

FMAG

Fidelity Magellan ETF

Fund Description

FMAG is an actively-managed, non-transparent ETF that provides exposure to fundamentally-selected firms located globally. The fund utilizes the Fidelity non-transparent model.

FactSet Analyst Report

FMAG offers the same strategy used for the Fidelity Magellan mutual fund (FMAGX) in an ETF wrapper. FMAG delivers a portfolio of global companies of any capitalization, with growth and/or value traits. To screen for firms, the fund adviser uses fundamental analysis examining factors such as an issuers financials and industry position and looks at the overall market condition. Fidelity only discloses FMAGs full holdings on a monthly basis, with a 30-day lag. A tracking basket is published daily on its website, in place of the actual portfolio. This includes some of the funds holdings from recent disclosure, other liquid ETFs, cash, and cash equivalents. This structure is designed to track FMAGs daily performance, facilitate arbitrage opportunities, and mitigate the risk of front-running. However, investors should note that its non-transparent structure could result in wider spreads.