Fidelity Yield Enhanced Equity ETF (FYEE)

Investment Approach

- Fidelity® Yield Enhanced Equity ETF seeks to provide equity market exposure and capital appreciation while also employing a disciplined options-based call selling strategy designed to provide income.
- The fund uses a disciplined approach for its equity portfolio that involves building multifactor statistical models to help select companies with desirable fundamental characteristics. The models favor companies with improving fundamentals and that are also trading at reasonable valuations. The systematic investment process accounts for both top-down market indicators and bottom-up factor inputs that allow the fund to adapt to changing market conditions in a risk-aware manner.
- The fund then overlays the equity portfolio with a call selling strategy to generate income without the need to reduce equity allocation or take duration risk.

PERFORMANCE SUMMARY

	Cumulative		Annualized			
	3 Month	YTD	1 Year	3 Year	5 Year	10 Year/ LOF[1]
Fidelity Yield Enhanced Equity ETF - NAV Return Gross Expense Ratio: 0.31%[2]	9.43%	6.82%	20.07%	--	--	16.09%
Fidelity Yield Enhanced Equity ETF - Market Return	9.18%	6.43%	19.93%	--	--	16.15%
CBOE S&P 500 2% OTM BuyWrite Index	9.21%	6.98%	18.87%	15.07%	9.77%	14.60%
S&P 500 Index	15.20%	10.21%	22.32%	20.61%	13.41%	19.31%
Morningstar Derivative Income	9.75%	4.12%	15.76%	13.59%	8.10%	--

[1] *Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 04/09/2024. 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 or institutional.fidelity.com. 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):
Team Managed

Start Date:
April 09, 2024

Size (in millions):
$198.84

Morningstar Category:
Derivative Income

TRADING INFORMATION
(quarterly averages)

Bid/Ask Spread (as of market close):
0.07

Premium/Discount (as of market close):
0.01

Daily Volume (in shares):
91,598

Performance Review

For the three months, the exchange-traded fund's net asset value returned 9.43% and its market return was 9.18%, versus 15.20% for the benchmark, the S&P 500® Index, and 9.21% for the CBOE S&P 2% OTM BuyWrite Index, the fund's supplemental benchmark.

U.S. stocks gained considerably in the second quarter, according to the S&P 500®, as massive spending on artificial intelligence broadened corporate earnings growth and an improving labor market alleviated concerns about an economic slowdown. Equities also benefited from easing tension between the U.S. and Iran following an interim peace deal on June 15, including an agreement to reopen the Strait of Hormuz, while the cost of oil retreated to pre-conflict levels after surging amid the largest supply disruption in history. Against this backdrop, small-cap stocks bested large-caps in Q2, while growth handily topped value in a rally dominated by the information technology sector.

Within this environment, the fund lagged the S&P 500 and was roughly in line with the supplemental benchmark. The second quarter was particularly strong for dividend yield strategies. Elevated investor uncertainty created attractive option premiums, allowing the fund to generate significantly higher options income by writing calls 2% to 4% out of the money. This supported a substantially higher dividend payout, with the fund's 12-month yield reaching 8.46% and Q2 yield approaching 10%, well above our long-term 6% to 8% target. While total return performance of 9.18% marginally trailed the CBOE index, the environment was unusual, as the market's rapid rally moved through our call strike levels and temporarily capped upside participation.

Importantly, the quarter highlighted the strength of the fund's income-generation strategy. Volatility remained elevated relative to historical norms, creating an attractive backdrop for monetizing option premiums and delivering higher distributions to shareholders. Although the ETF's performance ranked close to the middle of the peer group, the fund's dividend payout exceeded that of many competitors. We remain committed to balancing attractive income with long-term capital appreciation, positioning the portfolio to deliver competitive total returns alongside enhanced yield over time.

Outlook and Positioning

Fidelity® Yield Enhanced Equity ETF is an options-based strategy that seeks to generate enhanced yield by selling covered call options against its equity portfolio. The option premiums collected are distributed to investors on a quarterly basis, resulting in a higher yield than traditional equity ETFs without adding duration risk or changing asset class allocation. Our targeted annual range for the distribution yield is currently 6% to 8%.

The fund sells listed S&P 500 index-based covered call options in an effort to generate income. Our call-selling strategy is layered onto Fidelity's Enhanced Large Cap Core strategy, which provides risk-return characteristics similar to the S&P 500 while leveraging active management through a systematic multi-factor security-selection model and a disciplined portfolio-construction and risk-management process.

Relative to market peers, we would like to highlight a few key points that differentiate this ETF:

- We diversify and actively manage the fund's option portfolio to help reduce market-timing and entry-point/exit-point risks, as well as to optimize for time premium capture.
- We rebalance the fund weekly to give new investors a similar portfolio journey regardless of their entry point.
- We trade exclusively in listed options and avoid equity-linked notes and structured products that embed option positions, ensuring full transparency of the fund's holdings for investors.
- We strive to balance dividend yield and long-term appreciation and do not distribute dividends in excess of what the fund's call options generate.

Looking ahead, while we cannot predict capital markets, we expect our options overlay model to continue supporting the fund's investment objective, particularly in an environment where uncertainty remains elevated. This backdrop is well-suited to our disciplined process of harvesting and monetizing market volatility. The model enables a consistent approach to writing call options, while seeking to deliver attractive quarterly distributions and to moderately reduce overall portfolio volatility relative to the S&P 500. As always, thank you for your continued confidence in our stewardship of the fund.

LARGEST CONTRIBUTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Relative Contribution (basis points)*
Call option on Standard & Poors Indices with an exercise rate 6920 on Chicago Board Options Exchange expires 4/17/2026	Futures and Options	-3.97%	179
Call option on Standard & Poors Indices with an exercise rate 6800 on Chicago Board Options Exchange expires 4/24/2026	Futures and Options	-6.41%	118
Call option on Standard & Poors Indices with an exercise rate 7370 on Chicago Board Options Exchange expires 5/29/2026	Futures and Options	-7.97%	102
Call option on Standard & Poors Indices with an exercise rate 6975 on Chicago Board Options Exchange expires 5/8/2026	Futures and Options	-7.62%	79
Call option on Standard & Poors Indices with an exercise rate 7500 on Chicago Board Options Exchange expires 6/5/2026	Futures and Options	-6.80%	77

** 1 basis point = 0.01%.*

LARGEST DETRACTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Relative Contribution (basis points)*
Call option on Standard & Poors Indices with an exercise rate 7770 on Chicago Board Options Exchange expires 7/2/2026	Futures and Options	-6.39%	-73
Advanced Micro Devices Inc	Information Technology	-0.58%	-60
Call option on Standard & Poors Indices with an exercise rate 7710 on Chicago Board Options Exchange expires 6/26/2026	Futures and Options	-7.15%	-35
KLA Corp	Information Technology	-0.41%	-30
Sandisk Corp	Information Technology	-0.17%	-23

** 1 basis point = 0.01%.*

MARKET-SEGMENT DIVERSIFICATION

Market Segment	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Prior Quarter
Information Technology	37.40%	38.03%	-0.63%	-0.84%
Financials	13.17%	11.76%	1.41%	1.34%
Industrials	10.71%	8.93%	1.78%	0.60%
Communication Services	10.45%	9.68%	0.77%	-0.66%
Consumer Discretionary	8.66%	9.31%	-0.65%	-0.43%
Health Care	8.40%	8.89%	-0.49%	0.78%
Energy	2.74%	2.98%	-0.24%	-0.47%
Consumer Staples	2.51%	4.57%	-2.06%	0.01%
Multi Sector	1.48%	--	1.48%	0.63%
Real Estate	1.30%	1.83%	-0.53%	-0.92%
Utilities	1.20%	2.20%	-1.00%	-0.03%
Materials	0.85%	1.83%	-0.98%	-0.12%
Other	0.00%	0.00%	0.00%	0.00%

CHARACTERISTICS

	Portfolio	Index
Valuation		
Price/Earnings Trailing	25.2x	26.7x
Price/Earnings (IBES 1-Year Forecast)	19.5x	20.5x
Price/Book	5.4x	5.7x
Price/Cash Flow	20.8x	21.7x
Return on Equity (5-Year Trailing)		
Growth		
Sales/Share Growth 1-Year (Trailing)	16.1%	15.6%
Earnings/Share Growth 1-Year (Trailing)	21.9%	22.9%
Earnings/Share Growth 1-Year (IBES Forecast)	28.2%	30.3%
Earnings/Share Growth 5-Year (Trailing)	22.5%	20.9%
Size		
Weighted Average Market Cap ($ Billions)	1489.0	1421.0
Weighted Median Market Cap ($ Billions)	541.9	455.5
Median Market Cap ($ Billions)	68.0	44.1

LARGEST OVERWEIGHTS BY HOLDING

Holding	Market Segment	Relative Weight
Chicago Mercantile Exchange Standard & Poors Indices Contracts (United States)	Futures and Options	1.86%
Lam Research Corp	Information Technology	0.58%
Amphenol Corp Class A	Information Technology	0.57%
GE Aerospace	Industrials	0.55%
Airbnb Inc Class A	Consumer Discretionary	0.54%

LARGEST UNDERWEIGHTS BY HOLDING

Holding	Market Segment	Relative Weight
Spxw US 07/31/26 C7630	Futures and Options	-24.17%
Call option on Standard & Poors Indices with an exercise rate 7710 on Chicago Board Options Exchange expires 7/24/2026	Futures and Options	-24.04%
Call option on Standard & Poors Indices with an exercise rate 7570 on Chicago Board Options Exchange expires 7/10/2026	Futures and Options	-23.98%
Call option on Standard & Poors Indices with an exercise rate 7680 on Chicago Board Options Exchange expires 7/17/2026	Futures and Options	-23.95%
Advanced Micro Devices Inc	Information Technology	-0.61%

10 LARGEST HOLDINGS

Holding	Market Segment
NVIDIA Corp	Information Technology
Apple Inc	Information Technology
Microsoft Corp	Information Technology
Amazon.com Inc	Consumer Discretionary
Alphabet Inc Class A	Communication Services
Broadcom Inc	Information Technology
Meta Platforms Inc Class A	Communication Services
Alphabet Inc Class C	Communication Services
Micron Technology Inc	Information Technology
Berkshire Hathaway Inc Class B	Financials
10 Largest Holdings as a % of Net Assets	**37.88%**
Total Number of Holdings	**183**

The 10 largest holdings are as of the end of the reporting period, and may not be representative of the fund's current or future investments. Holdings do not include money market investments.

ASSET ALLOCATION

Asset Class	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Prior Quarter
Domestic Equities	98.88%	99.52%	-0.64%	0.30%
International Equities	0.00%	0.48%	-0.48%	-0.39%
Developed Markets	0.00%	0.48%	-0.48%	-0.28%
Emerging Markets	0.00%	0.00%	0.00%	-0.11%
Tax-Advantaged Domiciles	0.00%	0.00%	0.00%	0.00%
Bonds	0.00%	0.00%	0.00%	0.00%
Cash & Net Other Assets	1.12%	0.00%	1.12%	0.09%

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.

"Tax-Advantaged Domiciles" represent countries whose tax policies may be favorable for company incorporation.

3-YEAR RISK/RETURN STATISTICS

	Portfolio	Index
Beta	--	1.00
Standard Deviation	--	--
Sharpe Ratio	--	--
Tracking Error	--	--
Information Ratio	--	--
R-Squared	--	--

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

Earnings-Per-Share Growth Trailing measures the growth in reported earnings per share over trailing one- and five-year periods.

Earnings-Per-Share Growth (IBES 1-Year Forecast) measures the growth in reported earnings per share as estimated by Wall Street analysts.

Median Market Cap identifies the median market capitalization of the portfolio or benchmark as determined by the underlying security market caps.

Price-to-Book (P/B) Ratio is the ratio of a company's current share price to reported accumulated profits and capital.

Price/Cash Flow is the ratio of a company's current share price to its trailing 12-months cash flow per share.

Price-to-Earnings (P/E) Ratio (IBES 1-Year Forecast) is the ratio of a company's current share price to Wall Street analysts' estimates of earnings.

Price-to-Earnings (P/E) Ratio Trailing is the ratio of a company's current share price to its trailing 12-months earnings per share.

Return on Equity (ROE) 5-Year Trailing is the ratio of a company's last five years historical profitability to its shareholders' equity. Preferred stock is included as part of each company's net worth.

Sales-Per-Share Growth measures the growth in reported sales over the specified past time period.

Weighted Average Market Cap identifies the market capitalization of the average equity holding as determined by the dollars invested in the portfolio or benchmark.

Weighted Median Market Cap identifies the market capitalization of the median equity holding as determined by the dollars invested in the portfolio or benchmark.

FUND RISKS

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.

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.

S&P 500 Index is a market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance.

CBOE S&P 500 2% OTM BuyWrite Index is a variant of the S&P 500 BuyWrite Index (BXM). BXY tracks the value of a hypothetical portfolio that overlays a short 2% out-of-the-money call on an investment in S&P 500Â® stocks. The smaller premium of a 2% out-of-the-money call relative to an at-the-money call provides smaller buffer but also less give up on the uspside.

MARKET-SEGMENT WEIGHTS

Market-segment weights illustrate examples of sectors or industries 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 sector or industry.

MORNINGSTAR INFORMATION

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).

RELATIVE WEIGHTS

Relative weights represents the % of fund assets in a particular market segment, asset class or credit quality relative to the benchmark. A positive number represents an overweight, and a negative number is an underweight. The fund's benchmark is listed immediately under the fund name in the Performance Summary.

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.

3-YEAR RISK/RETURN STATISTICS

Beta is a measure of the volatility of a fund relative to its benchmark index. A beta greater (less) than 1 is more (less) volatile than the index.

Information Ratio measures a fund's active return (fund's average monthly return minus the benchmark's average monthly return) in relation to the volatility of its active returns.

R-Squared measures how a fund's performance correlates with a benchmark index's performance and shows what portion of it can be explained by the performance of the overall market/index. R-Squared ranges from 0, meaning no correlation, to 1, meaning perfect correlation. An R-Squared value of less than 0.5 indicates that annualized alpha and beta are not reliable performance statistics.

Sharpe Ratio is a measure of historical risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk free" rate used is the 90-day Treasury Bill rate.

Standard Deviation is a statistical measurement of the dispersion of a fund's return over a specified time period. Fidelity calculates standard deviations by comparing a fund's monthly returns to its average monthly return over a 36-month period, and then annualizes the number. Investors may examine historical standard deviation in conjunction with historical returns to decide whether a fund's volatility would have been acceptable given the returns it would have produced. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility. Standard deviation does not indicate how the fund actually performed, but merely indicates the volatility of its returns over time.

Tracking Error is the divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark, creating an unexpected profit or loss.

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.

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