



## **Program Fundamentals:** Fidelity Private Portfolio Service®

**Strategic Advisers, Inc.**  
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March 30, 2012

On behalf of Fidelity, we thank you for the opportunity to professionally manage your portfolio. This brochure was developed for our clients. It provides information about the qualifications and business practices of Strategic Advisers, Inc., as well as information about Portfolio Advisory Services and Fidelity Private Portfolio Service.®

This brochure should be read carefully by all clients. Throughout this brochure and related materials, Strategic Advisers, Inc., may refer to itself as a "registered investment adviser" or "being registered." These statements do not imply a certain level of skill or training.

If you have any questions about the contents of this brochure, please contact us at 1-800-544-3455. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about Strategic Advisers, Inc., is available on the SEC's Web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Turn here®



## **SUMMARY OF MATERIAL CHANGES**

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The Securities and Exchange Commission (SEC) requires investment advisers to provide and deliver an annual summary of material changes to their advisory services program brochure. The section below highlights revisions that have been made to the Fidelity Private Portfolio Service® Program Brochure (also referred to as the Form ADV Part 2A) from March 31, 2011, through March 30, 2012. Please contact a Fidelity representative with any questions at 1-800-544-3455.

### **FIDELITY PRIVATE PORTFOLIO SERVICE® TO BE DECOMMISSIONED**

As you have been notified, the Fidelity Private Portfolio Service® program is being replaced by its successor program, Fidelity® Personalized Portfolios. All Fidelity Private Portfolio Service® accounts are required to either migrate their assets to Fidelity® Personalized Portfolios or close. As a successor program, the account number and account performance will carry forward to the new program.

### **NEW DETAILS ON THE USE OF DERIVATIVES IN CLIENT PORTFOLIOS**

Additional information about the use of derivatives in underlying mutual funds was added to the section entitled "Portfolio Manager Selection and Evaluation." Please see pages 15 for details.

### **ADDED REFERENCES TO FIDELITY PRIVATE WEALTH MANAGEMENT<sup>SM</sup>**

As of the date of this annual update, Strategic Advisers, Inc., is now managing another Fidelity service, Fidelity Private Wealth Management.<sup>SM</sup> For additional information, please see page 4.

### **UPDATED ASSETS UNDER MANAGEMENT**

Both discretionary and nondiscretionary assets managed by Strategic Advisers, Inc., were updated through December 31, 2011. Please see the updates on page 17.

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# SERVICES, FEES, AND COMPENSATION

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## ADVISORY SERVICES

Strategic Advisers, Inc. (“SAI,” “Strategic,” or “Strategic Advisers,” or sometimes referred to as “we” or “us” throughout this document), is a registered investment adviser and wholly owned subsidiary of FMR LLC, the parent company of Fidelity Investments. Strategic Advisers was incorporated in 1977 and acts as sponsor and investment manager to all Fidelity managed accounts offered by Fidelity’s Portfolio Advisory Services.

Fidelity’s Portfolio Advisory Services includes discretionary investment management services for individuals, joint accounts, retirement plans, trusts, estates, business entities, and charitable organizations. Fidelity’s Portfolio Advisory Services’ offerings include Fidelity Private Portfolio Service® (sometimes referred to as the “Service”), which is designed to help you invest your money in a professionally managed, diversified portfolio of mutual funds, and offers customers access to discretionary asset management services based on asset allocation principles. If you participate in Fidelity Private Wealth Management,<sup>SM</sup> Strategic Advisers may propose that you enroll in one of the managed account products offered by Fidelity’s Portfolio Advisory Services.

Fidelity Private Portfolio Service® provides tax-sensitive investment management of nonretirement accounts of \$300,000 or more (“Account”). The Service invests in a blend of investments, including Fidelity mutual funds, non-Fidelity mutual funds, exchange-traded funds (“ETFs”), and certain other securities. The Service may be offered directly by SAI and through Fidelity Personal Trust Company, FSB (“FPT”), a federal savings bank, or Fidelity Management Trust Company (“FMTC”). Investment recommendations are provided by SAI and are subject to supervisory oversight performed by FPT and FMTC. The Service is not available to foreign investors and/or persons who are not U.S. residents.

Based on a review of your individual financial situation, investment objectives, risk tolerance, planned investment time horizon, certain federal income tax considerations, investment restrictions, and other information provided through the completed Investor Profile Questionnaire (“IPQ”), Strategic Advisers will propose a long-term investment strategy from a series of investment strategies, which range from aggressive growth to conservative. Thereafter, SAI will manage the Fidelity Private Portfolio Service® Account on a discretionary basis based on market conditions and reviews of updated IPQ information.

Due to the active, ongoing management of the portfolios, the actual securities purchased for your Account may differ from those listed in the Investment Strategy Recommendation that we prepared based on your information. Although SAI will not offer investment management services regarding assets outside your Account, if you provide information about them on your IPQ, SAI will consider those assets in providing your Investment Strategy Recommendation.

The Service seeks enhanced after-tax returns by applying tax-sensitive investment management techniques that take into account certain potential federal income tax consequences while also seeking a balance between long-term growth and investment risks. Your long-term portfolio strategy may include allocations to any combination of stocks, bonds, money market funds, and/or other asset classes. In certain limited circumstances, SAI’s Investment Management Team may permit you to select a 100% allocation to the stock asset class. The Investment Management Team will make trades for your Account to move holdings toward the long-term investment strategy over time.

The Service accepts and manages eligible individual securities, certain exchange-traded funds, and acceptable mutual funds that participate in Fidelity’s mutual fund supermarkets that you already own. The Service’s investments may include Fidelity mutual funds, eligible non-Fidelity mutual funds, and ETFs for your portfolio.

## FEES AND COMPENSATION

### Advisory Fees—Gross Advisory Fee

Your Account charges a gross advisory fee that covers the ongoing management of your Account, including investment selection and asset allocation; certain trading costs and commissions; brokerage, clearing, and custody services provided by SAI’s affiliates; the communications program associated with your Account; and the personal service you receive from your dedicated Portfolio Specialist.

Your gross advisory fee does not include underlying fund expenses charged at the individual fund level for any funds in your Account. These fund expenses, which vary by fund and class, are expenses

all mutual fund and ETF shareholders pay. Some of these underlying mutual fund and ETF expenses are paid to SAI or its affiliates and will be included in a fee Credit Amount described below.

### Advisory Fee—Credit Amount

The annual gross fee applied to your Account is reduced by a Credit Amount. The purpose of the Credit Amount is to reduce your annual advisory fee by the amount of the fees, if any, received by SAI or its affiliates with respect to the funds held in your Account, as detailed below. This Credit Amount is calculated daily and applied quarterly in arrears.

To the extent applicable, a Credit Amount will be calculated for each type of mutual fund held in your Account. This Credit Amount will equal one of the following, whichever is the greater value:

1. 0.60% per annum of all assets in that fund in your Account or
2. Either of the following:
  - For Fidelity funds, the Credit Amount will equal the underlying investment management fees paid to us or our affiliates for the fund.
  - For non-Fidelity funds, the Credit Amount will equal the distribution or shareholder servicing fees paid to us or our affiliates for the fund.

These are added together to arrive at your total Credit Amount.

### Net Advisory Fee = Gross Advisory Fee – Credit Amount

For individual securities and ETFs held in your Fidelity Private Portfolio Service® Account, the Credit Amount will generally be equal to 0.60% of assets in such security or ETFs in your Account. The Maximum Annual Net Advisory Fee is prorated based on days in the Service. Should an account close during a quarter, the Service will retain the advisory fee due for the period account assets were invested for the quarter.

Please see the chart below for the fees charged on your Fidelity Private Portfolio Service® Account. (Please note that all fees are subject to change.)

MAXIMUM ANNUAL NET ADVISORY FEE SCHEDULE FOR FIDELITY PRIVATE PORTFOLIO SERVICE® ACCOUNTS			
Average Daily Assets*	Maximum Annual Gross Advisory Fee		Maximum Annual Net Advisory Fee
For the first \$500,000	1.70%	} Less Credit Amount†	1.10%
For the next \$500,000 or portion thereof	1.40%		0.80%
For the next \$1,000,000 or portion thereof	1.30%		0.70%
For the next \$999,999 or portion thereof	1.00%		0.40%
For total assets of \$3 million or more	Flat Rate for Whole Account Based on Schedule Below		

SPECIAL MAXIMUM ANNUAL NET ADVISORY FEE SCHEDULE FOR FIDELITY PRIVATE PORTFOLIO SERVICE® ACCOUNTS OF \$3 MILLION OR MORE			
Average Daily Assets*	Maximum Annual Gross Advisory Fee		Maximum Annual Net Advisory Fee
\$3,000,000 to \$3,999,999	1.25%	} Less Credit Amount†	0.65%
\$4,000,000 to \$4,999,999	1.15%		0.55%
\$5,000,000 to \$5,999,999	1.10%		0.50%
\$6,000,000 to \$6,999,999	1.05%		0.45%
\$7,000,000 to \$7,999,999	0.98%		0.38%
\$8,000,000 or more	0.90%		0.30%

\* Average daily assets of Portfolio Advisory Services accounts are determined on the last business day of the quarter. Certain Portfolio Advisory Services account balances may be aggregated with certain other Portfolio Advisory Services account balances in order to arrive at the reduced fee rates applicable to different levels of account balances. In addition, certain individually owned accounts with the same tax-reporting number will be automatically aggregated for fee calculation purposes.

Contact your Portfolio Advisory Services representative for details of the account aggregation policy, including any other account that may meet the eligibility requirements. Fidelity® Strategic Disciplines accounts cannot be aggregated for a reduced fee rate.

† Your Gross Advisory Fee is reduced by a Credit Amount, which reflects investment management and certain service fees received by SAI or its affiliates from funds held in your Account.

## **Mutual Fund and ETF Expenses**

Underlying mutual fund and ETF expenses still apply to the funds in your Account. These are the standard expenses that all mutual fund and/or ETF shareholders pay. Details of a mutual fund's or ETF's expenses can be found in each ETF or mutual fund's respective prospectuses. These expenses are not separately itemized or billed; rather, the published returns of mutual funds and ETFs are shown net of their expenses.

## **Sales Loads and Transaction Fees**

You generally will not pay any sales loads or transaction fees on the funds purchased in your Account. A special sales load waiver may enable SAI's investment professionals to purchase funds for your Account without incurring additional sales loads or transaction fees on fund sales.

## **Redemption Fees**

In order to protect the interests of long-term shareholders, certain funds may impose redemption or other administrative fees if shares are not held for a minimum time period. SAI or its affiliates, at their sole discretion, may choose to pay any such redemption fees on your behalf, but are under no obligation to do so. However, you are responsible for any short-term trading fees that result from the sale of your existing investments (if any) to fund your initial investment in the Service (whether inside or outside of the Account) and any subsequent withdrawals that you initiate.

## **Miscellaneous Fees**

The advisory fee also does not cover charges resulting from trades with or through broker-dealers other than affiliates of Strategic or mark-ups or mark-downs by such other broker-dealers, transfer taxes, exchange fees, Securities and Exchange Commission (SEC) fees, odd-lot differentials, handling charges, electronic fund and wire transfer fees, or any other charges imposed by law or otherwise applicable to your Account. The respective charges will be reflected on your monthly statement.

## **Billing**

On a quarterly basis, Portfolio Advisory Services will send you a fee invoice detailing the amount due and date required. You can pay by check or we can provide a duplicate fee invoice to your custodian, National Financial Services LLC, Member NYSE, SIPC ("NFS"), for direct payment from your existing Account, another Fidelity account, or another financial institution. If payment is not received by the due date, SAI will select certain assets in your Account to be liquidated to pay the fees; this liquidation may generate a taxable gain or loss. Advisory fees drawn from your Account will be deducted from the account in arrears, on a quarterly basis. Should either party terminate the investment advisory relationship, Portfolio Advisory Services will prorate the fees due from the beginning of the last quarter to the termination date.

## **Information about Representative Compensation**

The compensation that SAI's affiliates receive related to investments in Fidelity funds may exceed the compensation received from investments in non-Fidelity funds. However, the Credit Amount is intended to address that effect by reducing your gross advisory fee by any such compensation received by SAI's affiliates.

Representatives who sell and service Fidelity Private Portfolio Service® receive compensation as a result of your participation, including compensation for both sales of new accounts and retention of assets in the Service. In many cases, this compensation is greater than what the representative would receive if you participated in other programs or paid separately for investment management, brokerage, and other services.

However, you are required to complete an IPO to determine whether the Service is appropriate for you, and also to determine the appropriate long-term asset allocation for your Account. In addition, Fidelity representatives who sell and service Fidelity Private Portfolio Service® accounts may participate in sales contests and may earn additional rewards based on sales criteria including, but not limited

to, the number of solicitations for advisory services they make, gross sales on Service accounts, or retention of assets in the Service and similar programs. Therefore, Fidelity representatives who distribute and service Fidelity Private Portfolio Service® accounts may have a financial incentive to sell or suggest continued participation in the Service over other programs or services.

For additional information about how Fidelity compensates its representatives in connection with the sale of this Service and other products, please see the representative's compensation disclosure document that is included with your application materials, contact a Fidelity representative, or visit Fidelity.com.

## **ADDITIONAL INFORMATION ABOUT FEES**

### **Fee Changes**

All fees are subject to change. We will notify you in writing of any changes in advisory fees paid by you. You will have the ability to object to any fee changes by writing Portfolio Advisory Services 30 days from the date of the notification. If we do not hear from you in writing, you will be deemed to have approved of such fee changes upon the end of the 30-day period.

### **Fee Negotiations**

In rare circumstances, we may agree to negotiate the advisory fee for certain accounts. This may result in certain clients paying less than the standard fee. We may waive the advisory fee, in whole or in part, at our sole discretion, in connection with promotional efforts and other programs. In addition, the Service may waive, in whole or in part, the fee for certain current and former employees of Fidelity Investments. In certain circumstances, SAI may manage certain accounts in a manner substantially similar to other Portfolio Advisory Services accounts under arrangements that may include negotiated terms and conditions that depart from the standard service offering. All rights and obligations are generally governed under an investment management agreement and may include investment guidelines.

### **Nondiscretionary Options**

You may invest directly in funds or securities available through the Service in another account without incurring an advisory fee charged by the Service. In this case, however, you would not receive the asset allocation and professional management services offered through the Service, and you may be subject to sales loads, transaction fees, and redemption charges. Participation in the Service may cost more or less than if you were to purchase the services separately. Several factors, including trading activity and investment fees, influence the cost of the Service.

## **ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

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Fidelity Private Portfolio Service® is generally available to individual investors and for taxable accounts only. The Service is not available to foreign investors and/or persons who are not U.S. residents. Please see the Client Agreement for additional information.

For Fidelity Private Portfolio Service®, the minimum initial investment is generally \$300,000, and is only available for nonretirement accounts. The minimum account size for additional accounts opened by a client or other members of the client's household within the Service is \$250,000. Subsequent investments to existing accounts may be made for as little as \$250. Minimums for initial and subsequent investments may be lowered at the sole discretion of SAI, including those in connection with promotional efforts. Fidelity Private Portfolio Service® accounts are serviced by a dedicated Portfolio Specialist and/or Account Executive. Accounts will be reviewed on a periodic basis to determine continued eligibility to participate in this Service, and SAI reserves the right to determine eligibility at its sole discretion. Portfolio Advisory Services reserves the right to close your Account if its balance falls below a certain level. Portfolio Advisory Services reserves the right to terminate its services if it believes the Service is no longer appropriate for you. Portfolio Advisory Services reserves the right to terminate, modify, or make exceptions to these policies.

Most of the non-Fidelity funds used in the Service are no load; others are load funds that are generally available to Portfolio Advisory Services without a load and thus to you as a client with no load. Absent unusual circumstances, the Account will include a mix of stocks, bonds, money market funds, and other types of mutual funds and ETFs. In certain limited circumstances, the SAI Investment Management Team may permit you to select a 100% allocation to the stock asset class.

### **OPENING AND FUNDING YOUR ACCOUNT**

You may fund your Account with cash or by transferring eligible Fidelity or non-Fidelity mutual funds or certain other eligible securities to your Account. SAI will generally accept the following eligible securities to fund an account. These securities must be held free and clear of any liens, pledges, or other legal or contractual restrictions:

- Most Fidelity mutual funds not subject to back-end loads
- Eligible non-Fidelity mutual funds not subject to back-end loads
- Corporate, Municipal, or Agency bonds rated at least A-/A3 or better (S&P or Moody's rated)
- California and Puerto Rico General Obligation Bonds rated BBB or better (comparable Moody's ratings for such securities accepted) that meet a certain minimum issuance size
- Common stock of companies included in the S&P 500® Index or Russell 1000® Index
- U.S. government bills, notes, and nonconvertible bonds (with the exception of mortgage-backed securities and zero-coupon bonds)
- Certificates of deposit (CDs) maturing within 12 months with no penalties for early redemption and no automatic rollover features (no single CD in excess of the amount covered by the Federal Deposit Insurance Corporation (FDIC))
- ETFs covered by SAI's research team
- American depository receipts (ADRs) included in the S&P ADR Index

For additional information about which securities may be eligible to be accepted in kind into your Account, please contact your Fidelity representative.

At times, SAI may not accept individual securities that are used to fund your Account. These assets may have been eligible at the time of funding, but, due to aggregate holding limitations as defined by Fidelity Investments' internal guidelines (as a consolidation of companies) or by regulations (state or federal), they are no longer eligible. Under these circumstances, you authorize Fidelity Brokerage Services LLC (FBS) and/or NFS to move these securities into a non-discretionary brokerage account in



your name with FBS. Once Fidelity falls below the aggregate holdings limit, you can instruct Strategic to transfer these shares to your Fidelity Private Portfolio Service® Account.

Once your application and funding have been received, a Fidelity Private Portfolio Service® account will be opened at FBS, and this brokerage account will be funded with eligible securities and cash. If you are funding the account in part by transferring eligible assets, the Service will hold any initial cash contributions in a money market fund until the eligible asset transfer is complete. SAI will not begin managing your Account until completed cost basis information is received from you or, if applicable, your transferring financial institution. Prior to receiving cost basis information, you authorize FBS and/or NFS to move such assets to a nondiscretionary brokerage account in your name with FBS. Once the cost basis information has been received and accepted by the Service, you may instruct the Service to transfer the eligible securities to the Fidelity Private Portfolio Service® account, so that SAI can commence management of your Account on a discretionary basis. SAI will not verify accuracy of the cost basis information provided by you.

If you fund your Account exclusively with cash, SAI's general policy is to invest that cash in your core Fidelity money market fund as soon as reasonably practicable, then further invest portions of these assets in the portfolio within ten business days of full or substantial funding. If both cash and securities are used, the cash will be held in your core money market fund until the eligible asset transfer is complete.

In funding your Account, any funds or securities that SAI sells will be subject to redemption and other applicable fees, including commissions on sales of securities; however, under certain circumstances, the Service may voluntarily assume the costs of certain commissions. You may realize a taxable gain or loss when these shares are sold. In addition, when SAI purchases funds on your behalf, you may receive taxable distributions out of fund earnings that have accrued prior to their fund purchases (a situation referred to as buying a dividend). SAI's Investment Management Team will attempt to manage exposure to these distributions when it deems it appropriate to do so, but some distributions may still occur. Please consult a tax adviser regarding these matters.

When funding your Account, you and/or the financial institution that is transferring your securities must provide us with tax basis information regarding the eligible securities you are using to fund your Account. SAI will not begin managing your Account until we have received completed and verified tax basis information. The Service will utilize the tax basis information maintained in the Fidelity Tax Accounting System (the TAS System) for eligible securities held in Fidelity accounts unless, at our discretion, we accept alternate information from you. For all other securities, you must complete an Asset Verification Form (an AV Form) stating cost or basis information. For securities received from another financial institution, the Service will use the tax basis information sent by the transferring financial institution unless, at our discretion, we accept alternate information provided by you.

For securities maintained in the TAS System, SAI will assign an appropriate tax basis method unless you direct otherwise. For all other eligible securities, SAI will generally use the method specified by you on your AV Form. You should consult your tax adviser with regard to any activity that takes place outside your Account, as such activity is not taken into consideration by the Service and may affect which basis method you must use and other calculations required for tax-filing purposes. Your submission of a completed application and AV Form, if applicable, authorizes FBS to move any assets included on the AV Form to your Account so SAI can commence management of the Account on a discretionary basis. Although SAI is required to report certain tax basis information to the Internal Revenue Service, SAI will not otherwise verify (and is not otherwise responsible for) the accuracy of the information maintained in the TAS System or on the AV Form, whether provided by you or an authorized third party.

Portfolio Advisory Services reserves the right to close your Account at any time if the account balance falls below the required minimum. Portfolio Advisory Services also reserves the right to terminate its services if it believes the rendering of its investment advisory services are no longer

appropriate for you. Portfolio Advisory Services reserves the right to terminate, modify, or make exceptions to these policies.

## **WITHDRAWALS**

All trading and monetary transactions in Fidelity Private Portfolio Service® accounts must be processed through a Fidelity representative or through written instructions by you (on the necessary forms if appropriate) and sent to either a Fidelity mailing address or delivered to a local Investor Center. For same-day processing, withdrawal requests must be received and entered by the close of the New York Stock Exchange (generally 4 p.m. Eastern time [ET]), on a day that the NYSE is open for business ("business day"). Requests received after the close of the NYSE are processed on the next business day. If the NYSE closes before 4 p.m. ET, the cutoff time for withdrawal requests will be adjusted to earlier in the day to allow sufficient time to process the transactions. If other trading activity is taking place within the portfolio on the day of a withdrawal request, it will take an additional day(s) to process the withdrawal. Please note that partial withdrawals from Fidelity Private Portfolio Service® accounts can take up to five days, depending on the availability of cash or short-term investments and the securities to be sold. For each withdrawal request, the Investment Management Team will review your Account and make every effort to maintain the appropriate asset allocation of your Fidelity Private Portfolio Service® Account based on your individual situation. Depending on the type of account you have and the exact dollar amount you may wish to withdraw, more information may be necessary before the withdrawal can occur. You may request that:

- A check be sent to you
- Money be wired to your bank account
- Funds be transferred into another Fidelity account

A signature guaranteed letter of instruction is required if the withdrawn amount is going to an address that is not reflected on the account.

The mutual funds SAI invests in may have policies that restrict excessive trading. As a result, a fund may reject trade orders if it is deemed to represent excessive trading. In general, a fund will reject trades if there has been a client-initiated purchase and a sell within a 30-day period. As a result, in order to comply with a fund's trading policies, SAI may be required to suspend investment management of a client's Account. SAI will cease to manage the client's Account as soon as reasonably practicable, provided, however, that the imposition of any such order may take up to one (1) business day to implement, and any trading activity that has been commenced or is in process within SAI's trading system shall be completed prior to ceasing management of the Account.

Fidelity is harmless and will not be held responsible for any market loss experienced as a result of a "do-not-trade" order.

# PORTFOLIO MANAGER SELECTION AND EVALUATION

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## GENERAL INVESTMENT STRATEGIES APPLICABLE TO THE OVERALL MANAGEMENT OF YOUR ACCOUNT

This section contains information on how SAI applies its investment management service to your Account. SAI generally uses both fundamental and quantitative investment strategies to manage your Account. The Service offers multiple investment strategies to satisfy a wide variety of investor needs, ranging from the most aggressive portfolios (i.e., portfolios that may be invested entirely in equities) to more conservative portfolios (i.e., portfolios that may include only 20% exposure to equity). SAI will define an appropriate strategy, or long-term asset allocation, that corresponds to your financial situation, investment time horizon, and risk tolerance. Information about your recommended investment strategy can be found in your Investment Strategy Recommendation.

SAI will manage the Account in a portfolio of mutual funds and ETFs managed by Fidelity or non-Fidelity advisers. In general, each portfolio's assets will be allocated to mutual funds and ETFs that invest in four main asset classes:

1. domestic equities,
2. foreign equities,
3. bonds (fixed income securities of all types and maturities, including lower-quality debt securities), and
4. short-term assets (short-duration investments).

Strategic may also invest in mutual funds and ETFs that invest in alternative asset classes and/or extended asset classes, such as real estate, inflation-protected debt securities, or commodities. At times, investments in these asset classes may make up a substantial portion of your Account. As a result, your exposure to the primary asset classes, particularly bond and short-term investments, may be reduced to gain exposure to these non-traditional and/or extended asset classes. The allocation of your Account will depend on your proposed or selected asset allocation, may change over time, and may deviate significantly from the asset allocation shown on your long-term asset allocation.

SAI investment professionals will obtain and use information from various sources to assist in making allocation decisions among asset classes as well as the purchase and sale of specific mutual funds and ETFs and the sale of individual securities. Sources include publicly available information and performance data on mutual funds, ETFs, individual securities, stock markets, bond markets, international markets, and broad-based economic indicators, in addition to third-party and Wall Street research. SAI uses both primary sources (i.e., talking directly with companies, advisers, and portfolio managers) and secondary sources (i.e., reports prepared by fund companies, advisers, and other sources that provide data on specific mutual fund and ETF investment strategies, portfolio management teams, portfolio positioning, portfolio risk characteristics, performance attribution, and historical portfolio returns).

SAI will generally use both fundamental and quantitative investment strategies to pursue your investment objectives. Using a long-term perspective, SAI identifies an appropriate strategy and a corresponding long-term asset allocation that corresponds to your financial situation, investment time horizon, and risk tolerance. SAI may modify the holdings in your Account to accommodate new fund allocations and fund closures. When SAI makes a decision to place a trade in your portfolio other than in connection with a rebalancing, SAI will notify you that a change has been made via a transaction confirmation, provide you with a brief rationale for why the change was made, and send for your review a prospectus for any new fund that was not previously held in your Account, unless you have elected to have SAI act as your agent for the receipt of non-Fidelity fund prospectuses.

For management of individual securities in connection with Fidelity Private Portfolio Service® account management, domestic and international market information may be used to evaluate

each security. Capital market data includes historical and projected corporate earnings, the valuation of securities, yields of intermediate and long-term bonds, and the overall price volatility of the stock, bond, and short-term markets. SAI will evaluate these securities both in the context of similar securities within the same asset class or industry sector as well as the appropriateness of that security in your portfolio given your individual financial situation, investment objectives, risk tolerance, planned investment time horizon, investment restrictions, and other information provided through the completed IPO.

Periodically, market conditions or an upturn or downturn in a particular security may cause a “drift” in your investment portfolio away from the risk level associated with your Account. SAI may choose to rebalance your portfolio to bring it back in line with your Account’s risk level. When this occurs, SAI may rebalance your holdings to realign the portfolio with the long-term asset allocation. SAI may reallocate holdings as a result of changes in attractiveness or appropriateness of specific funds or individual securities, or based on your financial situation.

In managing your Account, SAI may decide to adjust allocations for a number of reasons, including, but not limited to, the following:

1. The weighting of a particular asset class, industry sector, fund sector, or individual security that the Investment Management Team believes has too much or too little representation in the Account,
2. Changes in the fundamental attractiveness of a particular mutual fund, ETF, or security,
3. Changes in your investor profile,
4. Certain changes in your tax situation, or the tax situation of the investments in your Account, and
5. Deposit/withdrawal of cash into the portfolio.

Generally, SAI reviews and adjusts account holdings, as needed, based on the criteria listed above, with additional consideration given to the potential impact of federal income taxes on the Account.

When reviewing the possibility of the sale of a security in your Account, SAI seeks, if not otherwise restricted from doing so, to apply tax-sensitive investment management and to account for certain tax factors, including the acquisition date of a security, your estimated income tax rate, and unrealized capital gains or losses, as determined by information on record for your Account.

With respect to managing the securities used to fund your Account, SAI considers the following positions to be concentrated—or makes up a disproportionate allocation of assets—and therefore subject to additional concentration risks:

- A stock position that equals more than 5% of your Account’s total equity allocation;
- A sector fund or ETF that is more than 10% of your Account’s investable assets;
- A bond position that represents more than 10% of your Account’s investable assets; or
- A diversified fund, or ETF that accounts for more than 25% of your Account’s investable assets.

When the client’s account is concentrated, the account’s overall asset allocation might deviate from the target asset mix. As a general guideline, not a rule, Strategic will seek to achieve the target asset mix within two tax years. There are several factors that determine how quickly a client’s account is moved into the target asset allocation. These factors include:

1. Unrealized gains of existing positions,
2. Quality of the securities used to fund the account,
3. Available tax losses, and
4. Diversification of current holdings and deviation from target asset mix.

## INFORMATION REGARDING TAX-SENSITIVE INVESTMENT MANAGEMENT

SAI's Investment Management Team will consider the potential federal income tax consequences of holding, buying, and selling securities as part of its investment management services in an effort to enhance your after-tax returns. Over the long run, this extra level of management is intended to contribute to helping you reach your investment goals.

Prior to making trading decisions to buy, hold, or sell mutual funds, ETFs, or other types of securities for your portfolio, SAI considers the following:

**Ability to harvest tax losses.** Individual funds and ETFs or stock and bond positions may experience price declines, possibly below your adjusted tax basis in the security, as determined by the tax basis information on record for your Account. In such instances, the Investment Management Team may choose to realize capital losses in your Account for tax purposes. You may then be able to use these realized capital losses to offset other capital gains and up to \$3,000 of ordinary income (\$1,500 if married and filing separately) when you file your federal income tax return, without significantly altering the overall investment attributes of the Account. In cases where a position is sold to realize a capital loss, the position usually will be replaced with a similar investment in order to maintain market exposure. In harvesting tax losses, SAI does not attempt to harvest every tax loss that occurs in your Account. As a result, you cannot assume automatic tax-loss harvesting in down markets as other factors may also be considered in managing your portfolio. Instead, SAI will evaluate your Account for the presence of significant tax losses as part of its overall analysis as to whether a given security should be purchased, held or sold.

**Opportunity to avoid and/or to postpone capital gain realization.** As applicable, the Investment Management Team reviews each specific lot of securities in your Account—a block of shares bought at a particular time at a particular price—and weighs the potential federal income tax burden associated with selling that lot against the potential investment merits of the sale, such as return opportunity, added diversification, and support of risk-management strategies. Once it decides to sell an eligible security, the Investment Management Team will attempt to sell the lot(s) that will generate the lowest overall federal income tax burden (or generate a capital loss) using the cost basis and holding period information on record.

**Seeking to manage exposure to mutual fund distributions.** After taking other factors into consideration, the Investment Management Team seeks to manage exposure to taxable fund distributions. Although the Investment Management Team cannot control when or how a fund will make distributions, it considers historical and projected dividend and capital gain distributions when selecting and trading funds for the Account. Nevertheless, it is important to understand that in a given year, due to investment decisions or market conditions, you may receive varying levels of taxable fund distributions within your Account. In general, the Investment Management Team will not sell a fund merely to avoid a distribution.

**Purchase of municipal bond and money market funds, based on factors including your tax bracket and estimated tax-equivalent yields.** When appropriate, the Investment Management Team may invest in state-specific municipal bond funds and money market funds (as alternatives to comparable taxable funds) to seek to generate income generally exempt from federal (and state, if a resident of the issuer's state) income taxes. When consistent with overall portfolio objectives, the Investment Management Team may also invest in non-state-specific (i.e., national) municipal bond and money market funds to seek to generate income generally exempt from federal income taxes. **Information about taxable gains.** Over time, you can anticipate that SAI will engage in transactions that could potentially trigger taxable gains. For example, SAI's trading activity will likely trigger taxable gains in your Account if (1) many or all of the securities in your Account have experienced investment gains since last being traded, or (2) if your portfolio needs to be reallocated to align to a change in your overall investment strategy.

## **INFORMATION ABOUT SAI'S INVESTMENT PRACTICES**

When investing in Fidelity and non-Fidelity funds, SAI may from time to time consult with the fund's investment manager to understand the manager's guidelines concerning general limitations, if any, on the aggregate percentage of fund shares that can be held under management by SAI on behalf of all its clients. Funds are not required to accept investments and may limit how much SAI can purchase. Additionally, SAI may establish internal limits on how much it may invest in any one fund or ETF across the programs it manages. Regulatory restrictions also may limit the amount that one fund or ETF can invest in another, which means that SAI may be limited in the amount it can invest in any particular fund or ETF. SAI will work closely with fund management to minimize the impact of the Portfolio Advisory Services reallocation activity on acquired funds. In certain situations, liquidating positions in underlying funds may be accomplished over an extended period of time as a result of operational or legal considerations.

With respect to Fidelity funds used by the Service, the investment managers at SAI who manage the Service do not have access to the proprietary or material nonpublic information of Fidelity Management & Research Company (FMR Co.), the investment adviser to the Fidelity funds.

As noted above, SAI acts as the manager for your entire Account, and SAI's team of investment managers is responsible for the ongoing management of your Account. SAI does not select unaffiliated portfolio managers to manage your Account, but may select from affiliated and unaffiliated mutual funds in selecting investments for your Account. The Service includes a Fee Credit mechanism to eliminate financial conflicts of interest associated with revenue received from underlying mutual fund investments. Please see "Fees and Compensation" above for additional information about the Fee Credit.

In connection with the performance of your Account, SAI will provide you with information about the performance of your Account on both a pretax and an after-tax basis. In addition, SAI will provide performance information comparing your Account to appropriate pretax and after-tax benchmarks for your investment strategy. Pretax account and benchmark performance is calculated based on industry standards. After-tax performance and after-tax benchmark performance is based on the pretax performance and an evaluation of the potential tax consequences of trading activity, dividends, income, and fund distributions in your Account. This after-tax performance information is based on information provided by you about your tax situation, the tax basis information related to the securities in your Account, and certain assumptions about the potential tax consequences of trading activity in your Account. For detailed information about the calculations and assumptions used in calculating after-tax performance for your Account, please see the description included in your quarterly performance report or contact your Portfolio Specialist for additional information. Performance information is not reviewed or approved by any third party, and is provided as a service to estimate the impact of SAI's tax-sensitive investment management on the assets in your Account. SAI will also provide you with information about the performance of the individual mutual funds held in your Account, in accordance with regulatory standards for mutual fund performance information.

## **MATERIAL INVESTMENT RISKS**

As discussed above, the Service offers multiple investment strategies to satisfy a wide variety of investor needs, ranging from the most aggressive portfolios (i.e., portfolios that are assigned entirely to equity) to the most conservative portfolios (i.e., portfolios that include only 20% exposure to equity). In general, all the portfolios managed by SAI in the Service are subject to the list of investment risks discussed below. However, investment strategies that have higher concentrations of equity have greater exposure to the risks associated with equity investments, such as stock market volatility and foreign exposure. On the other hand, investment strategies that have higher exposure to fixed income will have greater exposure to the risks associated with those products, such as credit risk and interest-rate risk.

**Risk of Loss.** All investment strategies employed by SAI in the Service involve risk of loss (even the Conservative investment strategy will fluctuate in value over time and you may lose money). You should be prepared to bear such losses in connection with investments in the Service. Investments in your Account are not a deposit of a bank and are not insured or guaranteed by the FDIC or any other government agency. You may lose money by investing in mutual funds, ETFs, and individual securities. In addition, the mutual funds, ETFs, and any individual securities in your Account may be subject to the following risks:

**Investing in Mutual Funds and ETFs.** Your Account bears all risks of investment strategies employed by the mutual funds and ETFs held in your Account, including the risk that they will not meet their investment objectives. Different funds have different risks. For the specific risks associated with a mutual fund or ETF, please see its prospectus.

**Stock Investments.** Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Different parts of the market can react differently to these developments. Value and growth stocks can perform differently from other types of stocks. Growth stocks can be more volatile. Value stocks can continue to be undervalued by the market for long periods of time.

**Foreign Exposure.** Foreign securities are subject to interest-rate, currency-exchange-rate, economic, regulatory, and political risks, all of which may be greater in emerging markets. These risks are particularly significant for mutual funds/ETFs that focus on a single country or region. Foreign markets may be more volatile than U.S. markets and can perform differently than the U.S. market.

**Bond Investments.** In general, the bond market is volatile, and fixed income securities carry interest-rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) The ability of an issuer of a bond to repay principal prior to a security's maturity can cause greater price volatility if interest rates change. Fixed income securities also carry inflation risk and credit and default risks for both issuers and counterparties. Unlike individual bonds, most bond funds do not have a maturity date, so holding them until maturity to avoid losses caused by price volatility is not possible. In addition, investments in certain bond structures may be less liquid than other investments, and therefore may be more difficult to trade effectively. Municipal bond funds carry additional risks that are discussed in the section on the next page, "Risks and Limitations Associated with Tax-Sensitive Investment Management Techniques."

**Credit Risk.** Changes in the financial condition of an issuer or counterparty, and changes in specific economic or political conditions that affect a particular type of security or issuer, can increase the risk of default by an issuer or counterparty, which can affect a security's or instrument's credit quality or value. Lower-quality debt securities and certain types of other securities involve greater risk of default or price changes due to changes in the credit quality of the issuer.

**Inflation-Protected Debt Securities.** The interest payments of inflation-protected debt securities are variable and usually rise with inflation and fall with deflation.

**Derivatives.** Certain mutual funds/ETFs used by SAI may contain derivatives. Generally speaking, a derivative is a financial contract whose value is based on the value of a financial asset (such as a stock, bond, or currency), a physical asset (such as gold, oil, or wheat), or a market index (such as the S&P 500 Index). Investments in derivatives may subject these funds to risks different from, and possibly greater than, those of the underlying securities, assets, or market indexes. Some form of derivatives, such as exchange-traded futures and options on securities, commodities, or indexes, have been trading on regulated exchanges for decades. These types of derivatives are standardized contracts that can easily be bought and/or sold, and whose market values are determined and published daily. Non-standardized derivatives (such as swap agreements), on the other hand, tend to be more specialized or complex, and may be more difficult to value. Derivatives may involve leverage because they can provide investment exposure in an amount exceeding the initial investment. As a result, the

use of derivatives may cause these funds to be more volatile because leverage tends to exaggerate the effect of any increase or decrease in the value of a fund's portfolio securities.

**ETFs.** An ETF is a security that trades on an exchange and may seek to track an index, commodity, or a basket of assets like an index fund. ETFs may trade at a premium or discount to their net asset value (NAV) and may also be affected by the market fluctuations of their underlying investments. They may also have unique risks depending on their structure and underlying investments. The term "ETF" is commonly used in reference to various types of exchange-traded products.

**Quantitative Investing.** Funds or 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, changes to the factors' behavior over time, and market volatility.

**Real Estate.** Real estate is a cyclical industry that is sensitive to interest rates, economic conditions (both nationally and locally), property tax rates, and other factors. Changes in real estate values or economic downturns can have a significant negative effect on issuers in the real estate industry.

**Alternative Investments.** Alternatives are classified as assets whose investment characteristics and/or performance differ substantially from the major asset classes and therefore offer opportunities for additional diversification. They are generally newer and may be illiquid. Examples include private equity and hedge funds. SAI does not invest in hedge funds or similar instruments directly in Portfolio Advisory Services accounts.

#### **Risks and Limitations Associated with Tax-Sensitive Investment Management Techniques.**

The Investment Management Team will generally attempt to defer realization of short-term capital gains in favor of long-term gains. SAI applies tax-sensitive investment management techniques on a limited basis, at its discretion. SAI does not actively manage for alternative minimum taxes; state or local taxes; foreign taxes on non-U.S. investments; or estate, gift, or generation-skipping transfer taxes. SAI relies on information provided by clients in an effort to provide tax-sensitive investment management and does not offer tax advice. SAI cannot guarantee the effectiveness of its tax-sensitive investment management techniques in serving to reduce or minimize your overall tax liability or the tax results of a given transaction.

The municipal market can be affected by adverse tax, legislative, or political changes, and the financial condition of the issuers of municipal securities. Municipal funds normally seek to earn income and pay dividends that are expected to be exempt from federal income tax. If a fund investor is resident in the state of issuance of the bonds held by the fund, interest dividends may also be exempt from state and local income taxes. Income exempt from regular federal income tax (including distributions from tax-exempt, municipal, and money market funds) may be subject to state, local, or federal alternative minimum tax. Certain funds normally seek to invest only in municipal securities generating income exempt from both federal income taxes and the federal alternative minimum tax; however, outcomes cannot be guaranteed, and the funds may sometimes generate income subject to these taxes. For federal tax purposes, a fund's distributions of gains attributable to a fund's sale of municipal or other bonds are generally taxable as either ordinary income or long-term capital gains. Redemptions, including exchanges, may result in a capital gain or loss for federal and/or state income tax purposes.

#### **OTHER INFORMATION ABOUT THE MANAGEMENT OF YOUR ACCOUNT**

You are entitled to impose reasonable restrictions on SAI's management of your Account. Any such restriction requested by you is subject to review and approval by SAI. Such a restriction may include prohibitions with respect to the purchase of a particular fund, provided such restriction is not inconsistent with the Investment Management Team's stated investment strategy or philosophy, or is not fundamentally inconsistent with the nature or operation of the Service. If a restriction is accepted, assets will be invested in a manner that is appropriate given your restriction. Accounts with imposed management restrictions may experience different performance from accounts without restriction, possibly producing lower overall results. Account restrictions should be requested through your Account Executive or Portfolio Specialist.



In the event that SAI or its affiliates make an error that has a financial impact on your Account, SAI or its affiliates will generally return your Account to the position it would have held had no error occurred. SAI will evaluate each situation independently. This corrective action may result in financial or other restitution to your Account, or inadvertent gains being reversed out of your Account. Any corrective action may result in a corresponding loss or gain to SAI or its affiliates. Other measures to correct an error may be facilitated through a fee credit or a deposit to your account, which may result in a taxable gain. In general, errors resulting from the mistakes of third parties are generally not compensable by SAI to a client.

The Service is a “wrap fee” program, which means that you will pay a single advisory fee for all the services provided by SAI and FBS for your Account, including investment management, brokerage, custody, and other services. SAI retains a portion of the wrap fee for its services as sponsor and investment manager of the program, and shares revenue with its affiliates, FBS and NFS, for the services they provide to your Account. For more information on the fees associated with your Account, and the fees and charges covered by your advisory fee, please see the section on “Fees and Compensation” above.

The Service does not charge performance-based advisory fees for its services.

SAI’s investment management services generally include discretionary authority to determine which securities to purchase or sell, the total amount of such purchases and sales, and the brokers or dealers through which transactions are effected. As part of your Account Application, you will be required to execute a power of attorney that grants SAI discretionary trading authority over your Account. However, SAI’s discretionary authority is subject to certain limits, including the applicable investment objectives, policies, and restrictions. These limitations may be based on a variety of factors, such as regulatory constraints, as well as those imposed by you and agreed upon by SAI in accordance with applicable laws.

## **PROXY VOTING POLICY AND PROCEDURES**

SAI does not generally acquire authority for or exercise proxy voting on your behalf in connection with Portfolio Advisory Services Accounts. Unless you direct us otherwise pursuant to the paragraph below, you will receive proxy materials directly from the funds and other securities, their service providers, or NFS. SAI will not advise you on the voting of proxies. You must exercise any proxy voting directly.

Notwithstanding the foregoing, you may request that Strategic act as your agent for receipt of certain legally required communications, including prospectuses, annual and semiannual reports, and proxy materials, for mutual funds and other securities that are not managed by SAI, Fidelity Management & Research Company or an affiliate thereof. You may also direct SAI to act as your agent to vote proxies on your behalf for the funds and other securities held in your Account. For Fidelity funds, you may instruct SAI to vote proxies of a Fidelity fund in the same proportion as the vote of all other holders of such Fidelity fund. For non-Fidelity funds and other securities, you may instruct SAI to vote proxies pursuant to the directions provided by Institutional Shareholder Services, Inc. (ISS), an MSCI Brand, an unaffiliated third-party proxy advisory services provider. In connection with this election, you acknowledge that SAI is acting solely at your direction, and does not exercise discretion with respect to the voting of any proxy. For more information about ISS’s proxy voting policies, please see the ISS proxy voting guidelines summary included in your application materials, or contact your representative. You may request a copy of SAI’s proxy voting guidelines by contacting your Fidelity representative.

## **ASSETS UNDER MANAGEMENT**

Strategic’s total assets under management as of December 31, 2011, were \$261,720,600,000 on a discretionary basis, and \$85,000,000 on a nondiscretionary basis. Assets under management in Fidelity Private Portfolio Service® on a discretionary basis as of December 31, 2011, were \$8,652,300,000.

## **CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

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Strategic Advisers' investment managers have access to all your relevant Account information, including information about the tax characteristics of the securities in your Account, on a real-time ongoing basis. However, our investment management is based on the completeness and accuracy of the information you have provided to SAI, including, but not limited to, information about your goals, financial situation, time horizon, and risk tolerance. In particular, SAI's tax-sensitive investment methodology relies on having accurate information about your overall tax situation as well as the tax basis of the securities in your Account. If you have any changes to your personal, financial, or tax situation, you should contact your Account Executive or Portfolio Specialist to ensure that SAI is managing your Account based on the most accurate information available.

## **CLIENT CONTACT WITH PORTFOLIO MANAGERS**

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It's important that you contact your Account Executive or Portfolio Specialist regarding questions associated with your Account, or to provide an update about your personal situation that may impact how we manage your Account or any of the other information associated with your Account. Your Account Executive or Portfolio Specialist will act as liaison between you and the SAI Investment Management Team, and they will be responsible for communicating any changes, or to provide any material update to your personal or financial situation to the SAI Investment Management Team to ensure appropriate management of your Account. SAI's Investment Management Team is responsible for all the investment advice provided for your Account. SAI's investment managers will also provide you with information about the management of your Account from time to time, but, absent special circumstances, SAI's investment managers generally do not meet with clients or answer client questions directly.

## **ADDITIONAL INFORMATION**

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### **REVIEW OF ACCOUNTS**

After reviewing the information provided in your IPQ, SAI will propose an investment strategy for you and a corresponding portfolio composed of mutual funds and ETFs, when appropriate. Your investment strategy seeks to yield adequate long-term risk-adjusted returns and manage volatility within the boundaries associated with your stated financial goals. Your investment strategy will remain unchanged through various market conditions unless there has been a change to the responses in your IPQ or other material changes to your situation, resulting in a revised long-term investment strategy. All Fidelity Private Portfolio Service® accounts are serviced by a dedicated Account Executive or Portfolio Specialist.

SAI seeks to maintain accurate information concerning your financial situation and investment objectives, including any reasonable restrictions or reasonable modifications of existing restrictions you may wish to impose regarding the management of your Account. You are responsible for the accuracy and completeness of your IPQ information and other portfolio preferences used to manage your Account. SAI will rely on this information in making an initial recommendation and managing your Account.

SAI may provide substantially similar targeted investment strategy recommendations to different clients with similar investment objectives; however, your recommendation will be based on an analysis of your individual situation. Actual account holdings for individual Fidelity Portfolio Advisory Service® client accounts will differ from each other based on incorporation of securities a client already owns and/or differences within each account between targeted and actual allocations.

### **Annual Strategic Review**

The Annual Strategic Review is an important part of the management process that helps ensure your investment strategy remains appropriate for you. As a result, at least once a year, Portfolio Advisory Services will request information on your ongoing investment objectives, risk tolerance, planned investment time horizon, financial goals, change in tax consideration, and whether or not you wish to impose any reasonable restrictions on the management of your Account. During your Annual Strategic Review, if we discuss a change to any of your IPQ responses, this may result in a change to a new investment strategy that could be either more aggressive or more conservative than your current strategy. Strategic does not monitor activity in your Account to update information in your IPQ. Any changes in your IPQ must be initiated by you. In general, if we fail to hear from you during the Annual Strategic Review process, Strategic will update your age and the balances of any Fidelity-recordkept accounts that were part of your IPQ at your last review, but will otherwise assume that your IPQ responses have not changed. In some cases, the change in your age alone may be sufficient for Strategic to assign a new investment strategy. Failure to respond during the Annual Strategic Review process for more than two years may result in termination of your advisory service.

From time to time, we may modify the IPQ or the investment or scoring methodologies that are used to generate your investment strategy proposal. These changes may require you to provide new information to Strategic and/or may result in a new investment strategy being proposed. In these cases, if you fail to respond, Strategic will assume that none of your IPQ information has changed other than your age and the balance of any Fidelity-recordkept accounts that were part of your IPQ at your last review. Strategic does not monitor activity in your account to update information in your IPQ. Any changes in your IPQ must be initiated by you through a Fidelity representative. Please note that if your account is associated with Fidelity Private Wealth Management,<sup>SM</sup> your IPQ will be updated at least annually in conjunction with that plan.

After completing your review, if Strategic believes that a change is necessary, it will adjust the holdings in your Account and send a prospectus for any new fund not previously held, unless you

have elected to have Strategic act as your agent for the receipt of non-Fidelity prospectuses. Any change in your personal circumstances or long-term goals at any time might also warrant a change in your investment strategy. If you have multiple advisory relationships with Strategic, you will need to update your personal, financial, and other important information independently for each respective service.

### **Tax Information**

Beginning with your Form 1099-B for 2011, Fidelity will be required to report certain cost basis, taxable gain/loss, and holding period information on "covered securities" to the Internal Revenue Service (IRS) on Form 1099-B (which you will receive as part of your year-end consolidated tax reporting statement). In addition, the Service provides estimated tax basis, corresponding realized and unrealized gain and loss, and holding period information to you as a courtesy. Regardless of whether the information is reported to the IRS or only to you as a courtesy, information reported by Fidelity may not reflect all adjustments required for your tax-reporting purposes. For example, transactions occurring in other accounts may require you to make adjustments not captured by your 1099-B or the Service.

### **Account Notifications**

At least quarterly, you will receive a reminder to notify Portfolio Advisory Services of any change in your financial situation or investment needs. At any time that your personal or financial situation changes, you should contact your dedicated Portfolio Specialist to initiate a review of your IPQ. Changes to your IPQ information may not currently be processed through Fidelity.com and may only be made by contacting your Portfolio Specialist or Account Executive.

Your dedicated Portfolio Specialist serves as an ongoing liaison between you and the Investment Management Team, available to discuss changes in your asset allocations and responsible for conducting reviews at least annually.

You will receive confirmations from National Financial Services (NFS) for any transactions in your Account. In addition, you will receive monthly statements from NFS that will detail all holdings and transaction information, including trades, additions, withdrawals, shifts in investment allocations, and estimated gain/loss and tax basis information. You will also receive advisory fee information in your monthly statements during the month in which the advisory fee is paid and at year end. You will receive quarterly reviews that detail your Account's performance and summarize the market activity during the quarter. Industry standards are applied when calculating performance information. Strategic may also make available account performance information, on a dedicated, password-protected Web site. Industry standards are applied when calculating performance information.

### **CODE OF ETHICS, PARTICIPATION, OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

SAI has adopted a Code of Ethics for Personal Trading (the Code of Ethics). The Code of Ethics contains provisions requiring:

- (i) Standards of general business conduct reflecting the advisers' fiduciary obligations
- (ii) Compliance with applicable federal securities laws
- (iii) Employee covered accounts to be held at FBS unless an exception has been approved
- (iv) Reporting and review of personal securities transactions and holdings for persons with access to certain nonpublic information
- (v) Prohibition or preapproval of certain investments, including limited offerings and initial public offerings (IPOs)
- (vi) Reporting of Code of Ethics violations
- (vii) Distribution of the Code of Ethics to all supervised persons, documented through acknowledgements of receipt

Core features of the Code of Ethics generally apply to all Fidelity employees. The Code of Ethics also imposes additional restrictions and reporting obligations on certain advisory personnel, research analysts, and portfolio managers. The Code of Ethics will generally be supplemented by other relevant Fidelity policies, including the Policy on Inside Information, Rules for Broker-Dealer Employees, and other written policies and procedures adopted by Fidelity and SAI. A copy of the Code of Ethics will be provided upon request.

SAI, its advisory affiliates, or a related person may buy or sell for itself securities that it also recommends to clients. The potential conflicts of interest involved in such transactions are governed by the Code of Ethics, which establishes sanctions if its requirements are violated and requires that SAI, its advisory affiliates, or a related person place the interests of SAI's clients above their own.

The servicing and distribution fees that FBS receives from a fund are in addition to the advisory fees paid to SAI. FBS generally receives 0.40% annually of the average daily net assets of non-Fidelity funds in a client's Account. The servicing and distribution fees that FBS receives are taken into consideration in determining the gross advisory fee. Each Fidelity fund pays investment management fees to FMR Co. or its affiliates. In addition, SAI affiliates are compensated for providing distribution, transfer agency, shareholder servicing, and custodial and other services to certain Fidelity and non-Fidelity funds. There is no predetermined allocation of Fidelity or non-Fidelity funds (except that money market funds will always be Fidelity funds), and clients authorize SAI to exclude either category. The compensation that SAI and its affiliates receive as a result of a client's investment in Fidelity funds may exceed the compensation received from investments in non-Fidelity funds, and this differential may create a potential incentive on SAI's part to favor Fidelity over non-Fidelity funds.

SAI seeks to address these potential conflicts through the application of the Fee Credit noted above, and through the application of fund selection criteria and personnel compensation arrangements that do not differentiate between Fidelity and non-Fidelity funds. SAI investment professionals are compensated partially based on account performance, and are not compensated based on the amount of Fidelity or non-Fidelity funds used in the Service. Depending on market conditions and other events, certain factors in the fund selection process at times may result in a significant portion of the portfolio being invested in Fidelity funds.

## **BROKERAGE PRACTICES**

With respect to the Service, SAI has discretionary authority to purchase and sell various eligible individual securities and exchange-traded funds, if applicable.

For the Service, all commissions are waived for individual security transactions executed through affiliates of SAI (see "Fees and Compensation" above). However, the fees do not cover mark-ups or mark-downs by other broker-dealers, transfer taxes, exchange fees, the Securities and Exchange Commission (SEC) fees, odd-lot differentials, handling charges, electronic fund and wire transfer fees, or any other charges imposed by law or otherwise applicable to your Account. One non-Fidelity-related charge applies to sales of securities made for accounts—an industry-wide charge mandated by the SEC and totaling a few cents per transaction. The respective charges will be reflected on transaction confirmations.

### **Trading through Affiliates**

SAI and its delegates are authorized to place portfolio transactions with affiliated registered broker-dealers or transfer agents. In general, SAI or its delegate will place trades with Fidelity Capital Markets ("FCM"), a division of NFS, with respect to the execution of trades for individual securities in your Account. SAI will arrange for the execution of transactions through those brokers or dealers if SAI reasonably believes that the quality of the execution of the transaction is comparable to what could be obtained through other qualified brokers or dealers. In determining the ability of a broker

or dealer to obtain best execution, SAI will consider a number of factors, including the broker or dealer's execution capabilities, reputation, and access to the markets for the securities being traded.

SAI may allocate a significant percentage on all client orders to FCM subject to SAI's obligation to obtain best execution. SAI reasonably believes that the quality of the execution of transactions is comparable to or more favorable than what could be obtained through other qualified broker-dealer firms. To that effect and in order to continuously assure the quality of the execution, SAI receives Institutional Equity Quality reporting from FCM, monitoring the quality of the execution of transactions allocated to FCM.

Clients will not be charged commissions on transactions executed through FCM. NFS transmits orders for execution to various exchanges or market centers based on a number of factors. These include the following: size of order, trading characteristics of the security, favorable execution prices (including the opportunity for price improvement), access to reliable market data, availability of efficient automated transaction processing, and reduced execution costs through price concessions from the market centers. Certain market centers may execute orders at prices superior to the publicly quoted market prices in accordance with their rules or practices. SAI believes that NFS order-routing policies, taking into consideration all the factors listed above, are designed to result in favorable transaction processing. NFS receives remuneration, compensation, or other consideration for directing orders for equity securities to particular broker-dealers or market centers for execution. Such consideration, if any, may take the form of financial credits, monetary payments, or reciprocal business. An explanation of order-routing practices will be provided on an annual basis. SAI may allocate up to 100% of client orders to FCM, subject to its obligation to seek best execution.

With respect to Fidelity funds, SAI and its affiliates may allocate brokerage transactions to brokers who are not affiliates of SAI, but who have entered into arrangements with SAI or its affiliates under which the broker, using predetermined methodology, rebates a portion of the compensation paid by the fund to offset that fund's expenses, which may be paid to SAI or its affiliates. Not all brokers with whom the fund trades have agreed to participate in brokerage commission recapture. SAI expects that brokers from whom SAI or its affiliates purchase research products and services with hard dollars are unlikely to participate in commission recapture.

SAI and its affiliates may execute trading through an affiliated broker-dealer where the affiliated broker-dealer crosses the SAI's client's trades with affiliated broker-dealers' clients (agency cross transactions). Such transactions will be executed in accordance with Section 206(3) under the Advisers Act, requiring written consent, confirmations of transactions, annual reporting, and procedures. In general, to comply with applicable law, SAI will not conduct any brokerage transactions on a principal basis with any affiliate or affiliated broker-dealer.

Generally, SAI reviews and adjusts account holdings, as needed, based on the criteria listed above. With respect to trade allocation, SAI's policy is to treat each of its client accounts in a fair and equitable manner when allocating orders for the purchase and sale of securities, including mutual fund shares. SAI has adopted a trade allocation policy designed to achieve fairness and not to purposefully disadvantage comparable client accounts over time when allocating purchases and sales. All allocations among client accounts and/or funds of funds managed by SAI will be made in a manner consistent with SAI's fiduciary duties, taking into account all relevant factors.

SAI does not solicit or accept any "soft dollar" benefits in connection with its management of the Fidelity Private Portfolio Service® program.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

Fidelity Management & Research Co. ("FMR Co."), and its affiliates and subsidiaries are compensated for providing services to one or more of the funds in which SAI's clients may invest. These would include FMR Co. and subsidiaries as the investment adviser for the Fidelity funds; Fidelity Distributors Corporation as the underwriter of the Fidelity funds; Fidelity Service Company,

Inc., as the transfer agent for certain of the Fidelity funds; Fidelity Investments Institutional Operations Company, Inc., as transfer agent for most of the Fidelity funds, servicing agent for non-Fidelity funds, and as recordkeeper of certain workplace savings plans; and Fidelity Management Trust Company ("FMTC") as the custodian for certain assets. FMTC may also be compensated for providing investment management services to one or more of the bank's investment products recommended by SAI. In addition, one or more broker-dealer affiliates of the Fidelity funds may execute portfolio transactions for the funds. FMR Co. may obtain brokerage or research services, consistent with Section 28(e) of the Exchange Act, from broker-dealers in connection with the execution of the Fidelity mutual funds' portfolio security transactions.

As noted above, SAI is authorized to place portfolio transactions with affiliated registered broker-dealers or transfer agents. For additional information on these practices, please see the section entitled "Brokerage Practices."

For Fidelity's Portfolio Advisory Services, the group of mutual funds eligible for consideration in recommended portfolios is currently limited to funds available through Fidelity's mutual fund supermarket, FundsNetwork.<sup>®</sup> FundsNetwork is a registered service mark of FMR LLC and a service of FBS. Mutual funds participating in Fidelity's mutual fund supermarket that SAI may purchase for its clients pay remuneration to affiliates of SAI for providing shareholder services.

In connection with clients' investments, certain personnel of SAI may receive other economic incentives in addition to their normal compensation. In addition, our affiliates are compensated for providing distribution, transfer agency, servicing, and custodial services to certain Fidelity and non-Fidelity investments (certain of these fees are also used to calculate the Credit Amount, where applicable). The compensation that SAI and its affiliates receive as a result of a client's or participant's investment in Fidelity-managed investments may exceed the compensation received from a client's or participant's investments in non-Fidelity investment options; although the Credit Amount calculation may reduce this disparity, the Credit Amount does not eliminate this differential. The mutual fund fees and expenses for the various services that SAI or its affiliates provide to the funds are disclosed in each Fidelity fund prospectus. These fees and expenses are paid by the Fidelity funds and are ultimately borne by the funds' shareholders.

Client referrals are provided by affiliated entities, including FBS or other affiliates, pursuant to referring agreements where applicable. Payments may be made to affiliates for services that facilitate delivery of SAI's services. Fidelity Investments Institutional Services Company LLC and certain of its operating divisions may receive compensation for services that facilitate delivery of the Service to a plan sponsor client. SAI may also provide advice to clients regarding the selection of advisers and certain financial matters, which may result in a referral by SAI to Fidelity Personal Trust Company, FSB, or other affiliates. Additionally, FBS may refer clients to other independent investment advisers in connection with a referral program. Additional details are available upon request.

SAI receives referrals through its affiliate FBS, pursuant to a referring agreement, for which compensation is provided to FBS. In connection with a client's investment in the Service certain FBS employees serve as investment adviser representatives of SAI (Fidelity representatives). As noted in "Fees and Compensation" above, Fidelity representatives receive economic incentives in addition to their normal compensation for distributing and servicing Fidelity Private Portfolio Service<sup>®</sup> accounts.

## **CUSTODY**

In order to participate in the Service, you must establish a brokerage account with FBS, a registered broker-dealer and an affiliate of SAI. NFS, an affiliate of SAI and a member of NYSE and SIPC, has custody of client assets and will perform certain account services, including the implementation of discretionary management instructions, as well as custodial and related services. Employees and registered representatives of SAI and FBS share premises and have common supervision. You should carefully review all statements and other communications received from FBS and NFS.

## **DISCIPLINARY INFORMATION AND OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

SAI is a wholly owned subsidiary of FMR LLC. FMR LLC is a Delaware limited liability company that, together with its affiliates and subsidiaries, is generally known to the public as Fidelity Investments. Various direct or indirect subsidiaries of FMR LLC are engaged in investment advisory, brokerage, banking, or insurance businesses. From time to time, SAI and its clients may have material business relationships with any of the subsidiaries and affiliates of FMR LLC. In addition, the principal officers of SAI may serve as officers and/or employees of affiliated companies that are engaged in various aspects of the financial services industry.

SAI has no material legal or disciplinary events associated with its advisory services.

Neither we nor any of our management persons are registered, or have an application pending to register, as a broker-dealer or as a registered representative of a broker-dealer, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or as an associated person of the foregoing entities.

We (SAI) are generally engaged in three areas of business:

1. Providing discretionary investment advisory services to individuals, trusts, retirement plans, 529 plans, investment companies, and charitable and other business organizations.
2. Providing nondiscretionary advisory products and services to individuals and financial intermediaries, and developing and maintaining asset allocation and portfolio modeling methodologies for use by our affiliates.
3. Offering educational materials concerning investment and personal finance.

Our affiliates provide investment advisory and other services to the Fidelity mutual funds and Fidelity ETFs. When we invest your assets in Fidelity mutual funds or ETFs, those affiliates may receive investment management and other fees from the funds based on the amount of your invested assets.

While we receive no economic benefit from our affiliated or unaffiliated entities in connection with our investment decisions, including fund selections made for your Account, FMR and various affiliates of FMR are compensated for providing services to the funds; for example:

- *Fidelity Management & Research Company (FMR)* as the investment adviser for the Fidelity funds;
- *Fidelity Distributors Corporation (FDC)* as the underwriter of the Fidelity funds; and
- *Fidelity Management Trust Company (FMTC)* as the custodian for certain Fidelity funds.

One or more broker-dealer affiliates of the Fidelity funds may execute portfolio transactions for the funds. The funds' investment advisers may obtain brokerage or research services, consistent with Section 28(e) of the Securities Exchange Act of 1934, from broker-dealers in connection with the execution of the funds' portfolio security transactions.

Under special, limited circumstances, clients' assets held in Fidelity Private Portfolio Service® non-retirement accounts may be counted toward certain retail brokerage account benefits/promotions in connection with offers sponsored by our affiliates and in relation to the accounts over which Portfolio Advisory Services does not have discretionary authority.

From time to time, we or our clients may have a material business relationship with the following affiliated companies.

### **Investment Companies and Investment Advisers**

- *Fidelity Investments Money Management, Inc. (FIMM)*, is a wholly owned subsidiary of FMR LLC and a registered investment adviser under the Advisers Act. FIMM provides portfolio management services as a sub-adviser to certain of our clients, including investment companies in the Fidelity Group of funds or as an adviser.



- *Fidelity Management & Research Company (FMR)*, a wholly owned subsidiary of FMR LLC, in association with its various affiliates and subsidiaries, serves as investment adviser to registered investment companies, and is registered as an investment adviser under the Advisers Act. Strategic pays FMR an administrative fee for handling the business affairs of the investment companies Strategic advises. In addition, it is expected that we may share employees from time to time with FMR.
- *FMR Co., Inc. (FMRC)*, is a wholly owned subsidiary of FMR and is a registered investment adviser under the Advisers Act of 1940. FMRC may provide portfolio management services as a subadviser to certain of SAI's clients. FMRC may also provide portfolio management services as an adviser or a subadviser to clients of other affiliated and unaffiliated advisers.

### **Broker-dealers**

- *Fidelity Distributors Corporation (FDC)*, a wholly owned subsidiary of FMR LLC, acts as principal underwriter and general distribution agent of the registered investment companies advised by FMR. FDC is a registered broker-dealer under the Securities Exchange Act of 1934 ("Exchange Act").
- *National Financial Services, LLC (NFS)* is engaged in the institutional brokerage business and provides clearing and execution services for other brokers. NFS is a wholly owned subsidiary of Fidelity Global Brokerage Group, Inc., a holding company that provides administrative services to NFS. Fidelity Capital Markets (FCM), a division of NFS, may execute transactions for our investment companies and other clients. Additionally, NFS operates CrossStream,<sup>®</sup> an alternative trading system that allows NFS brokerage customer orders to cross and be executed within the CrossStream network. Using CrossStream, NFS crosses client accounts and it charges a commission on its trades to both of its brokerage customers. CrossStream may be used to execute transactions for our investment companies and other clients. NFS is a registered broker-dealer under the Exchange Act, and NFS is also registered as an investment adviser under the Advisers Act. NFS may serve as a clearing agent for client transactions that we place with certain broker-dealers. NFS may provide transfer agent or subtransfer agent services to certain of our or our affiliates' clients. NFS provides transaction processing services in conjunction with the implementation of our discretionary investment management instructions. NFS also provides custodial and recordkeeping and reporting services to clients. We compensate NFS for these services to your Fidelity Private Portfolio Service<sup>®</sup> Account.
- *Fidelity Brokerage Services LLC (FBS)*, a wholly owned subsidiary of Fidelity Global Brokerage Group, Inc., is a registered broker-dealer under the Exchange Act and provides brokerage products and services, including the sale of shares of investment companies advised by FMR to individuals and institutions, including retirement plans administered by affiliates. Pursuant to referral agreements and for compensation, representatives of FBS may refer customers to various services offered by FBS's related persons.
- *Fidelity Global Brokerage Group, Inc.*, a wholly owned subsidiary of FMR LLC, is not a broker-dealer but has an equity interest in eBX LLC (eBX). eBX is a holding company and a registered broker-dealer under the Exchange Act that was formed for the purpose of developing, owning, and operating an alternative trading system, the "Level ATS." Transactions for our clients or other entities for which we serve as adviser or subadviser or for which we provide discretionary trading services, as well as for clients of our affiliates, may be executed through the Level ATS.

### **Banking Institutions**

- *Fidelity Management Trust Company (FMTC)*, a trust company organized and operating under the laws of the Commonwealth of Massachusetts, provides trustee, custody, and investment management services to employee benefit plans and other institutional clients and individual retirement accounts.

### **Limited Partnerships and Limited Liability Company Investments**

We provide discretionary investment management to Crosby Growth & Income Fund, LLC, and Crosby Institutional Investment Fund, LLC. These funds are privately offered to clients with consistent investment objectives. These funds will invest in Fidelity mutual funds, individual equities, and fixed income securities, and may invest in other securities. These funds do not intend to engage in borrowing, lending, purchasing securities on margin, short selling, or trading in commodities. A detailed private placement memorandum and operating agreement disclosing all material facts is provided to prospective members in advance of the execution of a subscription agreement.

We also provide discretionary investment management to National Charitable Services Giving Solutions, LLC. This fund is privately offered to institutional clients, including donor-advised funds, and consists of investment pools that invest primarily in mutual fund shares, including Fidelity and non-Fidelity mutual funds. A detailed private placement memorandum and operating agreement disclosing all material facts is provided to prospective members in advance of the execution of a subscription agreement.

### **Participating Affiliates**

Fidelity Business Services India Private Limited ("FBS India") is incorporated under the laws of India and is ultimately owned by Fidelity International Limited and FMR LLC through certain of their respective direct or indirect subsidiaries. Certain employees of FBS India ("FBS India Associated Employees") may, from time to time, provide certain research services for us, which we may use for our clients.

FBS India is registered as a "Participating Affiliate" of ours (as this term has been used by the SEC's Division of Investment Management in various no-action letters granting relief from the Advisers Act's registration requirement for certain affiliates of registered investment advisers). We deem FBS India and each of the FBS India Associated Employees as "associated persons" of SAI within the meaning of Section 202(a)(17) of the Advisers Act. FBS India Associated Employees and FBS India, through such employees, may contribute to our research process and may have access to information concerning securities that are being selected for you prior to the effective implementation of such selections. As a Participating Affiliate of ours, FBS India has agreed to submit itself to the jurisdiction of U.S. courts for actions arising under U.S. securities laws in connection with investment advisory activities conducted for our clients.

We maintain a list of FBS India Associated Employees whom it has deemed "associated persons," which we make available to you upon request.

As noted above, certain of our affiliates receive compensation as a result of sales or servicing of mutual funds used in the Portfolio Advisory Services program. However, any conflicts associated with the receipt of any such fees are mitigated by the use of a Fee Credit that reduces the Service's Gross Advisory Fee by certain amounts of revenue received by us and our affiliates from such underlying funds. For additional information regarding the Fee Credit, please see the "Fees and Compensation" section above.

FOR MORE INFORMATION, PLEASE CALL US TOLL FREE AT

**1 - 8 0 0 - 5 4 4 - 3 4 5 5**

*Monday through Friday, 8 a.m. to 8 p.m. Eastern time*

Keep in mind that investing involves risk. The value of your investment will fluctuate over time and you may gain or lose money.

Fidelity Portfolio Advisory Service® is a service of Strategic Advisers, Inc., a registered investment adviser and a Fidelity Investments company. Fidelity Private Portfolio Service® may be offered through the following Fidelity Investments companies: Strategic Advisers, Inc.; Fidelity Personal Trust Company, FSB ("FPT"), a federal savings bank; or Fidelity Management Trust Company ("FMTC"). Nondeposit investment products and trust services offered through FPT and FMTC and their affiliates are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, are not obligations of any bank, and are subject to risk, including possible loss of principal. **These services provide discretionary money management for a fee.**

Fidelity Private Wealth Management<sup>SM</sup> is a service of Strategic Advisers, Inc., a registered investment adviser and a Fidelity Investments company. **This service provides non-discretionary investment advisory services for a fee.**

Brokerage services provided by Fidelity Brokerage Services LLC. Custody and other services provided by National Financial Services LLC. Both are Fidelity Investments companies and members of NYSE and SIPC.

Fidelity Brokerage Services LLC, Member NYSE and SIPC, 900 Salem Street, Smithfield, RI 02917

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Supplemental Brochures:  
Your Fidelity Private Portfolio Service® Account

Key Fidelity personnel involved with your account include:

- C. Robert Chow
- Jeffrey M. Delleo
- Christopher Fusé
- Robert L. Macdonald
- Kristina M. Regan
- Susan Reigel

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**C. Robert Chow**



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245 Summer Street, V5D  
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617-563-7100

July 29, 2011

This supplemental brochure has been developed for our clients as well as for those who are considering a managed account with Fidelity. It provides information about C. Robert Chow, a member of the Strategic Advisers, Inc. ("SAI"), Portfolio Management team, and supplements the Fidelity Private Portfolio Service brochure (the "Program Fundamentals"). You should have received a copy of the Program Fundamentals. Please contact your Fidelity representative if you did not receive the Program Fundamentals or if you have any questions about the contents of this supplement.

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C. Robert Chow

#### **EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

Bob Chow is a Senior Investment Manager and a lead member of the team that manages Fidelity Private Portfolio Service. Born in 1961, Mr. Chow joined SAI as an investment manager of tax-sensitive client portfolios in 2009. In this capacity, Mr. Chow also serves as a member of the Portfolio Management Oversight Committee ("PMOC") for Fidelity Private Portfolio Service, which sets the overall asset allocation and portfolio construction parameters for the service. Prior to joining SAI, Mr. Chow was a Vice President and Portfolio Manager for Fidelity Management & Research Company ("FMR"). Before joining FMR in 1989 as an Equity Research Analyst, Mr. Chow was an Electrical Engineer with TRW, Inc., from 1984 to 1988. Mr. Chow received a BS and MS in engineering from the University of California at Los Angeles. He received an MBA in finance from the University of Chicago in 1990.

#### **DISCIPLINARY INFORMATION**

There are no material disclosable legal or disciplinary events that are material to your evaluation of Mr. Chow or his integrity.

#### **OTHER BUSINESS ACTIVITIES**

Mr. Chow is not actively engaged in any other investment-related business or occupation.

#### **ADDITIONAL COMPENSATION**

Mr. Chow does not receive any economic benefit or compensation for providing advisory services to any party that is not a client of SAI.

#### **SUPERVISION**

Jim Cracraft is a Managing Director in SAI, responsible for oversight of the investment management team and the tax-sensitive investment process. This oversight includes managing the investment universe, portfolio construction, risk management, trading, performance management, and attribution. Mr. Cracraft is responsible for ensuring that the investment management team adheres to SAI investment policies and procedures, and that each individual tax-sensitive account is managed to the appropriate benchmark and asset allocation. Mr. Cracraft is responsible for the onboarding and training of new investment managers, and for ensuring that the number and type of accounts traded by each individual investment manager is commensurate with his or her specific experience and expertise.

Mr. Cracraft meets regularly with the PMOC to review investment policies and significant shifts in portfolio holdings or asset allocations. In addition to the PMOC, Mr. Cracraft utilizes daily oversight reports to review the investment managers and the portfolios on a periodic basis. These reports include data on primary asset class deviation, tracking error, stock concentrations, and accounts holding unacceptable assets. The investment managers are expected to review these reports frequently and escalate issues/exceptions to Mr. Cracraft and other members of the PMOC.

Mr. Cracraft may be contacted at 617-563-7102.

#### **REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

SAI is not registered with any state securities authority.

**Jeffrey M. Delleo**



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This supplemental brochure has been developed for our clients as well as for those who are considering a managed account with Fidelity. It provides information about Jeffrey M. Delleo, a member of the Strategic Advisers, Inc. ("SAI"), Portfolio Management team, and supplements the Fidelity Private Portfolio Service brochure (the "Program Fundamentals"). You should have received a copy of the Program Fundamentals. Please contact your Fidelity representative if you did not receive the Program Fundamentals or if you have any questions about the contents of this supplement.

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Jeffrey M. Delleo

#### **EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

Jeffrey M. Delleo is a Director of Structured Portfolio Management and a lead member of the team that manages Fidelity Private Portfolio Service. Born in 1972, Mr. Delleo joined SAI as an investment manager of tax-sensitive client portfolios in 2006. In this capacity, Mr. Delleo also serves as a member of the Portfolio Management Oversight Committee ("PMOC") for Fidelity Private Portfolio Service, which sets the overall asset allocation and portfolio construction parameters for the service. Prior to joining SAI, Mr. Delleo was a Financial Analyst in Fidelity Personal Investments Group. He joined Fidelity in 1997 as a Senior Software Engineer and later served as an IT Development Manager. Mr. Delleo received a BA from The University of Massachusetts at Amherst and an MBA from Boston College. Mr. Delleo is a Chartered Financial Analyst (CFA®) charterholder.<sup>1</sup>

#### **DISCIPLINARY INFORMATION**

There are no material disclosable legal or disciplinary events that are material to your evaluation of Mr. Delleo or his integrity.

#### **OTHER BUSINESS ACTIVITIES**

Mr. Delleo is not actively engaged in any other investment-related business or occupation.

#### **ADDITIONAL COMPENSATION**

Mr. Delleo does not receive any economic benefit or compensation for providing advisory services to any party that is not a client of SAI.

#### **SUPERVISION**

Jim Cracraft is a Managing Director in SAI, responsible for oversight of the investment management team and the tax-sensitive investment process. This oversight includes managing the investment universe, portfolio construction, risk management, trading, performance management, and attribution. Mr. Cracraft is responsible for ensuring that the investment management team adheres to SAI investment policies and procedures, and that each individual tax-sensitive account is managed to the appropriate benchmark and asset allocation. Mr. Cracraft is responsible for the onboarding and training of new investment managers, and for ensuring that the number and type of accounts traded by each individual investment manager is commensurate with his or her specific experience and expertise.

Mr. Cracraft meets regularly with the PMOC to review investment policies and significant shifts in portfolio holdings or asset allocations. In addition to the PMOC, Mr. Cracraft utilizes daily oversight reports to review the investment managers and the portfolios on a periodic basis. These reports include data on primary asset class deviation, tracking error, stock concentrations, and accounts holding unacceptable assets. The investment managers are expected to review these reports frequently and escalate issues/exceptions to Mr. Cracraft and other members of the PMOC.

Mr. Cracraft may be contacted at 617-563-7102.

#### **REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

SAI is not registered with any state securities authority.

<sup>1</sup>The CFA designation is offered by the CFA Institute. To obtain the CFA charter, candidates must pass three exams demonstrating their competence, integrity, and extensive knowledge in accounting, ethical and professional standards, economics, portfolio management, and security analysis, and must also have at least three years of qualifying work experience, among other requirements.

**Christopher Fusé**



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This supplemental brochure has been developed for our clients as well as for those who are considering a managed account with Fidelity. It provides information about Christopher Fusé, a member of the Strategic Advisers, Inc. ("SAI"), Portfolio Management team, and supplements the Fidelity Private Portfolio Service brochure (the "Program Fundamentals"). You should have received a copy of the Program Fundamentals. Please contact your Fidelity representative if you did not receive the Program Fundamentals or if you have any questions about the contents of this supplement.

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Christopher Fusé

#### **EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

Christopher Fusé, a Vice President of Investment Management for SAI, is an investment manager and a lead member of the team that manages Fidelity Private Portfolio Service. In this capacity, Mr. Fusé also serves as a member of the Portfolio Management Oversight Committee ("PMOC") for Fidelity Private Portfolio Service, which sets the overall asset allocation and portfolio construction parameters for the service. Born in 1969, Mr. Fusé assumed his current role overseeing SAI's tax-sensitive investment products in October 2006. Mr. Fusé joined SAI in 1998 as an investment manager, responsible for individual high-net-worth client portfolios. Mr. Fusé has a BS/BA in economics and finance from Xavier University.

#### **DISCIPLINARY INFORMATION**

There are no material disclosable legal or disciplinary events that are material to your evaluation of Mr. Fusé or his integrity.

#### **OTHER BUSINESS ACTIVITIES**

Mr. Fusé is not actively engaged in any other investment-related business or occupation.

#### **ADDITIONAL COMPENSATION**

Mr. Fusé does not receive any economic benefit or compensation for providing advisory services to any party that is not a client of SAI.

#### **SUPERVISION**

Jim Cracraft is a Managing Director in SAI, responsible for oversight of the investment management team and the tax-sensitive investment process. This oversight includes managing the investment universe, portfolio construction, risk management, trading, performance management, and attribution. Mr. Cracraft is responsible for ensuring that the investment management team adheres to SAI investment policies and procedures, and that each individual tax-sensitive account is managed to the appropriate benchmark and asset allocation. Mr. Cracraft is responsible for the onboarding and training of new investment managers, and for ensuring that the number and type of accounts traded by each individual investment manager is commensurate with his or her specific experience and expertise.

Mr. Cracraft meets regularly with the PMOC to review investment policies and significant shifts in portfolio holdings or asset allocations. In addition to the PMOC, Mr. Cracraft utilizes daily oversight reports to review the investment managers and the portfolios on a periodic basis. These reports include data on primary asset class deviation, tracking error, stock concentrations, and accounts holding unacceptable assets. The investment managers are expected to review these reports frequently and escalate issues/exceptions to Mr. Cracraft and other members of the PMOC.

Mr. Cracraft may be contacted at 617-563-7102.

#### **REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

SAI is not registered with any state securities authority.

**Robert L. Macdonald**



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This supplemental brochure has been developed for our clients as well as for those who are considering a managed account with Fidelity. It provides information about Robert L. Macdonald, a member of the Strategic Advisers, Inc. ("SAI"), Portfolio Management team, and supplements the Fidelity Private Portfolio Service brochure (the "Program Fundamentals"). You should have received a copy of the Program Fundamentals. Please contact your Fidelity representative if you did not receive the Program Fundamentals or if you have any questions about the contents of this supplement.

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Robert L. Macdonald

#### **EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

Robert Macdonald is Senior Vice President and Director of Financial Solutions for Strategic Advisers, Inc. ("SAI"). Mr. Macdonald oversees the investment profiling methodology used to provide suitable asset allocation recommendations to clients. Mr. Macdonald joined Fidelity in 1985 as a quantitative analyst with Fidelity Management Trust Company ("FMTC"). In 1987, he was promoted to Vice President and portfolio manager with FMTC's Structured Investment group. Born in 1955, Mr. Macdonald received a BA in finance from the University of South Florida in 1979 and an MBA in finance from Boston University in 1985. Mr. Macdonald is a Chartered Financial Analyst (CFA®) charterholder.<sup>1</sup>

#### **DISCIPLINARY INFORMATION**

There are no material disclosable legal or disciplinary events that are material to your evaluation of Mr. Macdonald or his integrity.

#### **OTHER BUSINESS ACTIVITIES**

Mr. Macdonald is not actively engaged in any other investment-related business or occupation.

#### **ADDITIONAL COMPENSATION**

Mr. Macdonald does not receive any economic benefit or compensation for providing advisory services to any party that is not a client of SAI.

#### **SUPERVISION**

William Ebsworth, Chief Investment Officer, is responsible for the oversight of the Portfolio Advisory Services Portfolio Management and Investment Research teams at SAI. Mr. Ebsworth is responsible for ensuring that the Portfolio Management and Investment Research teams manage all portfolios within the parameters that have been established for each investment strategy and in adherence to SAI investment policies and procedures. This includes risk management and exposures, trading (including best execution), and performance management and attribution.

Mr. Ebsworth heads the Investment Committee, composed of senior members of SAI, including representatives from the Portfolio Management and Investment Research teams. The Investment Committee meets to develop and set investment policies needed to achieve SAI's strategic objectives, as well as to review topics such as capital market assumptions, strategic asset allocations, and other items deemed appropriate to implementing the investment strategies. The Investment Committee also reviews the investment profiling methodology developed by Robert Macdonald, which is used to determine the asset allocation recommendations provided to clients.

In addition to the Investment Committee, Mr. Ebsworth holds regular meetings with the Managing Director of the Investment team for Fidelity Private Portfolio Service and the Director of Investment Research to review the oversight of the Portfolio Management and Investment Research teams.

Mr. Ebsworth may be contacted at 617-563-7101.

#### **REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

SAI is not registered with any state securities authority.

<sup>1</sup>The CFA designation is offered by the CFA Institute. To obtain the CFA charter, candidates must pass three exams demonstrating their competence, integrity, and extensive knowledge in accounting, ethical and professional standards, economics, portfolio management, and security analysis, and must also have at least three years of qualifying work experience, among other requirements.

**Kristina M. Regan**



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This supplemental brochure has been developed for our clients as well as for those who are considering a managed account with Fidelity. It provides information about Kristina M. Regan, a member of the Strategic Advisers, Inc. ("SAI"), Portfolio Management team, and supplements the Fidelity Private Portfolio Service brochure (the "Program Fundamentals"). You should have received a copy of the Program Fundamentals. Please contact your Fidelity representative if you did not receive the Program Fundamentals or if you have any questions about the contents of this supplement.

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Kristina M. Regan

#### **EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

Kristina M. Regan, a Vice President of Investment Management for SAI, is an investment manager and a lead member of the team that manages Fidelity Private Portfolio Service. In this capacity, Ms. Regan also serves as a member of the Portfolio Management Oversight Committee (“PMOC”) for Fidelity Private Portfolio Service, which sets the overall asset allocation and portfolio construction parameters for the service. Prior to joining SAI in 2000, she worked as a financial analyst for Fidelity Management & Research Company. Born in 1970, Ms. Regan earned a BS in economics, with honors, from Rochester Institute of Technology and an MBA from Boston University. Ms. Regan is a Chartered Financial Analyst (CFA®) charterholder.<sup>1</sup>

#### **DISCIPLINARY INFORMATION**

There are no material disclosable legal or disciplinary events that are material to your evaluation of Ms. Regan or her integrity.

#### **OTHER BUSINESS ACTIVITIES**

Ms. Regan is not actively engaged in any other investment-related business or occupation.

#### **ADDITIONAL COMPENSATION**

Ms. Regan does not receive any economic benefit or compensation for providing advisory services to any party that is not a client of SAI.

#### **SUPERVISION**

Jim Cracraft is a Managing Director in SAI, responsible for oversight of the investment management team and the tax-sensitive investment process. This oversight includes managing the investment universe, portfolio construction, risk management, trading, performance management, and attribution. Mr. Cracraft is responsible for ensuring that the investment management team adheres to SAI investment policies and procedures, and that each individual tax-sensitive account is managed to the appropriate benchmark and asset allocation. Mr. Cracraft is responsible for the onboarding and training of new investment managers, and for ensuring that the number and type of accounts traded by each individual investment manager is commensurate with his or her specific experience and expertise.

Mr. Cracraft meets regularly with the PMOC to review investment policies and significant shifts in portfolio holdings or asset allocations. In addition to the PMOC, Mr. Cracraft utilizes daily oversight reports to review the investment managers and the portfolios on a periodic basis. These reports include data on primary asset class deviation, tracking error, stock concentrations, and accounts holding unacceptable assets. The investment managers are expected to review these reports frequently and escalate issues/exceptions to Mr. Cracraft and other members of the PMOC.

Mr. Cracraft may be contacted at 617-563-7102.

#### **REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

SAI is not registered with any state securities authority.

<sup>1</sup>The CFA designation is offered by the CFA Institute. To obtain the CFA charter, candidates must pass three exams demonstrating their competence, integrity, and extensive knowledge in accounting, ethical and professional standards, economics, portfolio management, and security analysis, and must also have at least three years of qualifying work experience, among other requirements.

**Susan Reigel**



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617-563-7100

July 29, 2011

This supplemental brochure has been developed for our clients as well as for those who are considering a managed account with Fidelity. It provides information about Susan Reigel, a member of the Strategic Advisers, Inc. ("SAI"), Portfolio Management team, and supplements the Fidelity Private Portfolio Service brochure (the "Program Fundamentals"). You should have received a copy of the Program Fundamentals. Please contact your Fidelity representative if you did not receive the Program Fundamentals or if you have any questions about the contents of this supplement.

On behalf of Fidelity, we thank you for the opportunity to professionally manage your portfolio.



Susan Reigel

#### **EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

Susan Reigel is a Senior Investment Manager and a lead member of the team that manages Fidelity Private Portfolio Service. Born in 1971, Ms. Reigel joined SAI as a senior investment manager of tax-sensitive client portfolios in 2008. In this capacity, Ms. Reigel also serves as a member of the Portfolio Management Oversight Committee ("PMOC") for Fidelity Private Portfolio Service, which sets the overall asset allocation and portfolio construction parameters for the service. Prior to joining Fidelity in 2008, she worked as a Senior Portfolio Manager for State Street Global Advisors ("SSgA"), managing a variety of institutional portfolios, including active multisector fixed income portfolios, passive high-yield portfolios, and active quantitative domestic equity portfolios. Before working at SSgA, she managed active and passive quantitative domestic equity portfolios at Advanced Investment Technology, Inc., in Clearwater, Florida, and the Florida State Board of Administration in Tallahassee, Florida. Ms. Reigel has a BS in mathematics and an MBA in finance, magna cum laude and Phi Beta Kappa, from Florida State University. Ms. Reigel is a Chartered Financial Analyst (CFA®) charterholder.<sup>1</sup>

#### **DISCIPLINARY INFORMATION**

There are no material disclosable legal or disciplinary events that are material to your evaluation of Ms. Reigel or her integrity.

#### **OTHER BUSINESS ACTIVITIES**

Ms. Reigel is not actively engaged in any other investment-related business or occupation.

#### **ADDITIONAL COMPENSATION**

Ms. Reigel does not receive any economic benefit or compensation for providing advisory services to any party that is not a client of SAI.

#### **SUPERVISION**

Jim Cracraft is a Managing Director in SAI, responsible for oversight of the investment management team and the tax-sensitive investment process. This oversight includes managing the investment universe, portfolio construction, risk management, trading, performance management, and attribution. Mr. Cracraft is responsible for ensuring that the investment management team adheres to SAI investment policies and procedures, and that each individual tax-sensitive account is managed to the appropriate benchmark and asset allocation. Mr. Cracraft is responsible for the onboarding and training of new investment managers, and for ensuring that the number and type of accounts traded by each individual investment manager is commensurate with his or her specific experience and expertise.

Mr. Cracraft meets regularly with the PMOC to review investment policies and significant shifts in portfolio holdings or asset allocations. In addition to the PMOC, Mr. Cracraft utilizes daily oversight reports to review the investment managers and the portfolios on a periodic basis. These reports include data on primary asset class deviation, tracking error, stock concentrations, and accounts holding unacceptable assets. The investment managers are expected to review these reports frequently and escalate issues/exceptions to Mr. Cracraft and other members of the PMOC.

Mr. Cracraft may be contacted at 617-563-7102.

#### **REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

SAI is not registered with any state securities authority.

<sup>1</sup>The CFA designation is offered by the CFA Institute. To obtain the CFA charter, candidates must pass three exams demonstrating their competence, integrity, and extensive knowledge in accounting, ethical and professional standards, economics, portfolio management, and security analysis, and must also have at least three years of qualifying work experience, among other requirements.



Turn here®



Fidelity Private Portfolio Service® applies tax-sensitive investment management techniques (including tax-loss harvesting) on a limited basis, at its discretion, primarily with respect to determining when assets in a client's account should be bought or sold. As a discretionary investment management service, any assets contributed to an investor's account that Fidelity Private Portfolio Service® does not elect to retain may be sold at any time after contribution. An investor may have a gain or loss when assets are sold.

Fidelity Private Portfolio Service® is a service of Strategic Advisers, Inc., a registered investment adviser and a Fidelity Investments company. Fidelity Private Portfolio Service® may be offered through the following Fidelity Investments companies: Strategic Advisers, Inc., a registered investment adviser; Fidelity Personal Trust Company, FSB ("FPT"), a federal savings bank; or Fidelity Management Trust Company ("FMTC"). Non-deposit investment products and trust services offered through FPT and FMTC and their affiliates are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, are not obligations of any bank, and are subject to risk, including possible loss of principal. **This service provides discretionary money management for a fee.**

Brokerage services are provided by Fidelity Brokerage Services LLC. Custody and other services are provided by National Financial Services LLC. Both are Fidelity Investments companies and members of NYSE and SIPC.