



NEWS RELEASE

Fidelity® Expands Active ETF Lineup with Launch of Two Active Bond ETFs

3/4/2021

- Fidelity Introduces Fidelity Investment Grade Bond ETF and Fidelity Investment Grade Securitized ETF

- Company Now Manages 39 ETFs With More Than \$25 Billion in Assets

BOSTON--(BUSINESS WIRE)-- **Fidelity Investments®** today announced the launch of two new active bond exchange-traded funds (ETFs) -- Fidelity Investment Grade Bond ETF (**FIGB**) and Fidelity Investment Grade Securitized ETF (**FSEC**). Both funds are available commission-free for individual investors and financial advisors through Fidelity's online brokerage platforms. The new actively-managed bond ETFs are competitively priced with total expense ratios of 0.36%. With this launch, Fidelity now manages 39 ETFs with more than \$25 billion in assetsii.

"We've seen strong growth in our actively-managed ETF lineup and we're excited to offer even more choices while delivering excellent value to financial advisors and individual investors," said Greg Friedman, Fidelity's Head of ETF Management and Strategy. "The launch of Fidelity Investment Grade Bond ETF and Fidelity Investment Grade Securitized ETF adds to our robust lineup of bond ETFs across duration and credit spectrums, utilizing Fidelity's extensive active management capabilities."

Fidelity Investment Grade Bond ETF and Fidelity Investment Grade Securitized ETF will utilize the same portfolio managers and research teams as their like-named mutual fundsiii. The active bond ETFs began trading today on NYSE Arca, Inc. In addition to today's launch of **FIGB** and **FSEC**, Fidelity's suite of active bond ETFs includes Fidelity Total Bond ETF (**FBND**), Fidelity Limited Term Bond ETF (**FLT**B), and Fidelity Corporate Bond ETF (**FCOR**). Fidelity also offers two factor bond ETFs, Fidelity High Yield Factor ETF (**FDHY**) and Fidelity Low Duration Bond Factor ETF (**FLDR**).

Fidelity's New Active Bond ETFs: Principal Investment Strategies

- Fidelity Investment Grade Bond ETF (**FIGB**) seeks to provide a high level of current income by normally

investing at least 80% of assets in investment-grade debt securities (those of medium and high quality) of all types and repurchase agreements for those securities.

- Fidelity Investment Grade Securitized ETF (FSEC) seeks to provide a high level of current income by normally investing at least 80% of assets in investment-grade securitized debt securities (those of medium and high quality) and repurchase agreements for those securities.

Fidelity's Growing ETF Lineup

As a leading provider of ETFs, Fidelity's platform offers individual investors and advisors access to more than 2,000 ETFs, commission-free, with more than \$679 billion in ETF client assets. As part of its overall ETF offering, Fidelity manages 39 ETFs, including seven actively-managed **equity ETFs**, five actively-managed **bond ETFs**, 15 **factor ETFs**, 11 passive equity **sector ETFs** and Fidelity **ONEQ**. Fidelity offers educational resources to help investors review ETF investing ideas, decide which types of ETFs may fit their investing needs, or browse ETFs with Fidelity's powerful screener: <https://www.fidelity.com/etfs/investing-in-etfs>.

Today's announcement comes on the heels of the February 4, 2021 launch of four new active equity ETFs using Fidelity's innovative proprietary structure: Fidelity Growth Opportunities ETF (**FGRO**)¹; Fidelity Magellan ETF (**FMAG**)¹; Fidelity Real Estate Investment ETF (**FPRO**)¹; and Fidelity Small-Mid Cap Opportunities ETF (**FSMO**)¹.

¹ 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 shares of these ETFs. These ETFs 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 each ETF's portfolio. The same is true when you sell shares. These price differences may be greater for these ETFs compared to other ETFs because they provide less information to traders.
- These additional risks may be even greater in bad or uncertain market conditions.
- Each ETF will publish on [Fidelity.com](https://www.fidelity.com) and [i.Fidelity.com](https://www.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 these ETFs and other ETFs may also have some advantages. By keeping certain information about the ETFs secret, they may face less risk that other traders can predict or copy their investment strategy. This may improve the ETFs' performance. However, if the investment strategy can be predicted or copied, this may hurt the ETFs' performance. For additional information regarding the unique attributes and risks of these ETFs, see each ETF's prospectus.

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 \$9.9 trillion, including discretionary assets of \$3.8 trillion as of January 31, 2021, we focus on meeting the unique needs of a diverse set of customers: helping more than 35 million people invest their own life savings, 22,000 businesses manage employee benefit programs, as well as providing more than 13,500 institutions with investment and technology solutions to invest their own clients' money. Privately held for more than 70 years, Fidelity employs more than 47,000 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>.

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.

Exchange-traded products (ETPs) are subject to market volatility and the risks of their underlying securities, which may include the risks associated with investing in smaller companies, foreign securities, commodities, and fixed income investments. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets. ETPs that target a small universe of securities, such as a specific region or market sector, are generally subject to greater market volatility, as well as to the specific risks associated with that sector, region, or other focus. ETPs that use derivatives, leverage, or complex investment strategies are subject to additional risks. The return of an index ETP is usually different from that of the index it tracks because of fees, expenses, and tracking error. An ETP may trade at a premium or discount to its net asset value (NAV) (or indicative value in the case of exchange-traded notes). The degree of liquidity can vary significantly from one ETP to another and losses may be magnified if no liquid market exists for the ETP's shares when attempting to sell them. Each ETP has a unique risk profile, detailed in its prospectus, offering circular, or similar material, which should be considered carefully when making investment decisions.

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](https://www.fidelity.com) or [i.Fidelity.com](https://www.ifidelity.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.

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 risk, liquidity risk, call risk and credit and default risks for both issuers and counterparties. Lower-quality fixed income securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. Foreign investments involve greater risks than U.S. investments, and can decline significantly in response to adverse issuer, political, regulatory, market, and economic risks. Any fixed-income security sold or redeemed prior to maturity may be subject to loss.

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

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.

Changes in real estate values or economic conditions can have a positive or negative effect on issuers in the real estate industry.

Investments in smaller companies may involve greater risks than those in larger, more well known companies.

Fidelity, Fidelity Investments, Fidelity Investments and the pyramid logo are registered service marks of FMR LLC.

The third party trademarks appearing herein are the property of their respective owners.

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.

Fidelity Brokerage Services LLC, Member NYSE, SIPC, 900 Salem Street, Smithfield, RI 02917

National Financial Services LLC, Member NYSE, SIPC, 200 Seaport Boulevard, Boston, MA 02110

Fidelity Distributors Company LLC, 500 Salem Street, Smithfield, RI 02917

Clearing, custody or other brokerage services may be provided by National Financial Services LLC, or Fidelity Brokerage Services LLC. Members NYSE, **SIPC**, 200 Seaport Blvd, Boston, MA 02210

969923.1.0

© 2021 FMR LLC. All rights reserved.

i Fidelity Investments, as of February 26, 2021

ii Ibid

iii Fidelity® Series Investment Grade Securitized Fund (FHPFX) is a Fidelity Series mutual fund, which is available only to certain other Fidelity® funds and Fidelity managed 529 plans.

iv Fidelity Investments, as of January 31, 2021. Based on number of ETFs, AUM, AUA, and market share.

View source version on **businesswire.com**: <https://www.businesswire.com/news/home/20210304005127/en/>

Corporate Communications

(617) 563-5800

fidelitycorporateaffairs@fmr.com

Caroline St. Angelo

(401) 292-3235

caroline.st.angelo@fmr.com

Follow us on Twitter **@FidelityNews**

Visit **About Fidelity** and our online **newsroom**

Source: Fidelity Investments