



August 29, 2025

Q&A: FIDELITY IMPLEMENTS FEE WAIVER ON FIDELITY YIELD ENHANCED EQUITY ETF (FYEE)

Q1: I understand Fidelity is implementing a fee waiver for FYEE. What can you tell me?

A: That's correct. Effective September 1, 2025, Fidelity will waive Fidelity Yield Enhanced Equity ETF's management fee on the first \$250 million of the fund's assets through August 31, 2026.

The fund's management fee covers all other expenses of the fund, with certain exceptions. Additionally, the fund also has an expense cap which is in effect through August 31, 2026, under which the Adviser reimburses the fund for expenses not covered by the management fee, also with certain exceptions.

Q2: What will the projected net total expenses of the fund be after waiver is applied?

A: The updated Prospectus fee table, reflecting projected expenses at current asset levels is below:

| Annual Operating Expenses (expenses that you pay each year as a % of the value of your investment) | |
|--|-----------------------|
| Management fee | 0.28% |
| Distribution and/or Service (12b-1) fees | None |
| Other expenses | 0.04% |
| Total annual operating expenses | 0.32% |
| Fee waiver and/or expense reimbursement | 0.32% ^{A, B} |
| Total annual operating expenses after fee waiver and/or expense reimbursement | 0.00% |

^A Adjusted to reflect current fees.

^B Fidelity Diversifying Solutions LLC (FDS) has contractually agreed to reimburse the fund to the extent that total operating expenses (excluding management fee waivers, interest, certain taxes, proxy and shareholder meeting expenses, extraordinary expenses, and acquired fund fees and expenses (including fees and expenses associated with a wholly owned subsidiary), if any, as well as non-operating expenses such as brokerage commissions and fees and expenses associated with the fund's securities lending program, if applicable), as a percentage of its average net assets, exceed 0.28% (the Expense Cap). If at any time during the current fiscal year expenses for the fund fall below the Expense Cap, FDS reserves the

right to recoup through the end of the fiscal year any expenses that were reimbursed during the current fiscal year up to, but not in excess of, the Expense Cap. Effective September 1, 2025, FDS has contractually agreed to waive the fund's management fee (0.28%) on the first \$250 million of the fund's assets. These arrangements will remain in effect through August 31, 2026. FDS may not terminate these arrangements before the expiration date without the approval of the Board of Trustees and may extend it in its discretion after that date.

Note: **"Total annual operating expenses"** may be referred to as Gross Expenses, and **"Total annual operating expenses after fee waiver and/or expense reimbursement"** may be referred to as Net Expense Ratio or Total Net Expenses.

After taking into account the waiver and the fund's expense cap, the fund's projected net total expense ratio is 0 bp on the first \$250 million in assets during the waiver period. When assets exceed \$250 million, a blended net management fee rate will apply: 0 bp on the first \$250 million and 28 bp (regular fee) for each incremental dollar, thereafter, which will impact the projected total net expenses of the fund. For example, if the fund had \$500 million in assets, the projected total net expenses during the waiver period are expected to be 14 bp, resulting from the blended management fee.

Q3: Do I need to take any action?

A: Investors do not need to take any action to receive the fee waiver. It will be automatically applied to the fee paid by the fund, effective September 1, 2025 through August 31, 2026.

Q4: Why are you waiving the fee on this fund?

A: At Fidelity, we have a long history of providing investors with a wide array of high-quality products at a great value to help them meet their investment goals. This fee waiver builds on that legacy and provides our customers with an even greater value proposition. The derivative income active equity ETF category is growing quickly, and implementing fee waivers is part of our ongoing commitment to provide superior value to investors.

Q5: Can you tell me more about this fund?

A: FYEE seeks to deliver large cap equity exposure with an attractive distribution yield by harvesting option premia from dynamic covered call writing. In exchange for the benefit of the higher distribution yield, there is an upside cap on equity portfolio performance if the market rallies above the call option strike price.

Underlying the ETF is a common core U.S. equity strategy that seeks to outperform the S&P 500 Index. This strategy leverages a multifactor model to help select companies with desirable fundamental characteristics, including attractive valuations and strong quality metrics. The portfolio construction aims to keep the fund's risk

characteristics similar to those of the benchmark. FYEE combines this core equity portfolio with a distinct options-based overlay, seeking to enhance yield.

To learn more about FYEE's strategy, read Fidelity's latest white paper on the topic, [Liquid alternatives: The power of equity options-based strategies](#).

Q6: Are you planning to lower or waive fees on other funds?

A: We continue to look for ways to provide additional savings to our shareholders, but we have no further changes to announce at this time.

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Free commission offer applies to online purchase of ETFs in a Fidelity retail account. The sale of ETFs is subject to an activity assessment fee (from \$0.01 to \$0.03 per \$1,000 of principal).

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

Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Writing call options involves the risk that the fund may be required to sell the underlying security or instrument (or settle in cash an amount of equal value) at a disadvantageous price or below the market price of such underlying security or instrument, at the time the option is exercised. As the writer of a call option, the fund forgoes, during the option's life, the opportunity to profit from increases in the market value of the underlying security or instrument covering the option above the sum of the premium and the exercise price but retains the risk of loss should the price of the underlying security or instrument decline. Additionally, the fund's call option writing strategy may not fully protect it against declines in the value of the market. While the fund will normally pay its income as distributions, the fund's distributions may exceed the fund's income and gains for the fund's taxable year. Distributions in excess of the fund's current and accumulated earnings and profits will be treated as a return of capital and may have a negative impact on the fund. The fund's ability to distribute income to shareholders will depend on the yield available on the common stocks held by the fund and the premiums received by the fund with respect to its written call options. Changes in the dividend policies of companies held by the fund could make it difficult for the fund to provide a predictable level of income. In addition, the premiums received by the fund with respect to its written call options will vary over time and based on market conditions. Securities selected using quantitative analysis can perform differently from the market as a whole as a result of the factors used in the analysis, the weight placed on each factor, and changes in the factors' historical trends. High portfolio turnover (more than 100%) may result in increased transaction costs and potentially higher capital gains or losses. The effects of higher than normal portfolio turnover may adversely affect the fund's performance. An ETF may trade at a premium or discount to its Net Asset Value (NAV). These

alternative investment strategies may not be suitable for all investors and are not intended to be a complete investment program for any investor. There is no assurance that the ETFs will be profitable.

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

Past performance is no guarantee of future results.

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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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