

# Guide to Brokerage and Investment Advisory Services at Fidelity Investments

This brochure highlights important differences between the brokerage and investment advisory services that may be provided to you as part of your retail relationship with Fidelity Investments (“Fidelity”). Depending on your individual goals and investment objectives, our registered representatives may assist you with brokerage services, investment advisory services, or both. As you may know, Fidelity offers investors many different types of financial products and services, including brokerage, investment advisory, and insurance products and services.

**It is important for you to understand that our brokerage services and investment advisory services are separate and distinct.** Fidelity’s brokerage products and services are covered under different sets of laws and regulations from our investment advisory products and services, and our obligations and duties to you are different for each. Although your Fidelity Representative may serve as your primary point of contact for many of the services you receive from Fidelity, when you receive multiple services from Fidelity, each service will be governed by the specific agreement, laws, and regulations applicable to that type of service—and therefore may be different from service to service.

## Fidelity Brokerage Services

Our brokerage products and services for retail investors are provided to you through Fidelity Brokerage Services LLC (“FBS”), a broker-dealer that is registered with the Securities and Exchange Commission (“SEC”) and that is a member of the Financial Industry Regulatory Authority (“FINRA”), the New York Stock Exchange (“NYSE”) and Securities Investor Protection Corporation (“SIPC”).

When we act as a broker for you, our primary role, as described in your Fidelity Brokerage Account Agreement, is to accept orders and execute transactions in your Fidelity Brokerage Account based on your instructions. You, or your authorized representative, direct all trading and are responsible for all investment decisions in your Fidelity Brokerage Account.

Some of our brokerage representatives also hold insurance licenses which allow them to sell life insurance and annuities issued by our affiliated life insurance companies and certain unaffiliated life insurance companies. Our brokerage representatives may also make referrals to non-affiliated advisors, and when they do so, they are acting in a broker-dealer, and not an investment adviser, capacity.

When we act as a broker for you, we also offer you investment education, research, planning assistance, and guidance designed to assist you in making decisions on the various products that you may wish to hold. No separate fees are charged for the investment education, research, planning assistance, and guidance that Fidelity offers you because they are part of, and considered to be incidental to, the brokerage services that we provide.

**Unless we specifically state otherwise, Fidelity is acting as a broker-dealer with respect to your account and as a broker-dealer and insurance agent with respect to any insurance product.**

When we act as your broker, we are held to the legal standards under applicable federal and state securities laws, and the rules of self-regulatory organizations for broker-dealers such as FINRA. We are also subject to state insurance laws relative to the sale of life and annuity products. Among other things, these regulations require broker-dealers to:

- Execute your trades with diligence and competence and seek to provide best execution in light of prevailing market conditions;
- Have reasonable grounds for believing that any security that we specifically present to you is suitable given your investment objectives, risk tolerance, financial and tax status and other financial information you have disclosed to us;
- Treat you in a manner characterized by principles of fair dealing and high standards of honesty and integrity.

**When we act in a brokerage or insurance agency capacity, we do not have a fiduciary or advisory relationship with you and our disclosure obligations are more limited than if we did. In general, unless we specifically inform you otherwise, the services offered by our representatives are services offered by FBS.**

## How you are charged for Fidelity's brokerage services

Fidelity's brokerage services are provided through your Fidelity Brokerage Account. Your costs for brokerage services are typically based on a transaction charge, often called a commission, for each trade you make in your account, or a mark-up/mark-down, or spread, in the case of certain transactions. Other costs and charges will also apply to your account and these costs and charges are outlined in your Fidelity Brokerage Account Customer Agreement or as you are otherwise notified. Life insurance and annuity product sales will result in a commission payment to us from the affiliated and non-affiliated insurance companies for the insurance products we sell.

As compensation for the services they provide, our broker-dealer representatives receive base pay and may also be eligible to receive variable compensation. More information on our representatives' compensation is available upon request or can be found online at [http://personal.fidelity.com/misc/gettingstarted/pdf/representative\\_compensation.pdf](http://personal.fidelity.com/misc/gettingstarted/pdf/representative_compensation.pdf).

## Fidelity's Investment Advisory Services

Our investment advisory services to retail investors, including but not limited to Portfolio Advisory Services ("PAS®"), are offered through Strategic Advisers, Inc. ("SAI") a Fidelity Investments company and an investment adviser registered with the SEC under the Investment Advisers Act of 1940 (the "Advisers Act"). When we act as a registered investment adviser, our primary role is the delivery of our investment advisory services and/or our management of your investment advisory account. We provide investment management services on a discretionary basis based on your investment objectives and risk tolerance.

**If you ask us to provide investment advisory services we will do so only pursuant to a written agreement that describes our investment advisory relationship with you and our obligations to you.** You also will receive a disclosure document describing the specific investment advisory service we will be providing to you. These documents explain the types of services we provide, the applicable advisory fees, research, affiliations, any potential conflicts between our interests and yours, and the business background of the key personnel responsible for our activities as an investment adviser.

When we act as an investment adviser, we are considered to have a fiduciary relationship with you and are held to legal standards under applicable federal and state securities laws. If you are an investment advisory client, we owe you a fiduciary duty under the Advisers Act in connection with the specific investment advisory service we will be providing to you. An example of this duty is our obligation as an investment adviser to make full and fair disclosure of all material facts about our services and our relationship and an obligation to place your interests before our own when managing your account.

In an advisory relationship, we also are obligated:

- To ensure that investment advisory services are suited to your specific investment objectives, needs, and circumstances;
- To disclose potential conflicts of interest between our interests and yours;
- To disclose whether and to what extent we (or our affiliates) receive additional compensation from you or a third party as a result of our relationship with you;
- To get your consent before engaging in transactions with you for our own, an affiliate's, or another client's account; and
- To not unfairly advantage one advisory client to the disadvantage of another.

**Please note that SAI's investment advisory services are limited strictly to those accounts for which you have entered into an advisory agreement with SAI. The fact that SAI serves as investment adviser for some of your accounts does not mean that SAI is under any obligation to provide investment advisory services for other accounts you may have, either at Fidelity or with another financial institution.**

## How you are charged for Fidelity's Investment Advisory Services

SAI offers several discretionary investment management services through Portfolio Advisory Services, including Fidelity Portfolio Advisory Service® ("PAS"), Fidelity Private Portfolio Service® ("PPS"), Fidelity Private Portfolio Service for Trusts ("PPST"), Fidelity® Personalized Portfolios, and Fidelity® Personalized Portfolios for Trusts. **These services provide discretionary investment management for a fee.** Your fees for investment advisory services

are described in the client agreement for the applicable service; typically, advisory fees will be an agreed-upon percentage of the assets held in your investment advisory account. In the context of Portfolio Advisory Services, this fee typically covers both our investment management services and your trading costs (note that other costs are not included). This fee is expressed as an annual percentage (for example, 1%), but is charged to your account on a quarterly basis in arrears. Each of our investment advisory services has an agreement and disclosure document that explains its fees in detail.

Representatives who recommend Portfolio Advisory Services products receive compensation if you open a Portfolio Advisory Services account. In some cases, this compensation is greater than what the representative would receive if you purchased certain other products offered by Fidelity. As noted above, more information on our representatives' compensation is available upon request or can be found online at [http://personal.fidelity.com/misc/gettingstarted/pdf/representative\\_compensation.pdf](http://personal.fidelity.com/misc/gettingstarted/pdf/representative_compensation.pdf).

### Additional Information

Fidelity Representatives' use of any specific title or designation does not imply that they are providing you with any specific service, such as financial planning or other investment advisory services. Whether you are a brokerage or investment advisory client is dictated by the actual services that are agreed upon and provided to you.

If at any time you would like clarification on the nature of services in your Fidelity account, please speak with a Fidelity Representative, either at one of our Investor Centers or by calling 1-800-FIDELITY, or visit our Web site at [www.fidelity.com](http://www.fidelity.com). We also urge you to carefully read the account agreements and disclosures that we provide to you for our brokerage and advisory services, copies of which can be found at <http://personal.fidelity.com/accounts/services/content/mostrequested.shtml#portadvisory>.

Fidelity Portfolio Advisory Service® is a service of Strategic Advisers, Inc., a registered investment adviser and a Fidelity Investments company. Fidelity Private Portfolio Service® and Fidelity® Personalized Portfolios 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.**

Brokerage services provided by Fidelity Brokerage Services LLC, a Fidelity Investments company and a member of NYSE and SIPC. Custody and other services provided by National Financial Services LLC, a Fidelity Investments company and Member of NYSE and SIPC.



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