June 15, 2026

Q&A: FIDELITY® TO LAUNCH ITS FIRST ETF SHARE CLASSES

Q&A Guide

ETF Share Class Launches:

Q1: I understand that Fidelity plans to launch exchange-traded fund (ETF) share classes on three mutual funds. What can you tell me?

A: That's correct. On June 18, 2026, Fidelity Investments® will launch its first ETF share classes, Fidelity® Intermediate Municipal Income ETF (FIMU), Fidelity® Real Estate Income ETF (FREI), and Fidelity® Short-Term Bond ETF (FSTB). The ETF share classes will be added to existing mutual fund strategies, sharing the same portfolio and track record, and maintaining the same investment policies and portfolio management team. They will be listed on the Nasdaq Stock Market LLC and available to individual investors and advisors on Fidelity's platform on June 18, 2026.

Q2: Why are you launching these ETF share classes?

A: We are expanding our investment offerings to ensure that we are continuing to deliver a differentiated and complete suite of investment options that help meet the evolving needs of our customers, now and in the future. Fidelity has been an innovator in the active ETF space for years, and we continue to look for opportunities to grow our lineup for investors.

Fidelity remains committed to delivering innovation and value to our customers. We are at an inflection point in the ETF industry, with exemptive relief providing the opportunity to offer even greater choice for our customers. We're excited to roll out these new share classes, building upon the success of the existing active mutual fund strategies as we continue to meet the needs of our customers.

Q3: What will be the strategy for each ETF share class?

A: The ETF share classes will maintain the same investment strategies as the existing mutual funds.

Fidelity® Intermediate Municipal Income normally invests at least 80% of its assets in municipal securities whose interest is exempt from federal income tax.

Fidelity® Real Estate Income normally invests at least 80% of its assets in debt and income-producing equity securities of companies principally engaged in the real estate industry and other real estate related investments.

Fidelity® Short-Term Bond normally invests at least 80% of its assets in investment-grade debt securities of all types and repurchase agreements for those securities.

Q4: What are the estimated gross and net expense ratios for the ETF share classes?

A: The gross and net expense ratios are as follows:

ETF Class	Estimated Expense Ratios (from the prospectuses dated 6/12/2026)*	
	Gross	Net**
Fidelity Intermediate Municipal Income ETF (FIMU)	0.31%	0.30%
Fidelity Real Estate Income ETF (FREI)	0.59%	0.57%
Fidelity Short-Term Bond ETF (FSTB)	0.21%	0.20%

* For additional information on fees, please refer to each class's prospectus.
** Estimated expense ratio after fee waiver and/or expense reimbursement is 0.30% for FIMU, 0.57% for FREI, and 0.20% for FSTB, subject to certain exclusions as noted in the ETF Class prospectus for each fund. Each class's net expense cap cannot be removed or increased without Board approval prior to April 30, 2028 for FIMU, November 30, 2027 for FREI, and December 31, 2027 for FSTB.

Q5: Who will be the portfolio managers of these ETF share classes?

A: The ETF share classes will maintain the same portfolio management team as the existing mutual funds.

Fidelity® Intermediate Municipal Income Fund is managed by co-portfolio managers Cormac Cullen, Michael Maka, and Elizah McLaughlin; Fidelity® Real Estate Income Fund is managed by Bill Maclay; and Fidelity® Short-Term Bond Fund is managed by co-portfolio managers Dave DeBiase, Robert Galusza, and John Mistovich.

Cormac Cullen is a portfolio manager in the Fixed Income division at Fidelity Investments, managing Fidelity Municipal Bond Opportunities ETF, Fidelity Intermediate Municipal Income Fund, Fidelity Municipal Income Fund, Fidelity Tax-Free Bond Fund, Fidelity Limited Term Municipal Income Fund, Fidelity Conservative Income Municipal Bond Fund, Fidelity Sustainable Intermediate Municipal Income Fund, Fidelity state municipal income funds, and Institutional Portfolios.

Prior to assuming his current role, Cormac was a research analyst covering tax-exempt health care, tobacco, and transportation issuers for the bond and money market funds. Previously, he supported the Fixed Income division as a structured analyst and senior legal counsel. Before joining Fidelity, Cormac worked as a municipal bond attorney at Mintz, Levin, Cohn, Ferris, Glovsky, and Popeo, P.C., in Boston. Cormac joined Fidelity in 2007 and has been in the financial industry since 2001. Cormac earned his Bachelor of Arts from Boston College, his Master of Arts from Boston College, and his Juris Doctor from the University of Virginia Law School.

Michael Maka is a portfolio manager in the Fixed Income division at Fidelity Investments, managing Fidelity Municipal Bond Opportunities ETF, Fidelity Intermediate Municipal Income Fund, Fidelity Municipal Income Fund, Fidelity Tax-Free Bond Fund, Fidelity Limited Term Municipal Income Fund, Fidelity Conservative Income Municipal Bond Fund, Fidelity Sustainable Intermediate Municipal Income, Fidelity state municipal income funds, and Institutional Portfolios.

Prior to assuming his current role, Michael served as the head of municipal trading where he oversaw the trading of municipal bonds and municipal money-market securities. Additionally, he was a municipal bond trader and a research associate in the municipal group covering the tax-backed sector. Michael has been in the financial industry since joining Fidelity in 2000. Michael earned his Bachelor of Science from Babson College.

Elizah McLaughlin is a portfolio manager in the Fixed Income division at Fidelity Investments, managing Fidelity Municipal Bond Opportunities ETF, Fidelity Intermediate Municipal Income Fund, Fidelity Municipal Income Fund, Fidelity Tax-Free Bond Fund, Fidelity Limited Term Municipal Income Fund, Fidelity Conservative Income Municipal Bond Fund, Fidelity Sustainable Intermediate Municipal Income, Fidelity state municipal income funds, and Institutional Portfolios.

Prior to assuming her current role, Elizah managed Fidelity Tax-Exempt Money Market Fund and other Fidelity state municipal money market funds. She has held various roles within Fidelity, including analyst, associate analyst, and research associate. Elizah joined Fidelity in 1998 and has been in the financial industry since 1997. Elizah earned her Bachelor of Arts from Wellesley College and her Master of Business Administration from the Johnson Graduate School of Management at Cornell University.

Bill Maclay is a portfolio manager in the High Income and Alternatives division at Fidelity Investments, managing Fidelity Real Estate Income Fund, Fidelity Real Estate High Income Fund, Fidelity Strategic Real Return Fund, and Institutional Portfolios.

Prior to assuming his current role, Bill was a research analyst covering various segments of the real estate markets at Fidelity from 2001 to 2019. Prior to joining Fidelity, Bill was an analyst at Clarion Partners. Bill joined Fidelity in 2001 and has been in the financial industry since 1999. Bill earned his Bachelor of Arts from University of Washington and his Master of Science from Boston College.

Dave DeBiase is a portfolio manager in the Fixed Income division at Fidelity Investments, managing Fidelity Short-Term Bond Fund, Fidelity Advisor Limited Term

Bond Fund, Fidelity Limited Term Bond ETF, Fidelity Intermediate Bond Fund, Fidelity Conservative Income Bond Fund, Fidelity AAA CLO ETF, Fidelity Low Duration Bond ETF, Fidelity Sustainable Low Duration Bond Fund, and Fidelity Stable Value Portfolios, as well as short-duration portfolios for institutional clients.

Prior to assuming his current role, Dave was a trader in the Fixed Income division and was responsible for trading, relative value assessment, and analysis of mortgage-backed securities and corporate bonds. Before joining Fidelity, he worked as a senior structured products analyst at Standish Mellon Asset Management. Dave joined Fidelity in 2006 and has been in the financial industry since 1995. Dave earned his Bachelor of Business Science from Bentley University and his Master of Business Administration from Boston College.

Rob Galusza is a portfolio manager in the Fixed Income division at Fidelity Investments, managing Fidelity Short-Term Bond Fund, Fidelity Advisor Limited Term Bond Fund, Fidelity Limited Term Bond ETF, Fidelity Intermediate Bond Fund, Fidelity Conservative Income Bond Fund, Fidelity AAA CLO ETF, Fidelity CLO ETF Fidelity Low Duration Bond ETF, Fidelity Sustainable Low Duration Bond Fund, and Fidelity Stable Value Portfolios, as well as short-duration portfolios for institutional clients.

Prior to assuming his current role, Rob held various roles within Fidelity Management Trust Company, including portfolio manager and portfolio analyst. Before joining Fidelity, Rob was an international underwriter at Chubb and Son Inc. In this capacity, he performed risk analysis on international corporations. Rob joined Fidelity in 1987 and has been in the financial industry since 1985. Rob earned his Bachelor of Science from Babson College and his Master of Science from the Carroll School of Management at Boston College.

John Mistovich is a portfolio manager in the Fixed Income division at Fidelity Investments, managing Fidelity Short-Term Bond Fund, Fidelity Advisor Limited Term Bond Fund, Fidelity Limited Term Bond ETF, Fidelity Intermediate Bond Fund, Fidelity Conservative Income Bond Fund, Fidelity AAA CLO ETF, Fidelity Low Duration Bond ETF, Fidelity Sustainable Low Duration Bond Fund, and Fidelity Stable Value Portfolios, as well as short-duration portfolios for institutional clients.

Prior to assuming his current role, John was a research analyst, where he covered the food, beverage, agriculture, airline, and aerospace and defense sectors. Prior to joining Fidelity, John was a vice president in the debt capital markets group at RBC Capital Markets. In this capacity, he advised companies across several sectors on interest rate and foreign exchange hedging strategies. John joined Fidelity in 2017 and has been in the financial industry since 2009. John earned his Bachelor of Arts from Harvard College and his Master of Business Administration from Harvard Business School.

Q6: What will the benchmarks be for these ETF share classes?

A: The ETF share classes will maintain the same benchmarks as the existing mutual funds. The primary benchmarks are as follows:

ETF Class	Benchmark
Fidelity Intermediate Municipal Income ETF (FIMU)	Bloomberg Municipal Bond Index: a market value-weighted index of investment-grade municipal bonds with maturities of one year or more.
Fidelity Real Estate Income ETF (FREI)	ICE® BofA® U.S. High Yield Constrained Index: a modified market capitalization-weighted index of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch). The country of risk of qualifying issuers must be an FX-G10 member, a Western European nation, or a territory of the US or a Western European nation. The FX-G10 includes all Euro members, the US, Japan, the UK, Canada, Australia, New Zealand, Switzerland, Norway and Sweden. In addition, qualifying securities must have at least one year remaining to final maturity, a fixed coupon schedule and at least $100 million in outstanding face value. Defaulted securities are excluded. The index contains all securities of ICE® BofA® US High Yield Index but caps issuer exposure at 2%.
Fidelity Short-Term Bond ETF (FSTB)	Bloomberg U.S. 1–3 Year Government/Credit Bond Index: a market value-weighted index of investment-grade fixed-rate debt securities with maturities from one to three years from the U.S. Treasury, U.S. Government-Related, and U.S. Corporate indexes.

Q7: Will shareholders be able to trade the ETF share classes immediately on launch day?

A: The ETFs will be listed on the exchange and available for trading at market open on launch date.

Q8: What is the minimum investment for these ETF share classes?

A: There is no investment minimum.

Q9: Are these ETF share classes "non-transparent" or "semi-transparent"?

A: These ETFs are fully transparent and disclose holdings on a daily basis.

Share Class Conversions:

Q10: What will investors' options be if they own shares of the existing mutual funds?

A: If an investor owns shares of the existing mutual funds, they will have the following options:

1. If they wish to keep their existing shares in the mutual fund class, no action is needed.
2. If an investor has a Fidelity account[i] that can hold an ETF and they wish to convert their existing mutual fund shares to the ETF share class, they may opt to convert their mutual fund shares during the designated conversion window[ii], outlined in the following question, as a non-taxable event[iii].

If an investor is interested in converting their mutual fund shares or has any questions, they may reach out to their Fidelity representative or dial 800-343-3548[iv].

[i] At this time, if an investor holds their mutual fund shares through an account outside of Fidelity, they should discuss their options with their financial advisor or wealth management firm.

[ii] Since the Depository Trust Company (DTC) or its nominee serves as the record owner of, and holds legal title to, the ETF Class shares of a fund and does not support the distribution and transfer of fractional ETF Class shares, a shareholder may be unable to convert a portion of their mutual fund class shares into the ETF Class shares. The redemption of such shares would be a taxable event. See Q16 and Q17 for more information on fractional shares.

[iii] Mutual fund class shareholders who invest through a third-party financial intermediary should contact that financial intermediary for information regarding conversions. Conversions may be available only during certain time periods. The availability and length of the conversion process will depend on a shareholder's financial intermediary, but may take several days from the date the request is accepted. Shareholders will remain fully invested in their mutual fund class shares until the conversion process is complete.

[iv] **Selling mutual fund class shares to buy ETF class shares of the same strategy is not considered a share class conversion and may result in a taxable event.**

Q11: What will the designated share class conversion windows for investors be?

A: Mutual fund to ETF share class conversion windows will open on a periodic basis, generally providing investors four business days to opt into a mutual fund to ETF share class conversion on their existing mutual fund shares. The conversion will take place the following business day after the conversion opt-in window closes. The following chart provides a detailed timeline on conversion windows for investors with existing mutual fund shares through the end of 2026:

Conversion Opportunity	Conversion Window Open	Conversion Window Close (4:00PM ET)	Conversion Date (4:00PM ET NAVs)*
For investors looking to convert their Fidelity Real Estate Income mutual fund class shares to Fidelity Real Estate Income Fund ETF Class shares	Monday, 8/17/2026	Thursday, 8/20/2026	Friday, 8/21/2026
	Monday, 11/16/2026	Thursday, 11/19/2026	Friday, 11/20/2026
For investors looking to convert their Fidelity Intermediate Municipal Income mutual fund class shares to Fidelity Intermediate Municipal Income Fund ETF Class shares	Monday, 9/14/2026	Thursday, 9/17/2026	Friday, 9/18/2026
	Monday, 12/14/2026	Thursday, 12/17/2026	Friday, 12/18/2026
For investors looking to convert their Fidelity Short-Term Bond mutual fund class shares to Fidelity Short-Term Bond Fund ETF Class shares	Monday, 9/14/2026	Thursday, 9/17/2026	Friday, 9/18/2026
	Monday, 12/14/2026	Thursday, 12/17/2026	Friday, 12/18/2026

*Post-conversion ETF shares will generally be available the following business day.

Q12: Will participating in an ETF share class conversion result in a residual amount remaining in the mutual fund class?

A: In most cases, shareholders who participate in an ETF share class conversion will have a residual amount remaining in the mutual fund class post-conversion as ETFs can only exist in whole share amounts.

Q13: What are investors' options if they do have a residual amount remaining in the mutual fund class following an ETF share class conversion?

A: Investors who have a residual amount remaining in the mutual fund class will have the option to either:

1. Redeem the residual amount of fund shares. The redemption of such shares would be a taxable event.
2. Do nothing and keep their remaining shares in the mutual fund class.

Q14: What if an investor wants to convert their mutual fund shares to ETF shares, but their investing account can't hold ETFs?

A: Shareholders who do not currently have an account that can hold an ETF have the option to either:

1. Open a brokerage account and transfer their mutual fund shares prior to the ETF conversion window. The investor may then opt to convert those shares at the next regularly scheduled conversion date. See Q15 for conversion calendar.
2. Do nothing and keep their existing shares in the mutual fund class.

If an investor is interested in converting their mutual fund shares or has any questions, they may reach out to their Fidelity representative or dial 800-343-3548, or discuss options with their financial advisor or wealth management firm.

Q15: Will investors be able to convert their ETF shares to mutual fund shares?

A: At this time, investors will not be able to convert their ETF shares to mutual fund shares.

Q16: Will there be differences in how the ETF share classes distribute income compared to the existing mutual fund share class?

A: The mutual fund classes for the Intermediate Municipal Income and Short-Term Bond Funds will continue to declare daily income distributions, while the ETF share class will declare monthly income distributions. The mutual fund classes and ETF Class for Real Estate Income Fund will declare and pay income distributions on the same schedule in April, July, October, and December.

<u>ETFs at Fidelity:</u>

Q17: What is an ETF share class, and how are its capabilities different from a mutual fund share class?

A: The ETF share classes will be added to the corresponding mutual fund strategies, sharing the same portfolio and track record and maintaining the same investment policies and portfolio management team.

Unlike mutual fund share classes, which issue and redeem individual shares at net asset value, ETF class shares can be bought or sold through a brokerage firm on a stock exchange. Because ETF class shares are traded like stocks, investors can buy and sell at any time during stock exchange trading hours and can place a variety of order types (e.g., limit orders or stop-loss orders).

Q18: Can you tell me more about Fidelity's exchange-traded offerings?

A: Fidelity's exchange-traded lineup consists of 84 ETFs and ETPs with $172 billion in assets under management as of May 31, 2026, including 33 actively managed equity ETFs, 18 fixed income ETFs, 13 equity factor ETFs, five passive thematic ETFs, 11 passive equity sector ETFs, three digital asset ETPs and Fidelity ONEQ. Most recently, Fidelity added four active Enhanced ETFs to the lineup: Fidelity Enhanced Mid Cap Growth ETF (FEMG), Fidelity Enhanced Mid Cap Value ETF (FEMV), Fidelity Enhanced Small Cap Growth ETF (FSEG), and Fidelity Enhanced Small Cap Value ETF (FSEV).

As part of Fidelity's commitment to financial education, the company offers a variety of resources to help investors review exchange-traded investing ideas, decide which types of exchange-traded offerings may fit their investing needs, or browse offerings with Fidelity's screeners: Investing in ETFs/ETPs | Fidelity Investments or Fidelity ETFs & ETPs | Fidelity Institutional. As a leading provider of exchange-traded offerings, Fidelity's platform offers individual investors and advisors access to more than 5,000 exchange-traded offerings, with nearly $2.1 trillion in exchange-traded client assets as of March 31, 2026.

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Keep in mind that investing involves risk. The value of your investment will fluctuate over time, and you may gain or lose money.

Exchange-traded products (ETPs) are subject to market volatility and the risks of their underlying securities, which may include the risks associated with investing in smaller companies, foreign securities, commodities, and fixed income investments. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets. ETPs that target a small universe of securities, such as a specific region or market sector, are generally subject to greater market volatility, as well as to the specific risks associated with that sector, region, or other focus. ETPs that use derivatives, leverage, or complex investment strategies are subject to additional risks. The return of an index ETP is usually different from that of the index it tracks because of fees, expenses, and tracking error. An ETP may trade at a premium or discount to its net asset value (NAV) (or indicative value in the case of exchange-traded notes). The degree of liquidity can vary significantly from one ETP to another and losses may be magnified if no liquid market exists for the ETP's shares when attempting to sell them. Each ETP has a unique risk profile, detailed in its prospectus, offering circular, or similar material, which should be considered carefully when making investment decisions.

In general, fixed income ETFs carry risks similar to those of bonds, including interest rate risk (as interest rates rise, bond prices usually fall, and vice versa), issuer or counterparty default risk, issuer credit risk, inflation risk, and call risk. Unlike individual bonds, many fixed income ETFs do not have a maturity date, so holding a fixed income security until maturity to try to avoid losses associated with bond price volatility is not possible with these types of ETFs. Certain fixed income ETFs may invest in lower-quality debt securities, which involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. The value of securities of issuers in the real estate industry can be affected by changes in real estate values and rental income, property taxes, interest rates, tax and regulatory requirements, and the management skill and creditworthiness of the issuer.

The municipal market can be affected by adverse tax, legislative or political changes and the financial condition of the issuers of municipal funds. Although municipal funds seek to provide interest dividends exempt from federal income taxes and some of these funds may seek to generate income that is also exempt from the federal alternative minimum tax, outcomes cannot be guaranteed, and the funds may generate some income subject to these taxes. Income from these funds is usually subject to state and local income taxes. Generally, municipal securities are not appropriate for tax-advantaged accounts such as IRAs and 401(k)s.

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Fidelity does not provide legal or tax advice. The information herein is general and educational in nature and should not be considered legal or tax advice.

Diversification does not ensure a profit or guarantee against a loss. Past performance is no guarantee of future results.

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

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