Fidelity Global Monthly Income Fund

Quarterly Investment Review

December 31, 2022

FIDELITY CANADA INSTITUTIONAL™

Contents

Overview

INCEPTION DATE: April 18, 2007

BENCHMARK: Blended index (See Appendix)

FUND MANAGER: Geoffrey Stein, David Wolf

OBJECTIVE

The Fund aims to achieve a combination of a steady flow of income and the potential for capital gains. It invests primarily in a mix of equity securities and fixed income securities located anywhere in the world.

APPROACH

- A global core holding with a neutral mix of 50% equities and 50% fixed income.
- Provides monthly income distributions while offering capital growth potential.
- Offers multi-asset class diversification that can help weather volatile market conditions.

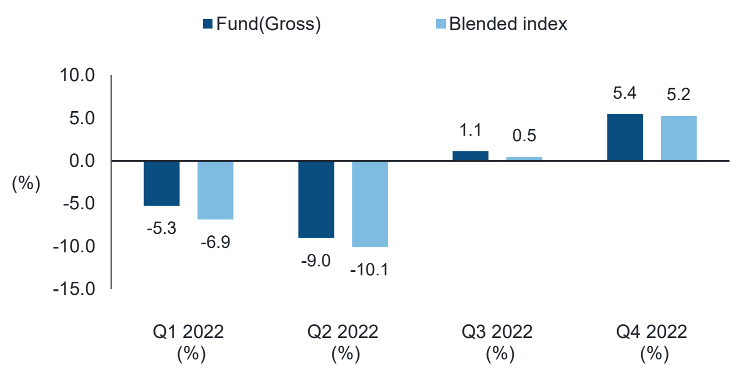
PERFORMANCE RETURNS (%)

	Cumulative					Annualized				
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Fidelity Global Monthly Income Fund - Series O	(5.26)	(9.03)	1.11	5.43	(8.13)	(8.13)	3.35	5.30	8.76	6.27
Blended index	(6.87)	(10.12)	0.45	5.23	(11.52)	(11.52)	1.49	3.87	7.57	5.50
Relative Return	1.61	1.09	0.66	0.20	3.39	3.39	1.86	1.43	1.19	0.77

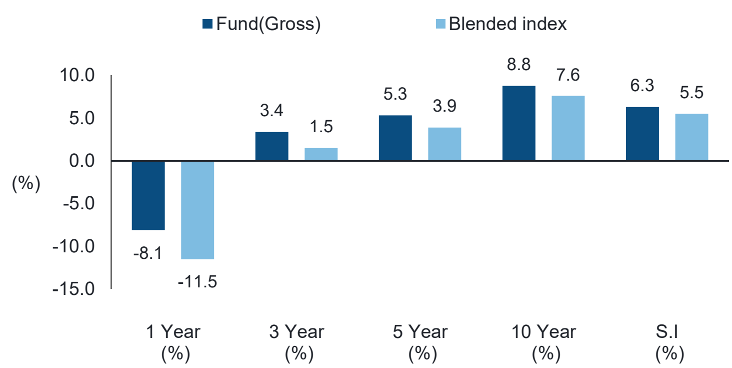
Performance returns are unaudited and time-weighted.

Note: Differences may be due to rounding.

Cumulative Quarterly Performance



Annualized as of December 31, 2022



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Overview

PERFORMANCE RETURNS (%): CALENDAR YEAR RETURNS

	Calendar Year Returns									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Fidelity Global Monthly Income Fund - Series O	(8.13)	9.59	9.63	14.40	2.51	7.87	2.95	19.73	14.93	17.10
Blended index	(11.52)	7.01	10.41	11.95	3.30	7.44	3.65	16.55	13.34	16.63
Relative Return	3.39	2.58	(0.78)	2.45	(0.79)	0.43	(0.70)	3.18	1.59	0.47

Performance returns are unaudited and time-weighted.

Note: Differences may be due to rounding.

Quarterly Fund Commentary

- From an asset allocation perspective, the Fund's investments in global dividend-paying equities and lower-than-benchmark exposure to global investment-grade bonds contributed most to relative returns.
- Out-of-benchmark exposure to U.S. high-yield commercial mortgage-backed securities (CMBSs) detracted from relative returns during the quarter.

Equities

- In global equities, security selection in, and lower-than-benchmark exposure to, the consumer discretionary sector contributed, as did security selection in the communication services sector.
- In consumer discretionary, not having exposure to a U.S.-based electric vehicle manufacturer and a U.S.-based e commerce company made the primary contributions. In communication services, not having exposure to a U.S.-based multinational technology company and a U.S.-based social media company contributed. In other sectors, investments in Exxon Mobil and JPMorgan Chase contributed.
- Investments in the health care and consumer staples sectors detracted.
- In health care, investments in Roche Holding and Hoya detracted. In consumer staples, investments in BJ's Wholesale Club Holdings detracted. In other sectors, an investment in M&T Bank detracted.

Annual Fund Commentary

- From an asset allocation perspective, the Fund's investments in global equities and security selection in U.S. convertible bonds contributed to relative performance, as did out-of-benchmark exposure to, and investments in, U.S. high-yield CMBSs.
- Investments in, and lower-than-benchmark exposure to, global investment-grade bonds detracted from relative returns.

Equities

- In global equities, holdings in the communication services sector contributed. Higher-than-benchmark exposure to, and security selection in, the energy sector also contributed.
- In communication services, not having exposure to a U.S.-based social media company and a U.S. -based multinational technology company made the primary contributions. In energy, investments in Imperial Oil and Suncor Energy contributed. In other sectors, not having exposure to a U.S.-based e commerce company and a U.S.-based electric vehicle maker contributed.
- Lower-than-benchmark exposure to, and security selection in, the financials sector detracted from relative returns.
- In financials, investments in Capital One Financial and not having exposure to a U.S.-based investment holding company detracted. In other sectors, investments in Sony Group and Sika detracted.

Positioning and Outlook

- Portfolio managers Geoff Stein and David Wolf note that aggressive monetary policy tightening has pushed the global economy deeper into late cycle, leading to increased recession risk. Liquidity tightening, persistent inflation risk, slowing growth momentum and greater monetary policy uncertainty raise the odds that market volatility will remain elevated in 2023.
- The managers note that investor sentiment appears fairly neutral, with corporate fundamentals having remained strong, while valuations have become relatively cheaper. The managers expect corporate fundamentals to soften as the wider economy cools and believe that valuations have not retracted sufficiently. The managers believe the mismatch between macroeconomic conditions and corporate fundamentals does not warrant their defensive posture being at the limits of their asset allocation bands.
- Against this backdrop, Geoff and David aim to build portfolios that are resilient in a wide range of outcomes. They believe constructing portfolios that are well diversified across asset classes, styles and regions is the right way to both protect and grow capital over the long run.
- At the end of the period, the Fund's largest absolute exposure was to global equities, followed by global bonds. In addition, the Fund also held tactical allocations to U.S. Treasury inflation-protected securities, high-yield CMBSs, floating-rate debt securities, U.S. long-term treasuries and a gold exchange-traded fund.

Investment Process

Geoff Stein & David Wolf – Asset allocation portfolio managers

- The lead managers manage the Fund to achieve a neutral mix of 50% equity securities and 50% fixed-income securities
- The Fund's exposure to equity and fixed-income securities may vary by up to +/- 20% from the neutral mix
- The lead managers analyze the short- and long-term performance of equity and fixed-income markets, with particular focus on deviations from historical averages
- These analyses are used to help gauge the relative attractiveness of asset classes and identify opportunities to diversify to other regions and/or asset classes
- Particular emphasis is given to watching for inflection points where there is a high likelihood of mean reversion
- The lead managers draw on the expertise of the Fidelity Global Asset Allocation group
- The sub-portfolio managers frequently communicate with the lead managers to share market perspectives and to ensure a timely flow of information that may inform investment decisions
- The lead managers of the Fund determine the optimal magnitude and timing of any shifts in asset allocation
- It is also the responsibility of the lead managers to work with the sub-portfolio managers and traders to implement asset allocation changes and to manage day-to-day cash flows and Fund operations

Ramona Persaud – Global equities

- The portfolio aims to achieve capital appreciation by investing in equity securities of companies anywhere in the world that pay, or may be expected to pay, dividends
- The manager believes that a combination of value and income is a durable alpha generator, as it is generally under-owned, opaque and unrecognized
- The manager's investment philosophy is based on three key principles:
- Value wins over time.
- Income is risk-aware value, which wins over time on a risk-adjusted basis.
- Income investing is a "get rich slow" strategy, as a large portion of total return is from income compounding
- The manager follows a bottom-up, fundamental investment approach, giving special attention to companies with consistent cash flows and dividends, high return on invested capital and strong balance sheets
- Selected investments should exhibit a balanced reward-to-risk ratio by assessing the securities' upside potential and downside risk
- Ideas are generated through multiple sources, including input from Fidelity's team of global research analysts, site visits, company meetings, industry conferences and third-party research
- The portfolio also employs a quantitative/statistical screening framework to generate ideas based on valuation, balance sheet attributes, cash flow, income and other quantitative factors

Steven Buller – Global real estate equities

- 1. The manager considers real estate securities markets to be inefficient due to short-term technical dislocations that can offer attractive long-term investment opportunities.
- 2. REITs are a balance of real estate and stocks; recognizing the attributes of both is key to maximizing performance.
- 3. A thorough and in-depth research process is followed, which involves frequent company contact, on-site property visits (with and without management), detailed company financial models and a suite of different valuation measures.
- 4. The manager does not have any particular investment style bias and may move from value to growth-type characteristics depending on the market environment and the availability of investment ideas.
- 5. Members of Fidelity's global real estate securities research team are based in five countries and focus narrowly on a respective sector and/or geography.

Michael Foggin, Andrew Lewis & Jeffrey Moore – Global bonds

- The portfolio invests primarily in global government and corporate bonds offering the potential for income and capital appreciation.
- The manager's investment philosophy is based on three key principles:
- Investment-grade fixed-income portfolios should be focused on capital preservation.
- Market segmentation can create anomalies between different segments of the bond market that can be researched and exploited.
- Investments are based on long-term strategic objectives, rather than depending on fluctuating short-term objectives that increase portfolio volatility.

Investment Process

- The manager follows a five-step investment process:
- Strategic views: Determine which countries in the global fixed income universe are appropriate jurisdictions for investing in credit, interest rate and currency exposure.
- Business cycle: Determine the progress of each country or region within its business cycle.
- Sector decisions: These are key to managing risks; employ valuation and positioning analysis tools to help finesse the portfolio's sector section and beta rotation.
- Security selection: Fidelity's research capabilities give a competitive advantage in evaluating issuers and choosing securities in the global investment universe.
- Portfolio construction: The portfolio construction process should effectively manage volatility risk in order to avoid forced selling in weak markets so that the manager can approach the market from a position of strength.

Michael Weaver & Alexandre Karam – Global high-yield bonds

- The portfolio invests primarily in high-yield corporate bonds and focuses on areas of the market where Fidelity's resources have the greatest competitive advantage and can add the most value.
- The managers emphasize sector valuation and individual security selection in constructing portfolios, and focuses on the less efficient, middle-tier section of the high-yield market, while selectively investing in lower-rated issuers.
- The portfolio is designed to be well-diversified across sectors, structure and issuers.
- Gauging default risk is critical to the investment process, given the asymmetric nature of high-yield investing.
- The managers employ a strict focus on controlling overall absolute and relative portfolio volatility, and on understanding all portfolio risk positions in order to minimize volatility.

Adam Kramer – U.S. convertible securities

- The portfolio aims to provide a high total investment return, a steady flow of income and the potential for capital gains.
- The portfolio invests primarily in convertible securities of U.S. issuers, including bonds, preferred stocks and other securities that pay interest or dividends and are convertible into common stock or its equivalent value.
- When buying and selling securities for the portfolio, the manager examines each company's potential for success in light of its current financial condition, its industry position and economic and market conditions.
- Convertible securities are often lower-quality fixed-income securities.
- The majority of convertible issuance comes from small-cap companies, which tend to outperform large caps over the long term.

Timothy Gill, Eric Lindenbaum & Nader Nazmi – Emerging markets debt

- The managers invest in fixed-income securities including government and corporate bonds in emerging markets countries.
- The portfolio holds a diversified exposure to debt issues of different industries and different maturities based on the manager's view of relative value opportunities.
- When buying and selling emerging markets debt securities, the portfolio managers generally analyze the security's structural features, its current price compared to its estimated long-term value and any short-term trading opportunities resulting from market inefficiencies.
- The portfolio managers may also consider the credit, currency and economic risks associated with the fixed-income security and the country of the issuer.

Appendix

The Fidelity Global Monthly Income Benchmark is composed of: 40% MSCI ACWI Index (Net), 31% Bloomberg Global Aggregate Bond Index (CAD), 12% ICE BofA Global High Yield Constrained Index, 7% FTSE EPRA/NAREIT Developed Index (Net), 5% ICE BofA All US Convertibles Index, 5% J.P. Morgan EMBI Global Diversified Index.