

Chairman's Message | October 31, 2025



Robert A. Lawrence

Dear Shareholder:

U.S. equities gained 21.45% for the 12 months ending October 31, 2025, according to the S&P 500® index, extending a historically fast rebound that began in early April. The S&P 500® had a pronounced decline in that month's first week, but then reversed course with strong overall gains through October. Amid a favorable backdrop for higher-risk assets, the index closed the month just shy of its all-time high.

The rally was sparked and sustained by easing global trade tensions, spurred by the U.S. administration's rollback of steep tariffs and its signal of willingness to negotiate new trade deals. Momentum carried through period end, despite a shutdown of the federal government that began in October, with stocks supported by easing inflation, healthy corporate earnings and a resilient U.S. economy. Renewed expectations for Federal Reserve rate cuts helped lift stocks ahead of the central bank's decision to lower its benchmark federal funds rate following its September and October meetings. Growth-oriented sectors led the way for the 12 months, with information technology (+38%), communication services (+35%) and consumer discretionary (+25%) stocks riding a wave of optimism, driven largely by the transformative promise of artificial intelligence. Industrials (+18%), utilities (+15%) and financials (+14%) also solidly advanced but trailed the index. Conversely, materials (-6%), real estate (-1%) and health care (0%) lagged most, followed by consumer staples (+1%) and energy (+2%).

International equities outperformed U.S. stocks, gaining 25.17% the past year, per the MSCI ACWI (All Country World Index) ex USA Index. Canada and emerging markets (+29% each) notably outperformed, while Europe ex U.K. gained 23%. In contrast, Asia Pacific ex Japan (+18%) trailed the pack. By sector, information technology (+43%), communication services (+38%), financials (+35%) and industrials (+31%) delivered outsized advances, while health care (+0.5%) alone posted only a marginal gain.

Within this environment, our actively managed sector and industry portfolios were roughly in line with benchmarks and competitive versus peers on an aggregate, asset-weighted basis. Our strategies focused on the energy, industrials, communication services, utilities and health care sectors contributed to the suite's relative showing, whereas funds focused on consumer staples, financials, materials and real estate had subpar performance, and our offerings in consumer discretionary and the asset-heavy information technology sector registered mixed results overall.

As of October 31, analysis from Fidelity's Asset Allocation Research Team – composed of portfolio managers and other analysts in our Global Asset Allocation division – implies that the global economic cycle remains in expansion, helped by corporate earnings momentum and AI and technology infrastructure-related capital investment. In the U.S., wealth-powered high-end consumption has buoyed consumer spending, but inflation remains persistent, and employment conditions have softened. Most major developed-market central banks continue to cut their policy interest rates.

Although we pay attention to shorter-term results, our focus is on the long term, and our long-term relative performance remains competitive. For now, we continue to leverage our vast resources and expertise to closely monitor economic conditions, gain insight into market dynamics and choose securities we think have the potential to outperform over time. Thank you for your confidence in Fidelity's investment-management capabilities. For more information on current market developments, please visit us online.

Sincerely,

Robert A. Lawrence

Chairman of the Board of Trustees
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Risks: **Stock markets**, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market or economic developments. The securities of **smaller, less well-known companies** can be more volatile than those of larger companies. 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, credit and default risks for both issuers and counterparties. **Lower-quality bonds** can be more volatile and have greater risk of default than higher-quality bonds. **The municipal market** is volatile and can be significantly affected by adverse tax, legislative or political changes and the financial condition of the issuers of municipal securities. Income exempt from federal income tax may be subject to state or local tax. **Leverage** can increase market exposure and magnify investment risk. **Foreign securities** are subject to interest rate, currency exchange rate, economic and political risks, all of which are magnified in emerging markets. The investment risk of **target date funds** changes over time as their asset allocation changes. These risks are subject to the asset allocation decisions of the Investment Adviser. Pursuant to the Adviser's ability to use an active asset allocation strategy, investors may be subject to a different risk profile compared to the target date funds' neutral asset allocation strategy shown in their glide path. Target date funds are subject to the volatility of the financial markets, including that of equity and fixed-income investments in the U.S. and abroad, and may be subject to risks associated with investing in high-yield, small-cap, commodity-linked and foreign securities. No target date fund is considered a complete retirement program and there is no guarantee any single fund will provide sufficient retirement income at or through retirement. Principal invested is not guaranteed at any time, including at or after the funds' target dates.

Past performance does not guarantee future results.

Diversification does not ensure a profit or guarantee against a loss.

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