

# Frequently asked questions



## Answers to your questions about Fidelity Managed Retirement Funds<sup>SM</sup> and Fidelity Managed Cash Flow automatic withdrawal options

### **When should I start planning for income in retirement?**

It's never too early to start planning. So, whether you're one year or five years from retirement, planning can help you feel more prepared. Tips for income planning include the following:

- Estimate your monthly expenses in retirement
- Inventory your income sources and understand their withdrawal options
- Revisit your investments to make sure that you're allocated properly

And, if you need help along the way, call **866-811-6041** to speak with a Fidelity representative.

### **What are the Fidelity Managed Retirement Funds'?**

The Fidelity Managed Retirement Funds are investment options available in your retirement savings plan. These are professionally managed mutual funds designed specifically for retirees, and those nearing retirement, who plan on withdrawing from their retirement savings plan. Each portfolio consists of a mix of investments that correspond to your age and become more conservative over time. When combined with the Fidelity Managed Cash Flow<sup>2</sup> automatic withdrawal option, the portfolios are designed to help support a steady stream of regular income payments.

### **Who are the Fidelity Managed Retirement Funds designed for?**

The funds are designed for investors who are age 60 or older, who are retired or near retirement, who are seeking help with managing their retirement savings, and who plan to use their retirement savings as a source of income in retirement.

### **How do I choose the appropriate fund?**

Using your birth year as a guide, you should consider the fund that most closely aligns with the year you turn age 70.

### **How do I invest in the Fidelity Managed Retirement Funds?**

You may review your plan's investment menu to find and select the appropriate Fidelity Managed Retirement Fund for your age (see instructions above on how to choose). The investment menu can be accessed from the Investments tab of your employer's retirement plan website. Then, to initiate a transaction, select Change Investments. For assistance, call **866-811-6041** to speak with a Fidelity representative.

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### **?** Do I have to invest my entire balance in this fund?

No, there is no requirement to invest your entire balance in a Fidelity Managed Retirement Fund. However, the Fidelity Managed Retirement Funds are designed to be paired with the Fidelity Managed Cash Flow automatic withdrawal strategy to help participants convert their savings into a steady stream of income throughout retirement.

### **?** Do I have to be retired to invest in the Fidelity Managed Retirement Funds?

No, the funds are designed for investors who are age 60 or older, who are retired or nearing retirement, and who plan to use their retirement savings as a source of income in retirement.

### **?** Who manages the Fidelity Managed Retirement Funds?

The funds are managed by Andrew Dierdorf and Brett Sumsion, who are part of Fidelity's deep and experienced Global Asset Allocation (GAA) team. GAA has nearly three decades of experience managing multi-asset class portfolios, including Fidelity's target date portfolios.

### **?** What is an automatic withdrawal option?

Automatic withdrawals allow you to easily establish an income stream through scheduled payments from your workplace savings plan. You can choose the frequency for automatic withdrawals from the options available for your plan, to best suit your needs. You must be retired or meet your plan's eligibility requirements to begin taking automatic withdrawals.

### **?** What is the Fidelity Managed Cash Flow automatic withdrawal option?

The Fidelity Managed Cash Flow automatic withdrawal option is a percentage-based withdrawal strategy designed to help you convert your savings into a steady stream of income throughout retirement. This withdrawal option is designed to be combined with the Fidelity Managed Retirement Funds to give you a source of income during retirement and to help make your savings last. The goal of this withdrawal option is to provide high and stable income and a positive lifetime account balance. This withdrawal option helps to improve the longevity of assets by allowing payments to adjust as asset values change. Payment rates refresh automatically at each age and are constructed to deliver a reasonable stable payment stream. (No target level of remainder assets is guaranteed).

### **?** How are the Fidelity Managed Cash Flow automatic withdrawal rates calculated?

Using research and analysis of the key risks facing retirees, the Fidelity investment team calculates a withdrawal rate that is based on age and adjusts over time. Rates are regularly reviewed by the management team. For additional information on Fidelity Managed Cash Flow automatic withdrawal, visit "[MCF What is it](#)" on NetBenefits®.

### **?** Do I have to use the Fidelity Managed Cash Flow automatic withdrawal if I invest in the Fidelity Managed Retirement Funds?

No, investors in the Fidelity Managed Retirement Funds are not required to set up automatic withdrawals or use the Fidelity Managed Cash Flow automatic withdrawal strategy. However, the Fidelity Managed Retirement Funds are designed for investors who are nearing or in retirement, are looking for help managing their investments, and plan to withdraw income from their retirement savings.

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**?** **Can I use the Fidelity Managed Cash Flow with other investments (besides the Fidelity Managed Retirement Funds)?**

Yes, the selection of the Fidelity Managed Cash Flow automatic withdrawal is independent of the selection of the investment strategy. However, the Fidelity Managed Retirement Funds are designed to be paired with the Fidelity Managed Cash Flow automatic withdrawal to achieve the objectives of high and stable payments, ongoing liquidity, and maintaining a positive lifetime asset balance.

**?** **How do I sign up for the Fidelity Managed Cash Flow automatic withdrawal option?**

If you are retired, or meet your retirement plan's eligibility requirements, go to the Withdrawals/Loans tab on [withdrawals.fidelity.com](https://www.withdrawals.fidelity.com). Click See Your Options, and then click Automatic Withdrawals. Enter a few pieces of information to model your withdrawal options. Then, to begin your automatic withdrawals, click the Initiate Withdrawals button next to the Fidelity Managed Cash Flow option. And, if you need help along the way, call **866-811-6041** to speak with a Fidelity representative.

**?** **Can I change or stop automatic withdrawals at any time?**

Yes, you can change or stop your automatic withdrawals, if permitted by your plan, at any time by contacting a Fidelity representative.

<sup>1</sup>The Fidelity Managed Retirement Funds are subject to the volatility of the financial markets, including that of equity and fixed income investments in the United States and abroad, and may be subject to risks associated with investing in high-yield, small-cap, commodity-linked, and foreign securities. Leverage can increase market exposure, magnify investment risks, and cause losses to be realized more quickly. No Fidelity Managed Retirement Fund is considered a complete retirement program, and there is no guarantee that any single fund will provide sufficient retirement income at or through retirement. Principal invested is not guaranteed at any time, including at or after the funds' target dates. The fund is designed primarily for investors who seek to convert accumulated assets into regular withdrawals over time. As with any mutual fund, withdrawals will reduce the investment balance, and future returns are not earned on amounts withdrawn.

<sup>2</sup>Payments from the Managed Cash Flow withdrawal option will vary year over year, may constitute a return of an investor's capital, and may increase or decrease depending on the yearly withdrawal rate and a customer's account value. No target level of remainder assets is guaranteed.

Investment decisions should be based on an individual's own goals, time horizon, and tolerance for risk.

**Past performance is no guarantee of future results.**

**Before investing in any mutual fund, consider the investment objectives, risks, charges, and expenses. Contact Fidelity for a prospectus or, if available, a summary prospectus containing this information. Read it carefully.**

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