

# FAAA

## Fidelity AAA CLO ETF

### Fund Description

FAAA is actively managed, investing primarily in AAA-rated CLO tranches. The fund may allocate up to 25% in non-US dollar-denominated CLOs, with foreign currency exposures typically hedged.

### FactSet Analyst Report

FAAA is an income-oriented fixed income ETF focused primarily on AAA-rated collateralized loan obligations. CLOs are structured securities backed by pools of corporate loans, and the fund invests mainly in senior tranches that sit higher in the capital structure and are designed to absorb losses only after more junior layers are impacted. Portfolio construction considers credit quality, tranche features, valuation, and trading opportunities across both primary issuance and secondary markets. The strategy also seeks to maintain overall interest rate risk similar to a CLO benchmark. The fund may invest in other highly rated CLOs, limit fixed-rate exposure, and allocate up to 25% of assets to non-US dollar-denominated CLOs with currency exposure typically hedged through forward contracts. Derivatives and forward-settling instruments may also be used to adjust risk positioning and can introduce leverage-like effects.