

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	0.91%	0.99%	4.18%	4.91%	0.79%	2.51%
Gross Expense Ratio: 0.36% ²						
Fidelity Total Bond ETF - Market Return	0.84%	0.98%	4.14%	4.78%	0.78%	2.50%
Bloomberg US Aggregate Bond Index	0.67%	0.62%	3.79%	4.16%	0.08%	1.54%
Lipper Core Bond Funds Classification	0.80%	0.70%	3.79%	4.36%	0.06%	1.67%
Morningstar Intermediate Core-Plus Bond	1.01%	0.83%	4.06%	4.81%	0.49%	2.11%

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](https://www.fidelity.com/performance) or [institutional.fidelity.com](https://www.fidelity.com/institutional). 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):
Ford O'Neil

Start Date:
October 06, 2014

Size (in millions):
\$26,618.24

Morningstar Category:
Intermediate Core-Plus Bond

TRADING INFORMATION (quarterly averages)

Bid/Ask Spread (as of market close):
0.03

Premium/Discount (as of market close):
0.08

Daily Volume (in shares):
3,344,988



Not FDIC Insured • May Lose Value • No Bank Guarantee

Taxable Bond Market Review

U.S. taxable investment-grade bonds gained 0.67% in the second quarter of 2026 and advanced 0.62% in the year's first half, as measured by the Bloomberg U.S. Aggregate Bond Index. The modest increase reflected mixed market sentiment, with fixed-income investors weighing concerns about rising inflation and future U.S. interest-rate policy on the one hand against strong corporate earnings and surprisingly resilient consumer spending on the other.

As the quarter began on April 1, the market was coming off a difficult March. That month, the Aggregate index returned -1.76% after the outbreak of war in Iran on February 28 sparked a sharp spike in global commodity prices, most notably for crude oil but also for numerous other industrial and natural resources. On April 10, the Bureau of Labor Statistics reported that U.S. consumer prices rose at a 3.3% annual rate in March, 0.9 percentage points higher than the previous month. That was followed by readings of 3.8% for April and 4.3% for May.

The sudden surge in inflation reset investors' expectations for near-term U.S. Federal Reserve interest-rate policy. In the first quarter, the market anticipated a continuation of the monetary easing that the Fed began in 2024 and resumed in late 2025, which brought the federal funds rate down to a range of 3.5% to 3.75% from a cyclical peak of 5.25% to 5.5%. By the end of Q2, however, expectations for further rate cuts had given way to a belief that the Fed could very well raise its policy rate in the second half of the year.

This shift in sentiment put upward pressure on U.S. Treasury yields. For the quarter, the yield on the two-year Treasury, the benchmark for investors' views on the likely path of Fed policy, rose 35 basis points, from 3.79% to 4.14%, while the yield on the 10-year Treasury,

which reflects the market's expectation for longer-term borrowing costs, increased 14 bps, to 4.44%. Longer-term yields were largely unchanged in the second quarter.

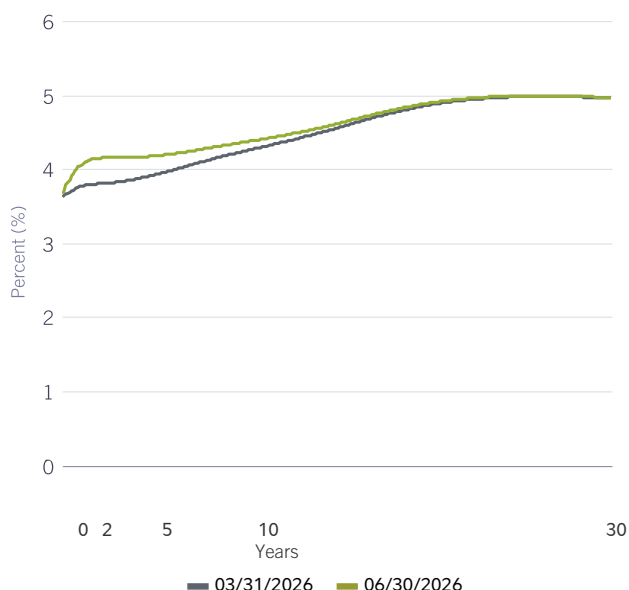
Meanwhile, the broad U.S. economy proved sturdier than expected. Corporate earnings and fundamentals remained notably strong, with Q1 financials for many major firms surprising to the upside, and the U.S. labor market was stable, with the unemployment rate steady at 4.3% for three consecutive months.

These factors contributed to the outperformance of credit sectors during the quarter. U.S. investment-grade corporate bonds (+1.40%) substantially outperformed U.S. Treasuries (+0.32%), while securitized sectors such as asset-backed securities (+0.75%), agency mortgage-backed securities (+0.58%) and commercial mortgage-backed securities (+0.45%) posted returns between those two ends of the investment-grade spectrum.

Among maturities, longer-term debt issues of 10+ years (+1.53%) fared the best by far, while rising yields limited price gains for bonds with maturities of one to three years (+0.49%), three to five years (+0.31%) and seven to 10 years (+0.58%). By quality, lowest-rated BBB (+1.72%) bonds outpaced higher-rated investment-grade debt, underscoring investors' comfort with credit risk.

Outside the Aggregate index, U.S. Treasury Inflation-Protected Securities advanced 0.89%, according to Bloomberg, while U.S. high-yield corporate bonds (+2.47%) and emerging-markets debt – both investment-grade (+2.08%) and high-yield (+5.77%) – delivered some of the bond market's strongest returns, as investors sought additional yield amid tight credit spreads. ■

U.S. TREASURY YIELD CURVE



Source: Bloomberg

THREE-MONTH FIXED-INCOME SECTOR RETURNS

Sector	Total Return	Excess Return*
Government-Related	0.84%	0.63%
U.S. Mortgage-Backed Securities	0.58%	0.30%
Asset-Backed Securities	0.75%	0.36%
Commercial Mortgage-Backed Securities	0.45%	0.37%
U.S. Corporate Investment Grade	1.40%	1.17%
U.S. Corporate High Yield	2.47%	2.21%
Emerging Markets: Investment Grade	2.08%	1.83%
Emerging Markets: High Yield	5.77%	5.57%
U.S. Treasury	0.32%	0.00%

Source: Bloomberg

*Over similar-duration Treasuries

Performance Review

DETAILED FUND ATTRIBUTION RELATIVE TO BENCHMARK

Strategy: Asset Allocation		Strategy: Sector Allocation	
Market Environment	Non-investment-grade fixed-income categories, including high-yield bonds, leveraged loans and emerging-markets debt, outperformed investment-grade securities in Q2.	Market Environment	All major market segments posted gains for the quarter, with yield-advantaged, credit-sensitive sectors such as U.S. investment-grade corporate bonds and mortgage-backed securities outperforming Treasuries amid a risk-on backdrop.
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 Bloomberg Aggregate Bond Index. (Positive)	Fund Positioning (Impact vs. Benchmark)	An underweight in corporate bonds, particularly in longer-dated industrials, detracted versus the benchmark index. (Negative)
Strategy: Duration and Yield Curve		Strategy: Security Selection	
Market Environment	Rates rose across the U.S. Treasury yield curve, with the largest increases in short-term securities (of five years or less), followed by tightening further out on the curve.	Market Environment	By maturity, longer-term (10+ year) bonds fared best, as shifting expectations for U.S. monetary policy pushed short-term Treasury yields higher; by credit rating, lower-quality BBB issues outperformed higher-rated investment-grade debt.
Fund Positioning (Impact vs. Benchmark)	The fund's duration was slightly longer than that of the benchmark, which modestly helped relative performance. (Positive)	Fund Positioning (Impact vs. Benchmark)	Investment selection within securitized sectors, mainly collateralized loan obligations, agency mortgage-backed securities and asset-backed securities, contributed to the relative result. (Positive)

Outlook and Positioning

At the end of the quarter, the global economy remains in a solid, albeit unsynchronized, expansion as countries continue to navigate a range of fiscal, monetary and geopolitical crosscurrents. The U.S. exhibited mid-cycle dynamics, with solid economic activity over the quarter, including early signs of recovery in the labor market.

Consumer inflation rose the past three months after the conflict in Iran triggered shipping disruptions and a spike in energy costs. Higher prices for oil and other commodities also passed through into core inflation, which excludes the more volatile food and energy components. On June 17, the U.S. and Iran formally signed a "memorandum of understanding" designed to halt hostilities and establish a framework for ending the conflict. News of the agreement helped cool commodity prices during the quarter's final month, but prospects for a lasting resolution remain uncertain.

After most major developed-market central banks eased monetary policy in 2024 and 2025, elevated core inflation has led numerous policymakers to adopt a more hawkish stance in 2026. The European Central Bank raised its key rate by 25 basis points in June, and the banks of Japan, Australia and Norway have also increased rates this year. At quarter end, markets viewed U.S. Federal Reserve interest-rate hikes as more likely than not later this year.

Versus the Aggregate index, the ETF was overweight risk assets as of June 30, with a tilt toward short- and intermediate investment-grade corporate credit, high-yield securities and leveraged loans. It also was modestly overweight U.S. Treasuries, including nominal securities and futures. Among securitized investments, the fund had below-index exposure to agency mortgage-backed securities and was 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 was overweight securities rated AAA, BBB and lower. At period end, the portfolio's duration was slightly longer than that of the index.

In a dynamic environment, we continue to find pockets of value within the fixed-income market, based on our view of pricing and fundamentals. Our goal remains to work with our investment teams to try to find attractively priced bonds for the portfolio while maintaining a disciplined approach to risk management.

It is important to reiterate that the portfolio is constructed with a careful emphasis on security selection, especially with consideration to liquidity and financial resiliency. Investing is a long-term endeavor, and we're focused on generating strong risk-adjusted performance over a full market cycle. Given this focus, our long-term performance remains compelling. ■

MARKET-SEGMENT DIVERSIFICATION

Market Segment	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Prior Quarter
U.S. Government	38.92%	46.74%	-7.82%	-3.23%
Non-U.S. Government	1.40%	0.59%	0.81%	0.27%
Other Government Related (U.S. & Non-U.S.)	1.14%	1.86%	-0.72%	0.06%
Corporate	29.92%	25.44%	4.48%	1.36%
MBS Pass-Through	14.55%	23.51%	-8.96%	0.68%
ABS	8.62%	0.43%	8.19%	0.60%
CMBS	4.79%	1.43%	3.36%	0.42%
CMOs	1.82%	0.00%	1.82%	-0.11%
Covered	0.00%	0.00%	0.00%	0.00%
Cash	2.81%	0.00%	2.81%	-1.19%
USD	2.81%	0.00%	2.81%	-1.18%
Non-USD	0.00%	0.00%	0.00%	-0.01%
Net Other Assets	-3.97%	0.00%	-3.97%	1.14%
Futures, Options & Swaps	5.13%	0.00%	5.13%	0.26%

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	55.53%	71.01%	-15.48%	-2.57%
AAA	9.07%	3.04%	6.03%	1.09%
AA	3.55%	4.92%	-1.37%	-0.14%
A	8.27%	11.39%	-3.12%	0.13%
BBB	13.70%	9.62%	4.08%	0.85%
BB	4.96%	0.00%	4.96%	0.22%
B	3.88%	0.00%	3.88%	0.12%
CCC & Below	0.87%	0.00%	0.87%	0.01%
Short-Term Rated	0.00%	0.00%	0.00%	0.00%
Not Rated/Not Available	-2.87%	0.02%	-2.89%	0.27%
Cash & Net Other Assets	3.04%	0.00%	3.04%	0.02%

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	6.00 years	5.82 years
30-Day SEC Yield	4.74%	--
30-Day SEC Restated Yield	--	--
Net Asset Value	\$45.44	--

ASSET ALLOCATION

Asset Class	Portfolio Weight	Change From Prior Quarter
Investment-Grade Bonds	85.35%	-0.03%
High-Yield Investments	10.01%	0.50%
Emerging-Markets Investments	2.85%	0.20%
Cash & Net Other Assets	1.79%	-0.67%

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. Investments in mortgage securities are subject to the risk that principal will be repaid prior to maturity. 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.

730975.48.0