



**Fidelity U.S. Equity Factor Index**  
**Fidelity U.S. Equity Defensive Factor Index**  
**Fidelity U.S. Equity Income Factor Index**

**Index Methodology Document**

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# Section 1: Introduction

Fidelity Multi-Factor Indexes are designed to provide investors with a variety of desired outcomes to improve risk-adjusted returns, reduce risk, or earn a higher dividend yield.

## Index Definitions

1. **Fidelity U.S. Equity Factor Index** combines single factor indices to reflect the performance of stocks of large, mid and small capitalization companies that are expected to provide higher risk-adjusted returns than the broader equity market
2. **Fidelity U.S. Equity Defensive Factor Index** combines single factor indices to reflect the performance of stocks of large, mid and small capitalization companies that are expected to provide lower absolute risk and higher risk-adjusted returns than the broader equity market
3. **Fidelity U.S. Equity Income Factor Index** combines single factor indices to reflect the performance of stocks of large, mid and small capitalization companies that are expected to provide higher income and risk-adjusted returns than the broader equity market

## Index Methodology Summary

Parameter	Fidelity Multi-Factor Indexes
Investment Universe	<ul style="list-style-type: none"><li>• Fidelity U.S. Value Factor Index</li><li>• Fidelity U.S. Momentum Factor Index</li><li>• Fidelity U.S. Quality Factor Index</li><li>• Fidelity U.S. Low Volatility Factor Index</li><li>• Fidelity High Dividend Index</li><li>• Fidelity Small-Mid Factor Index</li></ul>
Portfolio Construction	Allocate pre-determined weights to underlying single factor indices
Rebalancing	Annual

## Section 2: Investment Universe

1. **Fidelity High Dividend Index** is designed to reflect the performance of stocks of large and mid-capitalization dividend-paying companies that are expected to continue to pay and grow their dividends
  - **Rationale:** Provides higher relative dividend yield with sector tilts subject to constraints
2. **Fidelity U.S. Low Volatility Factor Index** is designed to reflect the performance of stocks of large and mid-capitalization U.S. companies with lower volatility than the broader market
  - **Rationale:** Low volatility stocks have demonstrated the potential to generate similar returns as the broader market over time with less volatility
3. **Fidelity U.S. Momentum Factor Index** is designed to reflect the performance of stocks of large and mid-capitalization U.S. companies that exhibit positive momentum signals.
  - **Rationale:** Stocks with above average returns and positive investor sentiment have tended to outperform over the medium-term
4. **Fidelity U.S. Quality Factor Index** is designed to reflect the performance of stocks of large and mid-capitalization U.S. companies with a higher quality profile than the broader market
  - **Rationale:** Companies with higher profitability, stable cash flows and good balance sheets have tended to outperform their peers over time
5. **Fidelity U.S. Value Factor Index** is designed to reflect the performance of stocks of large and mid-capitalization U.S. companies that have attractive valuations
  - **Rationale:** Cheap stocks, with low prices relative to fundamentals, have historically outperformed the market over time
6. **Fidelity Small-Mid Factor Index** is designed to reflect the performance of stocks of mid- and small-capitalization U.S. companies with attractive valuations, high quality profiles, positive momentum signals, and lower volatility than the broader market
  - **Rationale:** Smaller size stocks have historically outperformed the market over time

## Section 3: Index Construction

Each index allocates to the underlying single factor indices as detailed in the table below:

Index	Weight
<b>Fidelity U.S. Equity Factor Index</b>	
Fidelity U.S. Value Factor Index	25%
Fidelity U.S. Momentum Factor Index	25%
Fidelity U.S. Quality Factor Index	20%
Fidelity U.S. Low Volatility Factor Index	10%
Fidelity Small-Mid Factor Index	10%
Fidelity High Dividend Index	10%
<b>Fidelity U.S. Equity Defensive Factor Index</b>	
Fidelity U.S. Low Volatility Factor Index	45%
Fidelity U.S. Quality Factor Index	10%
Fidelity U.S. Momentum Factor Index	15%
Fidelity U.S. Value Factor Index	10%
Fidelity Small-Mid Factor Index	10%
Fidelity High Dividend Index	10%
<b>Fidelity U.S. Equity Income Factor Index</b>	
Fidelity High Dividend Index	45%
Fidelity U.S. Momentum Factor Index	15%
Fidelity U.S. Value Factor Index	10%
Fidelity U.S. Quality Factor Index	10%
Fidelity U.S. Low Volatility Factor Index	10%
Fidelity Small-Mid Factor Index	10%

The price return versions of the Fidelity U.S. Equity Factor Index, the Fidelity U.S. Equity Defensive Factor Index, and the Fidelity U.S. Equity Income Factor Index will use the price return versions of the underlying factor indices.

The total return versions of the Fidelity U.S. Equity Factor Index, the Fidelity U.S. Equity Defensive Factor Index, and the Fidelity U.S. Equity Income Factor Index will use the total return versions of the underlying factor indices.

## Section 4: Index Maintenance

### Frequency of Rebalance

The Fidelity U.S. Equity Factor Index, the Fidelity U.S. Equity Defensive Factor Index, and the Fidelity U.S. Equity Income Factor Index are rebalanced annually on the 3rd Friday of February.

# Section 5: Index Calculations

## Index History

Index history will be calculated for daily values and month end holdings going back to 12/31/1995. Base value will be 100.00 starting as of 12/31/1995.

## Data Calculation

Following data calculations will be generated

### Fidelity U.S. Equity Factor Index

- a. Price Return
  - i. Index Name = **Fidelity U.S. Equity Factor Index PR**
  - ii. Calculated as of End of Day = NYSE Trading hours (i.e. 9:30-4 EST)
  - iii. Desired Ticker (8 character max) = FIDUSEFP
  
- b. Total Return
  - i. Index Name = **Fidelity U.S. Equity Factor Index TR**
  - ii. Calculated as of EOD
  - iii. Desired Ticker (8 character max) = FIDUSEFT

### Fidelity U.S. Equity Defensive Factor Index

- a. Price Return
  - i. Index Name = **Fidelity U.S. Equity Defensive Factor Index PR**
  - ii. Calculated as of End of Day = NYSE Trading hours (i.e. 9:30-4 EST)
  - iii. Desired Ticker (8 character max) = FIDUSDFP
  
- b. Total Return
  - i. Index Name = **Fidelity U.S. Equity Defensive Factor Index TR**
  - ii. Calculated as of EOD
  - iii. Desired Ticker (8 character max) = FIDUSDFT

### Fidelity U.S. Equity Income Factor Index

- a. Price Return
  - i. Index Name = **Fidelity U.S. Equity Income Factor Index PR**
  - ii. Calculated as of End of Day = NYSE Trading hours (i.e. 9:30-4 EST)
  - iii. Desired Ticker (8 character max) = FIDUSIFP
  
- b. Total Return
  - i. Index Name = **Fidelity U.S. Equity Income Factor Index TR**
  - ii. Calculated as of EOD
  - iii. Desired Ticker (8 character max) = FIDUSIFT

## Index Holiday Schedule

Index schedule will follow the NYSE holiday schedule

## Section 6: Index Governance

### Index Sponsor and Index Calculation Agent

The index sponsor is Fidelity Product Services LLC (FPS). FPS has appointed S&P Dow Jones as Index Calculation Agent to calculate and publish the indexes in accordance with this methodology document. The index sponsor may appoint an alternative Index Calculation Agent at any time.

### Index Committee

The index is maintained by Fidelity Investments Index Committee. The Index Committee is responsible for reviewing the design and composition of the indexes. The Committee meets periodically to review market conditions and index performance, or on an as-needed basis to address major market developments. In addition, the Committee reserves the right to exercise its discretion in making decisions with respect to Index Policies or actions.

The Index Committee considers information about changes to its indexes and related matters to be potentially market moving and material. Therefore, all Index Committee discussions are confidential.

### Index Policy

**Announcements:** Announcements regarding changes to any of the indexes will be made publicly available prior to the effective date of the change. All announcements will be published on [www.fidelity.com](http://www.fidelity.com)

**Index Holiday Schedule:** Index schedule will follow the NYSE holiday schedule

**Market Disruption:** In situations where calculation of an index may not be possible under certain circumstances, including market disruptions, systems failures, weather conditions, acts of terrorism or any other event that is beyond the reasonable control of the Index Sponsor and/or Index Calculation Agent, the Index Calculation Agent will calculate the closing price of the indexes based on:

- (1) The closing prices published by the exchange, or
- (2) If no closing price is available, the last published price for each underlying index

If an exchange fails to open due to unforeseen circumstances, the Index Calculation Agent will treat the closures as a standard market holiday. The index will use the prior day's closing prices and shift any corporate actions to the following business day. If all exchanges fail to open or in other extreme circumstances, the Index Calculation Agent may determine not to publish the indexes for that day.



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