

ESG at Fidelity

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Why Active Equity ETFs

The potential to outperform the market* with the improved tax and cost efficiency and tradability features of an ETF

BENEFITS OF ETF VEHICLE

Flexibility

*Exchange trading features
& platform agnostic*

Tax Efficiency

*Redemption-in-kind results
in less tax impact*

Transparency

*Disclosure policy offers proxy
for daily holdings*

Liquidity

Intra-day trading and real-time pricing

Investment Cost

*Lower average management
& redemption fees*

Impact

*Transactions minimally affect
other shareholders*

ACTIVE EQUITY ETFs

*Exchange-traded Alpha
with active management
in a tradable vehicle*

BENEFITS OF ACTIVE MANAGEMENT

Outperformance

Alpha potential from active investment decisions

Protection from Frontrunners

Delayed full holdings mask real-time activity

Professional Management

*Insight from experienced portfolio managers
and research analysts*

Active Equity ETFs are different from traditional ETFs. Traditional ETFs tell the public what assets they hold each day. This ETF will not. This may **create additional risks** for your investment. For example: You may have to pay more money to trade the ETF's shares. This ETFs will provide less information to traders, who tend to charge more for trades when they have less information. The price you pay to buy ETF shares on an exchange may not match the value of the ETF's portfolio. The same is true when you sell shares. These price differences may be greater for this ETF compared to other ETFs because it provides less information to traders. These additional risks may be even greater in bad or uncertain market conditions. The ETF will publish on its website each day a "Tracking Basket" designed to help trading in shares of the ETF. While the Tracking Basket includes some of the ETF's holdings, it is not the ETF's actual portfolio. The differences between this ETF and other ETFs may also have advantages. By keeping certain information about the ETF secret, this ETF may face less risk that other traders can predict or copy its investment strategy. This may improve the ETF's performance. If other traders are able to copy or predict the ETF's investment strategy, however, this may hurt the ETF's performance. For additional information regarding the unique attributes and risks of this ETF, see Important Information on slides 12-13.


Strategy Overview

Sustainability U.S. Equity Strategy

 Sustainable investing is a powerful combination of allowing investors to align their capital with their values and providing risk management and opportunity through its evaluation of E, S, G factors

 Core diversified domestic equity strategy focused on growth of capital and benchmarked to the MSCI US ESG Leaders Index and the Russell 3000 Index

 Companies with robust ESG practices should prove to be more resilient over time

 Target **high-quality companies** with resilient business models that can result in **durable earnings growth**, as well as companies we believe can benefit from **open-ended growth opportunities** at compelling valuations

 Leverages Fidelity's deep, global research capabilities through extensive use of both fundamental and quantitative analysis to identify quality companies and above average earnings growers

Investment Process: Three-Pronged Approach

Sustainability U.S. Equity Strategy

	Best in Class	ESG Improvers	Impact
DESCRIPTION	<ul style="list-style-type: none"> • Proven management with stakeholder capitalism mindset • Well-defined targets and strategies across E and S initiatives • Strong governance policies 	<ul style="list-style-type: none"> • Management awareness of key ESG issues that may not “score” well today but path to improvement is clear 	<ul style="list-style-type: none"> • Core business is tackling some of the world’s greatest challenges—plastic, carbon emissions, gender equality, water, education
WHAT WE LOOK FOR	<ul style="list-style-type: none"> • A long-standing commitment to ESG issues including a multi-year history of CSR reporting • Presence of a sustainability team and/or head of ESG with management and board accountability • A clear tone from the top of accountability 	<ul style="list-style-type: none"> • Articulation by management of why these issues are important • Evidence of a forthcoming CSR report • Early signs of goal setting • Recent hire(s) to the sustainability effort 	<ul style="list-style-type: none"> • Business model alignment with the UN’s Sustainable Development Goals • Founder led companies
COMPANY EXAMPLES	<p>Intuit</p> <hr/> <p>Prologis</p> <hr/> <p>Best Buy</p>	<p>General Motors</p> <hr/> <p>Ametek</p> <hr/> <p>UPS</p>	<p>Orsted</p> <hr/> <p>Sunrun</p> <hr/> <p>Bright Horizons</p>

ESG Ratings Framework

Two sector-relative approaches through different lenses

	SYSTEMATIC ESG RATING	FUNDAMENTAL ESG RATING
	Current Snapshot	Outlook
Ownership	ESG Team with Fundamental Analyst Input	Fundamental Analysts
Input	Materiality Factors, Direct Company Data, Quant Model	Corporate Sustainability Reports, ESG Team, Company Engagements
Coverage	>6,700 global companies	>900 companies (~80% of investable AUM)
Horizon	Current Snapshot	Forward Looking
Output	Sector relative rating (A-F)	Sector relative rating (1-6)

For illustrative purposes only.

5 Source: Fidelity Investments as of 5/31/21.



Strategy Overview


Women's Leadership Strategy

 **A dedication to prioritizing and advancing women's leadership and development across organizations**

 **Core diversified domestic equity strategy focused on capital appreciation and benchmarked to the Russell 3000 Index and the MSCI U.S. Women's Leadership Index**

 **Gender diverse companies tend to outperform over time due to stronger cultures, greater propensity for innovation, and superior risk management**

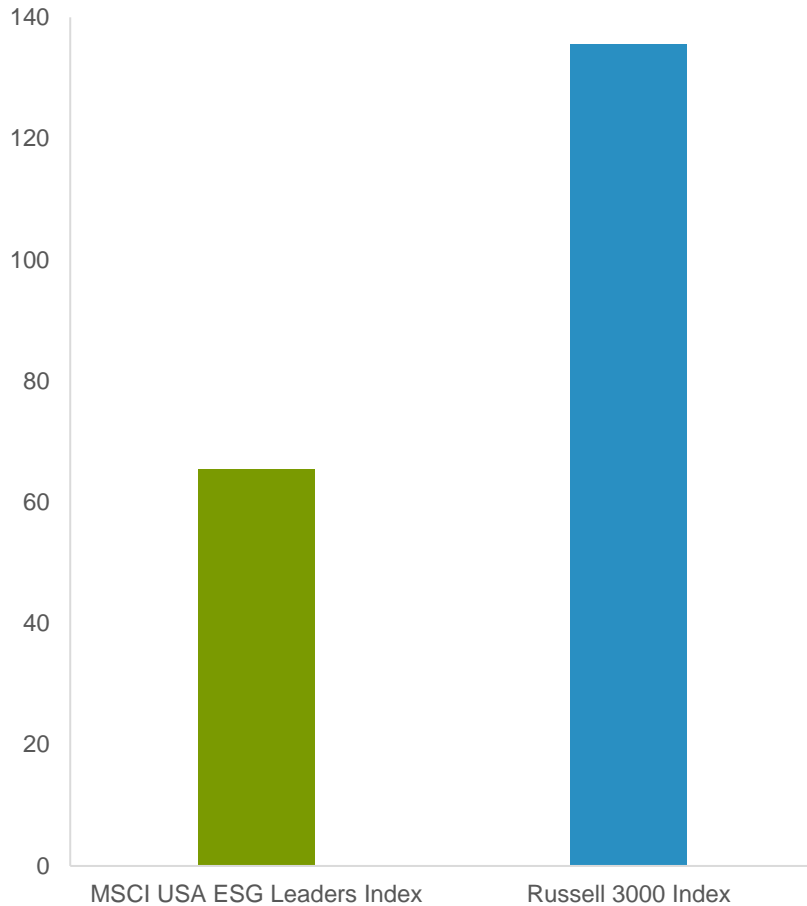
 **High quality** companies as defined by strong ROIC (Return on Invested Capital), superior margin profiles, abundant FCF (Free Cash Flow), and responsible use of that FCF can outperform over time

 **Growth is scarce and the market will pay a premium for innovative companies that are growing earnings faster than the market**

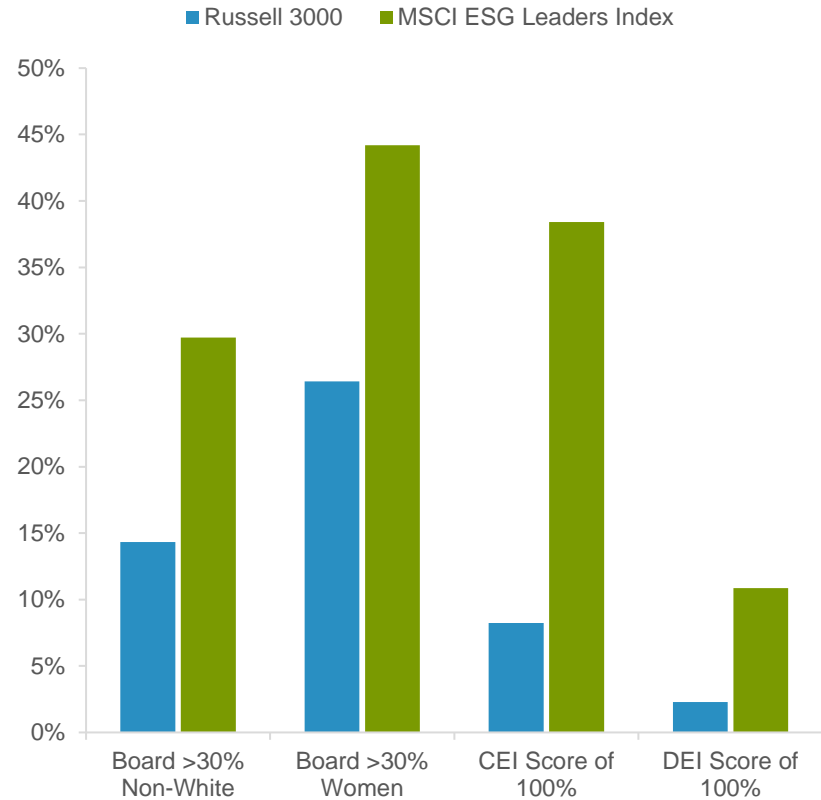
Delivering Tangible Impact

MSCI USA ESG Leaders Index has lower carbon intensity and greater diversity

Carbon Emissions Intensity



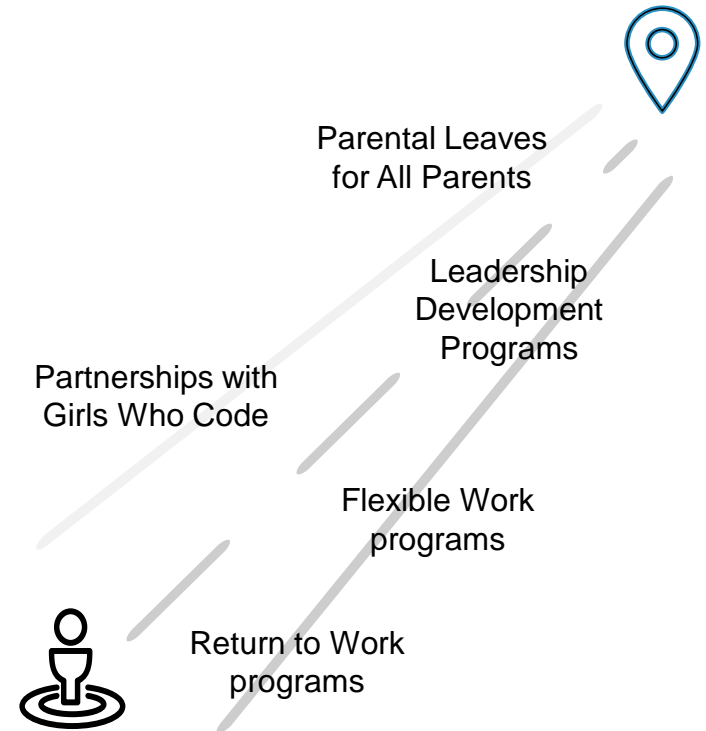
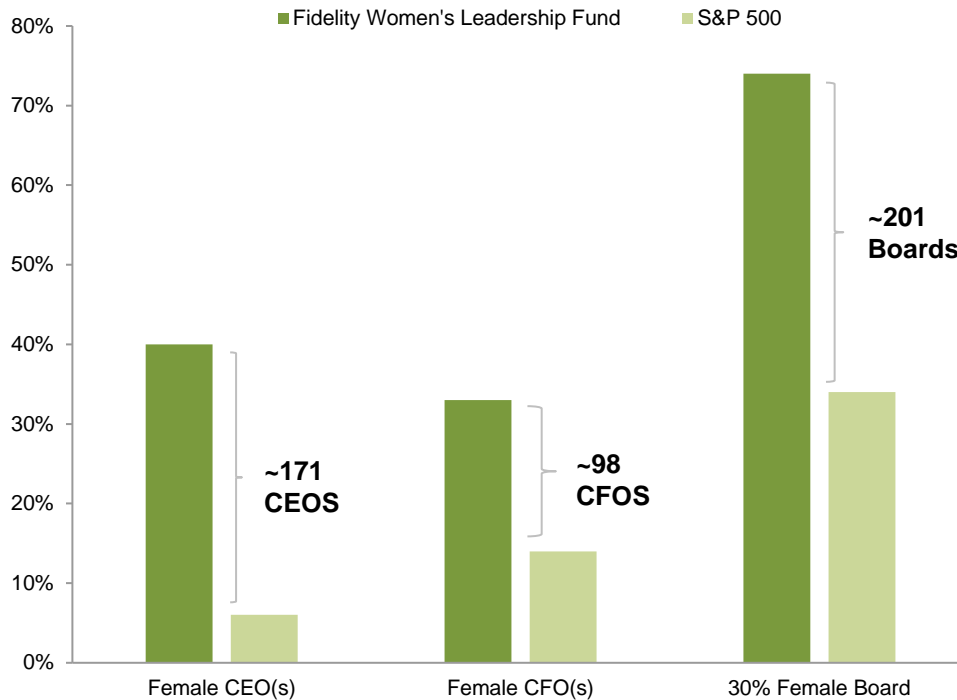
Portfolio % of Securities in Companies with Strong Diversity Profiles



Carbon Emission Intensity is the latest disclosed total carbon emissions divided by the company's total revenue from the same year.

If the S&P 500 Looked Like the Fidelity Women's Leadership Fund...

And provides a roadmap to help get there tomorrow...



Statistics subject to change. The above statistics are shown for illustrative purposes only.

Source: Bloomberg, company websites, ceoaction.com, and Corporate Sustainability reports, as of 3/31/21. Calculated using an illustrative list of companies based upon the investment criteria.

Advancing Engagement on ESG Issues with Companies

Environmental Focus

- Carbon emission goals
- Supply-chain oversight
- Recycled packaging initiatives
- Water stress

Human Rights

- Facial recognition
- Content regulation
- Supply-chain monitoring



Human Capital Management

- Workforce disclosures
- Pay equity
- Living wage
- Paid leave
- Employee development

Governance

- Board independence and diversity
- Board oversight
- Board refreshment
- Executive compensation

Q&A

Fidelity Sustainable Mutual Fund and ETF Offering

Seeking to provide our investors with robust and differentiated ESG solutions

ESG INTEGRATION			
	Expense Ratio (Gross/Net)	Benchmark	Inception Date
Fidelity Sustainability U.S. Equity Fund	FSEBX: 1.88%/0.90%	Russell 3000	6/17/21
Fidelity Sustainability U.S. Equity ETF	FSST: 0.59%/0.59%	Russell 3000	6/17/21
Fidelity U.S. Sustainability Index Fund	FITLX: 0.11%/0.11%	MSCI USA ESG Leaders Index	5/9/17
Fidelity Sustainability Bond Index Fund	FNDSX: 0.10%/0.10%	Bloomberg Barclays MSCI US Aggregate ESG Choice Bond Index	6/19/18
Fidelity International Sustainability Index Fund	FNIDX: 0.20%/0.20%	MSCI ACWI ex USA ESG Leaders Index	5/9/17
ACTIVE THEMATIC			
	Expense Ratio (Gross/Net)	Benchmark	Inception Date
Fidelity Environment & Alternative Energy Fund*	FSLEX: 0.87%/0.87%	S&P 500	6/29/89
Fidelity Women's Leadership Fund	FWOMX: 1.12%/1.00%	Russell 3000	5/1/19
Fidelity Women's Leadership ETF	FDWM: 0.59%/0.59%	Russell 3000	6/17/21
Fidelity Water Sustainability Fund	FLOWX: 1.23%/1.00%	S&P Global Water Index	4/16/20
Fidelity Climate Action Fund	FCAEX: 1.90%/1.05%	MSCI World Index	6/17/21
Fidelity Environmental Bond Fund	FFEBX: 0.45%/0.45%	Bloomberg Barclays U.S. Aggregate Bond Index	6/17/21

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* Prior to 5/1/21, Fidelity Environment and Alternative Energy Fund was named Fidelity Select Environment and Alternative Energy Portfolio.

11 For illustrative purposes only. See Appendix for important definitions.



Glossary

TERM	DEFINITION
MSCI USA ESG Leaders Index	A capitalization-weighted index that provides exposure to companies with high Environmental, Social, and Governance (ESG) performance relative to their sector peers. MSCI USA ESG Leaders Index consists of large and mid cap companies in the U.S. market.
MSCI ACWI ex USA ESG Leaders Index	A capitalization weighted index that provides exposure to companies with high Environmental, Social, and Governance (ESG) performance relative to their sector peers. Consists of large and mid-cap companies across 22 developed markets and 27 emerging markets countries.
Bloomberg Barclays MSCI US Aggregate ESG Choice Bond Index	A capitalization weighted index that provides exposure to investment grade, fixed-rate, taxable US dollar-denominated bonds eligible for the Bloomberg Barclays US Aggregate Bond Index with strong positive environmental, social and governance (MSCI ESG) ratings.
Bloomberg Barclays U.S. Aggregate Bond Index	A broad base, market capitalization-weighted bond market index representing intermediate term investment grade bonds traded in the United States. Investors frequently use the index as a stand-in for measuring the performance of the US bond market.
Russel 3000 Index	A market capitalization-weighted equity index maintained by the FTSE Russell that provides exposure to the entire U.S. stock market. The index tracks the performance of the 3,000 largest U.S.-traded stocks.
S&P 500 index	A market capitalization-weighted index of the 500 largest U.S. publicly traded companies. The S&P is a float-weighted index, meaning company market capitalizations are adjusted by the number of shares available for public trading.
S&P Global Water Index	Provides liquid and tradable exposure to 50 companies from around the world that are involved in water related businesses. To create diversified exposure across the global water market, the 50 constituents are distributed equally between two distinct clusters of water related businesses: Water Utilities & Infrastructure and Water Equipment & Materials
Gross expense ratio	The total annual fund or class operating expense ratio from the most recent prospectus (before waivers or reimbursements) and generally is based on amounts incurred during the most recent fiscal year.
Net expense ratio	The total annual fund or class operating expense ratio from the most recent prospectus, after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses for no less than one year from the effective date of the fund's registration statement.

Important Information

Information provided in this document is for informational and educational purposes only. To the extent any investment information in this material is deemed to be a recommendation, it is not meant to be impartial investment advice or advice in a fiduciary capacity and is not intended to be used as a primary basis for you or your client's investment decisions. 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 them, and 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

It is not possible to invest directly in an index. All market indices are unmanaged. 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.

Third parties mentioned are an independent entities and not affiliated with Fidelity Investments.

ADDITIONAL IMPORTANT INFORMATION ABOUT ACTIVE EQUITY ETFs:

The objective of the actively managed ETF Tracking Basket is to construct a portfolio of stocks and representative index ETFs that tracks the daily performance of an actively managed ETF without exposing current holdings, trading activities, or internal equity research. The Tracking Basket is designed to conceal any nonpublic information about the underlying portfolio and only uses the Fund's latest publicly disclosed holdings, representative ETFs, and the publicly known daily performance in its construction. You can gain access to the Tracking Basket and the Tracking Basket Weight overlap on [Fidelity.com](https://www.fidelity.com) or [i.Fidelity.com](https://www.ifidelity.com).

Although the Tracking Basket is intended to provide investors with enough information to allow for an effective arbitrage mechanism that will keep the market price of the Fund at or close to the underlying NAV per share of the Fund, there is a risk (which may increase during periods of market disruption or volatility) that market prices will vary significantly from the underlying NAV of the Fund; ETFs trading on the basis of a published Tracking Basket may trade at a wider bid/ask spread than ETFs that publish their portfolios on a daily basis, especially during periods of market disruption or volatility, and, therefore, may cost investors more to trade, and although the Fund seeks to benefit from keeping its portfolio information secret, market participants may attempt to use the Tracking Basket to identify a Fund's trading strategy, which, if successful, could result in such market participants engaging in certain predatory trading practices that may have the potential to harm the Fund and its shareholders.

Because shares are traded in the secondary market, a broker may charge a commission to execute a transaction in shares, and an investor may incur the cost of the spread between the price at which a dealer will buy shares and the price at which a dealer will sell shares.

Fidelity US Sustainability Index Fund Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. The securities of medium-sized, less well-known companies can be more volatile than those of larger companies. The performance of the fund and its index may vary somewhat due to factors such as fees and expenses of the fund, transaction costs, sample selection, regulatory restrictions, and timing differences associated with additions to and deletions from its index.

Fidelity Sustainability Bond Index Fund 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 securities are subject to interest rate, currency exchange rate, economic, and political risks. The performance of the fund and its index may vary somewhat due to factors such as fees and expenses of the fund, transaction costs, sample selection, regulatory restrictions, and timing differences associated with additions to and deletions from its index. Leverage can increase market exposure and magnify investment risk.

Fidelity International Sustainability Index Fund Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets. The performance of the fund and its index may vary somewhat due to factors such as fees and expenses of the fund, transaction costs, sample selection, regulatory restrictions, and timing differences associated with additions to and deletions from its index.

Important Information

Fidelity Environment & Alternative Energy Fund, Fidelity Women's Leadership Fund, Fidelity Sustainability U.S. Equity Fund, Fidelity Water Sustainability Fund:

Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets.

In addition to the risks above, the below are additional risks for each fund as stated:

Fidelity Environment & Alternative Energy Fund: Sector funds can be more volatile because of their narrow concentration in a specific industry. The environment and alternative energy industries can be significantly affected by government regulations and subsidies, changing supply and demand for traditional energy sources, and availability of funding for remedial cleanup efforts or development of new technologies and can be subject to risks associated with hazardous materials. The fund may have additional volatility because it can invest a significant portion of assets in securities of a small number of individual issuers.

Fidelity Women's Leadership Fund/ETF Stock markets are volatile and can decline significantly in response to adverse issuer, political, regular market, or economic developments. Different parts of the market, including different market sectors, and different types of securities can react differently to these developments. Foreign markets can be more volatile than the U.S. market due to increased risks of adverse issuer, political, regulatory, market, or economic developments and can perform differently from the U.S. market. The value of securities of small to medium size, less well-known issuers can perform differently from the market as a whole and other types of stocks and can be more volatile than that of larger issuers. The Adviser's applications of the fund's strategy criteria may not achieve its intended results and the fund could underperform the market as a whole. Non-diversified funds that focus on a relatively small number of stocks tend to be more volatile than diversified funds and the market as a whole.

Fidelity Women's Leadership ETF: Non-diversified funds that focus on a relatively small number of stocks tend to be more volatile than diversified funds and the market as a whole.

Fidelity Water Sustainability Fund: The water sustainability industry can be significantly affected by demographic, irrigation and industrial usage trends, viability of infrastructure projects, conservation practices, pollution, waste, and environmental factors, including weather, droughts, flooding, as well as the performance of the overall economy, interest rates, consumer confidence, and the cost of commodities. Regulations and policies of various domestic and foreign governments may affect water usage, contamination, and reusability. The fund may have additional volatility because of its narrow concentration in a specific industry. Non-diversified funds that focus on a relatively small number of stocks tend to be more volatile than diversified funds and the market as a whole.

Fidelity Sustainability U.S. Equity Fund

The fund's adherence to its ESG ratings process may affect the fund's exposure to certain companies, sectors, regions, and countries and may affect the fund's performance depending on whether such investments are in or out of favor. This process may result in the fund forgoing opportunities to buy certain securities when it might otherwise be advantageous to do so or selling securities for ESG reasons when it might be otherwise disadvantageous for it to do so. The value of securities of small to medium size, less well-known issuers can perform differently from the market as a whole and other types of stocks and can be more volatile than that of larger issuers.

Fidelity Sustainability U.S. Equity ETF

Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Different parts of the market, including different market sectors, and different types of securities can react differently to these developments.

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Any retirement plan investors should consider Department of Labor (“DOL”) guidance for the selection and monitoring of investments for employee benefit plans and plan fiduciaries may wish to consult with ERISA counsel regarding the evaluation and selection of investments or investment courses of action that incorporate non-pecuniary or other ESG factors in accordance with recent DOL guidance.

Fidelity Environmental Bond Fund

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 securities are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets. The fund normally invests in issuers whose products or services are intended or likely to have a positive environmental impact. Some industries and sectors might be more likely to issue environmental bonds, and events or factors impacting these sectors may have a greater effect on, and may more adversely affect, the fund than they would a fund that does not invest in issuers with a common purpose. The fund also will be affected by a decrease in governmental or other support for environmental initiatives. Leverage can increase market exposure and magnify investment risk

Fidelity Climate Action Fund

Because the fund focuses its investments in equity securities of climate aware companies, it will be more susceptible to events or factors affecting these companies. The fund is particularly exposed to such developments as changes in global and regional climates, environmental protection regulatory actions, changes in government standards and subsidy levels, changes in taxation and other domestic and international political, regulatory, and economic developments. Scientific developments, such as breakthroughs in the remediation of global warming, and changes in governmental policies relating to the effects of pollution may affect investments in pollution control, which could in turn affect these companies. As a result of these and other factors, the market prices of securities of companies involved in climate aware-related industries tend to be considerably more volatile than those of companies in more established sectors and industries

Before investing, consider the fund’s investment objectives, risks, charges, and expenses. Contact your investment professional or visit [fidelity.com](https://www.fidelity.com), i.fidelity.com, or 401k.com for a prospectus, or a summary prospectus if available, containing this information. Read it carefully.

Fidelity Institutional SM (FI) provides investment products through Fidelity Distributors Company LLC; clearing, custody, or other brokerage services through National Financial Services LLC or Fidelity Brokerage Services LLC, Members NYSE, SIPC; and institutional advisory services through Fidelity Institutional Wealth Adviser LLC.

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