Bonds, Bond Funds, and Bond ETFs

February 5, 2026

Elise Randazzo
Institutional Portfolio Manager

Montanna Saltsman
Director, Investment Analysis-Active ETF

Brad Hanson, CFA®
High Net Worth Bond Desk Consultant

Richard Carter
Vice President, Fixed Income Strategy

© 2026 FMR LLC. All rights reserved.

Agenda

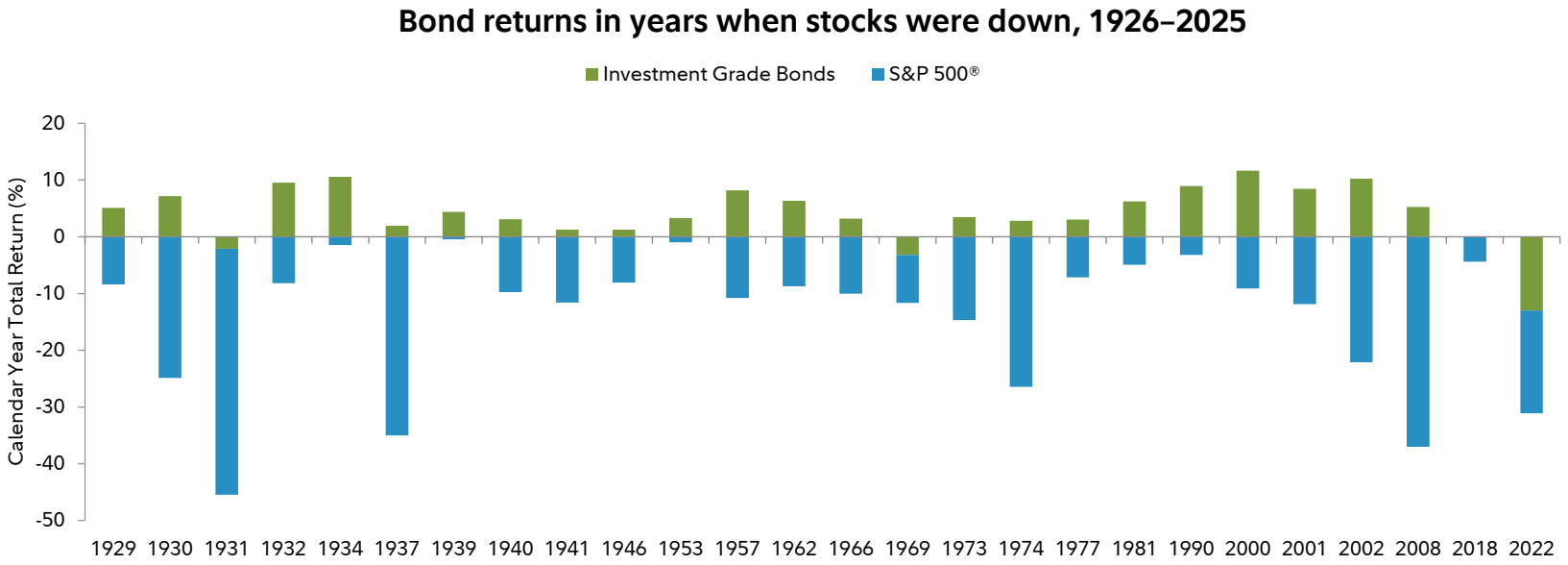
- Bond Market Update
- Investing in Individual Bonds
- Investing in Bond Mutual Funds & ETFs
- Summary and Next Steps
- Q&A

Bond Market Update

Elise Randazzo

Bonds Have Tended to Help Stabilize Portfolio Returns

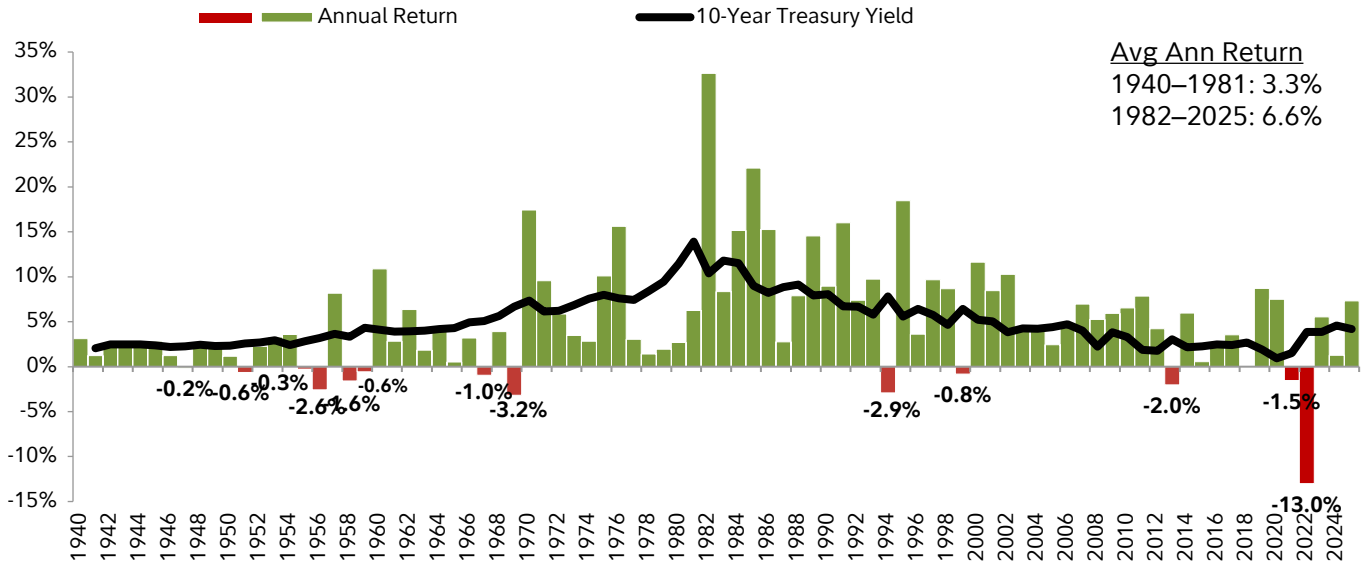
Investment-grade bonds have historically served as a ballast during years when equities declined. Over nearly a century of market history, stocks have experienced 26 down years. In all but three of those periods, bonds delivered positive returns, helping to offset equity losses and support overall portfolio stability.



Source: Morningstar EnCorr, Fidelity Investments (AART). Past performance is no guarantee of future results. It is not possible to invest directly in an index. All indices are unmanaged. Index performance is not meant to represent that of any Fidelity mutual fund. Diversification does not ensure a profit or guarantee against loss. Bond returns represented by the performance of the Bloomberg U.S. Aggregate Bond Index from January 1976 and by a composite of the IA SBBI U.S. Intermediate-Term Government Bond Index (67%) and the IA SBBI U.S. Long-Term Corporate Bond Index (33%) from January 1926 through December 1975. Stock returns represented by the performance of the S&P 500 Index.

The Durability of Bonds

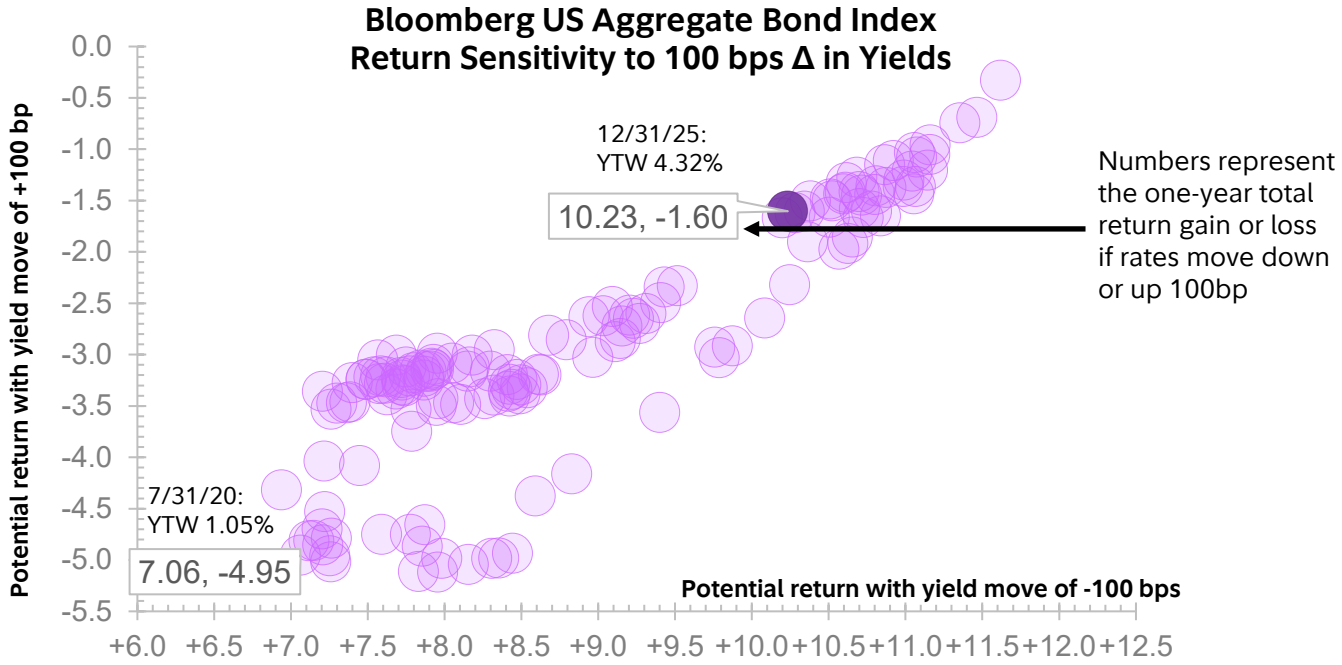
Over the 40-year period between 1941 and 1981 during which rates rose by ~1200 bps, the worst annual loss for bonds was -3.2%. In 2022, bonds posted the worst year in modern history as the Federal Reserve rapidly hiked rates to combat inflation. Bonds rebounded in 2023 as the Fed ended its rate hike cycle and posted strong gains in 2025 as the Fed continued to ease rates.



Source: Bloomberg, as of 12/31/25. Bond returns from 1940 to 1975 are based on Fidelity Investments' "Synthetic Aggregate" represented by 67% intermediate government bonds and 33% long-term corporate bonds. Investment-grade bond returns are represented by the Bloomberg U.S. Aggregate Bond Index from January 1976 and by a composite of the IA SBBI U.S. Intermediate-Term Government Bond Index (67%) and the IA SBBI U.S. Long-Term Corporate Bond Index (33%) from January 1926 through December 1975. It is not possible to invest directly in an index. All market indices are unmanaged. Not intended to represent the performance of any Fidelity fund. Past performance is no guarantee of future results.

Potential 12-Month Returns for Bonds are Skewed to the Upside

The Bloomberg U.S. Aggregate Bond Index ended 2025 with a yield-to-worst of 4.32% and a duration of approximately six years. Because duration measures the Index's sensitivity to interest rate changes, in theory a ±100 bps move in yield would likely translate into an approximate ∓6% change in total return. Today's 4.32% yield provides both an attractive starting income level and a meaningful "cushion" to help offset potential price declines if rates move higher.

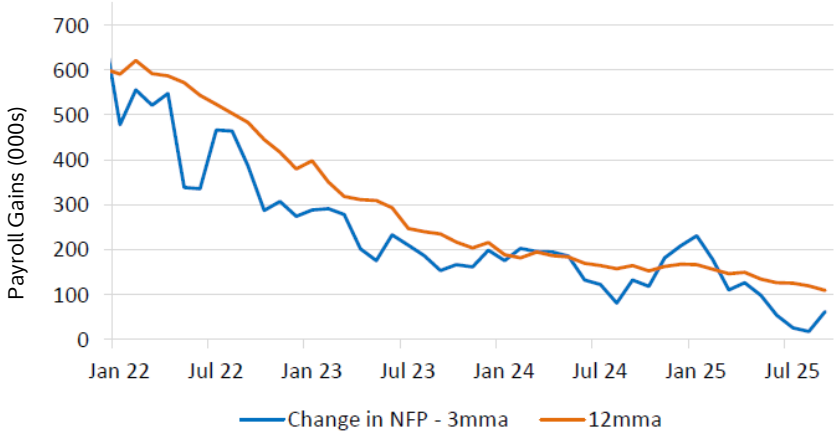


Source: Source: FMR Co and Bloomberg. Monthly data from 12/31/2013 to 12/31/2025. **Past performance is no guarantee of future results.** Duration is a measure of the sensitivity of the price (the value of principal) of a fixed income investment to a change in interest rates. **Other factors can also influence a bond value and total return.** Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices. Securities with longer duration generally tend to be more sensitive to interest rate changes than securities with shorter durations. YTW or Yield to Worst is a conservative risk metric used to evaluate callable bonds, representing the minimum of the yield-to-maturity (YTM) and all possible yield-to-call (YTC) scenarios.

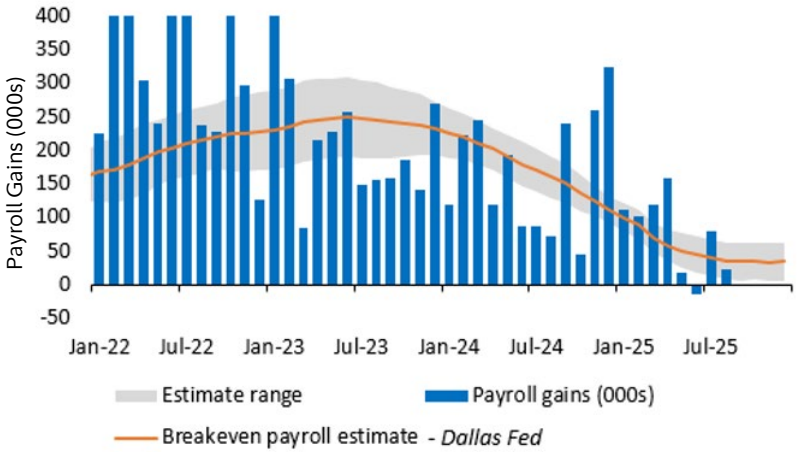
Weakening Labor Demand Offset by Reduced Labor Supply

The job market slowed in 2025: payroll gains were weak, and the breadth of hiring was narrow. Fidelity's proprietary payroll data suggests job growth was even softer than what the official data shows. At the same time, lower labor supply, driven by tighter immigration and an aging population, means unemployment remains low, which could keep wages firm and limit how fast the economy can grow.

Labor demand has slowed meaningfully



Immigration has reduced labor supply



Labor Indicators

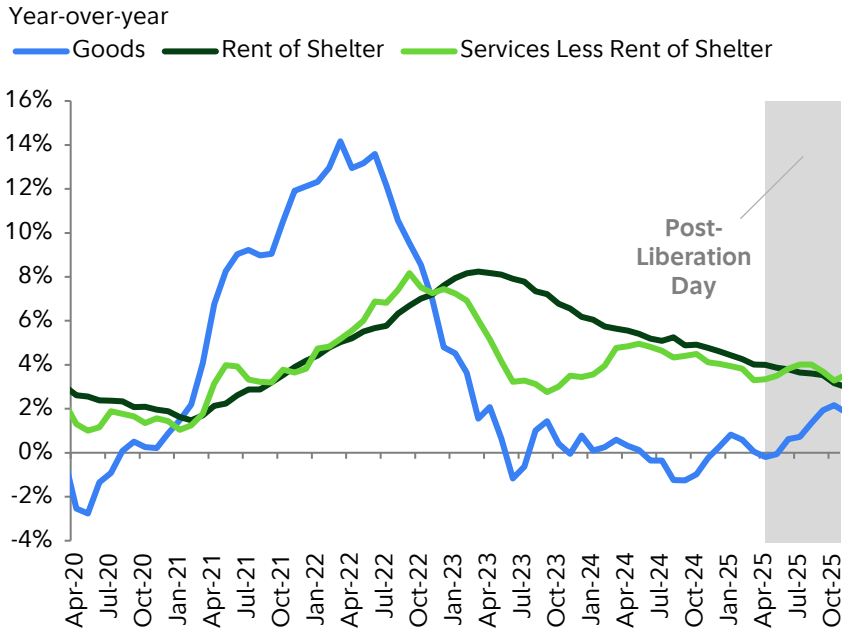
	2019 Average	Current
Job openings per unemployed worker	1.2	0.9
Monthly payrolls needed to keep unemployment rate from rising*	70–90k	30–60k

LEFT: Fidelity, BLS as of 11/30/25. RIGHT: Dallas Fed as of 11/30/25. TABLE: *Last row shows the trend rate estimated by the U.S. Federal Reserve Bank of San Francisco and current is an estimate based on AART proprietary immigration and demographic estimates. Source: U.S. Immigration and Customs Enforcement, U.S. Department of Homeland Security, U.S. Customs and Border Patrol, Bureau of Labor Statistics JOLTS report, National Federation of Independent Business, Macrobond, Fidelity Investments (AART) as of 11/30/25. NFP – 3mma:Non-farm payrolls, monthly moving average. BLS: Bureau of Labor Statistics.

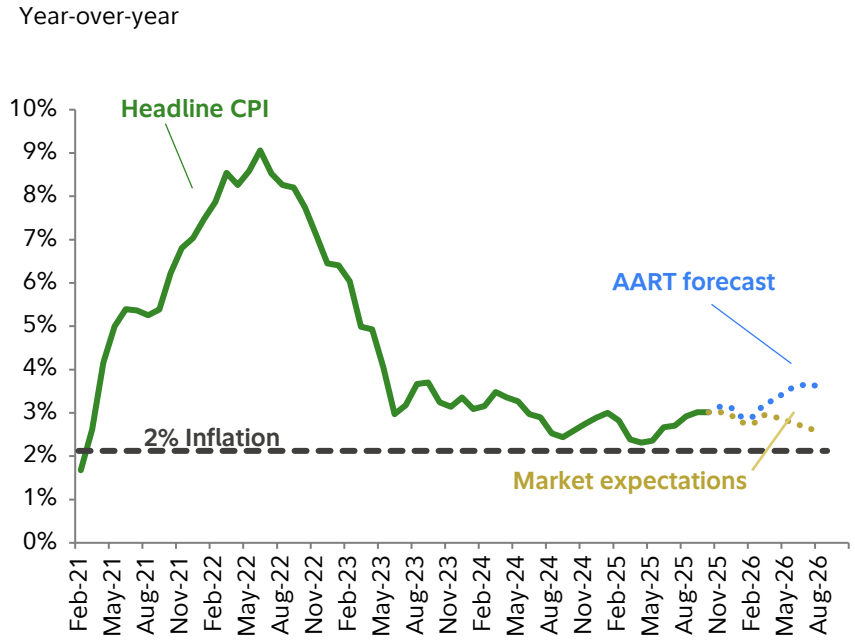
Rising Goods Prices Adding to Above-Target Inflation

After two years of near-zero goods inflation, tariff hikes triggered a rise in goods prices over the second half of 2025. Inflation remained sticky in housing and services, keeping headline consumer inflation elevated and well above the Fed's 2% target. While the market expects inflation to slow in 2026, we believe stable U.S. economic growth and the upside risk of businesses passing through tariff-related price increases may keep inflation rangebound around 3%.

U.S. CPI Inflation by Category



Consumer Inflation

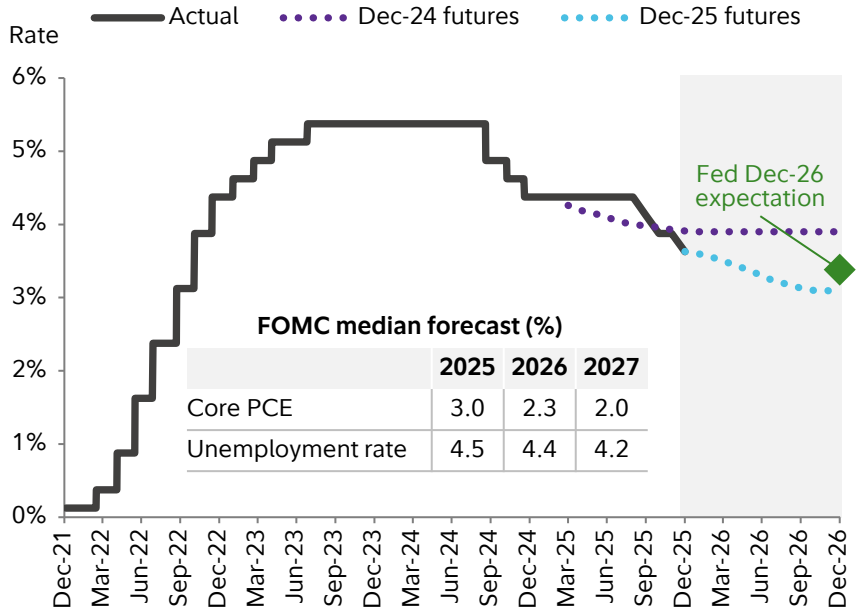


LEFT: Source: Bureau of Labor Statistics, Macrobond, Fidelity Investments (AART), as of 9/30/25. RIGHT: CPI: Consumer Price Index. Market expectations: inflation swaps. Source: Bureau of Labor Statistics, Bloomberg, Macrobond, Fidelity Investments (AART), as of 9/30/25.

Fed Cut Rates in 2025; Long End of the Curve was Stubborn

The Fed eased monetary policy during the second half of 2025, cutting its short-term policy rate by 75 basis points and ending quantitative tightening (after reducing its balance sheet by $2.5 trillion since 2022). The market and Fed expect two more rate cuts during 2026 due to expectations for soft labor markets and short-lived inflation. The yield curve steepened significantly in 2025 amid concerns of elevated fiscal deficits and political influence on Fed decision-making, which could challenge the Fed's ability to reduce longer-term yields.

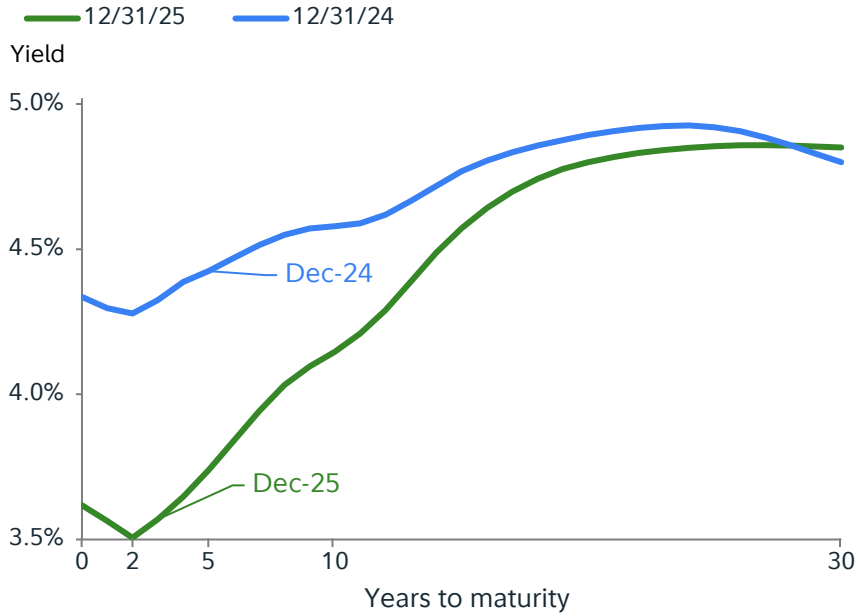
Fed funds rate



FOMC median forecast (%)

	2025	2026	2027
Core PCE	3.0	2.3	2.0
Unemployment rate	4.5	4.4	4.2

Treasury yield curve



LEFT: FOMC: Federal Open Market Committee. Shaded area represents current Fed Funds Rate expectations. Source: U.S. Federal Reserve Board, NBER, Bloomberg Financial LP, Fidelity Investments (AART), as of 12/3125. RIGHT: Source: Tradeweb, Fidelity Investments (AART), as of 12/31/25.

PCE: Personal Consumption Expenditures price index

Fixed Income Yields and Spreads

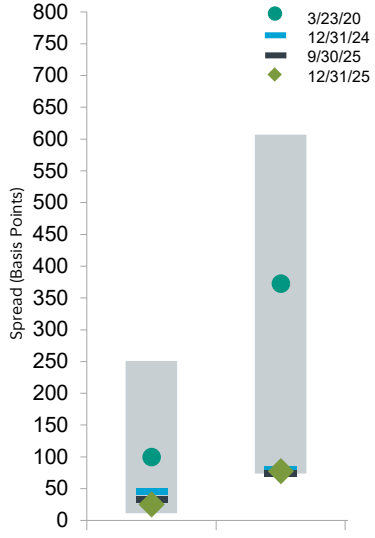
Treasury yields remain attractive relative to their 20-year history, offering an attractive entry point and favorable risk/reward profile. However, credit spreads, a representation of the risk premium investors receive for taking on risk, are at or near their historical tights, meaning investors are receiving less compensation for that risk.

10-YR TREASURY / U.S. AGG



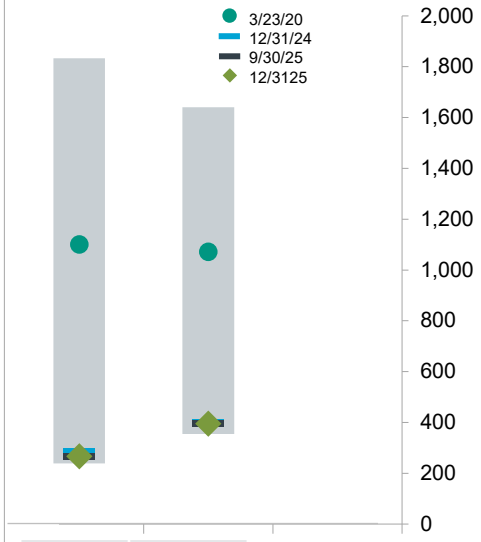
Asset Class	10-Year Treasury	U.S. Aggregate
Percentile Rank	83	70

INVESTMENT GRADE SECTORS



Asset Class	Securitized	U.S. Corporate IG
Percentile Rank	8	1

HIGH YIELD SECTORS



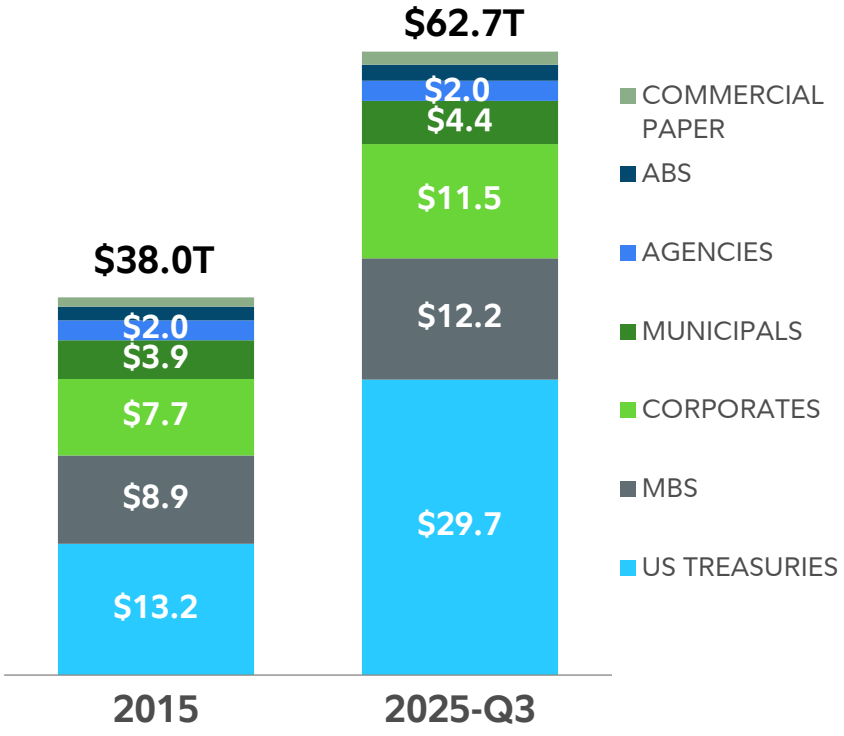
U.S. Corporate High Yield	Leveraged Loans
3	20

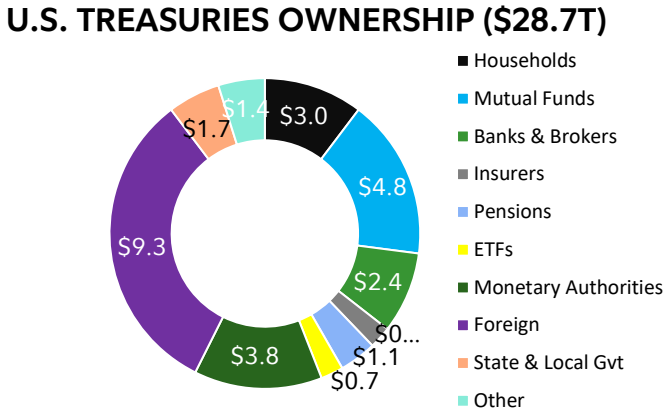
Notes: Data is for the month-end periods January 2006 – December 2025. Spread data are based on option-adjusted spread except for Leveraged Loans which is based on spread to maturity. Sources: Bloomberg and S&P as of 12/31/2025. Credit spreads represent the risk premium, or additional yield, that investors receive for taking on risk. Please see footnote 1 on page 39 for additional details.

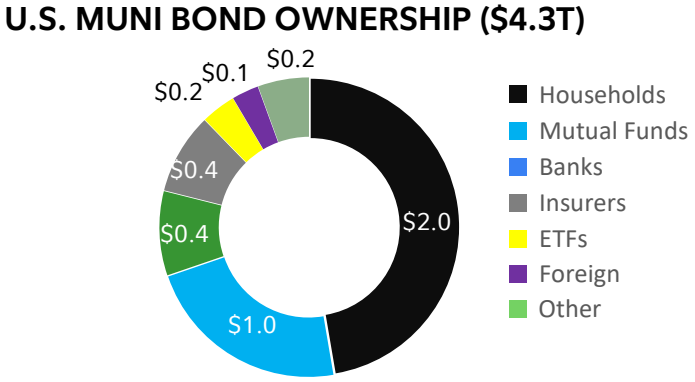
Investing in Individual Bonds

Brad Hanson

The U.S. Bond Market by Product Types and Owners





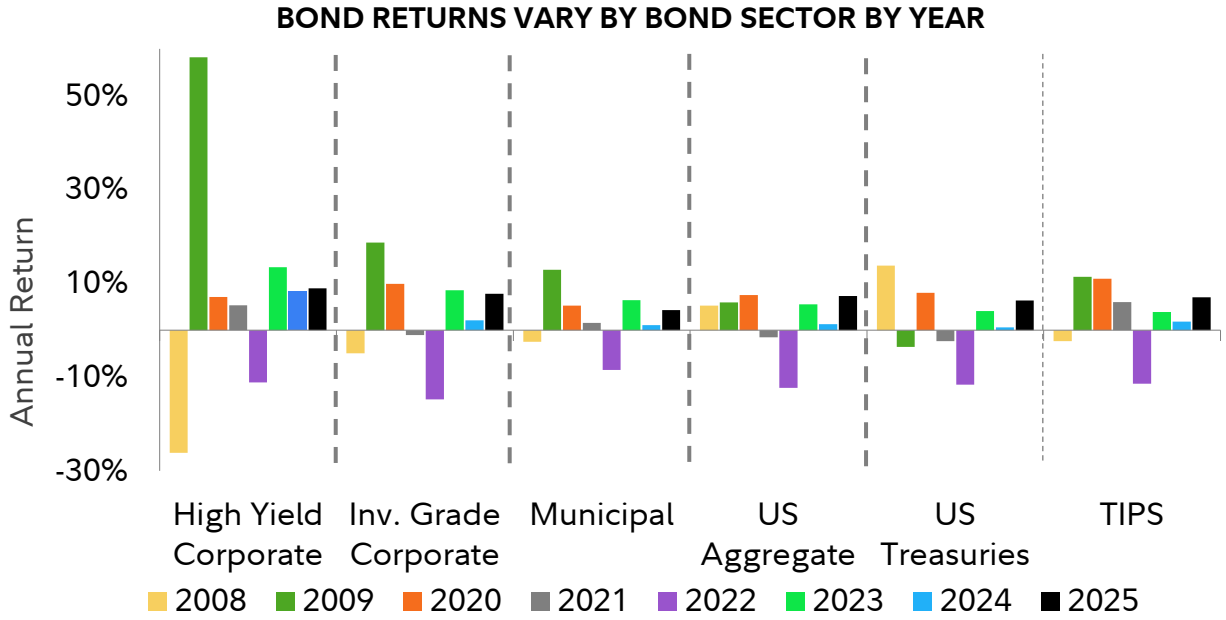


 Source: SIFMA Dec-2025 (MBS & ABS are as of latest available 2021 data).

Source: Federal Reserve, January 2026.

Bond Sub-Asset Classes have different Risk/Reward Characteristics

You manage credit review and reinvestment for individual bonds



Considerations when Investing in Bonds:

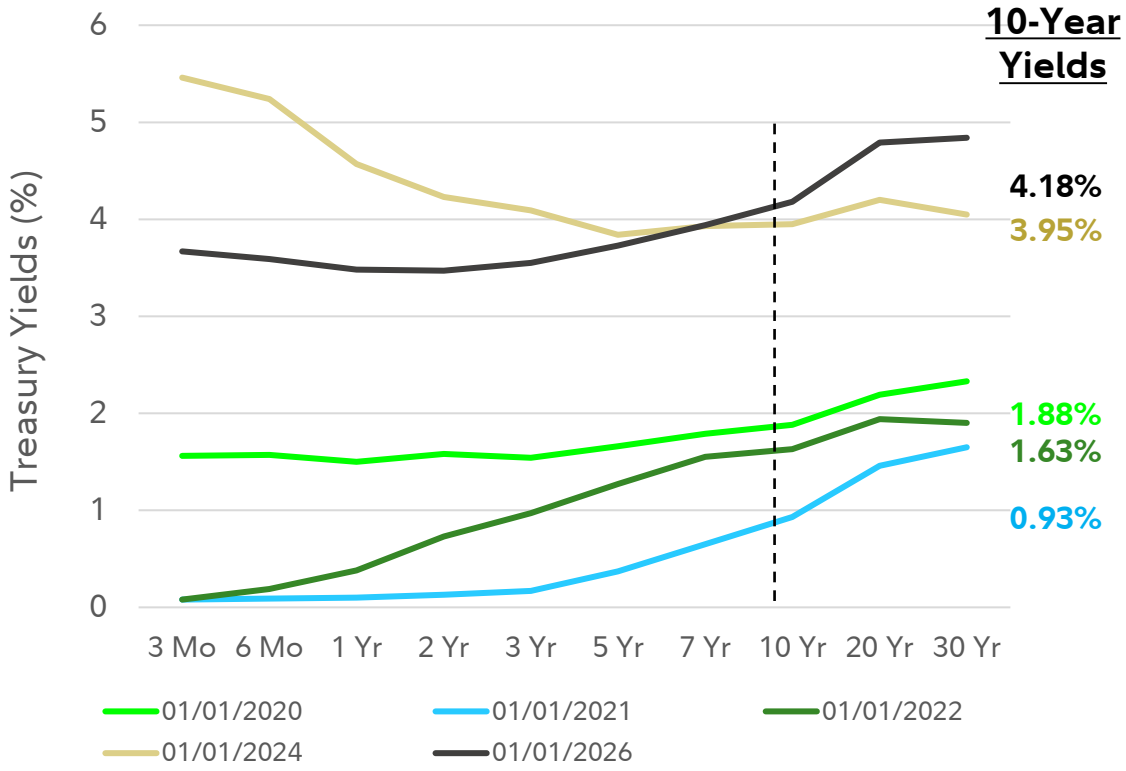
1. Assessing bond sectors and features
2. Assessing credit ratings
3. Assessing liquidity
4. Assessing diversification

High Yield Corporate —Bloomberg U.S. High Yield Index, Inv. Grade Corporate —Bloomberg U.S. Corporate Investment Grade Index, Municipal —Bloomberg Municipal Bond Index, U.S. Aggregate —Bloomberg U.S. Aggregate Index, U.S. Treasuries —Bloomberg U.S. Treasury Index, TIPS – Bloomberg U.S. Treasury Inflation Protected Securities Index.

Past performance is no guarantee of future results. Diversification and asset allocation do not ensure a profit or guarantee against loss.

Source: Bloomberg. January 2026

The US Treasury Yield Curve changes with the Economy

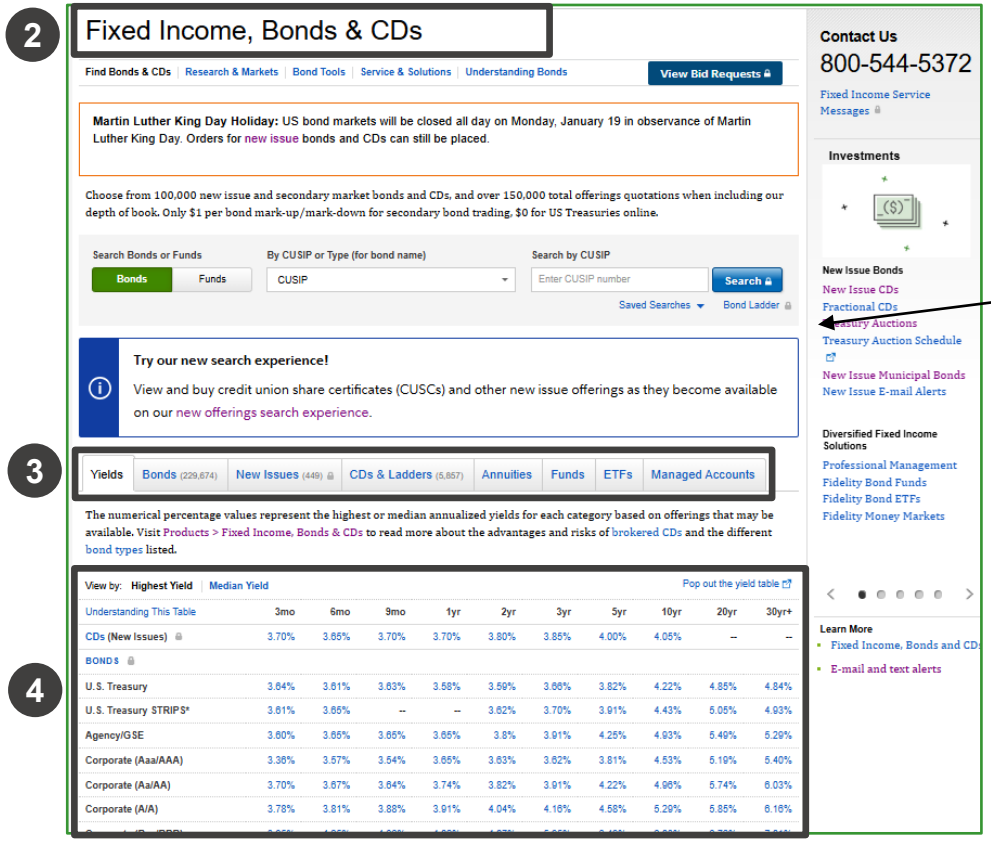


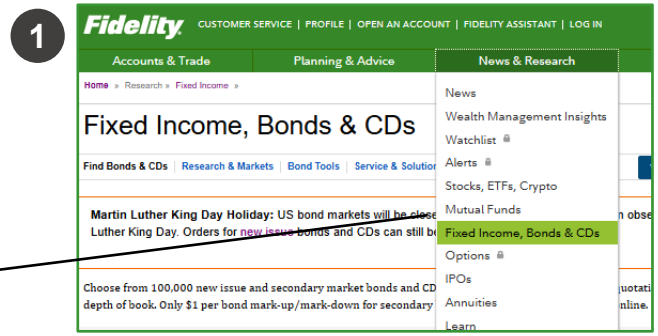
Implications

- Compare pre & post-2022 Federal Reserve's interest rate increases
- Pre 2022 -> "Normal", positive sloping yield curve but low absolute levels
- Post 2022 -> Inverted, negative sloping yield curve, now positive

Source: Federal Reserve.
Past Performance is no guarantee of future results.

Accessing Fixed Income on Fidelity.com





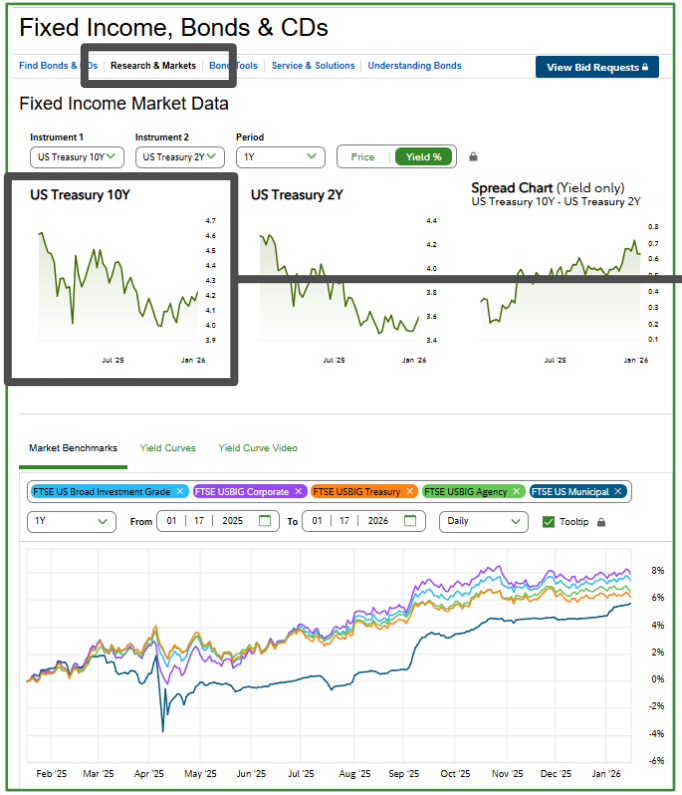
Where can I learn more?

Research > Fixed Income Bonds & CDs

Source: Fidelity.com, January 2026. For illustrative purposes only. Past Performance is no guarantee of future results.

Bond Market News and Reports

News and analysis from Fidelity and third parties





3

Latest Fixed Income Research Reports

BlackRock

Click here for more market research, and reports

Latest BlackRock Municipal Market Update
BY BLACKROCK

Latest BlackRock Investment Institute Outlook
BY BLACKROCK

Latest Fixed Income Market News

View all fixed income news

Treasury	Municipal	Corporate
US Equity Indexes Muted, Treasury Yields Rise After Trump Appears to Rule Out Hassett as Next Fed Chair BY MT NEWSWIRES 01/16/26 04:51 PM EST	Netflix, Warner Bros bonds among $100 million purchased by Trump BY REUTERS 01/16/26 08:51 PM EST	Netflix, Warner Bros bonds among $100 million purchased by Trump BY REUTERS 01/16/26 08:51 PM EST
US Equity Markets Fall as Treasury Yields	Netflix, Warner Bros bonds among $100 million purchased by Trump	Netflix, Warner Bros bonds among $100 million purchased by Trump

Source: Fidelity.com, January 2026. For illustrative purposes only.

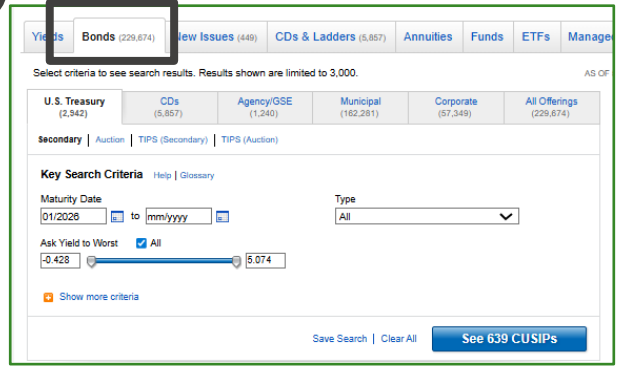
News, commentary, and research reports are from third-party sources unaffiliated with Fidelity. Fidelity does not endorse or adopt their content. Fidelity makes no guarantees that the information supplied is accurate, complete, or timely, and does not provide any warranties regarding results obtained from its use.

Participating in New Issues or Secondary Markets

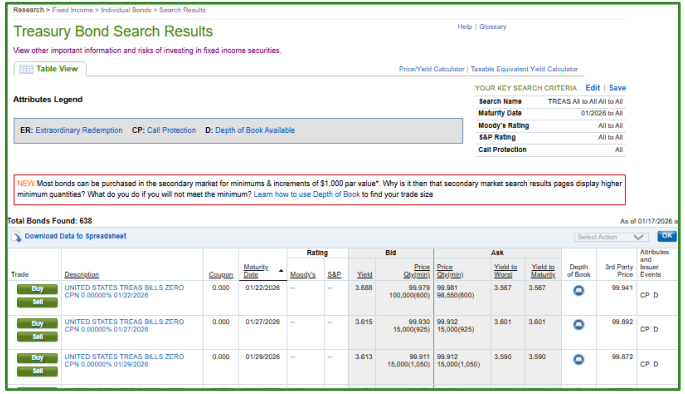
Aggregated live offerings and historical trading prices

1

Secondary Search Screen & Results

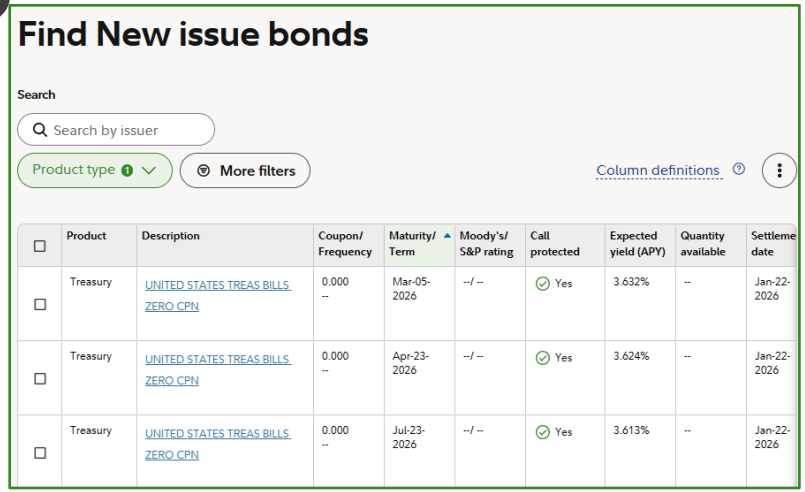


2



New Issue Offerings

3



Source: Fidelity.com, January 2026. For illustrative purposes only.

A look at the New Issue Municipal Bonds

Understanding the tax advantages

1

Municipal Bond New Issue Offerings

View other important information and risks of investing in fixed income securities.

Back to Issuers

Attributes Legend

ME: Material Events	**CP:** Call Protection	**SFP:** Sinking Fund Protection	**SKY:** Blue Sky States	**R:** Revenue Bond
GO: General Obligation Bond	**C:** Competitive	**N:** Negotiated	**I:** Insured	**ER:** Extraordinary Redemption
TAX: Taxable	**TE:** Tax Exempt	**AMT:** Subject to AMT		

TOWN OF LENOX, MASSACHUSETTS, GENERAL OBLIGATION MUNICIPAL PURPOSE LOAN OF 2026 BONDS
Total Bonds Found: 11 Repriced

As of 01/16/2026 at 12:45 p.m.

Help | Glossary

Select Action OK

2

		Issue Description	Expected Coupon	Maturity Date	Rating Moody's	Rating S&P	Underlying Rating Moody's	Underlying Rating S&P	Expected Price	Expected Yield	Call Protected	Est. Taxable Equivalent Yield*	Expected Order Period	Settlement Date	Attributes
1	Participate	LENOX MASS GEN OBLIGMUN PURP LN BDS SER.2026	4.000%	01/15/2037	--	AAA	--	--	108.605	2.790%	No	4.428%	OPEN ORDER PERIOD	01/21/2026	SFP C TE GO
		Preliminary Official Statement													
2	Participate	LENOX MASS GEN OBLIGMUN PURP LN BDS SER.2026	4.000%	01/15/2038	--	AAA	--	--	107.272	2.970%	No	4.714%	OPEN ORDER PERIOD	01/21/2026	SFP C TE GO
		Preliminary Official Statement													
3	Participate	LENOX MASS GEN OBLIGMUN PURP LN BDS SER.2026	4.000%	01/15/2040	--	AAA	--	--	104.734	3.320%	No	5.269%	OPEN ORDER	01/21/2026	SFP C TE GO

Tax-Equivalent Yield Calculator

3

* Required field

Product Information

To compare a product with other product types, enter the product type and yield:

Product Type In-State Municipal (Required)

Yield 3 % (Required)

Household Income

Estimated T... income is used by the calculator to find applicable federal and state ... your taxabl...

If you d... taxes. I...

Taxes

Tax-Equivalent Yields Based on Security Type

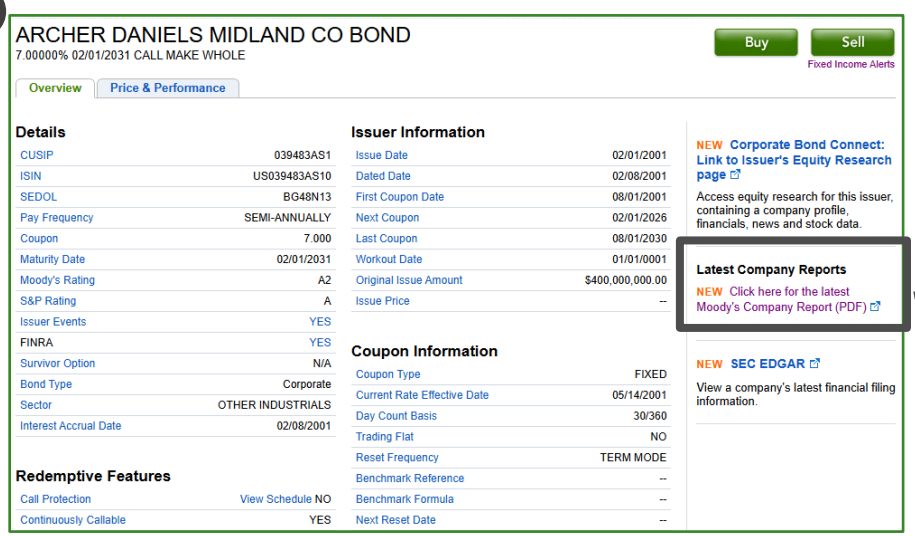
In-State Municipal	CDs	Corporate	Out-of-State Municipal
3.50%	6.59%	6.48%	3.85%
3.45%	6.49%	6.39%	3.79%
3.40%	6.40%	6.30%	3.74%
3.35%	6.30%	6.20%	3.68%
3.30%	6.20%	6.11%	3.63%
3.25%	6.11%	6.02%	3.57%
3.20%	6.01%	5.93%	3.52%
3.15%	5.92%	5.83%	3.46%
3.10%	5.82%	5.74%	3.41%
3.05%	5.73%	5.65%	3.35%
3.00%	5.63%	5.56%	3.30%
2.95%	5.54%	5.46%	3.24%
2.90%	5.44%	5.37%	3.19%

Source: Fidelity.com, January 2026. For illustrative purposes only. Past Performance is no guarantee of future results

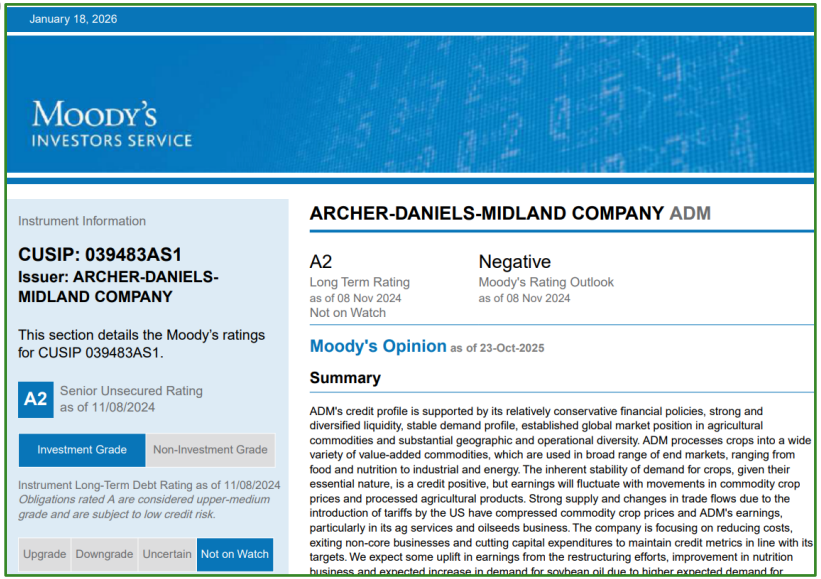
Using the Bond Details page — Corporates

Understand why a bond has its ratings and additional analysis

1



2



Source: Fidelity.com, January 2026. For illustrative purposes only.

Using the Bond Details Page — Municipals

Researching a bond's features and attributes

1

NEW YORK ST TWY AUTHGEN REV BDS SER. P
05.00000% 01/01/2031

Buy Sell
Fixed Income Alerts

Overview | Price & Performance | News & Documents

Details

CUSIP	650009Z22
Pay Frequency	SEMI-ANNUALLY
Coupon	5.000
Maturity Date	01/01/2031
Insurer	N/A
Material Events	YES
Bond Type	Municipal
Interest Accrual Date	02/15/2024

Redemptive Features

Call Protection	YES
Continuously Callable	--
Call Defeased	--
Called Bonds	NO
Make Whole Call	NO
Conditional Call	NO
Sinking Fund Protection	YES

Ratings

Moody's Rating	Current / Effective Date
Rating	A1 / 09/24/2024
Watchlist	--
Underlying Rating	AA3
Insured Rating	--
Enhanced Rating	--
Obligor Rating	--

S&P Rating	Current / Effective Date
Rating	A+ / 01/30/2024
Credit Watch	--
Underlying Rating	--
Insurer Rating	--
School ICR	--
Obligor Rating	--

Official Municipal Documents
Offering Statement (PDF)

Latest Municipal Reports
NEW Click here for the latest Moody's Issuer Report (PDF)

NEW Latest Sector Reports
Toll Roads – US: 2026 Outlook - Stable on modest traffic and revenue growth

US Public Finance – States: Judge order reinstates federal SNAP funding, delays strain for states, lower-income communities

Toll Roads – Global: Cybersecurity - Toll roads increase cyber budgets as digitalization accelerates

2

Fidelity INVESTMENTS

MuniDOCS® Online

Click on the "Date" column to view the PDF version of the document.

Material Event Notices (2)

Date Filed	State	Filing Entity	Event Type
10/16/2025	NY	NEW YORK ST TWY AUTH GEN REV Headline: VARIOUS ISSUES	Modifications to Rights of Security Holders
09/26/2024	NY	NEW YORK STATE THRUWAY AUTHORITY Headline: Upgrade (Moody's) STABLE OUTLOOK - VARIOUS ISSUES	Rating Changes

Primary Market Documents (3)

Issue Date	State	Issuer Name / Issue Description	Document Type	Par Amount
02/15/2024	NY	NEW YORK ST TWY AUTH GEN REV SER P		$0.00
		SER P		$0.00
02/15/2024	NY	NEW YORK ST TWY AUTH GEN REV SER P	Official Statement	$1,024,320,000.00

Financials / Continuing Disclosures (45)

Doc Date	State	Document Description	Filing Type
12/31/2024	NY	NEW YORK STATE THRUWAY AUTH (GEN REV)	Annual Financial Statement, Continuing

3

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 10, 2024

NEW ISSUE — **BOOK ENTRY - ONLY**

In the opinion of Hawkins, Delafield & Wood LLP, Bond Counsel to the Authority, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein (i) interest on the Series P Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Series P Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code; however, interest on the Series P Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, in the opinion of Bond Counsel, under the New York State Thruway Authority Act, the Series P Bonds, their transfer and the income therefrom (including any profit made from the sale thereof) are at all times free from taxation within the State of New York and any political subdivision thereof. See "TAX MATTERS" herein for further information.

NEW YORK STATE OF OPPORTUNITY. Thruway Authority

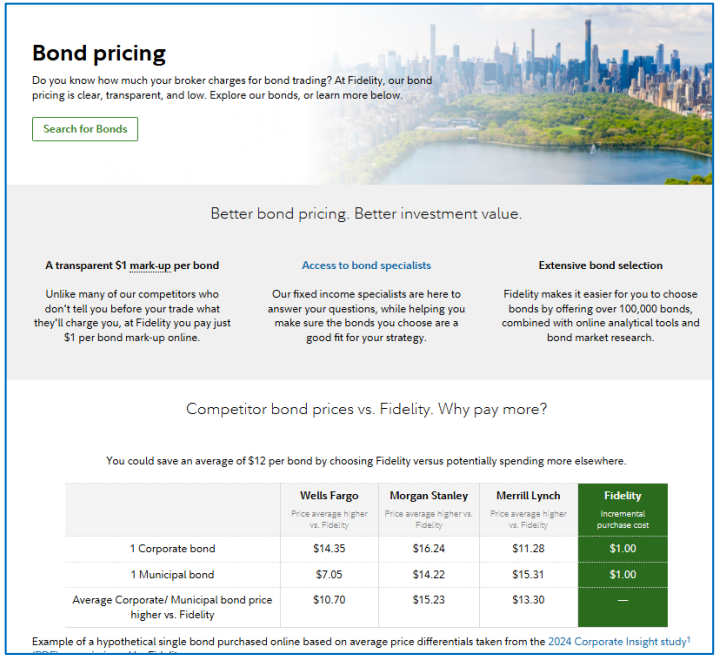
$1,030,080,000*
New York State Thruway Authority
General Revenue Bonds
Series P

Dated: Date of Delivery — **Due: January 1, as shown on the inside cover hereof**

Interest is payable each January 1 and July 1, commencing July 1, 2024. The New York State Thruway

Source: Fidelity.com, January 2026. For illustrative purposes only.

Understanding the Impact of Transaction Costs



Bond pricing

Do you know how much your broker charges for bond trading? At Fidelity, our bond pricing is clear, transparent, and low. Explore our bonds, or learn more below.

Search for Bonds

Better bond pricing. Better investment value.

A transparent $1 mark-up per bond

Unlike many of our competitors who don't tell you before your trade what they'll charge you, at Fidelity you pay just $1 per bond mark-up online.

Access to bond specialists

Our fixed income specialists are here to answer your questions, while helping you make sure the bonds you choose are a good fit for your strategy.

Extensive bond selection

Fidelity makes it easier for you to choose bonds by offering over 100,000 bonds, combined with online analytical tools and bond market research.

Competitor bond prices vs. Fidelity. Why pay more?

You could save an average of $12 per bond by choosing Fidelity versus potentially spending more elsewhere.

	Wells Fargo Price average higher vs. Fidelity	Morgan Stanley Price average higher vs. Fidelity	Merrill Lynch Price average higher vs. Fidelity	Fidelity Incremental purchase cost
1 Corporate bond	$14.35	$16.24	$11.28	$1.00
1 Municipal bond	$7.05	$14.22	$15.31	$1.00
Average Corporate/ Municipal bond price higher vs. Fidelity	$10.70	$15.23	$13.30	—

Example of a hypothetical single bond purchased online based on average price differentials taken from the 2024 Corporate Insight study[1]

Where can I learn more?

fidelity.com/fixed-income-bonds/bond-pricing

For illustrative purposes only
Source: Fidelity.com, January 2026
See footnote #2 on page 39 for details on this study

Access the 2024 Corporate Insight study at:
fidelity.com/bin-public/060_www_fidelity_com/documents/BondPricingStudy.pdf

Read more about demystifying bond prices at:
https://www.fidelity.com/viewpoints/investing-ideas/how-much-for-bonds

Minimum markup or markdown of $19.95 applies if traded with a Fidelity representative. For U.S. Treasury purchases traded with a Fidelity representative, a flat charge of $19.95 per trade applies. A $250 maximum applies to all trades, reduced to a $50 maximum for bonds maturing in one year or less. Rates are for U.S. dollar-denominated bonds; additional fees and minimums apply for non-dollar bond trades. Other conditions may apply; see Fidelity.com/commissions for details. Please note that markups and markdowns may affect the total cost of the transaction and the total, or "effective," yield of your investment. The offering broker, which may be our affiliate, National Financial Services LLC, may separately mark up or mark down the price of the security and may realize a trading profit or loss on the transaction.

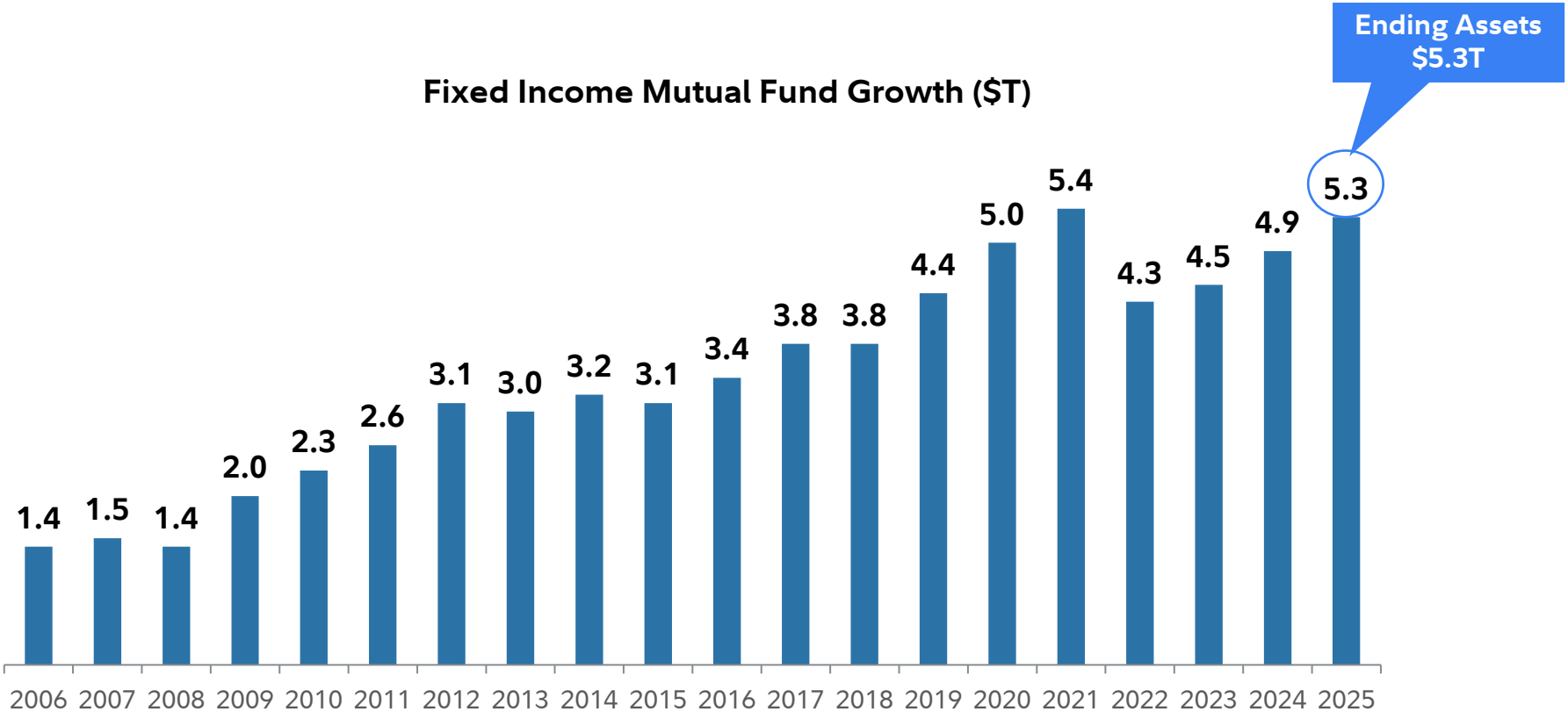
(Markup - For secondary market bonds and CD purchases, the difference (dollar and %) between the Prevailing Market Price (PMP) and the trade price. Mark-up is calculated as: Mark-up / Total initial price x 100. The mark-up includes, but may not be limited to, Fidelity's $1 per bond pricing. Details available on our fee schedule.

Source: Fidelity.com, January 2026. For illustrative purposes only.

How do Bond Exchange Traded Funds (ETFs) Compare to Bond Mutual Funds?

Montanna Saltsman

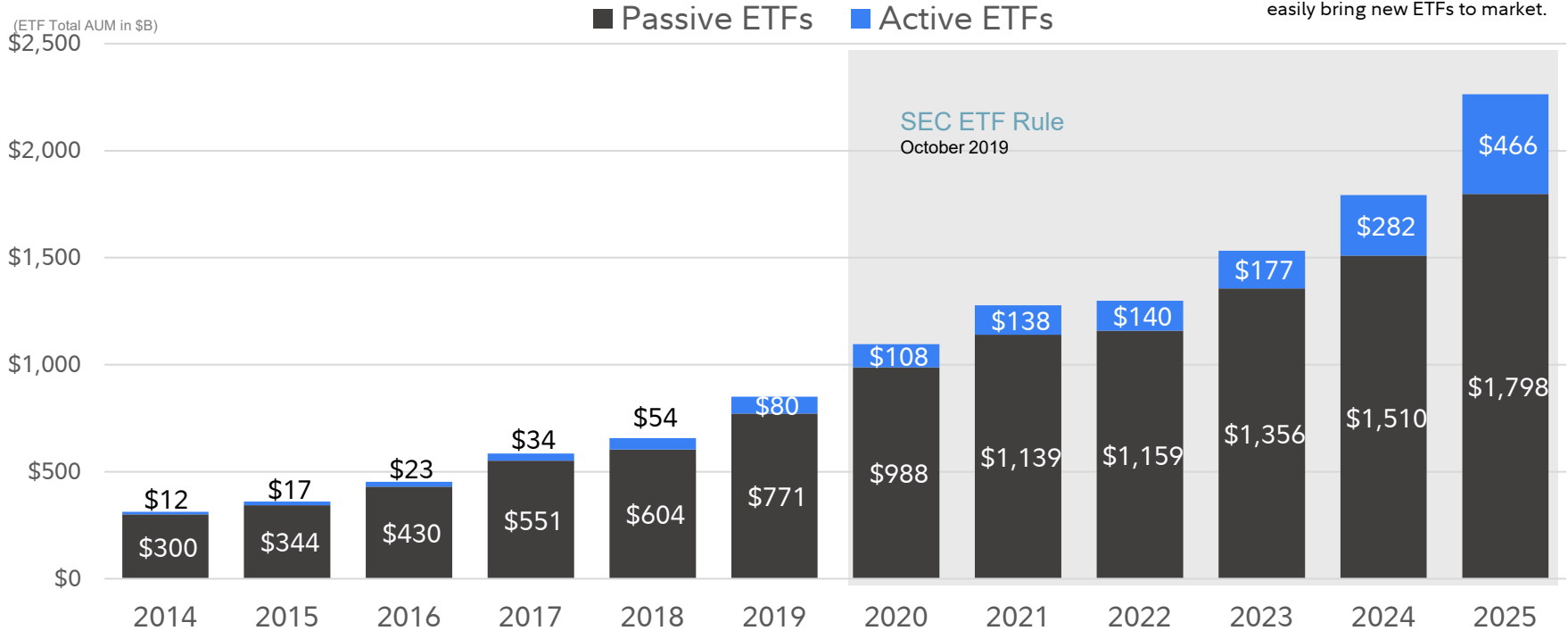
Bond Mutual Fund Market Landscape



Source: Morningstar, as of 12/31/25; includes both taxable and municipal bond mutual funds.

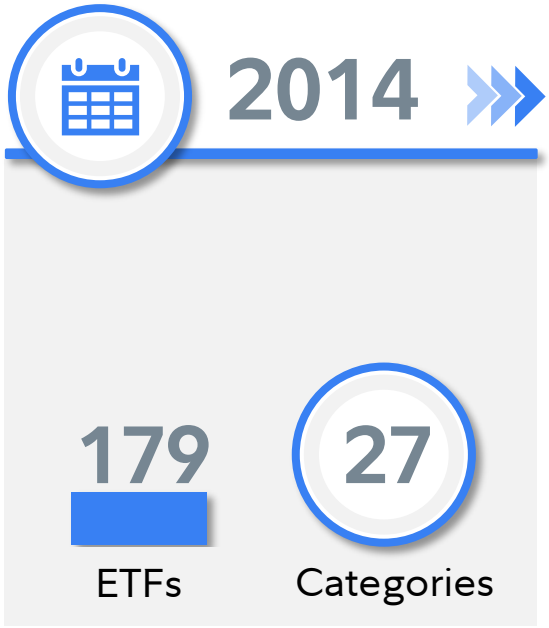
Growth of Fixed Income ETFs

SEC ETF Rule
In 2019 the SEC passed a rule that removes "exemptive relief" regulations, enabling issuers to more easily bring new ETFs to market.

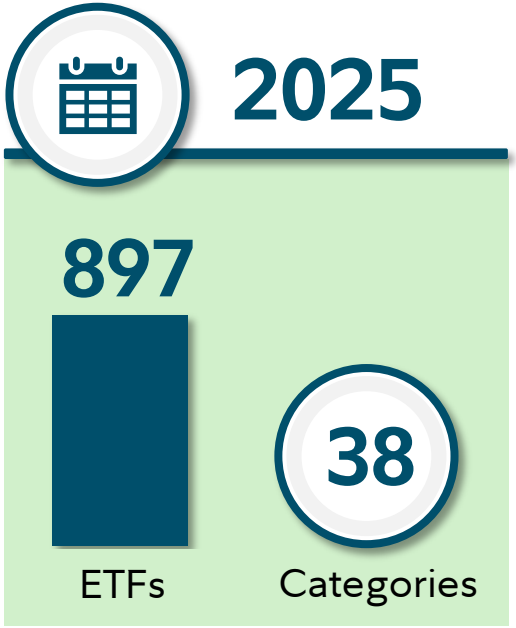


Source: Morningstar & Bloomberg, as of 12/31/25.

The Menu is Evolving



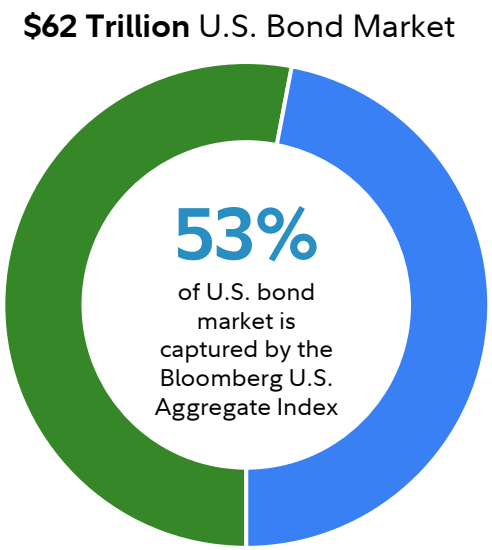
Fixed Income Asset Class	% of Market 2014	2025
Intermediate Core Bond	18.9%	**17.3%**
Ultrashort Bond	4.4%	**14.9%**
Intermediate Government	4.3%	**8.4%**
Corporate Bond	10.8%	**7.2%**
Short-Term Bond	14.4%	**6.8%**
Long Government	5.1%	**6.2%**
High Yield Bond	10.9%	**4.9%**
Muni National Interm	1.9%	**4.9%**
Intermediate Core-Plus Bond	1.0%	**4.8%**
Global Bond-USD Hedged	1.0%	**4.1%**
Short Government	3.3%	**3.4%**
Target Maturity	<0.1%	**2.8%**
Preferred Stock	5.5%	**1.9%**
Multisector Bond	0.2%	**1.7%**
Short-Term Inflation-Protected	1.8%	**1.6%**
Inflation-Protected Bond	5.3%	**1.6%**
Muni National Short	1.2%	**1.2%**
Emerging Markets Bond	2.6%	**1.1%**
Bank Loan	2.2%	**1.1%**
Long-Term Bond	1.3%	**0.8%**
High Yield Muni	0.7%	**0.7%**
Muni National Long	0.7%	**0.4%**
Convertibles	-	**0.4%**
Emerging-Markets Local-Currency	0.8%	**0.3%**
Global Bond	1.4%	**0.3%**
Trading—Leveraged Debt	-	**0.2%**
Muni California Long	0.1%	**0.2%**
Muni Target Maturity	-	**0.2%**
Nontraditional Bond	0.1%	**0.2%**

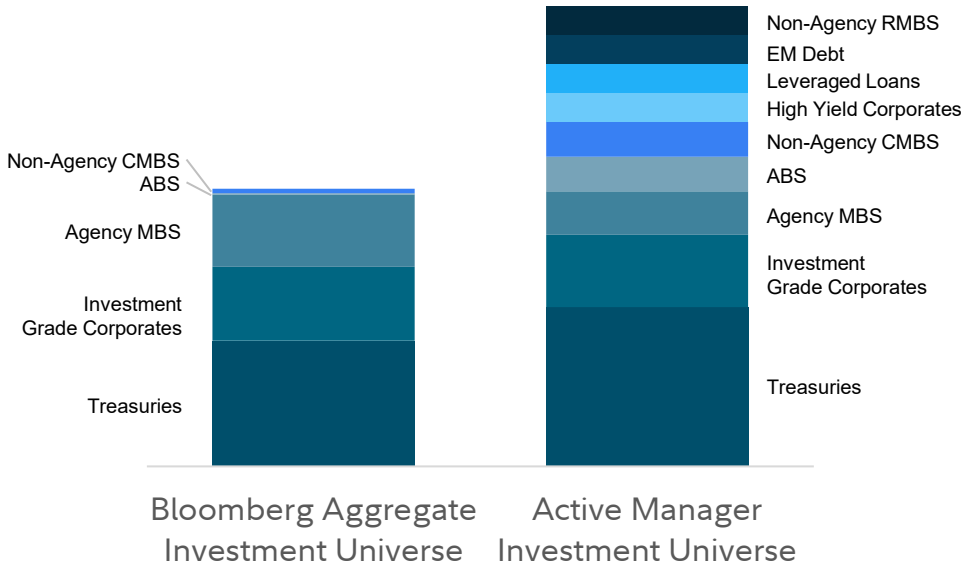


Source: Morningstar, as of 12/31/25.

Growth Opportunities

Not all passive indices are created equal





As of January 2026.
Source: SIMFA, Bloomberg, ICI & Fidelity Investments. Graphic on right-hand-side is for illustrative and discussion purposes only.
Active Manager Investment Universe does not represent actual data.

Comparing ETFs and Mutual Funds

Key Considerations: Cost, Trading, Transparency and Taxes



Associated Costs

ETFs	Mutual Funds
Expense Ratios	Expense Ratios
Commission (may be waived)	Load and no-load
Premium/ discounts	Bought/Sold at NAV (may have redemption fees)



Trading Attributes

ETFs	Mutual Funds
Intra-day trading on secondary market	Most transact **once a day** at close
Allow limit, stop, and conditional orders	**No** limit, stop or conditional orders
Allow shorting and margin	**No** shorting (margin 30 days)



Transparency & Taxes

ETFs	Mutual Funds
Generally, daily transparency of all holdings	Holdings data usually at least 1 month old
Capital gains tend to be lower due to creation and redemption	Less tax efficient structure, all shareholders bear tax burden

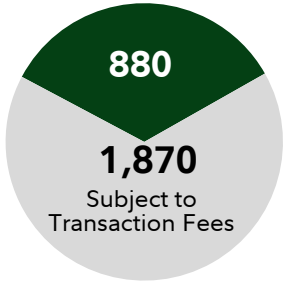
Best practices to consider when trading ETFs

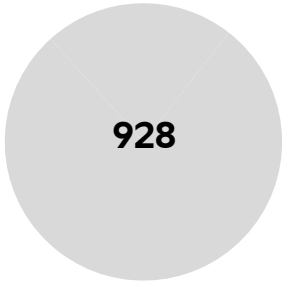
Order Type	Understanding the difference in various order types can impact execution price. e.g., limit orders instead of market orders to prevent order being executed at an unwanted price
Asset Class	Understand which market the ETF represents, as different asset classes will have different liquidity characteristics
Time of Day	The first and last 15-20 minutes of the trading day can be more volatile which may impact trading decisions and pricing quality
Order Flow	Understanding your platform's order flow and execution framework can help achieve best execution
Trading Support	Utilize trading counterparties or ETF sponsors to help gauge the indicative costs to implement your trade

Source: Fidelity Investments.

Bond Mutual Funds and ETFs on Fidelity.com

Bond Mutual Funds	Bond ETFs
49 Fidelity Funds	13 Fidelity ETFs
No Transaction Fee[1]	Commission Free[2]





[1] Certain FundsNetwork funds may be subject to separate and additional redemption fees imposed by the particular fund. Investors should refer to that fund's current prospectus for details.

[2] **Free commission offer applies to online purchases of ETFs in a Fidelity retail account. A limited number of ETFs are subject to a transaction-based service fee of $100. See full list at Fidelity.com/commissions. The sale of ETFs is subject to an activity assessment fee (from $0.01 to $0.03 per $1,000 of principal.)**

ETFs are subject to market fluctuation and the risks of their underlying investments. ETFs are subject to management fees and other expenses.

Source: Fidelity.com, as of 12/31/2025

ETF Screener on Fidelity.com

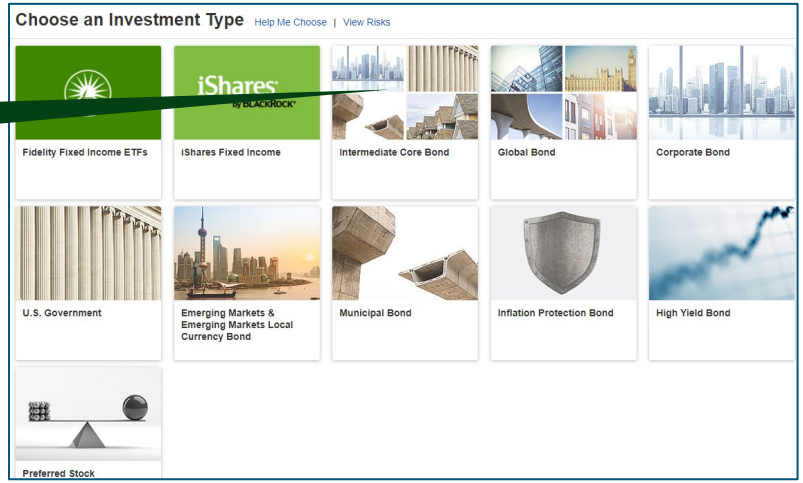
Select the Fixed Income Tab

1

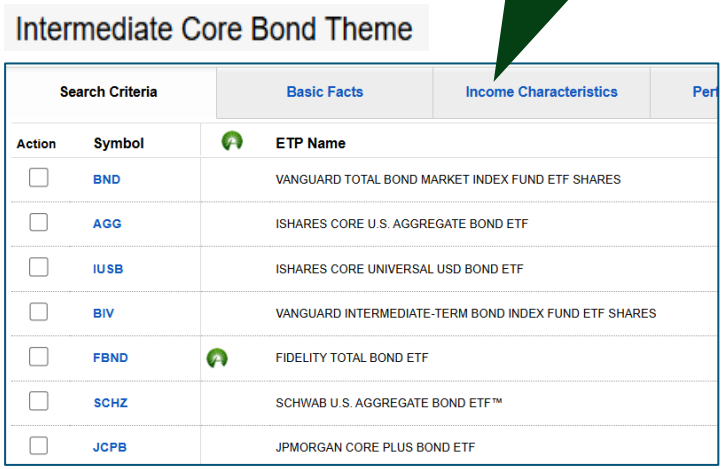


Select the theme

2



3 **View results**

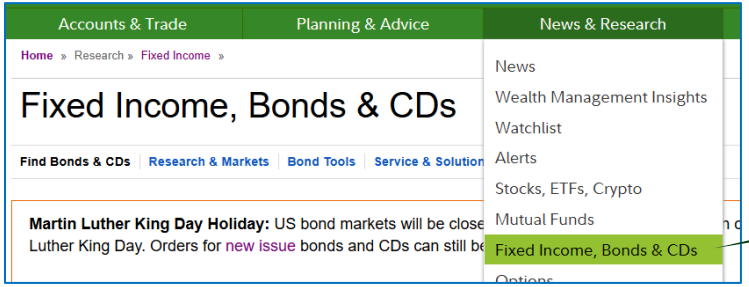


Free commission offer applies to online purchases of ETFs in a Fidelity retail account. A limited number of ETFs are subject to a transaction-based service fee of $100. See full list at Fidelity.com/commissions. The sale of ETFs is subject to an activity assessment fee (from $0.01 to $0.03 per $1,000 of principal.)

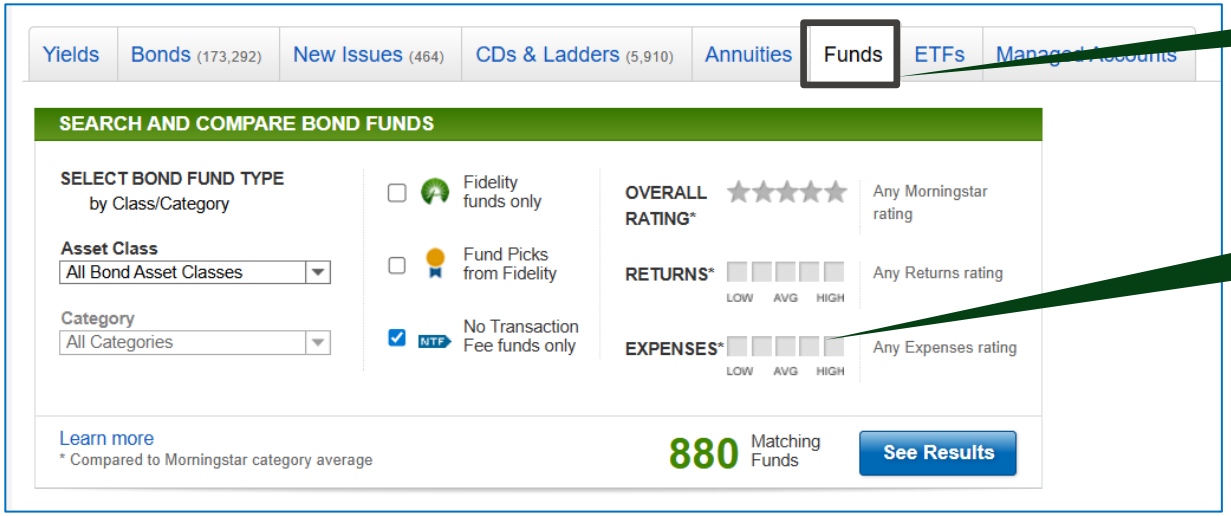
ETFs are subject to market fluctuation and the risks of their underlying investments. ETFs are subject to management fees and other expenses.

Source: Fidelity.com, January 2026. Images are for illustrative purposes only.

Mutual Fund Research on Fidelity.com



1 From "News & Research", select "Fixed Income, Bonds & CDs"



2 Select the "Funds" tab

3 Search for mutual funds that meet your objective

Source: Fidelity.com, January 2026. Images are for illustrative purposes only

Fidelity Fixed Income ETFs

A robust lineup of bond ETFs reaching across duration and credit spectrums

	Investment Grade											High Yield	
	Fidelity Systematic Municipal Bond Index ETF	Fidelity Low Duration Bond ETF	Fidelity Low Duration Bond Factor ETF	Fidelity Limited Term Bond ETF	Fidelity Investment Grade Bond ETF	Fidelity Investment Grade Securitized ETF	Fidelity Corporate Bond ETF	Fidelity Municipal Bond Opportunities ETF	Fidelity Total Bond ETF	Fidelity Tactical Bond ETF	Fidelity Enhanced High Yield ETF	Fidelity Sustainable High Yield ETF	Fidelity Preferred Securities & Income ETF
Ticker	**FMUN**	**FLDB**	**FLDR**	**FLTB**	**FIGB**	**FSEC**	**FCOR**	**FMUB**	**FBND**	**FTBD**	**FDHY**	**FSYD**	**FPFD**
Management Style	Passive	Active	Passive (Factor-Based)	Active	Active	Active	Active	Active	Active	Active	Active (Factor-Based)	Active	Active
Gross Expense Ratio	0.05%	0.20%	0.15%	0.25%	0.36%	0.36%	0.36%	0.30%	0.36%	0.55%	0.35%	0.55%	0.59%
Duration (Years)	6.96	0.55	0.84	2.56	6.04	5.17	6.82	5.69	5.90	6.30	2.62	2.96	N/A
Summary	Seeks exposure to U.S. investment-grade municipal bonds with attractive risk-adjusted performance and liquidity characteristics relative to the broader municipal bond universe.	Seeks a high level of current income by actively investing across corporate, securitized, or government securities while normally maintaining a duration of one year or less.	Optimizes the balance of interest rate risk and credit risk such that both returns and risk measures may be improved relative to traditional U.S. investment grade floating rate note indices.	A credit-oriented ETF serving clients with shorter investment horizons.	A core fixed income ETF for investors seeking one-stop access to a diverse group of U.S. high-grade bond sectors.	A core fixed income ETF for investors seeking income and diversification from high-quality securitized products, including non-agency MBS, non-agency CMBS, and ABS.	For investors seeking income and diversification from high-quality corporate bonds.	Seeks to offer a competitive yield and total return profile but with lower volatility than pure high yield municipal bond funds.	A core fixed income ETF for clients seeking income and a measure of protection from stock market volatility.	Tactically allocates to fixed income subsectors while seeking a high level of current income and capital appreciation.	Seeks a high level of income and capital appreciation. Quantitative, rules-based approach to exploit market inefficiencies.	A core high yield bond ETF that invests in issuers with proven or improving sustainability practices based on an evaluation of their individual environmental, social, governance (ESG) profile.	For risk-tolerant investors seeking high total return through a combination of current income and capital appreciation.
Portfolio Managers	Brandon Bettencourt, CFA Mark Lande, CFA Van Eswara, CFA	Robert Galusza David DeBiase, CFA Julian Potenza, CFA* John Mistovich	Brandon Bettencourt, CFA Mark Lande, CFA Van Eswara, CFA	Robert Galusza David DeBiase, CFA Julian Potenza, CFA* John Mistovich Jared Beckerman	Michael Plage, CFA Celso Muñoz, CFA Stacie Ware, PhD Brian Day, CFA	Franco Castagliuolo, CFA Sean Corcoran, CFA	Jay Small, CFA Ben Tarlow, PhD Steven Roleck, CFA	Cormac Cullen Elizah McLaughlin, CFA Michael Maka, CFA	Ford O'Neil** Michael Plage, CFA Celso Muñoz, CFA Stacie Ware, PhD Brian Day, CFA Franco Castagliuolo, CFA Michael Foggin Benjamin Harrison, CFA	Michael Plage, CFA Celso Muñoz, CFA Stacie Ware, PhD Brian Day, CFA Benjamin Harrison, CFA	Rahul Bhargava, PhD Leo Landes, CFA Orhan Imer, PhD, CFA	Benjamin Harrison, CFA Jared Beckerman	Adam Kramer Brian Chang Rick Gandhi

Source: Fidelity Investments, as of 12/31/25, unless otherwise noted. **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. **Expense Ratio** is the fund's total annual fund operating expenses as available in each fund's prospectus and represents the expenses that you pay each year as a percentage of the value of your investment. Any applicable brokerage charges are not included in the expense ratio.

*Effective on or about 3/31/26, Julian Potenza will no longer serve as Co-Portfolio Manager for the fund. **Effective on or about 9/30/26, Ford O'Neil will retire from managing portfolios and transition to a new role as a senior advisor and mentor to the investment teams in Asset Management.

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

Active Management can outperform in Fixed Income

Percent of actively managed fund share classes beating primary benchmark (after expenses)				
Morningstar Category	**1 Year**	**3 Year**	**5 Year**	**10 Year**
US Fund Short-Term Bond	7%	85%	98%	76%
US Fund Intermediate Core Bond	38%	59%	48%	55%
US Fund Intermediate Core-Plus Bond	56%	79%	69%	80%
US Fund Multisector Bond	68%	99%	100%	98%

Data as of December 31, 2025. Considers all share classes of each actively managed fund (mutual funds and exchange trades funds, Index Fund="No") within each respective Morningstar Category. Based on Morningstar Direct Excess Return field calculations. Share classes of funds with less than $50M in net assets were excluded from the analysis. May include some degree of survivorship bias, in that closed and merged funds existing for partial periods are not included. Past performance is no guarantee of future results. All indices are unmanaged. It is not possible to invest directly in an index. Source: Morningstar, Fidelity Investments.

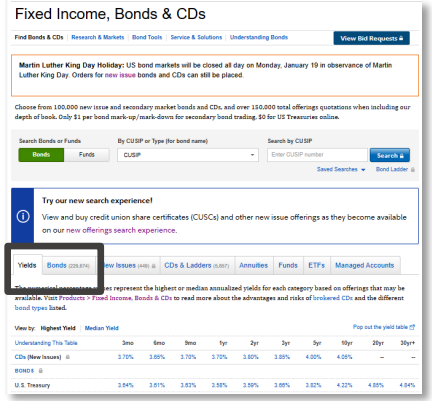
Summary and Next Steps

Your Next Steps

Locating the products on Fidelity.com | More education and support services | How to buy

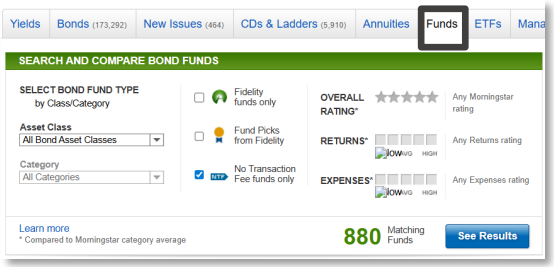
Individual Bonds

1. Fidelity.com > Research > Fixed Income
2. "Yields" tab or "Individual Bonds" tab



Bond Mutual Funds

1. Fidelity.com > Research > Fixed Income
2. "Funds" tab



Bond ETFs

1. Fidelity.com > Research > Fixed Income
2. "ETFs" tab



Source: Fidelity.com, January 2026. Images are for illustrative purposes only.

Key Considerations of Individual Bond Investing

Using Fidelity's offering and support to help

Bonds mature
Plan for future expenses, real estate tax payment, college education, reinvestment

Cash flow planning
Bond valuations may fluctuate but cash flow is consistent, barring an issuer default

Research before you invest
Bond structure and pricing

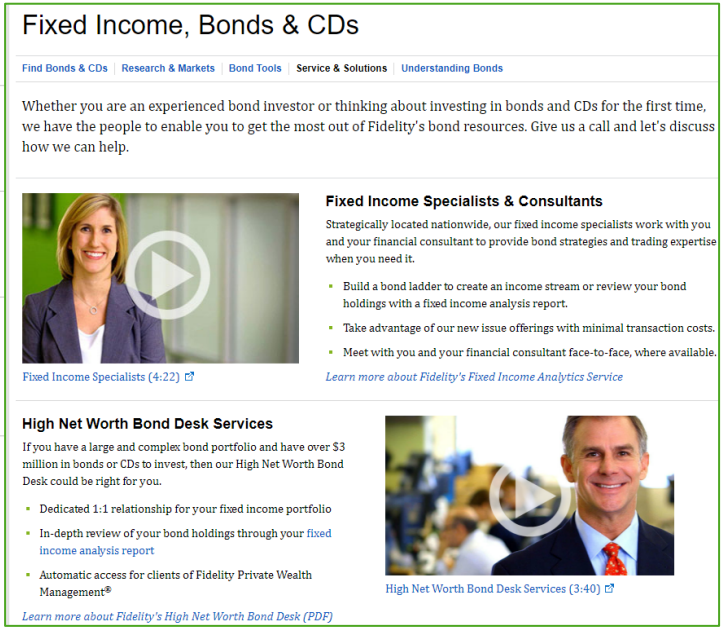
Strive to lower costs
Use depth of book. Compare Fidelity to firms with significant markups.
New issue products no charge at Fidelity[1]

Monitor your holdings
Fixed income analysis; alerts on maturities, ratings changes



Where can I learn more?

Research > Fixed Income Bonds & CDs:
www.Fidelity.com/fixedincome



Source: Fidelity.com, January 2025. For illustrative purposes only.

For illustrative purposes only.
[1] Fidelity makes certain new issue products available without a separate transaction fee. Fidelity Brokerage Services LLC and National Financial Services LLC receive compensation for participating in the offering as a selling group member or underwriter.

Why Fidelity for Fixed Income?

Team Approach

- Stable and experienced team
- Team has been managing portfolios since 1992 and asset allocation strategies since 2000
- A history of competitive results through a variety of market environments

Commitment to Research

- Independent and proprietary
- Spans the capital structure
- Fundamental research complemented by macro insights

- **Over 135 research professionals**
- Research analysts average **17 years** of industry experience
- Coordination with over **205 equity research professionals**

Annually

- 18,000+ company meetings globally*
- 25,000+ company contacts**
- 43,000+ research notes

Risk Management

- Focused on delivering competitive risk-adjusted returns that are consistent with client expectations
- Integrated and empowered risk professionals
- Multiple layers of oversight and risk infrastructure
- Long-term commitment to risk infrastructure via technology (ex. risk model)

*Includes meetings with brokers, AART, shareholders, analyst days, site visits, strategist meetings, calls, private meetings and prospects.
**Represents all asset classes.
Past performance is no guarantee of future results.
Source: Fidelity Investments As of 12/31/2025. Data is unaudited.
Research professionals include both analysts and associates.

Important Information

(from pages 10, and 22)

1. Fixed Income Yields & Spreads: Data is for the month-end periods January 2006 – December 2025. Spread data are based on option-adjusted spread except for Leveraged Loans which is based on spread to maturity. The percentile rank is the rank over the stated time period with 100 representing the highest yield/spread and 0 representing the lowest yield/spread. Yield is the current yield on the 10yr Treasury and yield to worst for the indices except for leveraged loan which is yield to maturity. Spread is option adjusted spread and spread to maturity for leveraged loan. Yields and spreads are represented by the Bloomberg U.S. Aggregate Bond Index, Bloomberg U.S. Securitized Index, Bloomberg Corporate Investment Grade Index, Bloomberg U.S. Corporate High Yield Index, S&P/LSTA Leveraged Performing Loan Index. Past performance is no guarantee of future results.

2. Fidelity commissioned Corporate Insight to study bond pricing, available online, for self-directed retail investors from three brokers that offer corporate and municipal bonds for comparison to Fidelity's standard online pricing. The study compared online bond prices for more than 37,000 municipal and corporate inventory matches from June 4 through July 10, 2024. It compared municipal and corporate inventories offered online in varying quantities. The study found that, on average, the three online bond brokers identified in the chart were asking $12.95 more per bond. Corporate Insight determined the average price differential by calculating the difference between the prices of matching corporate and municipal bond inventory at Fidelity, including Fidelity's $1 per bond markup for online trades vs. the prices offered online for the same bonds from the three brokers in the table, then averaging the differences of the financial services firms. The analysis included investment grade corporate and municipal bonds only.

Fidelity INVESTMENTS

Important Information (Cont'd)

Before investing in any mutual fund or exchange traded fund, you should consider its investment objectives, risks, charges, and expenses. Contact Fidelity for a prospectus, an offering circular, or, if available, a summary prospectus containing this information. Read it carefully.

It is important to remember that both active and passive strategies offer distinct advantages and disadvantages an investor should consider before investing. For example, while active management provides the potential for excess returns, this is in no way guaranteed and active funds may significantly underperform their stated benchmark, or market as a whole. Investors should always consider the investment objectives, strategy, and risks of a particular investment in relation to their unique situation before investing. Please contact your investment professional to discuss what investment may be appropriate for you.

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 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 holding them until maturity to avoid losses caused by price volatility is not possible. Any fixed income security sold or redeemed prior to maturity may be subject to loss. High-yield/non-investment-grade bonds involve greater price volatility and risk of default than investment-grade bonds. Foreign securities are subject to interest-rate, currency-exchange-rate, economic, and political risks, all of which may be magnified in emerging markets. Floating rate loans may not be fully collateralized and therefore may decline significantly in value.

The municipal market can be adversely affected by tax, legislative, or political changes and the financial condition of the issuers of municipal securities. Investing in municipal bonds for the purpose of generating tax-exempt income may not be appropriate for investors in all tax brackets or for all account types. Tax laws are subject to change and the preferential tax treatment of municipal bond interest income may be revoked or phased out for investors at certain income levels. You should consult your tax adviser regarding your specific situation.

A Fund's sustainable investment strategy will affect the fund's exposure to certain issuers, industries, sectors, regions and countries and could cause the fund to sell or avoid securities that subsequently perform well. In additions, securities that do not meet the sustainable investing criteria could outperform those that do.

For iShares ETFs, Fidelity receives compensation from the ETF sponsor and/or its affiliates in connection with an exclusive long-term marketing program that includes promotion of iShares ETFs and inclusion of iShares funds in certain FBS platforms and investment programs. Please note, this security will not be marginable for 30 days from the settlement date, at which time it will automatically become eligible for margin collateral. Additional information about the sources, amounts, and terms of compensation can be found 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 Brokerage Services receives compensation from the fund's advisor or its affiliates in connection with a marketing program that includes the promotion of this security and other ETFs to customers ("Marketing Program"). The Marketing Program creates incentives for Fidelity Brokerage Services to encourage the purchase of certain ETFs. Additional information about the sources, amounts, and terms of compensation is in the ETFs prospectus and related documents. Please note that this security will not be marginable for 30 days from the settlement date, at which time it will automatically become eligible for margin collateral.

Important Information (Cont'd)

ETFs are subject to market fluctuation and the risks of their underlying investments. ETFs are subject to management fees and other expenses.

The tax information contained herein is general in nature, is provided for informational purposes only, and should not be construed as legal or tax advice. Fidelity does not provide legal or tax advice. Fidelity cannot guarantee that such information is accurate, complete, or timely. Laws of a particular state or laws that may be applicable to a particular situation may have an impact on the applicability, accuracy, or completeness of such information. Always consult an attorney or tax professional regarding your specific legal or tax situation.

The Fidelity ETF Screener and Mutual Fund Evaluator are research tools provided to help self-directed investors evaluate these types of securities. The criteria and inputs entered are at the sole discretion of the user, and all screens or strategies with preselected criteria (including expert ones) are solely for the convenience of the user. Expert Screeners are provided by independent companies not affiliated with Fidelity. Information supplied or obtained from these Screeners is for informational purposes only and should not be considered investment advice or guidance, an offer of or a solicitation of an offer to buy or sell securities, or a recommendation or endorsement by Fidelity of any security or investment strategy. Fidelity does not endorse or adopt any particular investment strategy or approach to screening or evaluating stocks, preferred securities, exchange traded products, or closed-end funds. Fidelity makes no guarantees that information supplied is accurate, complete, or timely, and does not provide any warranties regarding results obtained from its use. Determine which securities are right for you based on your investment objectives, risk tolerance, financial situation, and other individual factors, and reevaluate them on a periodic basis.

References to individual securities are for illustrative purposes only and should not be construed as investment advice.

Past performance is no guarantee of future results.

Fidelity INVESTMENTS

Important Information (Cont'd)

Third-party trademarks and service marks are the property of their respective owners. All other trademarks and service marks are the property of FMR LLC or an affiliated company.

Information presented herein is for discussion and illustrative purposes only and is not a recommendation or an offer or solicitation to buy or sell any securities. Views expressed are as of the date indicated, based on the information available at that time, and may change based on market and other conditions. Unless otherwise noted, the opinions provided are those of the speaker or author and not necessarily those of Fidelity Investments or its affiliates. Fidelity does not assume any duty to update any of the information.

A bond ladder, depending on the types and amount of securities within it, may not ensure adequate diversification of your investment portfolio. While diversification does not ensure a profit or guarantee against loss, a lack of diversification may result in heightened volatility of your portfolio value. You must perform your own evaluation as to whether a bond ladder and the securities held within it are consistent with your investment objectives, risk tolerance, and financial circumstances. To learn more about diversification and its effects on your portfolio, contact a representative.

The Fixed Income Analysis tool is designed for educational purposes only and you should not rely on it as the primary basis for your investment, financial or tax planning decisions.

Investment decisions should be based on an individual's own goals, time horizon, and tolerance for risk. Nothing in this content should be considered to be legal or tax advice and you are encouraged to consult your own lawyer, accountant, or other advisor before making any financial decision.

The Chartered Financial Analyst (CFA®) designation is offered by the CFA Institute. To obtain the CFA charter, candidates must pass three exams demonstrating their competence, integrity, and extensive knowledge in accounting, ethical and professional standards, economics, portfolio management, and security analysis, and must also have at least 4,000 hours of qualifying work experience completed in a minimum of 36 months, among other requirements. CFA is a trademark owned by the CFA Institute.

Fidelity INVESTMENTS

Important Information (Cont'd)

Indices

All indexes are unmanaged, and performance of the indexes includes reinvestment of dividends and interest income, unless otherwise noted. Securities indices are not subject to fees and expenses typically associated with investment funds, which if charged, would reduce performance. Indexes are not illustrative of any particular investment, and it is not possible to invest directly in an index.

IA SBBI U.S. Intermediate-Term Government Bond Index: A custom index designed to measure the performance of intermediate-term U.S. Government bonds.

IA SBBI U.S. Long-Term Corporate Bond Index: A custom index designed to measure the performance of long-term U.S. corporate bonds.

Bloomberg U.S. High Yield Index is a market value-weighted index that covers the universe of dollar-denominated, fixed-rate, non-investment-grade debt.

Bloomberg U.S. Corporate Investment Grade Index is a market value-weighted index of investment-grade corporate fixed-rate debt issues with maturities of one year or more.

Bloomberg Municipal Bond Index is an unmanaged index that includes investment-grade, tax-exempt, and fixed-rate bonds with maturities greater than two years selected from issues larger than $75 million.

Bloomberg U.S. Aggregate Bond Index is an unmanaged index that tracks domestic investment-grade bonds, including corporate, government, and mortgage-backed securities.

Bloomberg U.S. Treasury Index is a market value-weighted index of public obligations of the U.S. Treasury with maturities of one year or more.

Bloomberg U.S. TIPS Index is an unmanaged index that consists of inflation-protected securities issued by the U.S. Treasury

Bloomberg Emerging Markets USD Aggregate Investment-Grade Index is a hard currency investment grade emerging markets debt benchmark that includes USD-denominated debt from sovereign, quasi-sovereign, and corporate emerging market issuers.

Bloomberg Emerging Markets USD Aggregate High Yield Index is a hard currency high yield emerging markets debt benchmark that includes USD-denominated debt from sovereign, quasi-sovereign, and corporate emerging market issuers.

Morningstar LSTA U.S. Performing Loan Index is a market value-weighted index designed to represent the performance of U.S. dollar-denominated institutional leveraged performing loan portfolios (excluding loans in payment default) using current market weightings, spreads, and interest payments.

Bloomberg U.S. Securitized Bond Index (formerly the Lehman Brothers Securitized Index) is an unmanaged composite of asset-backed securities, collateralized mortgage-backed securities (ERISA-eligible) and fixed rate mortgage-backed securities.

Bloomberg Global Credit Hedged USD Index contains investment grade and high yield credit securities from the Multiverse represented in US Dollars on a hedged basis, (Multiverse is the merger of two groups: the Global Aggregate and the Global High Yield). It is not possible to invest directly in an unmanaged index. Prior to November 1, 2008, this index was published by Lehman Brothers. The index does not reflect deductions for fees, expenses or taxes.

Fidelity INVESTMENTS

Important Information (Cont'd)

Indices

Standard & Poor's (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 U.S. equity performance.

Bloomberg US Securitized MBS/ABS/CMBS Index tracks agency mortgage-backed pass-through securities (both fixed-rate and hybrid ARM) guaranteed by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC); investment grade debt asset backed securities; and investment grade commercial mortgage-backed securities.

The Bloomberg Global Aggregate Credit Index measures the global investment grade local currency corporate and government-related bond markets. This multi-currency benchmark includes fixed-rate bonds from both developed and emerging markets issuers. It is a component of the Global Aggregate Index, and was created in 2001,with index history backfilled to September 1, 2000.

ICE® BofA U.S. High Yield Constrained Index The Intercontinental Exchange BofA Merrill Lynch U.S. High Yield Constrained Index contains all securities in the BofA Merrill Lynch U.S. High Yield Index but caps issuer exposure at 2%. Index constituents are capitalization-weighted, based on their current amount outstanding, provided the total allocation to an individual issuer does not exceed 2%. Issuers that exceed the limit are reduced to 2% and the face value of each of their bonds is adjusted on a pro-rata basis. Similarly, the face values of bonds of all other issuers that fall below the 2% cap are increased on a pro-rata basis. In the event there are fewer than 50 issuers in the index, each is equally weighted and the face values of their respective bonds are increased or decreased on a pro-rata basis.

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

956470.5.0

Fidelity INVESTMENTS