



NEWS RELEASE

## Fidelity Launches New Active Equity ETFs

6/4/2020

- Three New Active Equity ETFs Are Available Commission-Free On Fidelity's Industry Leading Retail and Institutional Online Brokerage Platforms

BOSTON, June 4, 2020 -- **Fidelity Investments®** today introduced its first suite of innovative active equity exchange-traded funds (ETFs). The three new ETFs are available commission-free to individual investors and financial advisors through Fidelity's online brokerage platforms. The active equity ETFs are competitively priced with total expense ratios of 0.59% each and will utilize the same portfolio managers and research teams as their like-named mutual funds. Fidelity is one of the industry's largest and most diversified financial services companies and a leading provider of ETFs with more than \$440 billion in ETF client assets.[i]

"With our new active equity ETFs, we are continuing to innovate and offer unmatched overall value to our clients," said Greg Friedman, Fidelity's Head of ETF Management and Strategy. "Our active equity ETFs harness the power of Fidelity's 74-year legacy of active management delivered with the tax efficiency, trading flexibility and potential cost efficiency benefits ETF vehicles offer."

Fidelity's active equity ETFs will employ an innovative tracking basket methodology, which maintains the benefits of the ETF structure, provides information to market participants to promote efficient trading of shares, and preserves the ability to add value through active management.

For more information about active equity ETFs and the tracking basket, Fidelity has created the following videos:

**What are Active Equity ETFs?**

**How do Fidelity Active ETFs Work?**

Fidelity has also published a Fidelity Viewpoints® article, "**Are active ETFs right for you?**"

The active equity ETFs began trading today on the CBOE BZX Exchange, Inc. Each ETF will have an investment

objective to seek long-term growth of capital.

In addition to the three actively-managed equity ETFs, Fidelity's ETF line-up includes three actively-managed **bond ETFs**, 14 **factor ETFs**, 11 passive equity **sector ETFs** and Fidelity **ONEQ**, all competitively priced and available for purchase commission-free on Fidelity's ETF platform. Fidelity's platform offers individual investors and advisors access to more than 2,000 ETFs, commission-free.

FIDELITY'S NEW ACTIVE EQUITY  
ETFs: PRINCIPAL INVESTMENT  
STRATEGIES

- **Fidelity Blue Chip Growth ETF (FBCG)**<sup>1</sup> will normally invest primarily in equity securities of companies that the Adviser believes have above-average growth potential (stocks of these companies are often called "growth" stocks). The Adviser normally invests at least 80% of the fund's assets in blue chip companies (companies that, in FMR's view, are well-known, well-established and well-capitalized), which generally have large or medium market capitalizations.
- **Fidelity Blue Chip Value ETF (FBCV)**<sup>1</sup> will normally invest primarily in equity securities of companies that the Adviser believes are undervalued in the marketplace in relation to factors such as assets, sales, earnings, growth potential, or cash flow, or in relation to securities of other companies in the same industry (stocks of these companies are often called "value" stocks). The Adviser normally invests at least 80% of the fund's assets in blue chip companies (companies that, in FMR's view, are well-known, well-established and well-capitalized), which generally have large or medium market capitalizations.
- **Fidelity New Millennium ETF (FMIL)**<sup>1</sup> will normally invest primarily in equity securities that are either "growth" stocks or "value" stocks, or a combination of both types. The Adviser will seek to identify early signs of long-term changes in the marketplace and to focus on those companies that may benefit from opportunities created by these changes and will favor companies that show potential for stronger-than-expected earnings or growth and industries that are undervalued or out-of-favor. The fund's strategy can lead to investments in small and medium-sized companies.

<sup>1</sup> These ETFs are different from traditional ETFs.

Traditional ETFs tell the public what assets they hold each day. These ETFs will not. This may create additional risks for your investment. For example:

- You may have to pay more money to trade the ETF's shares. This ETF will provide less information to traders, who tend to charge more for trades when they have less information.



- The price you pay to buy ETF shares on an exchange may not match the value of the ETF's portfolio. The same is true when you sell shares. These price differences may be greater for this ETF compared to other ETFs because it provides less information to traders.
- These additional risks may be even greater in bad or uncertain market conditions.
- The ETF will publish on Fidelity.com and i.Fidelity.com a "Tracking Basket" designed to help trading in shares of the ETF. While the Tracking Basket includes some of the ETF's holdings, it is not the ETF's actual portfolio.

The differences between this ETF and other ETFs may also have advantages. By keeping certain information about the ETF secret, this ETF may face less risk that other traders can predict or copy its investment strategy. This may improve the ETF's performance. If other traders are able to copy or predict the ETF's investment strategy, however, this may hurt the ETF's performance. For additional information regarding the unique attributes and risks of these ETFs, see disclosures below.

## ABOUT FIDELITY INVESTMENTS

Fidelity's mission is to inspire better futures and deliver better outcomes for the customers and businesses we serve. With assets under administration of \$7.9 trillion, including discretionary assets of \$3.1 trillion as of April 30, 2020, we focus on meeting the unique needs of a diverse set of customers: helping more than 32 million people invest their own life savings, 22,000 businesses manage employee benefit programs, as well as providing more than 13,500 financial advisory firms with investment and technology solutions to invest their own clients' money. Privately held for more than 70 years, Fidelity employs more than 40,000 associates who are focused on the long-term success of our customers. For more information about Fidelity Investments, visit <https://www.fidelity.com/about-fidelity/our-company>.

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Free commission offer applies to online purchases of Fidelity ETFs in a Fidelity retail account. The sale of ETFs is subject to an activity assessment fee (from \$0.01 to \$0.03 per \$1,000 of principal).

ETFs are subject to market fluctuation and the risks of their underlying investments. ETFs have management fees and other expenses. Unlike mutual funds, ETF shares are bought and sold at market price, which may be higher or lower than their NAV, and are not individually redeemed from the fund.

The objective of the actively managed ETF Tracking Basket is to construct a portfolio of stocks and representative index ETFs that tracks the daily performance of an actively managed ETF without exposing current holdings, trading activities, or internal equity research. The Tracking Basket is designed to conceal any nonpublic information about

the underlying portfolio and only uses the Fund's latest publicly disclosed holdings, representative ETFs, and the publicly known daily performance in its construction. You can gain access to the Tracking Basket and the Tracking Basket Weight overlap on Fidelity.com or i.Fidelity.com.

Although the Tracking Basket is intended to provide investors with enough information to allow for an effective arbitrage mechanism that will keep the market price of the Fund at or close to the underlying NAV per share of the Fund, there is a risk (which may increase during periods of market disruption or volatility) that market prices will vary significantly from the underlying NAV of the Fund; ETFs trading on the basis of a published Tracking Basket may trade at a wider bid/ask spread than ETFs that publish their portfolios on a daily basis, especially during periods of market disruption or volatility, and, therefore, may cost investors more to trade, and although the Fund seeks to benefit from keeping its portfolio information secret, market participants may attempt to use the Tracking Basket to identify a Fund's trading strategy, which, if successful, could result in such market participants engaging in certain predatory trading practices that may have the potential to harm the Fund and its shareholders.

Because shares are traded in the secondary market, a broker may charge a commission to execute a transaction in shares, and an investor may incur the cost of the spread between the price at which a dealer will buy shares and the price at which a dealer will sell shares.

Keep in mind, investing involves risk. The value of your investment will fluctuate over time, and you may gain or lose money.

Past performance is no guarantee of future results.

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 US equity performance.

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.

Value stocks can perform differently from other types of stocks, and can continue to be undervalued by the market for long periods of time.

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Before investing, consider the exchange traded funds' investment objectives, risks, charges, and expenses. Contact Fidelity for a prospectus or, if available, a summary prospectus containing this information. Read it carefully.

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[i] Fidelity Investments, March 31, 2020. Based on number of ETFs, AUM, AUA, and market share.

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