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**FIDELITY CONTINUES TO STRENGTHEN ITS COMMISSION-FREE ETF LINE-UP
WITH LAUNCH OF THREE NEW FACTOR ETFs**

BOSTON, February 28, 2019 -- [Fidelity Investments](https://www.fidelity.com)[®], one of the industry's leading providers of exchange-traded funds (ETFs) with more than \$380 billion in ETF assets under administrationⁱ, today announced an expansion of its ETF lineup with the introduction of three multi-factor ETFs: Fidelity Small-Mid Factor ETF (FSMD), Fidelity Targeted International Factor ETF (FDEV) and Fidelity Targeted Emerging Markets Factor ETF (FDEM).

The new ETFs are competitively priced with total expense ratios of just 0.29% for FSMD, 0.39% for FDEV and 0.45% for FDEM. All three ETFs began trading today, the Fidelity Small-Mid Factor ETF on the New York Stock Exchange, and both the Fidelity Targeted International Factor ETF and the Fidelity Targeted Emerging Markets Factor ETF on the CBOE BZX Exchange, Inc. They are available to individual investors and financial advisors for purchase commission-free through Fidelity's online brokerage platforms. These new multi-factor ETFs apply Fidelity's in-house quantitative analysis and proprietary risk management to seek differentiated sources of return to help drive better portfolio outcomes.

"We have leveraged years of experience in both quantitative and fundamental research to develop our unique approach in constructing our entire factor ETF suite, including these three new funds," says Greg Friedman, Fidelity's head of ETF management and strategy. "Our in-house quantitative analysis team conducts comprehensive factor research and leverages our active management processes to design ETFs with investor outcomes in mind."

FDEV and FDEM both leverage Fidelity's unique multifactor methodology and also target securities least correlated with the performance of the S&P 500. FSMD applies Fidelity's multifactor approach to both small and mid-cap stocks -- a unique universe that has historically provided better exposure to the size factor than investing in only small-capsⁱⁱ.

By adding these new products to the Fidelity ETF line-up, investors now have access to a competitively priced suite of 13 [factor ETFs](#), three actively-managed [bond ETFs](#), 11 passive equity [sector ETFs](#), and Fidelity [ONEQ](#), all available for purchase commission-free on Fidelity's ETF platform. As [announced](#) earlier this month, Fidelity is in the process of expanding its commission-free ETF platform for individual investors and advisors to include more than 500 ETFs. [Effective today, more than 300 iShares ETFs are available for online purchases commission-free](#)ⁱⁱⁱ. This is the first phase of the platform's expansion, with additional high-quality ETFs to be added in the coming months.

"The three new factor ETFs are available commission-free and competitively priced below the industry average^{iv}," says Friedman. "When you combine the expense ratio with access to Fidelity's research, tools, trade execution, and product offering, we believe there is no better value in the industry."

Fidelity's New Multi-Factor ETFs: Investment Objectives and Index Definitions

- **Fidelity Small-Mid Factor ETF (FSMD)** seeks to provide investment returns that correspond, before fees and expenses, generally to the performance of the Fidelity Small-Mid Factor Index. The fund will normally invest at least 80% of its assets in securities included in the index. [The Fidelity Small-Mid Factor Index](#) is designed to reflect the performance of stocks of small- and mid-capitalization U.S. companies with attractive valuations, high quality profiles, positive momentum signals, and lower volatility than the broader market, as represented by Fidelity U.S. Extended Investable Market Index. This index is a subset of the Fidelity U.S. Total Investable Market Index, but excludes the 500 largest companies included in the broader index.
- **Fidelity Targeted International Factor ETF (FDEV)** seeks to provide investment returns that correspond, before fees and expenses, generally to the performance of the Fidelity Targeted International Factor Index. The fund will normally invest at least 80% of its assets in securities included in the index and in depository receipts representing securities included in the index. [The Fidelity Targeted International Factor Index](#) is designed to reflect the performance of stocks of large- and mid-capitalization developed international companies with attractive valuations, high quality profiles, positive momentum signals, lower volatility than the broader developed international equity market, and lower correlation to the U.S. equity market.

- **Fidelity Targeted Emerging Markets Factor ETF (FDEM)** seeks to provide investment returns that correspond, before fees and expenses, generally to the performance of the Fidelity Targeted Emerging Markets Factor Index. The fund will normally invest at least 80% of its assets in securities included in the index and in depository receipts representing securities included in the index. The Fidelity Targeted Emerging Markets Factor Index is designed to reflect the performance of stocks of large- and mid-capitalization emerging markets companies with attractive valuations, high quality profiles, positive momentum signals, lower volatility than the broader emerging markets equity market, and lower correlation to the U.S. equity market.

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 \$7.1 trillion, including managed assets of \$2.6 trillion as of January 31, 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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Free commission offer applies to online purchases of Fidelity ETFs and select iShares ETFs in a Fidelity brokerage account. The sale of ETFs is subject to an activity assessment fee (of between \$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.

Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks. The securities of smaller, less well-known companies can be more volatile than those of larger companies. There is no guarantee that a factor-based investing strategy will enhance performance or reduce risk. Before investing, make sure you understand how the fund's factor investment strategy may differ from more traditional index products. Depending on market conditions, fund performance may underperform compared to products that seek to track a more traditional index. The return of an index ETF is usually different from that of the index it tracks because of fees, expenses and tracking error. An ETF may trade at a premium or discount to its Net Asset Value (NAV).

There is no guarantee that a factor-based investing strategy will enhance performance or reduce risk. Before investing, make sure you understand how a factor investment strategy may differ from more traditional index based approach. Depending on market conditions, factor based investments may underperform compared to investments that seek to track a market-capitalization weighted index.

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.

S&P 500 Index is a market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent US equity performance.

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ⁱ Fidelity Investments, December 2018. Based on number of ETFs, AUM, AUA, and market share.

ⁱⁱ Russel 2000 Index and Russell 250 Index, data from 12/31/78 through 12/31/18, Morningstar Direct

ⁱⁱⁱ This is up from the 240 iShares ETFs that were previously available commission-free on Fidelity's platform

^{iv} The industry average expense ratios are as follows: Developed Market Multi-Factor ETFS, 0.47%, Emerging Market Multi-Factor ETFs, 0.53%, Small Cap Factor ETFs, 0.30%, Source: Assets, Flows and Channel data from SimFund as of 12/31/2017