, the issuer may, under certain circumstances, extend this date at its discretion. Extension of maturity date would delay final repayment on the securities. Please read the prospectus, which may be located on the SEC's EDGAR system, to understand the terms, conditions and specific features of the security prior to investing.

High-yield/non-investment-grade bonds involve greater price volatility and risk of default than investment-grade bonds.

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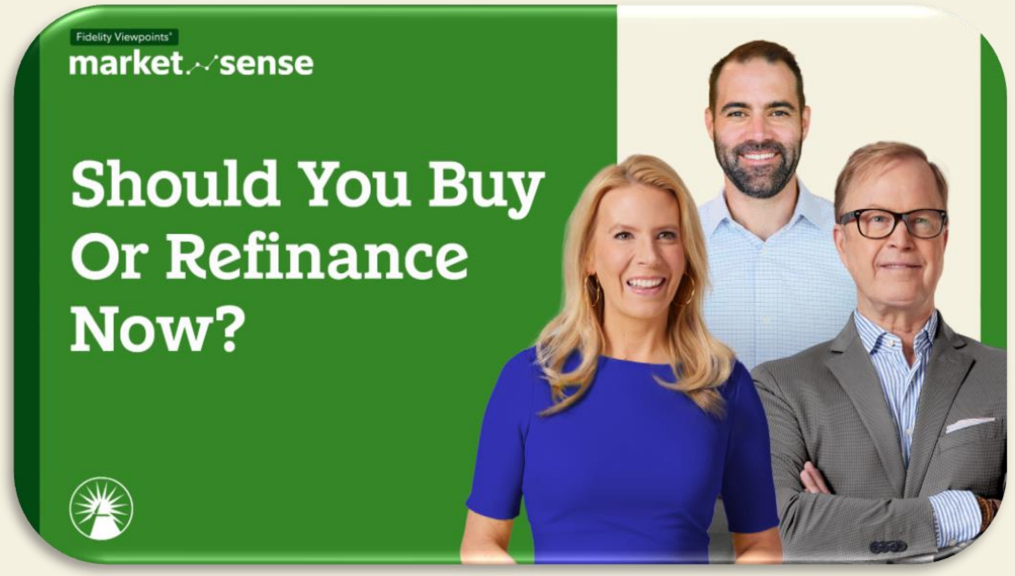

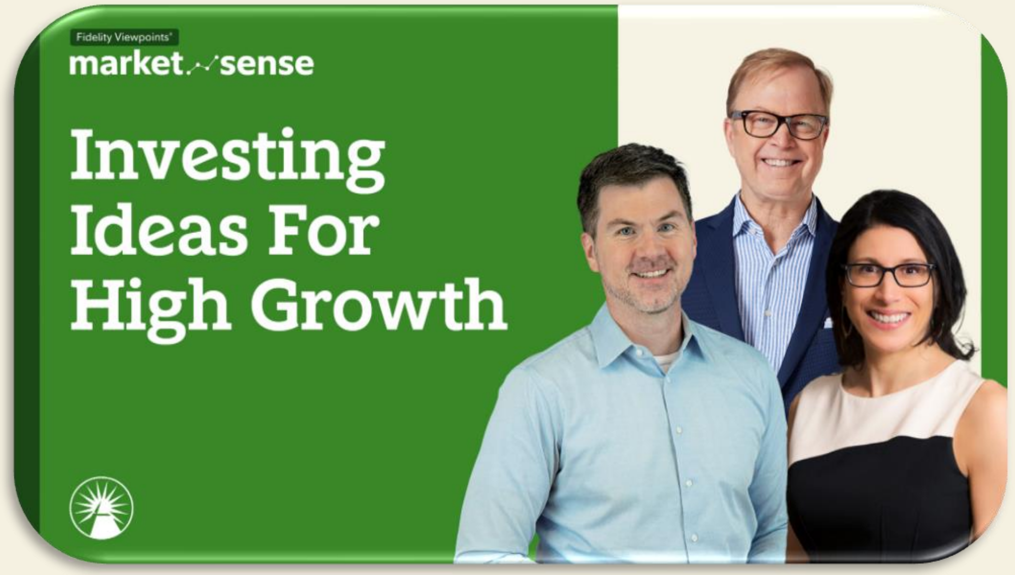

Crypto as an asset class is highly volatile, can become illiquid at any time, and is for investors with a high risk tolerance. Crypto may also be more susceptible to market manipulation than securities. Crypto is not insured by the Federal Deposit Insurance Corporation or the Securities Investor Protection Corporation. Investors in crypto do not benefit from the same regulatory protections applicable to registered securities.

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