Fidelity Total Bond ETF (FBND)

Investment Approach

- Fidelity® Total Bond ETF is a diversified fixed-income strategy seeking competitive risk-adjusted performance commensurate with investor expectations of a core bond fund.
- The fund invests at least 80% of its assets in investment-grade bonds and up to 20% in non-investment-grade debt.
- Utilizing a team-based investment process, the fund relies on experienced portfolio managers, research analysts and traders. We concentrate on areas where we believe we can repeatedly add value, including asset allocation, sector and security selection, yield-curve positioning and opportunistic trading.
- Robust governance and risk management support the identification of both opportunities and risks.

PERFORMANCE SUMMARY

	Cumulative		Annualized			
	3 Month	YTD	1 Year	3 Year	5 Year	10 Year/ LOF[1]
Fidelity Total Bond ETF - NAV Return Gross Expense Ratio: 0.36%[2]	-3.67%	-2.71%	-1.79%	4.61%	0.00%	1.94%
Fidelity Total Bond ETF - Market Return	-3.71%	-2.77%	-1.92%	4.54%	0.00%	1.89%
Bloomberg US Aggregate Bond Index	-3.51%	-2.91%	-1.84%	4.06%	-0.64%	1.14%
Lipper Core Bond Funds Classification	-3.68%	-3.01%	-2.05%	4.13%	-0.69%	1.21%
Morningstar Intermediate Core-Plus Bond	-3.55%	-2.74%	-1.74%	4.50%	-0.27%	1.59%

[1] Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 10/06/2014. Note that Market Return is calculated using the first day the fund was listed on an exchange, with that value back dated to the fund's inception date for LOF returns. Market returns are based on the closing price on the listed exchange at 4 p.m. ET and do not represent the returns an investor would receive if the shares were traded at other times.

[2] This expense ratio is from the most recent prospectus and generally is based on amounts incurred during the most recent fiscal year, or estimated amounts for the current fiscal year in the case of a newly launched fund. It does not include any fee waivers or reimbursements, which would be reflected in the fund's net expense ratio.

Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance stated. To learn more or to obtain the most recent month-end performance, visit fidelity.com/performance or institutional.fidelity.com. Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated.

For definitions and other important information, please see the Definitions and Important Information section of this Fund Review.

FUND INFORMATION

Manager(s):
Team Managed

Start Date:
October 06, 2014

Size (in millions):
$27,898.27

Morningstar Category:
Intermediate Core-Plus Bond

TRADING INFORMATION
(quarterly averages)

Bid/Ask Spread (as of market close):
0.02

Premium/Discount (as of market close):
0.08

Daily Volume (in shares):
3,463,208

Fidelity INVESTMENTS

Not FDIC Insured • May Lose Value • No Bank Guarantee

Taxable Bond Market Review

U.S. taxable investment-grade bonds returned -3.51% in the third quarter, according to the Bloomberg U.S. Aggregate Bond Index. During the three months, a combination of factors weighed on the fixed-income market, including persistently elevated inflation that compelled the Federal Reserve to hike its policy interest rate for the first time since 2023, as well as heavy U.S. Treasury and corporate issuance, which required higher yields to attract investor interest. Year to date, the index has returned -2.91%.

At the outset of 2026, U.S. consumer inflation appeared to be moderating, and investors anticipated a continuation of the monetary easing program that the Fed began in 2024 and resumed in late 2025. But the conflict in Iran, which began on February 28, sparked a surge in prices for oil, natural gas and other commodities. Headline U.S. inflation, which stood at 2.4% in January, peaked at 4.2% in May before settling at 3.4% in July and August, still well above the central bank's 2% target.

By the start of Q3, investors had begun considering the possibility that the Fed, rather than easing, might need to tighten policy by raising interest rates to combat inflationary pressure. This sentiment intensified in July, when renewed tension between the U.S. and Iran sent crude-oil prices higher. Treasury yields rose as bond investors priced in a greater probability of rate hikes, and the Aggregate index returned -1.30% for the month.

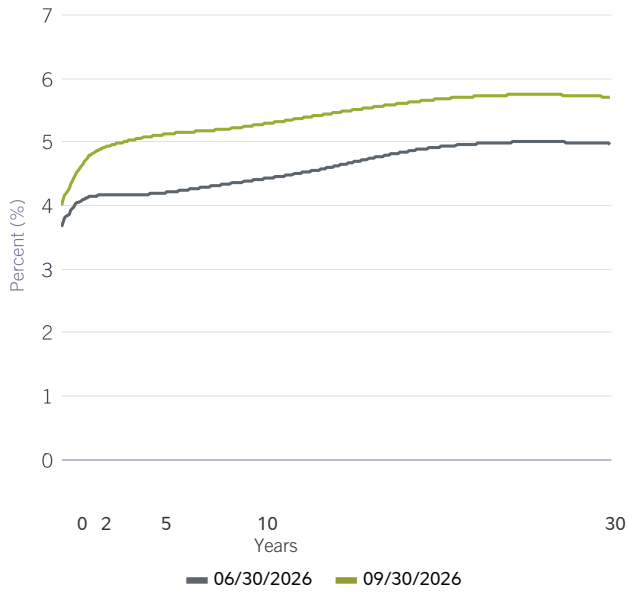
The index then rose 0.39% in August. Mid-month, the U.S. Treasury Department pledged to "at least double" its buybacks of older long-term bonds. Long-term yields fell after the pledge, though the effect was short-lived. Late in the month, Fed Chair Kevin Warsh struck a hawkish tone at the Fed's annual symposium, which pushed short-term yields higher. Overall, though, rates remained largely stable during the month, and attractive starting yields strengthened demand for fixed-income investments.

However, the issues that had pressured bonds in recent months became more acute in September (-2.61%). Investors grew increasingly concerned as the U.S. government's debt load surpassed $40 trillion amid heavy Treasury issuance. At the same time, corporate bond issuance was running exceptionally high, driven in large part by hyperscaler technology firms making massive investments in artificial intelligence. The heightened supply helped push yields sharply higher, particularly for long-dated bonds. The resilience of the broad U.S. economy, characterized by strong business investment, robust consumer spending and a stable labor market, also exerted upward pressure on yields. On September 16, the Fed raised its benchmark short-term interest rate by a quarter percentage point (25 basis points) to a range of 3.75% to 4.0%. Meanwhile, the yield on the 10-year Treasury note, a key benchmark for consumer and corporate borrowing costs, rose 85 basis points during Q3, from 4.44% to 5.29%.

For the three months, U.S. Treasurys returned -3.04% but still benefited from their relative safe-haven status compared with major risk sectors, including corporate bonds (-3.94%) and agency mortgage-backed securities (-4.25%). Among other categories, asset-backed securities (-0.79%) and commercial mortgage-backed securities (-1.81%), much smaller index components that tend to have shorter durations and therefore less interest-rate sensitivity, outperformed. Shorter-term debt issues widely surpassed longer-dated bonds, with 1–3-year bonds returning -0.17% and 10-plus-year securities returning -7.75%. By quality, higher-rated investment-grade debt fared better in the quarter's risk-off environment.

Outside the Aggregate index, U.S. Treasury Inflation-Protected Securities returned -3.24%, according to Bloomberg, while U.S. high-yield corporate bonds (-1.82%) benefited from their income advantage and less supply pressure than investment-grade corporates. Higher income and solid fundamentals also helped emerging-markets debt, both investment-grade (-3.71%) and high-yield (-3.03%), hold up relatively well. ■

U.S. TREASURY YIELD CURVE



Source: Bloomberg

THREE-MONTH FIXED-INCOME SECTOR RETURNS

Sector	Total Return	Excess Return*
Government-Related	-2.98%	-0.17%
U.S. Mortgage-Backed Securities	-4.25%	-1.16%
Asset-Backed Securities	-0.79%	0.14%
Commercial Mortgage-Backed Securities	-1.81%	-0.02%
U.S. Corporate Investment Grade	-3.94%	-0.14%
U.S. Corporate High Yield	-1.82%	-0.68%
Emerging Markets: Investment Grade	-3.71%	-0.22%
Emerging Markets: High Yield	-3.03%	-0.26%
U.S. Treasury	-3.04%	0.00%

Source: Bloomberg **Over similar-duration Treasuries*

Performance Review

DETAILED FUND ATTRIBUTION RELATIVE TO BENCHMARK

Strategy: Asset Allocation	
Market Environment	Certain non-investment-grade fixed-income categories, including high-yield U.S. bonds and emerging-markets debt, outperformed investment-grade securities in Q3.
Fund Positioning (Impact vs. Benchmark)	• The ETF's out-of-benchmark exposure to "plus" categories, including high-yield securities, emerging-markets debt and leveraged loans, boosted its performance versus the benchmark Bloomberg U.S. Aggregate Bond Index. **(Positive)**

Strategy: Duration and Yield Curve	
Market Environment	Yields rose across the U.S. Treasury curve, with the 10-year Treasury note, a key benchmark for consumer and corporate borrowing costs, posting one of the largest increases.
Fund Positioning (Impact vs. Benchmark)	• The fund's duration was modestly longer than that of the benchmark, which detracted versus the benchmark amid rising yields. **(Negative)**

Strategy: Sector Allocation	
Market Environment	All major market segments posted notable declines in Q3, with credit-sensitive sectors such as U.S. investment-grade corporate bonds and agency mortgage-backed securities underperforming Treasurys amid a risk-off backdrop.
Fund Positioning (Impact vs. Benchmark)	• Positioning among investment-grade corporate bonds detracted from relative performance. **(Negative)**

Strategy: Security Selection	
Market Environment	By maturity, shorter-term debt issues widely outperformed more rate-sensitive long-term bonds. By credit quality, investors favored higher-rated investment-grade debt.
Fund Positioning (Impact vs. Benchmark)	• Selection within securitized sectors, especially agency mortgage-backed securities, added value versus the Aggregate index. **(Positive)** • Among corporates, underweight holdings in certain AI-related "hyperscaler" firms also helped. **(Positive)**

Outlook and Positioning

As of September 30, the global economy remains in an unsynchronized expansion as countries continue to navigate a range of fiscal, monetary and geopolitical crosscurrents. The U.S. demonstrated solid mid-cycle dynamics in Q3, with strengthening economic activity, including signs of recovery in the labor market and growing optimism among manufacturers. Going forward, the cyclical trajectory is heavily dependent on the build-out of artificial intelligence, with its pace of adoption, access to funding, and impact on jobs and inflation playing key roles.

The U.S. Federal Reserve, European Central Bank and Bank of Japan raised policy interest rates during the quarter in response to persistent inflationary pressure and concerns about the secondary effects of higher oil prices. Futures markets priced in the likelihood of additional hikes into 2027.

While the spike in yields weighed on the price performance of debt assets in Q3, it should be noted that, after many years of offering yields well below historical averages, bond yields are now at some of their highest levels in the past two decades and may provide an attractive entry point to fixed income for investors.

Versus the Aggregate index, the ETF was overweight risk assets as of September 30, with a tilt toward short- and intermediate investment-grade corporate credit, high-yield securities and leveraged loans. The portfolio was modestly underweight U.S. Treasurys, including nominal securities and futures. Among securitized investments, it was underweight agency mortgage-backed securities and overweight asset-backed securities and commercial mortgage-backed securities. By credit rating, the fund had below-index exposure to bonds rated AA and A, and overweight allocations to securities rated BBB and lower. At quarter end, the portfolio maintained a duration that was longer than that of the index.

In this dynamic market environment, we continue to find pockets of value based on our assessment of pricing and fundamentals. Our goal remains to work with our experienced investment teams to identify attractively valued bonds for the portfolio while maintaining a disciplined approach to risk management.

It is important to reiterate that the portfolio is constructed with a deliberate emphasis on security selection, particularly with respect to liquidity and financial resilience. Investing is a long-term endeavor, and our objective is to generate strong risk-adjusted performance over a full market cycle through our disciplined approach. ■

MARKET-SEGMENT DIVERSIFICATION

Market Segment	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Prior Quarter
U.S. Government	35.99%	47.01%	-11.02%	-3.20%
Non-U.S. Government	1.42%	0.60%	0.82%	0.01%
Other Government Related (U.S. & Non-U.S.)	1.15%	1.82%	-0.67%	0.05%
Corporate	29.71%	25.48%	4.23%	-0.25%
MBS Pass-Through	18.91%	23.21%	-4.30%	4.66%
ABS	10.03%	0.46%	9.57%	1.38%
CMBS	5.10%	1.42%	3.68%	0.32%
CMOs	1.80%	0.00%	1.80%	-0.02%
Covered	0.00%	0.00%	0.00%	0.00%
Cash	3.53%	0.00%	3.53%	0.72%
USD	3.51%	0.00%	3.51%	0.70%
Non-USD	0.02%	0.00%	0.02%	0.02%
Net Other Assets	-7.64%	0.00%	-7.64%	-3.67%
Futures, Options & Swaps	2.82%	0.00%	2.82%	-2.31%

Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the portfolio composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.

CREDIT-QUALITY DIVERSIFICATION

Credit Quality	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Prior Quarter
U.S. Government	57.08%	70.99%	-13.91%	1.57%
AAA	10.72%	3.08%	7.64%	1.61%
AA	3.54%	5.03%	-1.49%	-0.12%
A	8.09%	11.23%	-3.14%	-0.02%
BBB	13.49%	9.67%	3.82%	-0.27%
BB	5.09%	0.00%	5.09%	0.11%
B	4.01%	0.00%	4.01%	0.10%
CCC & Below	0.64%	0.00%	0.64%	-0.23%
Short-Term Rated	0.00%	0.00%	0.00%	0.00%
Not Rated/Not Available	-3.41%	0.00%	-3.41%	-0.46%
Cash & Net Other Assets	0.75%	0.00%	0.75%	-2.29%

Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the portfolio composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.

Credit ratings for a rated issuer or security are categorized using the highest credit rating among the following three Nationally Recognized Statistical Rating Organizations ("NRSRO"): Moody's Investors Service (Moody's); Standard & Poor's Rating Services (S&P); or Fitch, Inc. Securities that are not rated by any of these three NRSRO's (e.g. equity securities) are categorized as Not Rated. All U.S. government securities are included in the U.S. Government category. The table information is based on the combined investments of the fund and its pro-rata share of any investments in other Fidelity funds.

CHARACTERISTICS

	Portfolio	Index
Duration	5.98 years	5.69 years
30-Day SEC Yield	5.26%	--
30-Day SEC Restated Yield	--	--
Net Asset Value	$43.28	--

ASSET ALLOCATION

Asset Class	Portfolio Weight	Change From Prior Quarter
Investment-Grade Bonds	87.12%	1.76%
High-Yield Investments	10.39%	0.39%
Emerging-Markets Investments	2.79%	-0.06%
Cash & Net Other Assets	-0.30%	-2.09%

Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the portfolio composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.

Definitions and Important Information

Unless otherwise expressly disclosed to you in writing, the information provided in this material is for educational purposes only. Any viewpoints expressed by Fidelity are not intended to be used as a primary basis for your investment decisions and are based on facts and circumstances at the point in time they are made and are not particular to you. Accordingly, nothing in this material constitutes impartial investment advice or advice in a fiduciary capacity, as defined or under the Employee Retirement Income Security Act of 1974 or the Internal Revenue Code of 1986, both as amended. Fidelity and its representatives may have a conflict of interest in the products or services mentioned in this material because they have a financial interest in the products or services and may 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. Before making any investment decisions, you should take into account all of the particular facts and circumstances of your or your client's individual situation and reach out to a professional adviser, if applicable.

CHARACTERISTICS

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 fund with a longer average duration generally can be expected to be more sensitive to interest rate changes than a fund with a shorter average duration.

30-day SEC restated yield is the fund's 30-day yield without applicable waivers or reimbursements, stated as of month-end.

30-day SEC yield is a standard yield calculation developed by the Securities and Exchange Commission for bond funds. The yield is calculated by dividing the net investment income per share earned during the 30-day period by the maximum offering price per share on the last day of the period. The yield figure reflects the dividends and interest earned during the 30-day period, after the deduction of the fund's expenses. It is sometimes referred to as "SEC 30-Day Yield" or "standardized yield".

Net Asset Value is the dollar value of one share of a fund; determined by taking the total assets of a fund, subtracting the total liabilities, and dividing by the total number of shares outstanding.

FUND RISKS

In general the bond market, especially foreign markets, are volatile, and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. 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 risk, liquidity risk, call risk and credit and default risks for both issuers and counterparties. Unlike individual bonds, most bond funds do not have a maturity date, so avoiding losses caused by price volatility by holding them until maturity is not possible. Lower-quality bonds can be more volatile and have greater risk of default than higher-quality bonds. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks, all of which may be magnified in emerging markets. Leverage can increase market exposure and magnify investment risk. The fund generally expects to effect its creations and redemptions for cash rather than in-kind securities, and may recognize more capital gains and be less tax-efficient than if it were to redeem in-kind. An ETF may trade at a premium or discount to its Net Asset Value (NAV). There can be no assurance that an active trade market will be maintained and trading may be halted due to market conditions.

IMPORTANT FUND INFORMATION

Relative positioning data presented in this commentary is based on the fund's primary benchmark (index) unless a secondary benchmark is provided to assess performance.

INDICES

It is not possible to invest directly in an index. All indices represented are unmanaged. All indices include reinvestment of dividends and interest income unless otherwise noted.

Bloomberg U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate pass-throughs), asset-backed securities and collateralized mortgage-backed securities (agency and non-agency).

LIPPER INFORMATION

Lipper Averages are averages of the performance of all mutual funds with their respective investment classification category. The number of funds in each category periodically changes. Lipper, a Refinitiv company, is a nationally recognized organization that ranks the performance of mutual funds.

MARKET-SEGMENT WEIGHTS

Sector weights illustrate examples of market segments in which the fund may invest, and may not be representative of the fund's current or future investments. They should not be construed or used as a recommendation for any subset of the market.

MORNINGSTAR INFORMATION

© 2026 Morningstar, Inc. All rights reserved. The Morningstar information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or redistributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Fidelity does not review the Morningstar data and, for mutual fund performance, you should check the fund's current prospectus for the most up-to-date information concerning applicable loads, fees and expenses.

PERFORMANCE SUMMARY

Net Asset Value (NAV) Return represents the closing price of underlying securities at which the fund can create and redeem shares directly with the security. Market Return represents the price

at which an investor can buy and sell a security in the secondary market. Since ETFs are bought and sold at prices set by the market – which can result in a premium or discount to NAV – the returns calculated using market price (market return) can differ from those calculated using NAV (NAV return).

TRADING INFORMATION

Bid/Ask Spread

In the case of exchange-traded securities, market liquidity is managed by the market maker community. Market makers provide prices at which they will buy (the bid) and sell (the ask) securities. The difference between the bid and ask prices is the bid/ask spread. The bid/ask spread gives an investor a sense of the liquidity and the transaction costs associated with a security. Securities with wide bid/ask spreads tend to be less liquid and have higher cost of ownership. Those with tight bid/ask spreads tend to be more liquid and have a lower cost of ownership.

Premium/Discount

The exchange-quoted price of an ETF frequently differs from the ETF's underlying value. The difference in these values represents an ETF's discount or premium. In the case of a discount, the exchange-quoted share price is lower than the ETF's underlying value. An ETF is at a premium when the exchange-quoted price is greater than its underlying value. An ETF's discount or premium fluctuates over time and is influenced by such factors as the transaction costs of the underlying holdings, the cost of creation and redemption of shares, and the average daily volume. The magnitude and volatility of an ETF's premium/discount will affect an investor's holding period return on an ETF. If an investor buys shares at a discount and sells at a premium, they should outperform the NAV return of the ETF. On the other hand, if an investor buys at a premium and sells at a discount, they should underperform the NAV return of the ETF.

YIELD CURVE

The relationship at a given point in time between yields on a group of fixed-income securities with varying maturities - commonly, Treasury bills, notes, and bonds. The curve typically slopes upward since longer maturities normally have higher yields, although it can be flat or even inverted.

Before investing in any exchange traded fund, please carefully consider the investment objectives, risks, charges, and expenses. For this and other information, call or write Fidelity for a free prospectus or, if available, a summary prospectus. Read it carefully before you invest.

Past performance is no guarantee of future results.

Views expressed are through the end of the period stated and do not necessarily represent the views of Fidelity. Views are subject to change at any time based upon market or other conditions and Fidelity disclaims any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for a Fidelity fund are based on numerous factors, may not be relied on as an indication of trading intent on behalf of any Fidelity fund. The securities mentioned are not necessarily holdings invested in by the portfolio manager(s) or FMR LLC. References to specific company securities should not be construed as recommendations or investment advice.

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

S&P 500 is a registered service mark of Standard & Poor's Financial Services LLC.

Other third-party marks appearing herein are the property of their respective owners.

All other marks appearing herein are registered or unregistered trademarks or service marks of FMR LLC or an affiliated company.

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

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

© 2026 FMR LLC. All rights reserved.

Not NCUA or NCUSIF insured. May lose value. No credit union guarantee.

730975.49.0