

# Fidelity Short Multi-Sector Bond Model Portfolio

April 2024

A fixed income portfolio designed to maximize risk-adjusted total returns

## Key features

- Allocates across fixed income mutual funds and ETFs
- Focuses its allocation on investment-grade bonds with a limited allocation to non-investment-grade bonds
- Seeks a duration similar to the Bloomberg U.S. 1-5-Year Government/Credit Bond Index

## Portfolio Changes Since the Last Update

On April 1, 2024, Fidelity updated the Model Portfolio allocations to incorporate our latest views.

The objective of the Short Multi-Sector Bond Model Portfolio is to achieve strong total returns relative to its benchmark<sup>^</sup> over a full market cycle. The strategy seeks to generate these returns through asset allocation and fund selection, both of which are updated quarterly. Allocation changes are largely driven by updates to each fund's relative attractiveness and risk characteristics, in combination with shifts in the model's Target asset allocation.

As a result, we increased the allocations to the Fidelity Low Duration Bond Factor ETF and the Fidelity Advisor Floating Rate High Income fund. Conversely, we reduced the allocation to the Fidelity Advisor Mortgage Securities fund.

## STRATEGY DETAILS

**STYLE:** Blend of active and passive funds

**FUND UNIVERSE:** Fidelity Mutual Funds, Fidelity ETFs, Third-Party ETFs, and a core Fidelity Money Market Fund

**PORTFOLIO AVERAGE ANNUAL NET EXPENSE RATIO:<sup>1</sup>**

**CLASS I:** 0.36% | **CLASS Z:** 0.29%

**MODEL REALLOCATION:<sup>2</sup>** Quarterly

Fidelity Short Multi-Sector Bond Model Portfolio (I) Allocations (as of 4/1/24)

Ticker	Fund	Allocation	Change (+/-)	Net Expense Ratio (%)
FLDR	Fidelity Low Duration Bond Factor ETF	28%	+1%	0.15
FVII	Fidelity Advisor Government Income - Class I	24%	-	0.50
FLOT	iShares Floating Rate Bond ETF	20%	-	0.15
FMSCX	Fidelity Advisor Mortgage Securities - Class I	16%	-2%	0.52
FFRIX	Fidelity Advisor Floating Rate High Income - Class I	10%	+1%	0.75
	Core Sweep*	2%	-	0.38

Weighted Average Net Expense Ratio:<sup>1</sup> 0.36%

Fidelity Short Multi-Sector Bond Model Portfolio (Z) Allocations (as of 4/1/24)

Ticker	Fund	Allocation	Change (+/-)	Net Expense Ratio (%)
FLDR	Fidelity Low Duration Bond Factor ETF	28%	+1%	0.15
FIKPX	Fidelity Advisor Government Income - Class Z	24%	-	0.36
FLOT	iShares Floating Rate Bond ETF	20%	-	0.15
FIKUX	Fidelity Advisor Mortgage Securities - Class Z	16%	-2%	0.36
FIQSX	Fidelity Advisor Floating Rate High Income - Class Z	10%	+1%	0.66
	Core Sweep*	2%	-	0.38

Weighted Average Net Expense Ratio:<sup>1</sup> 0.29%

\* Includes a 2% static allocation to a core sweep fund to cover typical third-party account fees and expenses. Fidelity Government Cash Reserves (FDRXX) is used as the core money market fund to calculate portfolio expenses above. Portfolio expenses may vary based on the core money market fund chosen.

<sup>1</sup> Weighted average of the net expense ratios of the funds used in the portfolio. Portfolio expense ratio will vary. Net expense ratios are as of the most recent prospectus for each holding.

<sup>2</sup> If circumstances warrant, there may be off-cycle reallocations.

<sup>^</sup> The benchmark for the Fidelity Short Multi-Sector Bond Model Portfolio is the Bloomberg U.S. 1-5 Year Government/Credit Bond Index.

Net expense ratio reflects a contractual cap on the expenses borne by the fund, which expires on the date indicated: Fidelity Advisor Government Income—Class Z (12/31/24) and Fidelity Advisor Mortgage Securities—Class Z (12/31/24).

For illustrative purposes only. Information presented is intended to show underlying allocations for the model portfolios. It is not a recommendation or offer to buy or sell any securities.

Source: Fidelity Investments and Morningstar.

# Fidelity Short Multi-Sector Bond Model Portfolio

## Definitions

**Duration** is a measure of a security's price sensitivity to changes in interest rates. Duration differs from maturity in that it considers a security's interest payments in addition to the amount of time until the security reaches maturity, and also takes into account certain maturity-shortening features (e.g., demand features, interest rate resets, and call options) when applicable. Securities with longer durations generally tend to be more sensitive to interest rate changes than securities with shorter durations. A model portfolio with a longer average duration generally can be expected to be more sensitive to interest rate changes than a model portfolio with a shorter average duration.

[i.fidelity.com](https://i.fidelity.com)

**Not FDIC Insured • May Lose Value • No Bank Guarantee**

**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.

Fidelity Model Portfolios are made available to financial intermediaries on a non-discretionary basis by Fidelity Institutional Wealth Adviser LLC ("FIWA"), a registered investment adviser, or by Fidelity Distributors Company LLC ("FDC"), a registered broker-dealer, (collectively "Fidelity"). Fidelity is not acting as a fiduciary or in any advisory capacity in providing this information. The information is designed to be utilized by you solely as a resource, along with other potential sources, in providing advisory services to your clients. You are solely responsible for determining whether the Models, the investment products included in the Models, and the share class of those products, are appropriate and suitable for you to base a recommendation or provide advice to any end investor about the potential use of the Models.

With the exception of the Fidelity Target Allocation and Target Allocation Index-Focused Models which consists solely of Fidelity mutual funds, the Models may consist of Fidelity mutual funds, Fidelity ETFs, and third-party ETFs, which include iShares ETFs sponsored by BlackRock. These investment products that comprise the models are available only in the share class designated by FIWA when made available through the Models. FIWA does not seek to offer investment products or share classes through the Models that are necessarily the least expensive. In some cases, the investment products in the Models may have a lower cost share class available on a stand-alone basis for purchase outside of the Models, or that may be available to other types of investors. Use of the Models will result in the payment of fees to the Fidelity funds and Fidelity ETFs in the Models as provided for in the prospectus to each such investment product. The fees received from investment in the funds and ETFs will be shared by various affiliates, including FIWA, involved in distributing and advising the Models, the Fidelity funds, and the Fidelity ETFs in the Models.

Fidelity does not have investment discretion and does not place trade orders for any of your clients' accounts. Information and other marketing materials provided to you by Fidelity concerning the Models may not be indicative of your client's actual experience from investing in one or more of the investment products included in the Models. The Models' allocations and data are subject to change.

Past performance is no guarantee of future results. An investment may be risky and may not be suitable for an investor's goals, objectives, and risk tolerance. Investors should be aware that an investment's value may be volatile and any investment involves the risk that you may lose money. Investment performance of the Models depends on the performance of the underlying investment options and on the proportion of the assets invested in each underlying investment option over time. The performance of the underlying investment options depends, in turn, on their investments. The performance of these investments will vary day to day in response to many factors. Asset allocation strategies are subject to the volatility of the financial markets, including that of the underlying investment options' asset class, and may not achieve their intended results and such strategies could underperform the market as a whole.

**You could lose money by investing in a money market fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Fidelity Investments and its affiliates, the fund's sponsor, have no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.**

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.

For certain accounts custodied on Fidelity's brokerage platform that elect to invest in Fidelity Models that include iShares ETFs, Fidelity receives compensation from the iShares ETF sponsor and/or its affiliates in connection with an exclusive, long-term marketing program that includes promotion of iShares ETFs. Additional information about the sources, amounts, and terms of compensation is described in the ETF's prospectus and related documents. Fidelity may add or waive commissions on ETFs without prior notice. BlackRock and iShares are registered trademarks of BlackRock, Inc. and its affiliates.

"Fidelity Investments" and/or "Fidelity" refers collectively to FMR LLC, a U.S. company, and its subsidiaries, including but not limited to Fidelity Management & Research Company LLC (FMR) and FIWA.

Fidelity Investments® provides investment products through Fidelity Distributors Company LLC; clearing, custody, or other brokerage services through National Financial Services LLC or Fidelity Brokerage Services LLC, Members NYSE, SIPC; institutional advisory services provided by Fidelity Institutional Wealth Adviser LLC.

**Before investing in any mutual fund or exchange traded product, consider the funds' investment objectives, risks, charges, and expenses. Contact your investment professional or visit [i.fidelity.com](https://i.fidelity.com) for a prospectus or, if available, a summary prospectus containing this information. Read it carefully.**

© 2024 FMR LLC. All rights reserved.