

Fidelity® Strategic Real Return Fund

Investment Approach

- Fidelity® Strategic Real Return Fund is a multi-asset-class strategy that seeks real (inflation-adjusted) return consistent with reasonable investment risk by investing in a diversified mix of securities with inflation-fighting potential.
- The fund's assets are allocated among inflation-protected securities (including U.S. TIPS), floating-rate high-yield bank loans, commodities and related investments, and real-estate-related securities (including REITs), using a target weighting of 25%, 25%, 30% and 20%, respectively. This strategic allocation attempts to take advantage of the low correlation among these security types in effectively hedging inflation over time.
- Specialized subportfolio managers are responsible for security selection in their respective areas of expertise and represent the primary source of alpha (risk-adjusted excess return), while the lead portfolio managers have the flexibility to make tactical allocation shifts around the target mix to help manage risk and capitalize on relative-value opportunities.

FUND INFORMATION

Manager(s):
Adam Kramer
Ford O'Neil

Trading Symbol:
FSRRX

Start Date:
September 07, 2005

Size (in millions):
\$501.37

Morningstar Category:
Fund Moderately Conservative
Allocation

*For Important Fund Risk Disclosures,
please refer to page 5.*

PERFORMANCE SUMMARY

	Cumulative		Annualized			
	3 Month	YTD	1 Year	3 Year	5 Year	10 Year/ LOF ¹
Fidelity Strategic Real Return Fund Gross Expense Ratio: 0.77% ²	1.92%	1.92%	5.84%	4.85%	5.18%	2.96%
Bloomberg US Treasury Inflation-Protected Securities (TIPS) Index	-0.08%	-0.08%	0.45%	-0.53%	2.49%	2.21%
Fidelity Strategic Real Return Composite Index	1.24%	1.24%	5.60%	5.26%	5.27%	3.02%
Morningstar Fund Moderately Conservative Allocation	3.24%	3.24%	10.10%	1.76%	4.65%	4.30%
% Rank in Morningstar Category (1% = Best)	--	--	95%	3%	29%	95%
# of Funds in Morningstar Category	--	--	460	441	409	297

¹ Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 09/07/2005.

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.



Not FDIC Insured • May Lose Value • No Bank Guarantee

Market Review

The Fidelity Strategic Real Return Composite IndexSM – consisting of Treasury Inflation-Protected Securities (TIPS), floating-rate high-yield bank loans, commodity-related securities and real estate-related securities – gained 1.24% in the first quarter of 2024.

The period began with investors anticipating the U.S. Federal Reserve would implement six to seven 25-basis-point cuts to the federal funds rate over the course of 2024, with the first taking place in March. From the start, it was going to be difficult for the bond market to outperform such high expectations. But, during the quarter, stronger-than-expected employment, manufacturing and consumer spending data, coupled with CPI reads that showed most U.S. inflation metrics either moving sideways or ticking up in January and February, led investors to reassess the likely number and magnitude of cuts this year.

Against this backdrop, the Bloomberg U.S. Aggregate Bond Index returned -0.78% in the first three months of 2024, beginning with a -0.27% result in January, only to slide further (-1.41%) in February as bond yields rose and prices fell in response to the new assumption of higher-for-longer interest rates. Bonds then regained (+0.92%) some ground in March, helped by reassuring comments from Fed Chair Jerome Powell following the U.S. central bank's two-day committee meeting on March 19-20. In his remarks, Powell maintained that the Fed was still planning for three quarter-percentage-point policy cuts by the end of 2024. Although this rate reduction was less than the market expected at the beginning of the year, the remarks were nevertheless viewed as dovish.

For the full three months, returns were mostly negative across major segments of the bond market, though there were pockets of strength. By quality rating, top-tier (AAA) investment-grade securities fared

best and had modestly positive returns, while the lowest-rung (BBB) saw a small decline but outperformed mid-range (AA and A) debt. Short-term maturities (1-3 Years) gained 0.45% and outpaced longer-term issues, which registered increasingly sharper declines across the maturity spectrum.

By comparison, Treasury Inflation-Protected Securities (-0.08%) treaded water but fared better than U.S. Treasuries (-0.96%). Meanwhile, high-yield bank loans rose 2.53%, as measured by the Morningstar LSTA US Performing Loans Index.

Elsewhere, commodities and related investments, per the Bloomberg Commodity Index, gained 2.19%, while commodity-oriented equities, according to the MSCI AC World Commodity Producers Sector Capped Index, were up 1.43%. In energy, the price of Brent crude oil, a common proxy for global oil prices, ticked up in Q1, finishing the period at \$86 per barrel, up from about \$78 per barrel on December 31. Gold moved higher (+8%) in the first three months of 2024 as well.

Meanwhile, real estate investment trust stocks returned -0.20% for the first quarter, as measured by the FTSE NAREIT Equity REITs Index. Commercial real estate stocks struggled as investors' high expectations for potential interest rate reductions were delayed and global central banks continued to face higher-than-expected inflation. This led to mixed results, with five of nine categories in the FTSE NAREIT index advancing. Real estate related (+6%), retail (+3%) and hotels (+2%) REITs topped the list, whereas diversified (-6%) and self-storage (-5%) segments of the market struggled most.

Meanwhile, real estate bonds, as measured by the ICE BofA® U.S. Real Estate Index – a market-capitalization-weighted measure of investment-grade corporate bonds in the domestic real estate sector – increased 0.38%. ■

THREE-MONTH RETURNS

Asset Class	Total Return
Inflation-Protected Investments ¹	-0.08%
Commodities and Related Investments ²	2.19%
Floating-Rate High Yield ³	2.53%
Real Estate Debt ⁴	0.38%
Real Estate Equities ⁵	-0.20%
Commodity Equities ⁶	1.43%

¹Bloomberg US Treasury Inflation-Protected Securities (TIPS) Index

²Bloomberg Commodity Index

³Morningstar LSTA US Performing Loans

⁴ICE BofA US Real Estate Index

⁵FTSE NAREIT Equity REITs Index

⁶MSCI AC World Commodity Producers Sector Capped Index (Net)

Performance Review

DETAILED FUND ATTRIBUTION RELATIVE TO BENCHMARK

Strategy: Sector Allocation

Inflation-Protected Investments

The fund was slightly underweight TIPS, which modestly aided performance relative to the Composite index.

(Slight Positive)

Commodities and Related Investments

The portfolio's stance in commodity futures incrementally hampered its relative result.

(Slight Negative)

Commodity Equities

A slight underweight in commodity equities resulted in little overall impact on relative performance this quarter.

(Neutral)

Floating-Rate High-Yield Debt

A very small overweight in floating-rate loans helped the portfolio's relative return somewhat in Q1.

(Slight Positive)

Real Estate Debt

Outsized exposure to real estate debt modestly pressured relative performance as the category trailed the Composite index.

(Slight Negative)

Real Estate Equities

Smaller-than-index exposure among real estate equities, which lagged the Composite index, slightly contributed this period.

(Slight Positive)

Out-of-Index Asset Classes

An allocation to infrastructure stocks had little impact, as the category performed about in line with the Composite index.

(Neutral)

Strategy: Security Selection

Inflation-Protected Investments

Picks among inflation-protected U.S. government bonds had a modestly favorable influence on the fund's relative result.

(Slight Positive)

Commodities and Related Investments

Favorable security selection in commodity futures contributed a bit versus the Composite index.

(Slight Positive)

Commodity Equities

Investment choices within commodity equities bolstered the portfolio's relative performance this quarter.

(Positive)

Floating-Rate High-Yield Debt

Among floating-rate debt investments, security selection was modestly detrimental in Q1.

(Slight Negative)

Real Estate Debt

Picks among real estate bonds added value in terms of the fund's relative return the past three months.

(Positive)

Real Estate Equities

Real estate equity investment choices incrementally helped this period.

(Slight Positive)

Out-of-Index Asset Classes

Infrastructure security selection had a moderately positive impact on the fund's performance for the quarter.

(Slight Positive)

ASSET ALLOCATION PERFORMANCE SUMMARY

Asset Class	Benchmark	Average Relative Weight	Relative Contribution (basis points)*
Inflation-Protected Debt	BBg US TIPS	-1.2%	3
Floating-Rate Debt	Morningstar LSTA Per Loan	0.5%	0
Commodities & Related Investments	BBG Commodity Ind	-0.6%	3
Commodity Equities	MS ACW Commod Prod Cap(N)	-0.9%	43
Infrastructure	S&P Global Infrs Index (starts 5/9/23)	1.4%	1
Gold Miners	Sel Gold	--	--
Real Estate Equities	FTSE NAREIT Equity REITs	-1.0%	2
Real Estate Debt	ICE BofA US Real Estate	1.6%	35
Invested Assets Subtotals	FID Strat RI Rtn Comp Idx	-0.3%	87
Top-Level Cash & Net Other Assets	--	0.3%	-3
Expenses	--	0.0%	-17
Total Value Added			67

*1 basis point = 0.01%.

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.

Outlook and Positioning

The fund employs a lead portfolio-manager (PM)/subportfolio-manager structure. Two co-lead PMs make allocation decisions across the fund's asset classes. Security selection within each asset class is then made by experienced, specialized managers. Our disciplined, multistep asset allocation approach incorporates several economic and market signals. The process begins with strategic allocation across the fund's range of asset classes. Depending on the outlook for each investment type, co-lead PMs may over- or underweight an asset class versus the neutral mix. Separate from the asset allocation investment process, each subportfolio has its own dedicated portfolio manager who employs a segment-specific process for security selection.

Compared with the benchmark, the fund was positioned close to neutral throughout the Q1, with all our target weights staying within 1.5 percentage points of the Composite allocations. Amid tight relative valuations throughout our investment universe and recognizing late cycle conditions, we saw little advantage to deviating significantly from the benchmark. As a result, we made no changes to the fund's asset allocation target weights this period.

Over the past three months, TIPS remained the fund's largest underweight, though our relative exposure to this asset class is now

the highest it has been in several years. We see TIPS as the "risk-off" allocation within the portfolio. In other words, the more underweight in TIPS we are, the more attractive we find the valuations of risk assets, and vice versa. Despite this comparatively light exposure, we maintained a large allocation to these securities in order to benefit from their ability to keep pace with inflation.

Another stance was to remain underweight REIT equities, whose valuations we did not find compelling. We also maintained a smaller-than-Composite stake in commodity futures, as we balanced near-term economic uncertainty with positive demand dynamics over the medium term. Meanwhile, we see opportunity in real estate income securities where we continue to like and overweight certain floating-rate real estate preferred investments, whose income characteristics help dampen overall portfolio volatility. Similarly, the fund's modestly outsized exposure to floating-rate loans provides the same benefit, given their sizable coupon income. Also, we continued to hold a small non-index position in infrastructure equities, as we anticipate a recovery due to higher interest rates.

As of March 31, we remain mindful of investment opportunities but also cautious about risk. Because of the rapidly evolving economic environment, we stand ready to adjust the portfolio as certain asset classes sell off or become more expensive, thus generating new potential investment opportunities we will not hesitate to pursue. ■

SUBPORTFOLIO COMPOSITION

Asset Class	Portfolio Weight	Strategic Allocation	Relative Weight	Relative Change From Prior Quarter
Inflation-Protected Debt	23.45%	25.00%	-1.55%	-0.25%
Inflation-Protected Debt & Related Investments	23.32%	--	--	--
Cash & Net Other Assets	0.13%	--	--	--
Floating-Rate Debt	25.11%	25.00%	0.11%	-0.28%
Floating-Rate Debt & Related Investments	23.95%	--	--	--
Cash & Net Other Assets	1.15%	--	--	--
Commodities & Related Investments	14.64%	15.00%	-0.36%	0.85%
Real Estate Debt	11.41%	10.00%	1.41%	-0.30%
Real Estate Bonds	3.64%	--	--	--
Securitized Debt	4.36%	--	--	--
Convertibles Securities	0.07%	--	--	--
Preferred Stock	2.53%	--	--	--
Cash & Net Other Assets	0.82%	--	--	--
Real Estate Equities	8.89%	10.00%	-1.11%	-0.42%
Real Estate Equities & Related Investments	8.80%	--	--	--
Cash & Net Other Assets	0.09%	--	--	--
Commodity Equities	14.88%	15.00%	-0.12%	0.72%
Commodity Equities & Related Investments	14.69%	--	--	--
Cash & Net Other Assets	0.19%	--	--	--
Top-Level Fund	1.62%	--	1.62%	-0.31%
Top-Level Cash & Net Other Assets	1.62%	--	--	--

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.

Definitions and Important Information

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FUND RISK DISCLOSURE

Stock markets, particularly foreign markets, are volatile and can be affected by adverse issuer, political, regulatory, market, or economic developments. Floating rate loans may not be fully collateralized and therefore may decline significantly in value. A floating rate loan may not be fully collateralized which may cause the loan to decline significantly in value. A floating rate loan is generally subject to restrictions on resale. Difficulty in selling a floating rate loan may result in a loss. Interest rate increases can cause the price of a debt security to decrease. Increases in real interest rates can cause the price of inflation-protected debt securities to decrease. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks. Changes in real estate values or economic downturns can have a significant negative effect on issuers in the real estate industry. Lower-quality bonds can be more volatile and have greater risk of default than higher-quality bonds. Commodity-linked investments can be more volatile and less liquid than the underlying instruments or measures and their value may be affected by the performance of the overall commodities baskets as well as weather, tax, and other regulatory developments. Leverage can increase market exposure and magnify investment risks. Passive Management Risk. A passive investment strategy attempts to track the performance of an unmanaged index of securities, regardless of the current or projected performance of the index or of the actual securities included in the index. This differs from an actively managed strategy, which typically seeks to outperform a benchmark index. As a result, the performance could be lower than actively managed strategies that may shift their portfolio assets to take advantage of market opportunities or lessen the impact of a market decline or a decline in the value of one or more issuers.

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.

Bloomberg U.S. Treasury Inflation Protected Securities (TIPS)

Index (Series-L) is a market-value-weighted index that measures the performance of inflation-protected securities issued by the U.S. Treasury.

Fidelity Strategic Real Return Composite Index is a customized blend of unmanaged indices, weighted as follows: Bloomberg US Treasury Inflation-Protected Securities (TIPS) Index - 25%; S&P/LSTA Leveraged Performing Loan Index - 25%; MSCI AC World Commodity Producers Sector Capped Index (Net) - 15%; Bloomberg Commodity Index - 15%; ICE BofA US Real Estate Index - 10%; and FTSE NAREIT Equity REITs Index - 10%. The composition differed in periods prior to February 25, 2022.

Bloomberg U.S. Aggregate Bond Index is a broad-based, market-value-weighted benchmark that measures the performance of the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. Sectors in the index include Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS.

Bloomberg Commodity Index Total Return measures the performance of the commodities market. It consists of exchange-traded futures contracts on physical commodities that are weighted to account for the economic significance and market liquidity of each commodity.

Morningstar LSTA Leveraged Performing Loan Index 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.

The ICE BofA U.S. Real Estate Index is a market-capitalization-weighted index of U.S. dollar-denominated investment-grade corporate debt publicly issued in the U.S. domestic market by real estate issuers. It is a subset of The BofA U.S. Corporate Index. Qualifying securities must have an investment-grade rating (based on an average of Moody's, S&P and Fitch) and an investment-grade-rated country of risk. In addition, qualifying securities must have at least one year remaining to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$250 million.

FTSE NAREIT Equity REITs Index is a market capitalization-weighted index that is designed to measure the performance of tax-qualified Real Estate Investment Trusts (REITs) that are listed on the New York Stock Exchange, the NYSE MKT LLC, or the NASDAQ National Market List with more than fifty percent of total assets in qualifying real estate assets secured by real property. Mortgage and Timber REITs are excluded.

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.



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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