

# Fidelity Conservative Income Bond Fund

Retail Class | FCONX | Fund 2267 | CUSIP 316146539 | Inception 3/3/11 | \$2,500 initial investment  
Institutional Class | FCNVX | Fund 2268 | CUSIP 316146521 | Inception 3/3/11 | \$1 million initial investment

## Disciplined risk management and a focus on high-quality securities

Investors who are looking for income and who have horizons that allow them to accept some price fluctuation may find this fund to be an attractive option for their strategic short-term allocations.

It is a bond fund that invests in both money market securities and high-quality investment-grade debt securities of all types whose durations are generally shorter than for most bond funds, but often longer than those permitted in money market funds.\*

### Investment process

Through extensive fundamental credit and quantitative research and an approach that includes sophisticated yield curve analysis, the fund seeks to construct and maintain a portfolio of securities that provides investors with the following:

#### INCOME

Our deep credit research helps us identify securities that we believe are underpriced for their level of risk. The objective is to create a portfolio that delivers attractive income for investors, consistent with capital preservation.

### Seeking to balance value and risk

The fund employs proprietary models that aim to identify relative value opportunities while seeking to minimize downside risks. This process helps us identify undervalued securities. The high quality and short duration of the fund's securities tend to limit their price fluctuations and help minimize the interest rate sensitivity of the portfolio.

#### LIQUIDITY

Through a disciplined investment process and focus on high quality, the manager aims to create a liquid portfolio. The fund trades as an open-ended mutual fund, with settlements typically made on a T+1 basis.

## Key fund facts

- Invests primarily in money market securities and short-duration bonds of all types
- Targets a dollar-weighted average maturity of 0.75 years (approximately 270 days) or less
- Launched at \$10/share; NAV will fluctuate
- Benchmark is the Barclays Capital U.S. 3–6 Month Treasury Bills Index
- \$2,500 initial investment minimum for retail class, \$1M for institutional class
- Managed by a 20-year Fidelity fixed income veteran

### Portfolio characteristics

The fund normally invests at least 80% in U.S. dollar-denominated money market and high-quality investment-grade debt securities of all types, including repurchase agreements for those securities. It normally invests in fixed-rate securities with a maximum maturity of two years or less, and floating-rate securities with a maximum maturity of three years or less. It might invest in reverse repurchase agreements. The fund invests more than 25% of its total assets in the financial services industries, and invests in both domestic and foreign issuers. It can invest up to 5% in lower-quality investment-grade securities. Investments include:

- Asset-backed securities
- Commercial paper
- Corporate bonds
- Certificates of Deposit
- U.S. government agency securities
- U.S. Treasuries

\*This is not a money market fund and is not subject to Rule 2a-7.



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## Portfolio Manager James K. "Kim" Miller

Veteran manager Kim Miller has more than 20 years of experience as a Fidelity fixed income money market and bond fund manager, trader and analyst.

Mr. Miller's background includes analyzing credits and managing portfolios whose primary objective is preservation of principal.

### Funds previously managed include:

- Fidelity Institutional Money Market Portfolio (9/03–2/11)
- Fidelity Institutional Prime Money Market Portfolio (3/04–12/10)
- Fidelity Institutional Money Market Tax Exempt Fund (5/01–8/03)
- Variable Insurance Product Money Market Portfolio (9/03–1/11)
- Fidelity CT Muni Money Market Fund (5/01–8/02)
- Fidelity MI Muni Money Market Fund (5/01–10/01)
- Fidelity NJ Muni Money Market Fund (5/01–8/03)
- Fidelity NY Muni Money Market Fund (5/01–8/03)
- Fidelity PA Muni Money Market Fund (5/01–10/01)
- Fidelity NJ AMT Tax-Free Money Market Fund (5/01–8/03)
- Fidelity NY AMT Tax-Free Money Market Fund (5/01–8/03)

## The Fidelity advantage

Fidelity has one of the largest, most experienced money market and fixed-income organizations in the mutual fund industry.

- We have more than 60 years of investment management experience and more than 40 years managing money market and bond funds.
- Our dedicated global team consists of more than 160 analysts, traders, research associates, and portfolio managers working in Fidelity locations around the world.<sup>1</sup>
- The team leverages Fidelity's sophisticated proprietary technology and modeling software.
- We use internal research and analysis in order to evaluate credit risk; we do not rely on third-party credit rating systems.
- Fidelity manages more than \$700 billion in fixed income assets, including more than \$400 billion in money market mutual funds.<sup>1</sup>

### Investment Risks:

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 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.

Foreign markets can be more volatile than U.S. markets due to increased risks of adverse issuer, political, regulatory, market or economic developments. Changes in government regulation and interest rates and economic downturns can have a significant effect on issuers in the financial services sector, including the price of their securities or their ability to meet their payment obligations. Prepayment of principal prior to a security's maturity can cause greater price volatility if interest rates change. The fund can invest in securities that may have a leveraging effect (such as derivatives and forward-settling securities) which may increase market exposure, magnify investment risks, and cause losses to be realized more quickly. The fund is not a money market fund and will have a fluctuating NAV.

<sup>1</sup>FMR LLC as of 3/31/12. Includes Stable Value product assets, partnerships, and state cash pools.

**Before investing, consider the funds' investment objectives, risks, charges, and expenses. Contact your investment professional or visit [Fidelity.com/conservativeincome](http://Fidelity.com/conservativeincome) for a prospectus or, if available, a summary prospectus containing this information. Read it carefully.**

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