



Media Advisory- March 4, 2023

Fidelity Expands Capabilities to Support Financial Advisors' Adoption of Alternative Investments

New Proprietary Alternatives Investment Research Available to Wealth Management Firms

Recent Fidelity surveys on advisors' allocation to alternative investments ("alts") found that investment manager research and due diligence are key hinderances to advisors' adoption of alts products (26% have exposure, compared to 86% of institutional investors*). To support advisors with the tools they are looking for to navigate the alts space, Fidelity is making significant enhancements in two key areas: launching a proprietary research portal of third-party alts strategies and expanding its thought leadership library focused on customer exposure to alts.

At a time when alts strategies are rapidly evolving, advisors are looking for additional resources to evaluate these investment opportunities. Fidelity's surveys found that:

- More than half of advisors (54%) indicate **investment manager research as the most important attribute to begin or expand usage** of alts.**
- More than half of advisors cite **due diligence of underlying strategies and managers as barriers** when investing in intermittent liquidity (53%) and illiquid (55%) alts.***
- More than half of advisors indicate **communicating the strategy to clients as a barrier** when investing in alts.***

"Alternative investments are becoming more widely accessible, but many advisors lack the resources to determine how to incorporate them in their portfolios," said Darby Nielson, chief investment officer within the Fidelity Institutional group. "Fidelity is committed to providing advisors with the tools and resources they need to make informed decisions and excel in the alts space, helping investors reach their financial goals."

Fidelity Launches Proprietary Alts Research for Advisors

Fidelity is broadening its existing research offering to include research notes on third-party registered alternative investment strategies. This research is exclusively available to clients via WealthscapeSM, Fidelity's platform for advisors. Advisors can now navigate the new alts investment research portal seamlessly and review research on various private credit, private real assets, and private equity funds to evaluate and compare a wide range of alts investment strategies.

Fidelity leverages a consistent and repeatable research process to assess investment products including evaluating the people, investment process, strategy alignment, track record, investment terms, and overall governance.

Fidelity Expands Alts Thought Leadership Suite

Fidelity is also expanding its library of alts thought leadership and insights for wealth management firms with the release of [Evaluating Alternative Investment Strategies](#). This is the latest white paper in its series of alts-focused content that discusses the manager due diligence process for alternative investments, highlighting how it differs from evaluating traditional

strategies. This paper is available on clearingcustody.fidelity.com/app/item/RD_9906746.html, alongside Fidelity's comprehensive library of alternative investments thought leadership including [Considerations When Implementing Alternative Investments in Multi-Asset Class Portfolios](#) and [Embracing Investment Evolution](#). To hear more from Darby Nielson around options advisors may consider when allocating alts in their portfolios, visit institutional.fidelity.com/app/item/RD_9902269.html

Alternative Investments at Fidelity

Fidelity, through its asset management divisions, offers a range of alternative investment strategies to investors including private equity, private credit, real assets, liquid alternatives, and digital assets. In the past year, Fidelity launched its first interval fund, Fidelity Multi-Strategy Credit Fund, as well as its first business development company (BDC). In 2022, Fidelity launched Fidelity Hedged Equity Fund (FEQHX), Fidelity Macro Opportunities Fund (FAQAX) and Fidelity Risk Parity Fund (FAPSX), three liquid alts mutual funds available for individual investors and advisors to purchase commission-free through Fidelity's online brokerage platforms.

Fidelity, through its Fidelity Institutional Wealth Management Services division, is also a leading provider of custodial services of more than 5,000 alternative products to its institutional, and intermediary clients. With more than \$70 billion in alternative investment assets under administration, Fidelity is well positioned across the industry with investment capabilities to conduct research and publish thought leadership. Fidelity's comprehensive capabilities also include [integrations with CAIS and iCapital](#), platforms dedicated to access, education, and execution of alts, to enable advisors to make the best possible judgement on alts investment strategies.

About Fidelity Investments

Fidelity's mission is to strengthen the financial well-being of our customers and deliver better outcomes for the clients and businesses we serve. Fidelity's strength comes from the scale of our diversified, market-leading financial services businesses that serve individuals, families, employers, wealth management firms, and institutions. With assets under administration of \$12.6 trillion, including discretionary assets of \$4.9 trillion as of December 31, 2023, we focus on meeting the unique needs of a broad and growing customer base. Privately held for 77 years, Fidelity employs more than 74,000 associates across the United States, Ireland, and India. For more information about Fidelity Investments, visit <https://www.fidelity.com/about-fidelity/our-company>.

* Fidelity Study of Allocations to Alternative Investments by Institutions and Financial Advisors, 6/23/2023.

** Fidelity Strategic Research & Insights, Alternative Investment Survey. Responses collected from 204 respondents between 4/8/21 and 4/30/21.

*** Fidelity Institutional Market & Competitive Intelligence, Alternative Investment Survey. Responses collected from 489 respondents between 10/09/2023 and 10/18/2023.

###

Information provided in, and presentation of, this document are for informational and educational purposes only and are not a recommendation to take any particular action, or any

action at all, nor an offer or solicitation to buy or sell any securities or services presented. It is not investment advice. Fidelity does not provide legal or tax advice.

Before making any investment decisions, you should consult with your own professional advisers and take into account all of the particular facts and circumstances of your individual situation. Fidelity and its representatives may have a conflict of interest in the products or services mentioned in these materials because they have a financial interest in them, and receive compensation, directly or indirectly, in connection with the management, distribution, and /or servicing of these products or services, including Fidelity funds, certain third-party funds and products, and certain investment services.

Commodity interest trading involves substantial risk of loss. Past performance is not indicative of future results.

Alternative investment strategies may not be suitable for all investors and are not intended to be a complete investment program. Alternatives may be relatively illiquid; it may be difficult to determine the current market value of the asset; and there may be limited historical risk and return data. Costs of purchase and sale may be relatively high. A high degree of investment analysis may be required before investing.

Fidelity Multi-Strategy Credit Fund risks:

1. The fund is an unlisted closed-end interval fund that cannot be redeemed outside of its quarterly repurchase schedule, which will be limited to between 5% and 25% of the fund's outstanding shares at NAV. Unlike most closed-end funds, the fund's shares will not be listed on any securities exchange. Although the fund intends to implement a quarterly share repurchase program, there is no guarantee that an investor will be able to sell all of the Shares that the investor desires to sell. The fund should therefore be considered to offer limited liquidity.

The fund is designed primarily for long-term investors and not as a trading vehicle. The fund should be considered a speculative, illiquid investment that entails substantial risks, and a prospective investor should invest in the fund only if they can sustain a complete loss of their investment.

Risk Factors

The fund is exposed to risks associated with changes in interest rates. The fund may be subject to heightened interest rate risk because the Federal Reserve has raised, and may continue to raise, interest rates.

The fund's distributions may be funded from offering proceeds or borrowings, which may constitute a return of capital and reduce the amount of capital available to the fund for investment. Any capital returned to shareholders through distributions will be distributed after payment of fees and expenses, as well as any applicable sales load.

The fund invests in or holds instruments that are illiquid (generally, those securities that cannot be disposed of within seven days in the ordinary course of business at approximately the value at which the fund has valued the securities).

The fund may invest in bank loans that are not typically registered under the federal securities laws like stocks and bonds; therefore investors in bank loans have less protection against improper practices than investors in registered securities.

The fund's investments in securities and other obligations of companies that are experiencing distress involve a substantial degree of risk. require a high level of analytical sophistication for successful investment, and require active monitoring.

The fund may invest a portion of its assets in securities and credit instruments associated with real estate and companies in the real estate industry, which have historically experienced substantial price volatility.

The fund may invest in below-investment-grade instruments, (also known as "junk bonds") which have predominantly speculative characteristics and may be particularly susceptible to economic downturns, which could cause losses.

Derivative investments have risks, including the imperfect correlation between the value of such instruments and the underlying assets of the fund.

Collateralized loan obligations (CLOs) may present risks similar to those of other types of debt obligations and, in fact, such risks may be of greater significance in the case of (105 depending upon the fund's ranking in the capital structure. Investments in structured vehicles, including equity and junior debt securities issued by CLOs, involve risks, including credit risk and market risk.

The fund may invest in securities of other investment companies, and any such assets will be subject to the risks of the purchased investment company's portfolio securities. The fund's shareholders would bear not only their proportionate share of the expenses of the fund, but also would indirectly bear similar expenses of the underlying investment company.

The fund may borrow money, which magnifies the potential for gain or loss on amounts invested, subjects the fund to certain covenants with which it must comply and may increase the risk of investing with the fund.

Non-U5. securities may be traded in undeveloped, inefficient, and less liquid markets and may experience greater price volatility and changes in value – changes in foreign currency exchange rates may adversely affect the US. dollar value of and returns on foreign denominated investments.

Please refer to the fund's prospectus for a more complete discussion of the fund's risks.

2. There is no guarantee that a shareholder will be able to sell all or any of their requested fund shares in a periodic repurchase offer. There is no secondary market for the fund's shares and

none is expected to develop. Investors should consider shares of the fund to be an illiquid investment.

Before investing have your client consider the funds' investment objectives, risks, charges, and expenses. Contact Fidelity for a prospectus or a summary prospectus, if available, or offering statement containing this information. Have your client read it carefully.

FIDELITY.COM
CORPORATE HEADQUARTERS
245 Summer Street, Boston, Massachusetts 02210

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

Fidelity Distributors Company LLC, 900 Salem Street, Smithfield, RI 02917

National Financial Services LLC, Member NYSE, SIPC, 245 Summer Street, Boston, MA 02110

© 2024 FMR LLC. All rights reserved.

1134905.1.0