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## **FIDELITY INTRODUCES RETIREMENT INCOME SOLUTIONS FOR EMPLOYEES WHO KEEP SAVINGS IN EMPLOYER'S WORKPLACE PLAN DURING RETIREMENT**

- *Employees Are Increasingly Viewing their Workplace Plan as a Safe Place for Retirement Savings*
- *Research<sup>1</sup> Indicates 56% of Employers Now Prefer Employees to Leave Some or All of Their Savings in the Company's Retirement Plan*
  - *New Solutions Combines Online Tools, Mutual Funds and Cash Withdrawal Strategy*

BOSTON, October 31, 2019 -- Fidelity Investments®, one of the largest and most diversified financial companies, today announced innovative new Retirement Income Solutions for the growing population of individuals who choose to keep their savings in a previous employer's retirement plan (e.g., 401(k) or 403(b)). With more than half (55%) of retirees<sup>2</sup> on Fidelity's platform keeping their savings in a plan past the first year of retirement, Fidelity's first in-plan retirement solution is designed to be part of an employer's retirement lineup and combines digital tools, mutual funds and a cash withdrawal strategy to help workers transition retirement savings into a durable income stream.

There are a variety of factors driving this increased focus on retirement income among employers, including a shift in traditional industry practices. First, employers<sup>1</sup> are increasingly comfortable having workers keep their savings within the company's savings plan when they retire, meaning more employers now feel a greater responsibility to provide tools and resources to help employees successfully transition into retirement. In addition, employers realize that offering a comprehensive in-plan retirement income solution can improve their overall benefits package as well as help meet fiduciary obligations. Lastly, employers are leveraging the larger asset sizes to more effectively manage the costs of their retirement plans. Typically, this also means lower expenses for workers.

"As an industry, we've been very good at helping individuals save for retirement, but more emphasis needs to be made on helping them understand how to draw down their savings once they enter retirement," said Sangeeta Moorjani, Head of the Employer Experience & Retirement Solutions at Fidelity Investments.

“People work hard every day to save enough to enjoy retirement and, as a result, transitioning into retirement can often be stressful. Fidelity’s new retirement income solution taps into a shift in the marketplace -- the growing trend of employees’ preference to leave savings in their former employer’s plan and employers feeling more comfortable having them leave it there,” continued Moorjani.

### **Complete Package of Digital Tools, Withdrawal Strategies and Investment Options**

Fidelity’s new Retirement Income Solutions designed to help all employees, regardless of their level of savings, and includes three core components: a digital end-user experience, a customizable cash flow withdrawal strategy, and a suite of dedicated retirement income funds, all of which seamlessly integrate into a company’s workplace savings platform.

1. **Digital experience and tools** provide individuals with a platform to evaluate and compare various withdrawal strategies and select the option that best suits their needs. The experience is part of Fidelity’s broader approach to engage employees throughout the entire savings and retirement journey, providing the data and information needed to help make the best decisions with their savings.
2. **Fidelity Managed Retirement Funds** are a set of mutual funds designed to be part of an employer’s 401(k) or 403(b) plan fund line-up for retirees. The funds, which provide an age-appropriate asset allocation mix that becomes more conservative over time, are designed to complement a withdrawal and payment process that help to deliver a sustainable income stream in retirement.
3. **The Fidelity Managed Cash Flow withdrawal strategy** is designed to complement the Fidelity Managed Retirement Funds, as well as model various systematic withdrawal payment options, and aims to provide a steady income payment strategy for individuals while maintaining a balance throughout their retirement. Payout rates increase over time and are updated annually.

The Fidelity Managed Retirement Funds are designed to be part of an employer’s retirement plan fund line-up and used by investors at or nearing retirement who plan on withdrawing money from their retirement savings. The funds, which leverage the expertise of Fidelity’s target date investment team, are designed to deliver an age-appropriate asset allocation that evolves over time which is comprised of a diversified mix of underlying equity, fixed income, and short-term strategies.

“We believe that our edge in constructing and managing retirement income portfolios comes from our experience in implementing our investment principles and process. We apply our unique insights and research on capital markets, our understanding of clients’ financial needs, and portfolio diversification to navigate the different types of uncertainty that investors may face over the course of their retirement” said Andrew Dierdorf, co-portfolio manager for Fidelity’s target date strategies, including the Fidelity Managed Retirement Funds.

Fidelity currently offers seven Managed Retirement Funds allowing investors to select a fund that aligns with their birth year. Funds are designed for investors age 60 and older who turned (or will turn) age 70 in or within a few years of the applicable fund’s horizon date – for example, an investor born in 1945 would likely select Fidelity’s Managed Retirement 2015 Fund.

Following is an overview of the current<sup>3</sup> fund line-up:

Birth Year	Fund Name	Retail <sup>1/</sup>		K <sup>2/</sup>		KG <sup>3/</sup>		Advisor A <sup>4/</sup>		Advisor I <sup>4/</sup>		Advisor ZG <sup>3/</sup>	
		Ticker	Expense Ratio	Ticker	Expense Ratio	Ticker	Expense Ratio	Ticker	Expense Ratio	Ticker	Expense Ratio	Ticker	Expense Ratio
Before 1933	Managed Retirement Income Fund	FIRMX	0.45%	FRKMX	0.35%	FRHMX	0.25%	FRAMX	0.70%	FRIMX	0.45%	FRYMX	0.25%
1933–1937	Managed Retirement 2005 Fund	FIROX	0.45%	FKIOX	0.35%	FIOGX	0.25%	FIOAX	0.70%	FIOIX	0.45%	FIOYX	0.25%
1938–1942	Managed Retirement 2010 Fund	FIRQX	0.46%	FRQKX	0.36%	FRQHX	0.26%	FRQAX	0.71%	FRQIX	0.46%	FRQYX	0.26%
1943–1947	Managed Retirement 2015 Fund	FIRSX	0.47%	FKRSX	0.37%	FJRSX	0.27%	FARSX	0.72%	FRASX	0.47%	FYRSX	0.27%
1948–1952	Managed Retirement 2020 Fund	FIRVX	0.47%	FKRVX	0.37%	FHRVX	0.27%	FARVX	0.72%	FIIVX	0.47%	FYRVC	0.27%
1953–1957	Managed Retirement 2025 Fund	FIXRX	0.48%	FKRFX	0.38%	FHRFX	0.28%	FARFX	0.73%	FIRFX	0.48%	FYRFX	0.28%
1958–1962	Managed Retirement 2030 Fund	FMRAX	0.48%	FMREX	0.38%	FMRFX	0.28%	FMRBX	0.73%	FMRDX	0.48%	FMRGX	0.28%

The Fidelity Managed Retirement Funds are available now, while the digital experience (which includes the online planning tool) will be available in early 2020. Fidelity Managed Cash Flow and the digital experience are available at no extra cost to Fidelity 401(k) and 403(b) clients, while there are expenses associated with the Fidelity Managed Retirement Funds.

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### **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 \$7.8 trillion, including managed assets of \$2.8 trillion as of September 30, 2019, we focus on meeting the unique needs of a diverse set of customers: helping more than 30 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>.

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The investment risk of each Fidelity Managed Retirement Fund changes over time as its asset allocation changes. These risks are subject to the asset allocation decisions of the Investment Adviser. Pursuant to the Adviser's ability to use an active asset allocation strategy, investors may be subject to a different risk profile compared to the fund's neutral asset allocation strategy shown in its glide path. The funds are subject to the volatility of the financial markets, including that of equity and fixed income investments in the U.S. and abroad, and may be subject to risks associated with investing in high-yield, small-cap, commodity-linked, and foreign securities. Leverage can increase market exposure, magnify investment risks, and cause losses to be realized more quickly. No Managed Retirement Fund is considered a complete retirement program and there is no guarantee any single fund will provide sufficient retirement income at or through retirement.

Principal invested is not guaranteed at any time, including at or after the funds' target dates. The fund is designed primarily for investors who seek to convert accumulated assets into regular withdrawals over time.

Diversification does not ensure a profit or guarantee against a loss.

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

*Fidelity Launches Retirement Income Solution / 4*

**Before investing, consider the 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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<sup>1</sup> Fidelity Investments, Design Plan PlanSponsor Survey, May 2017.

<sup>2</sup> Fidelity Investments; stay-in-plan rates as of December 2018.

<sup>3</sup> Source: FMR Co., as of September 30, 2019.