



NEWS RELEASE

Fidelity® Expands ETF Suite With Launch of Fidelity Preferred Securities & Income ETF

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BOSTON--(BUSINESS WIRE)-- Fidelity Investments® today announced the launch of a new active fixed income exchange-traded fund (ETF), Fidelity Preferred Securities & Income ETF, which is available for individual investors and financial advisors to purchase commission-free through Fidelity's online brokerage platforms. Fidelity Preferred Securities & Income ETF (FPFD) is competitively priced with a total expense ratio of 0.59%. With this launch, Fidelity now manages 42 ETFs with more than \$29 billion in assets.

"Investors continue to look for a range of fixed income solutions across duration and credit spectrums, and we remain committed to using our significant global investment management capabilities and scale to offer choice and value in this space," said Greg Friedman, Fidelity's Head of ETF Management and Strategy.

The ETF is Fidelity's first stand-alone preferred securities product and is managed by Fidelity veterans Adam Kramer and Brian Chang, leveraging their combined 15 years of experience managing preferred securities within several multi-asset class strategies. The portfolio managers rely primarily on fundamental research to identify preferred securities that may offer the best return potential within the portfolio's investable universe. The team will also utilize Fidelity's High Income and Alternatives Research Team. Preferred securities may offer attractive yields versus investment grade bonds or common stocks with steady total performance.

Fidelity Preferred Securities & Income ETF began trading today on Cboe BZX Exchange, Inc. In addition to today's launch, Fidelity's suite of active fixed income ETFs includes Fidelity Total Bond ETF (FBND), Fidelity Limited Term Bond ETF (FLT B), Fidelity Corporate Bond ETF (FCOR), Fidelity Investment Grade Bond ETF (FIGB) and Fidelity Investment Grade Securitized ETF (FSEC). Fidelity also offers two factor bond ETFs, Fidelity High Yield Factor ETF (FDHY) and Fidelity Low Duration Bond Factor ETF (FLDR).

Fidelity Preferred Securities & Income ETF: Principal Investment Strategy

Fidelity Preferred Securities & Income ETF seeks high total return through a combination of current income and capital appreciation. The Adviser normally invests at least 80% of the fund's assets in preferred securities and other income-producing 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 \$778 billion in ETF client assetsⁱⁱ. As part of its overall ETF offering, **Fidelity manages 42 ETFs**, including nine actively managed equity ETFs, six actively managed fixed income 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>.

Yesterday, Fidelity also announced the launch of **two new sustainable investing ETFs** using Fidelity's proprietary active equity ETF structure: Fidelity Sustainability U.S. Equity ETF (**FSST**)¹ and Fidelity Women's Leadership ETF (**FDWM**)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 ETF's shares. 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 the 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. The ETFs will publish on its website each day a "Tracking Basket" designed to help trading in shares of the ETFs. 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 advantages. By keeping certain information about the ETFs secret, these ETFs 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 section 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 \$10.8 trillion, including discretionary assets of \$4.1 trillion as of May 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 wealth management firms and institutions with investment and technology solutions to drive growth. Privately held for 75 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>.

Additional information for Active Equity ETFs: 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.

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.

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.

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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 Assets under management as of June 11, 2021

ii Fidelity Investments, as of April 30, 2021. Based on number of ETFs, AUM, AUA, and market share.

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