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FIDELITY® CONTINUES TO EXPAND AND DIVERSIFY ITS ASSET MANAGEMENT CAPABILITIES WITH LAUNCH OF NEW BOND MODEL PORTFOLIOS

Fidelity's New Suite of Models for Financial Advisors Includes Four Fixed Income Strategies Using Mutual Funds and ETFs

New Model Portfolios Further Extend Fidelity's Commitment to Bundle Its Asset Management Capabilities in New and Innovative Ways to Meet the Growing Demand for Outcome-oriented Solutions

BOSTON, January 15, 2020 – Fidelity Investments®, one of the largest and most diversified global financial services firms with \$8.2 trillion in client assetsⁱ, today launched a suite of bond model portfolios for financial advisors – Fidelity Short Multi-Sector Bond Model Portfolio, Fidelity Core Bond Model Portfolio, Fidelity Core Plus Bond Model Portfolio, and Fidelity Dynamic Bond Model Portfolio. The new model portfolios are designed to maximize risk-adjusted total return as well as accommodate a range of risk preferences, including duration and credit risk. Fidelity offers a full range of asset management capabilities – from portfolio construction to mutual funds and ETFs to models and SMAs – that help advisors meet their clients' specific needs.

Fidelity's new offering significantly expands the company's lineup of model portfolios, which includes suites focused on core diversification, income generation, equity exposure and the application of the business cycle. They also supplement Fidelity's Bond Income Model Portfolio, launched in 2019, which aims to maximize risk-adjusted yield.

"Think of model portfolios as a recipe – they can serve as a starting point for advisors but allow for a level of customization based on their clients' needs," said Matt Goulet, senior vice president, Fidelity Institutional Asset Management. "We're excited to offer bond model portfolios with a range of risk profiles for advisors who are looking for strategies that can serve as – or complement – the fixed income allocations in their clients' portfolios."

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The demand for model portfolios continues to grow among advisors. According to Cerulli, 95% of advisors say they always or sometimes use asset allocation models for specific strategies or objectives.ⁱⁱ Fidelity's four new strategies, which are made up using Fidelity mutual funds and ETFs, in addition to third-party ETFs such as BlackRock iShares, seek diversified fixed income exposure:

- **Fidelity Short Multi-Sector Bond Model Portfolio** is designed to provide a lower duration bond portfolio with a focus on investment grade mutual funds/ETFs complemented by a limited allocation to non-investment grade.
- **Fidelity Core Bond Model Portfolio** is designed to provide a core bond portfolio focused on a diversified allocation to investment grade mutual funds/ETFs.
- **Fidelity Core Plus Bond Model Portfolio** is designed to provide a diversified bond portfolio with a focus on investment grade mutual funds/ETFs complemented by a limited allocation to non-investment grade.
- **Fidelity Dynamic Bond Model Portfolio** is designed to provide a diversified bond portfolio of fixed income mutual funds/ETFs while offering greater investment flexibility through duration and credit allocation.

Commitment to Choice

Advisors want an efficient way to implement model portfolios and manage individual clients' accounts, and Fidelity provides advisors with a range of options. Fidelity Model Portfolios are now available through leading turnkey platforms, including Fidelity's Managed Account Solutions, Envestnet, Morningstar® Model Marketplace, GeoWealth, and the Riskalyze Partner Store. More than 100 advisory firms access the models through these platforms. In addition, many advisors choose to receive model updates directly from Fidelity, where they can subscribe to receive email updates with model reallocation rationales, market and model performance commentaries, and investing insights from Fidelity.

This expanded offering also reflects the scale, depth and breadth of Fidelity's asset management organization, which delivers investment management capabilities across asset classes, such as equity, fixed, high income, and alternatives; investment approaches, utilizing active, passive, or blended strategies; and investment vehicles including mutual funds, ETFs, CITs, model portfolios, and the recently launched [Fidelity Advisor SMAs](#).

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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.

Expansion of Portfolio Construction Capabilities

The models broaden Fidelity's lineup of portfolio construction capabilities for advisors in the fixed income space. Last year, Fidelity launched the Fixed Income Portfolio Review diagnostic tool, which uses comprehensive holdings-level data to help advisors and investors understand their bond allocations and make informed decisions about their fixed income positioning in the context of their overall portfolio. In addition, advisors have access to Fidelity's insights from its Capital Markets Strategy team, a robust thought leadership program on portfolio construction, portfolio evaluations with the Fidelity Portfolio Quick Check diagnostic tool and consultation from the Portfolio Construction Guidance team.

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 \$8.2 trillion, including discretionary assets of \$3.1 trillion as of November 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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Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. 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, credit, and default risks for both issuers and counterparties.

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ⁱ As of November 30, 2019

ⁱⁱ Cerulli, “U.S. Product Development 2019,” October 2019