



NEWS RELEASE

## Fidelity® Expands Its Model Portfolios Lineup to Help Advisors Meet a Wider Range of Client Needs

7/14/2021

Fidelity Target Allocation (Class I) Model Portfolios Collectively Outperformed an Average of 88% of Peers as of May 2021\*

BOSTON--(BUSINESS WIRE)-- **Fidelity Institutional**<sup>SM</sup> today announced four new target allocation mixes in its Fidelity Target Allocation, Fidelity Target Allocation Blended and Fidelity Target Allocation Index-Focused Model Portfolio lineups, including equity and fixed income mixes of 10/90, 30/70, 50/50 and 100/0i. The expansion gives advisors the ability to address a wider range of investor risk profiles and adds to Fidelity's already diverse offering of business cycle, income, equity and bond models, giving advisors even more ways to use models to meet their practices' needs as the use of model portfolios continues to grow.

Since their launch three years ago, the Fidelity Target Allocation (Class I) Model Portfolios have collectively outperformed an average of 88% of peers, as of May 31, 2021. The three-year net return of the Fidelity Target Allocation 60/40 (I) Model – the most widely-used model in Fidelity's lineup – was 12.19%, outperforming 95% of peers as of May 31, 2021.

"The consistent performance of our models shows that we're achieving the primary goal we've had since launch – helping advisors manage investments more efficiently so they can spend more time on their client relationships and helping clients achieve long-term goals," said Matt Goulet, senior vice president for portfolio solutions at Fidelity Institutional. "As the marketplace continues to evolve, we're leveraging Fidelity's investment experience, deep understanding of advisor needs, robust technology platforms, and relationships with other industry leaders to enhance the advisor experience and empower them to better serve clients through diversified offerings, flexibility and customization."

Advisors can access Fidelity's broad range of model portfolios across more than 20 platforms, making it easy for

them to leverage the models wherever they do business. Direct integration with a growing number of third-party platforms, such as Envestnet, Orion, 55ip and more, delivers flexibility to advisors and enables them to maximize the value of their platforms' functionality, as well as to work more seamlessly across platforms. Fidelity Model Portfolios are also available through Fidelity platforms including the managed account platform FMAX, and integrated into the Wealhscape<sup>SM</sup> Modeling & Rebalancing tool, making it simpler for advisors to view, customize and allocate to the portfolios.

### **Customized Models Further Help Clients Deliver on Investors' Unique Needs**

In 2020, Fidelity began rolling out customized model portfolios at both the advisor and firm levels. These customizations can include vehicle replacements (e.g., ETF or mutual fund), preferences for certain managers, custom risk profiles and more.

"Customized model portfolios help us further differentiate our firm and meet a wide range of client needs more efficiently, so that our advisors have more time to focus on helping clients work towards their goals and plan for the future," said James M. Beale, head of Managed Solutions & Capital Markets at Rockefeller Capital Managementiii.

### **Fidelity Will Continue to Evolve Its Model Portfolios Offering**

As part of its continued commitment to meeting client needs, Fidelity will continue to enhance its model manufacturing capabilities to streamline advisors' ability to accommodate a range of investors. This includes exploring ESG and tax-aware capabilities, as well as continuing to make it easier for advisors to leverage Fidelity Model Portfolios as building blocks within a larger UMA (Unified Managed Account).

More than 7,000 wealth management advisors are now subscribed to Fidelity Model Portfolio updates. Subscribers receive periodic updates on model reallocation rationales, market and model performance commentaries, and investing insights from Fidelity. Advisors can also access marketing collateral on the models that they can easily share with clients, helping them explain the value of models and where they fit into a client's overall portfolio.

Fidelity Model Portfolios are available to advisors at broker-dealers, registered investment advisors, banks and insurance companies. For more information, please visit [go.fidelity.com/models](https://go.fidelity.com/models).

### **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>.

1 Past performance is no guarantee of future results. The % of Peers Beaten is an average for the aggregate of the 5 Fidelity Target Allocation (I) Model Portfolios. See Disclosure section for important details and individual Target Allocation portfolio rankings.

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\*Source: Morningstar Direct. Since Fidelity Target Allocation models launched in June 2018 they have outperformed, on average, 88% of peers as defined by their respective Morningstar Model Categories. Fidelity has not verified and cannot verify the accuracy of information from outside sources, which are self-reported by participating investment managers. Rankings data of the Fidelity Target Allocation Model Portfolios for the time period shown were retrieved on 06/24/2021 and reflect all model peers with reported performance for the dates used, 06/01/2018 - 05/31/2021. The universe that the products are shown against is defined by Morningstar. The % of Peers beaten over the stated time frame is based on the percentile rank against each model peer group, displayed as the % of peers beaten for the Fidelity Target Allocation (I) Model Portfolios and stated as a collective average. Number of models per category listed in the chart. Past performance is no guarantee of future results. Multiple share classes of a fund have a common portfolio but impose different expense structures.

Group/Investment	3 Year (Since Inception)				1 Year			
	Inv. Ranked	Avail Universe <sup>2</sup>	% Reported	% Peers Beaten	Inv. Ranked	Avail Universe <sup>1</sup>	% Reported	% Peers Beaten
US Model Allocation--15% to 30% Equity	102	134	76%		164	206	80%	
Fidelity Target Allocation 20/80 (I)				70%				21%
US Model Allocation--30% to 50% Equity	147	189	78%		201	262	77%	
Fidelity Target Allocation 40/60 (I)				94%				35%
US Model Allocation--50% to 70% Equity	164	218	75%		216	289	75%	
Fidelity Target Allocation 60/40 (I)				95%				27%
US Model Allocation--70% to 85% Equity	116	147	79%		165	209	79%	
Fidelity Target Allocation 70/30 (I)				89%				9%
US Model Allocation--85%+ Equity	77	107	72%		121	164	74%	
Fidelity Target Allocation 85/15 (I)				93%				11%
Total	606	795	76%	88% <sup>3</sup>	867	1,130	77%	21% <sup>3</sup>

1 The available universe is based on the number of Model Portfolios that have an inception date prior to

06/01/2020. For each category, any models that have not historically reported any performance data have been removed from the “Available Universe” figure.

2 The available universe is based on the number of Model Portfolios that have an inception date equal to or earlier than the Fidelity Target Allocation (I) model portfolios, as of 06/01/2018. For each category, any models that have not historically reported any performance data have been removed from the “Available Universe” figure.

3 The % of Peers Beaten for the “Total” is an average for the aggregate of the 5 Fidelity Target Allocation (I) Model Portfolios.

**As of 3/31/21: Fidelity Target Allocation 60/40 (I) Model**

Cumulative Returns (%)		Average Annual Total Returns (%)			
3-Month	YTD	1-Year	3-Year	5-Year	Life <sup>^</sup>
1.69	1.69	33.67	—	—	11.46

<sup>^</sup>Since model portfolio inception, 6/1/18.

Past performance is no guarantee of future results. The Models’ allocations and data are subject to change. Investment return and principal value of an investment will fluctuate, resulting in a gain or loss upon liquidation of shares. The model returns above are the aggregated total returns of the underlying mutual funds based on each model’s attributed weighting, and reflect performance achieved by a Fidelity Institutional Wealth Adviser LLC (“FIWA”) affiliate who has invested proprietary capital in the amount of \$2,000 into each of these portfolios. The model returns include quarterly rebalancing. Total returns are historical and include changes in share price and reinvestment of dividends and capital gains, if any. Investment in model portfolios through a financial advisor or other party will differ due to fees and expenses (platform and/or advisory) not reflected here, timing of deposits and withdrawals, market movements between model reallocation and when the model is purchased, and the decision on whether or not to reinvest dividends, interest, or capital gains payments.

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i Allocation of Fidelity Target Allocation 10/90 is 10% equity/90% fixed income; allocation of Fidelity Target Allocation 30/70 is 30% equity/70% fixed income; allocation of Fidelity Target Allocation 50/50 is 50% equity/50% fixed income;

and allocation of Fidelity Target Allocation 100/0 is 100% equity/0% fixed income.

ii Source: Aite “At Your Discretion: The Increasing Adoption of Model Portfolios” Report; May 2021

iii The experience of this client may not be representative of the experiences of all clients and is not indicative of future success.

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