

## LEARN MORE ABOUT YOUR PORTFOLIO REVIEW

### THIS SUPPLEMENT CONTAINS:

- Portfolio Review Services



## INTRODUCTION

### Tool Updates

Fidelity periodically updates Portfolio Review (“the tool”); therefore, the results generated during subsequent planning sessions may change. In addition, the results generated by the tool may change over time due to changes in your personal circumstances and in market conditions. If you choose to consider the results of the tool as one component of your investment planning, it is important that you return periodically to the tool for updated results, and, in any event, no less often than annually. Each time you revisit the tool, you must revalidate each of your inputs, assumptions, and other information; rerun the analysis of your situation; and consider the updated results in place of any results you previously received. As with any software program, the tool may not always operate or deliver results as intended, and Fidelity is not responsible for errors in functionality.

### Educational Purposes

Fidelity’s guidance tools are provided for educational purposes only. You should not rely on them as the primary basis for your investment, financial, or tax-planning decisions. Please consult your tax or investment advisor, if applicable.

The primary objectives of Portfolio Review are to help you assess the investment characteristics and risk of your current portfolio and to help you identify and analyze investment characteristics and risks with possible portfolio strategies that you model and select, if applicable. The tool includes an Investor Profile Questionnaire for use in helping you determine an asset allocation that may be appropriate for your situation and goals. Within the tool, you can model single-fund strategies (if your workplace savings plan allows), model portfolios (if your workplace savings plan allows), and hypothetical trades (if applicable) within your portfolio. The tool cannot guarantee or ensure your ability to meet any of your goals; rather, it uses your information and historical index or target portfolio data to allow you to compare investment strategies and to determine if a new strategy or set of strategies may be helpful for your situation.

### Responsibility for Information Provided

The assessment provided by the tool depends upon the accuracy of the information and assumptions that you provide and on your fully completing all sections of the tool. Fidelity is not responsible for the completeness, accuracy, or appropriateness of the information and assumptions you provide, including, among others, your financial circumstances and your risk tolerance. You must also verify that the assumptions built into the tool are appropriate for your circumstances. Likewise, Fidelity is not responsible for the completeness or accuracy of the information provided by your workplace savings plan sponsor. Fidelity does not audit or verify the information you provide or the information you permit to be obtained from other financial institutions. While assets held outside Fidelity may be considered in the tool’s calculations, the information provided by Fidelity’s guidance tools is intended for assets held at Fidelity. In addition, Fidelity does not prepare, edit, or endorse the accuracy, timeliness, or completeness of information and data from third-party sources. You will use third-party content only at your own risk.

Finally, you cannot eliminate entirely the inclusion of assets held or records kept at Fidelity from the tool. While you may exclude (“deselect”) any of your assets from consideration in the formulation of potential strategies for a particular investment goal, the tool will continue to consider the excluded assets in the development of a suggested asset allocation.

### Limitations on Guidance Tools

Inherent in any investment guidance tool is the uncertainty associated with results derived from historical asset class investment returns. The tool does not predict or project the future value of actual holdings in your portfolio. All results and calculations from the tool are based upon a historical performance analysis of a selected “target” asset class mix or an asset class mix similar to your own. It is important to note that the tool assumes that the diversification within each asset class is consistent with market indexes. Your actual holdings may not reflect these characteristics; therefore, the analysis may not reflect the actual risk/return characteristics of your portfolio. Historical performance of asset classes or market indexes is no guarantee of future results, and it is not possible to invest directly in an index. The tool’s analysis does not consider the effects of taxes, fees, and/or expenses associated with investing.

The model portfolios and certain other results provided depend on your selection of a target asset mix based on your evaluation of your investment objectives, risk tolerance, and time horizon. You are responsible for your own investment decisions, and you may accept, reject, or modify any results provided by the tool. The results are provided as of the date that the tool is used by you.

### Incorporation of Previously Provided Information

Fidelity may incorporate certain personal or financial information, including salary and other information that has been previously provided to Fidelity, in order for you to utilize the tool effectively. You are responsible for checking and updating this information for accuracy and currentness. You acknowledge and consent to this sharing of information between affiliated Fidelity companies, and recognize that the accuracy of this information may affect not only this tool, but other tools offered by Fidelity.

All calculations are purely hypothetical and will not affect your actual accounts.

*Workplace Savings Plan Participants Only:* If you are a participant or beneficiary in a workplace savings plan, you consent to the inclusion and display of your workplace savings plan account information in the tool and to such information being made available to any representative of Fidelity Brokerage Services LLC (FBS) or other Fidelity affiliate who may assist you in connection with your Portfolio Review session unless providing such information is specifically prohibited.

Non-Fidelity customers who use Fidelity’s guidance tools should not expect their guidance interaction data to be accessible to them upon becoming a Fidelity customer.

If workplace savings plan information is included as part of this interaction, you acknowledge that you gave consent to disclose this information to a Fidelity Brokerage Services representative unless providing such information is specifically prohibited.

The methodology that underlies the analysis and results produced in the tool was developed by our affiliate, Strategic Advisers, Inc. (SAI).

Portfolio Review is provided in conjunction with Fidelity’s brokerage services and is not a separate advisory service.

For more information about the tool, refer to the enclosed *Detailed Methodology* booklet or use the Methodology link in the Portfolio Review tool.

For more information about the tool’s Terms of Use, visit the Portfolio Review tool on our Web site at [Fidelity.com](http://Fidelity.com).

# PORTFOLIO REVIEW METHODOLOGY

## OVERVIEW

The primary objective of Fidelity Portfolio Review is to help you identify risks your portfolio may be facing, then develop a strategy to help overcome those risks. The tool analyzes the holdings of your portfolio and compares them with benchmarks and/or a target portfolio you select. The tool also provides an Investor Profile Questionnaire for use in selecting a target asset mix that may be right for your situation. Within the tool, you can model single-fund strategies or multiple-fund model portfolios (if your employer-sponsored plan allows model portfolios), and hypothetical trades (if applicable) within your portfolio. Comparisons are made to allow you to determine if a new strategy is suitable for your situation.

The tool is designed to help you identify and meet your retirement goals, as well as other financial goals. The tool is not intended to serve as the primary basis for your investment decisions or tax planning and should not be considered as investment advice under the Employee Retirement Income Security Act of 1974 (ERISA), as amended, or as legal or tax advice. Each tool session is a one-time, nondiscretionary service, which means that it is up to you to implement the plan if you so choose. Any model portfolio provided is based on underlying holdings data that the tool obtains from third parties on a periodic basis. The data may not represent current holdings of the investment options, and may not be the most current information available to the third party. We suggest that you revisit the tool periodically and, in particular, when your financial circumstances change.

Any data and account information you have included in this tool may also be included in certain other Fidelity tools.

### Limitations of the Tool

It is important to remember that the tool is not intended to project or predict the current or future value of actual investments or actual holdings in your portfolio (or a selected allocation). Also, the tool should not be used as the primary basis for any investment or tax-planning decisions. Please consult your tax or financial advisor, if applicable.

All calculations are purely hypothetical and will not affect your actual accounts. The historical performance analysis is intended only to be one source of information that may help you assess your goals. Remember that past performance is no guarantee of future results. Also, it is not possible to invest directly in an index. Performance returns for actual investments will generally be reduced by fees or expenses not reflected in the hypothetical illustrations.

If you have previously used a tool such as Fidelity Retirement Income Planner or certain other tools, you may have goals/information prefilled for you. You can edit or delete these goals as you choose, but any changes you make to a goal in this tool will also be reflected in the other planning tools.

Keep in mind that the strategies displayed in the tool are current as of the date provided. Be sure to return to this tool periodically to see if there are changes identified for the target asset mix you have selected. You will not be contacted proactively to do so.

## Tool Availability

The tool is available to participants in certain workplace savings plans whose sponsors contract with Fidelity Investments companies, which are affiliates of Strategic Advisers, Inc., to offer services. In certain circumstances, service fees are negotiated by these affiliates with plan sponsors and may be payable in arrears.

In addition, the tool is offered free of charge by Fidelity Brokerage Services to Fidelity retail and insurance customers and guests who have registered for a Fidelity membership.

Portfolio Review is an educational tool developed by Strategic Advisers, Inc., a Fidelity Investments company, and is offered for use by:

- Fidelity Brokerage Services
- Fidelity Investments Institutional Services Company, Inc.

## About Strategic Advisers, Inc., the Tool's Developers

Strategic Advisers, Inc. (Strategic Advisers), is a Fidelity Investments company. It develops the model portfolios, target asset mixes, investment methodology, and certain other information in the tool. Strategic Advisers reviews the various model portfolios quarterly and updates are made as warranted. Strategic Advisers will not, however, contact investors to inform them that the model portfolios have changed.

## ACCOUNT INFORMATION

### Accounts Included in the Tool

Certain accounts maintained by or at Fidelity will automatically appear when you use the tool, without regard to any applicable vesting schedules. This may include your employer-sponsored savings plan accounts (e.g., 401[k], 403[b], 457 accounts; self-directed brokerage [e.g., Fidelity BrokerageLink®] accounts; or nonqualified deferred compensation plans), Fidelity tax-deferred variable annuities, tax-deferred fixed annuities, personal investing accounts held at Fidelity (brokerage accounts, IRAs, 529 college savings plans, etc.), stock plan accounts, authorized accounts associated with your Social Security number, and bank and brokerage accounts aggregated through Fidelity's Full View® service. Fidelity Advisor fund assets held outside of your employer-sponsored plan will not automatically appear when using this tool and must be entered manually.

**You cannot eliminate entirely the inclusion of account assets from the tool.** While you may exclude ("deselect") any of your account assets from consideration in the analysis of a particular investment goal, the tool will continue to include the deselected assets as a part of your total assets.

If you participate in any nonqualified deferred compensation plans that are recordkept at Fidelity, we consider any amounts or positions maintained for your benefit. Your actual account value at any point in the future for the nonqualified plan accounts will be determined by any plan activity and any investment increases or losses that may occur. Any plan amounts or positions reflect an unsecured promise the employer has made to you to pay a benefit sometime in the future. In the event the employer were to become insolvent, the user might not receive any money from these plans. You should refer to your plan materials for more details.

For stock plan accounts that are recordkept by Fidelity, the tool treats stock options (i.e., Employee Stock Purchase Plans [ESPP], Stock Option Plans [SOP], Restricted Stock Awards [RSA], Stock Appreciation Rights [SAR], Restricted Stock Units [RSU], and Phantom Stock [PHT]) granted to you as “accepted,” and therefore includes them as part of your total market value. On the Portfolio Summary page on **Fidelity.com**, unaccepted stock option grants are excluded from the total market summary calculation and are not reflected in your total market value. The current market value of the underlying assets, regardless of their vesting status, will automatically appear in the tool. For stock options, this is defined as all in-the-money amounts. You should note the following with respect to company stock plan assets that are held or recordkept by Fidelity:

- 1. The Portfolio Review tool includes both vested and unvested stock plan assets.** The Portfolio Review tool includes both vested and unvested company stock plan assets for which Fidelity is the custodian or recordkeeper as part of your total assets in the tool’s analysis (whether or not you choose to include your stock plan assets in the analysis of particular investment goals). The inclusion of unvested company stock plan assets in the portfolio analysis could result in the tool’s displaying results such as a suggested target asset mix or end-of-goal portfolio values that may not be appropriate if your unvested assets were not to vest in accordance with your expectations.
- 2. There are different ways to value stock plan assets.** Portfolio Review generally values in-the-money employee stock options as the difference between the option exercise price and the then-current price of the company’s common stock. There may be other ways to value company stock options or other stock plan assets.
- 3. Investment characteristics of company stock plan assets.** Your company stock plan assets may have different investment characteristics than the underlying company stock. For example, the value of an employee stock option may be more volatile than a holding in the company stock directly. You should take into account the characteristics of your stock plan assets in assessing your portfolio allocation and an appropriate target asset mix.
- 4. Income taxes.** There may be income-tax consequences in connection with your exercise or other disposition of your company stock plan assets, and the tool does not attempt to take such tax consequences into account in the tool’s portfolio analysis or modeling. You should consult your tax advisor regarding the tax implications of your company stock plan assets.

While authorized accounts and Full View accounts you have selected do automatically appear in the tool, these account assets are not automatically included in the tool’s analysis. Assets in Fidelity Advisor funds held outside your employer-sponsored plan are not automatically included in the tool and must be entered manually. Charitable Gift Fund and health savings accounts held at Fidelity are not automatically included in this tool. Health savings accounts that are designated as Full View accounts may appear in your account listing as undefined.

In some cases, the plan sponsor has also provided plan rule information, including fund availability, model portfolios, and other plan data. Refer to your plan materials for more details.

- **Full View Accounts** — A Full View account (if this service is available to you) is an online account held at another institution from which you have authorized Fidelity to import your account data electronically.

- **Authorized Accounts** — An authorized account is an account for which you have been provided inquiry (or higher) authorization by the account owner. The person who has provided authorization to you is either an individual (not a corporation, trust, or other entity) or an owner, trustee, custodian, fiduciary, or a joint or beneficial owner of a Fidelity mutual fund or brokerage account otherwise accessible through Fidelity.com. *Note:* It may not be appropriate to include an authorized account in your planning.
- **Manually Added Accounts** — The tool allows you to manually add an account and provide either a general asset allocation or position-by-position detail of that account, assign the account to a goal, assign a market value to the account, and include it in your analysis. *Note:* that manually added account balances do not automatically update. You should review these balances with each tool use to ensure that the most up-to-date values are used in your analysis.

### **Account Eligibility for Investment Strategy Options**

While the Portfolio Review tool is designed to allow you to explore investment strategy alternatives for your portfolio, not all accounts are eligible for all the investment strategy options available in this tool. BrokerageLink, managed accounts (such as 529 college savings plans or accounts associated with Portfolio Advisory Services, including Fidelity Portfolio Advisory Service at Work, or Charitable Gift Fund are not eligible for any investment strategy exploration. Any nonfinancial asset types that are identified in your accounts will not be eligible for investment strategies. Annuity products are also not eligible for investment strategies, with the exception of Fidelity Retirement Reserves®, Fidelity Personal Retirement Annuity®, and Single Premium Tax-Deferred Annuities that are eligible to be used in our hypothetical trading capabilities and for Portfolio Advisory Services (if other eligibility requirements are met).

### **Account Information Not Automatically Included in the Tool’s Analysis**

For security purposes, Fidelity accounts held by a spouse/partner are not automatically included.

*Note:* that Single Premium Income Annuities are ineligible for this tool and cannot be allocated to a goal.

Nonfinancial accounts (such as real estate or a business) entered into another Fidelity planning or guidance tool will not be included as a part of your portfolio in this tool.

### **Margin Balances**

Margin balances may be considered in the tool. Asset allocation and the corresponding risk of your accounts is determined from the market value of all your positions (account holdings), and may include any margin debit balance. Because margin increases your risk, the inclusion of margin balances may result in the determination of market risk that is more or less than your actual market risk — to the extent you have a margin debit. Sells in a margin account may be completed using either cash or margin positions. Purchases in the tool can only be completed as cash purchases, which may significantly reduce your buying power. You may wish to consider the applicability of results in the tool if you have a margin debit balance. Margin debit balances do not apply to retirement plans or accounts.

## Unsettled Transactions

Unsettled transactions pending in any of your selected accounts at the time of your tool interaction may materially impact the value of that account included in your analysis. For an unsettled equity purchase, the value may be materially overstated (and the investment risk understated due to cash remaining in the account), and for an unsettled equity sale, the value may be materially understated (and the investment risk overstated). Depending on the size and scope of such unsettled transactions, you may want to exclude the affected account(s) from your analysis or, if included, consider the reliability of the tool's results.

## Updating Account Data

Market values, account balances, and account positions for employer-sponsored savings plans (e.g., 401[k], 403[b], and 457[b] plans; nonqualified deferred compensation plans; and self-directed brokerage [e.g., BrokerageLink] accounts) and personal investing accounts you hold at Fidelity will be automatically updated. Non-Fidelity accounts that are aggregated using Full View (if you have this service available to you) will also be automatically updated in accordance with the terms of service. You are responsible for updating the market value of any other accounts.

## Percentage of Individual Stocks or Stocks in Mutual Funds

If you choose from the drop-down menu for the percentage of individual stocks or stocks in mutual funds when manually adding accounts (in a generic format) in this or other Fidelity planning or guidance tools, the assumed breakdown of the rest of the asset types is as follows:

- Most Aggressive: 100% Stocks, 0% Bonds, 0% Short-Term
- Aggressive Growth: 85% Stocks, 15% Bonds, 0% Short-Term
- Growth: 70% Stocks, 25% Bonds, 5% Short-Term
- Balanced: 50% Stocks, 40% Bonds, 10% Short-Term
- Conservative: 20% Stocks, 50% Bonds, 30% Short-Term
- Short-Term: 0% Stocks, 0% Bonds, 100% Short-Term

## Data Used to Classify Assets in the Asset Allocation Chart

Holdings data used to classify mutual funds and other financial assets (including assets held in BrokerageLink accounts) is provided from a variety of independent sources.

Holdings data (including asset allocation, equity industry sector, equity style, and foreign vs. domestic classifications) for publicly available mutual funds is obtained monthly from an independent third-party vendor, Morningstar, Inc.\* Data is only as current as the holdings information supplied to Morningstar by third parties. In some cases (e.g., newer funds), the third-party vendor may not have holdings information; therefore, such funds are classified as "unknown." In some other cases, the third-party vendor may not recognize all the holdings within a mutual fund. In these cases, the third-party vendor provides analysis only on the recognized portion of the fund. Therefore, the asset allocation and equity sector analysis may not be able to be fully classified. The unrecognized holdings are then classified as "unknown." Lastly, certain Designated Investments may be intentionally classified as "unknown" in the Tool.

For proprietary mutual funds and other pooled investment options unique to certain retirement plans (e.g., commingled pools or separate accounts), the tool relies on underlying holdings provided quarterly by Fidelity affiliates, plan sponsors, and external money managers. In the event that current quarterly holdings are not available, the latest available data will be used.

In the case of individual securities held within an account, the tool's analysis determines the industry sector using the same parameters used by the third-party vendor providing underlying holdings data for publicly available mutual funds. Individual stock data is provided by Standard & Poor's Compustat. In the rare instances where such data is not available from the third-party vendor, Strategic Advisers, Inc., a Fidelity Investments company, will determine the industry sector using publicly available information (to the extent available). If not available, the holdings will be classified as "unknown." Investment information provided to Strategic Advisers, Inc., is not based on contemporaneous data. Strategic Advisers, Inc., is not responsible for the accuracy of data provided by third parties.

## INVESTMENT STRATEGIES

### Asset Allocation and Target Asset Mixes

A target asset mix is one of six different asset allocations among stocks, bonds, and short-term investments. These target asset mixes are created based on historical risk and estimates of long-term asset class returns. At Fidelity, we have developed six significantly different allocations that are intended for different investor profiles with different investment objectives, risk tolerances, and time horizons. Each target asset mix displays an example illustrating the hypothetical pretax performance of a \$10,000 investment in asset allocations similar to that mix. The type of goal you are working on will dictate the way the time frame for that illustration is calculated. For retirement goals, the time period used for the chart is calculated by subtracting your goal start age from your current age. If you plan with a spouse, the earliest retirement age of the two is used to determine this time period. For nonretirement goals, the time period used is the difference between the goal start year and the current year.

Within the tool, you must select one of the six target asset mixes. The tool then compares the new selected hypothetical asset allocation with your current portfolio. Remember that asset allocation does not ensure a profit or guarantee against loss.

If you are using Portfolio Review after using Fidelity's Retirement Income Planner tool, and you selected a target asset mix in that tool, it will also appear in this tool. You may be directed to reconfirm responses about your financial situation, your time horizon, and your risk tolerance, to receive a new target asset mix. *Note:* Changes in target asset mix selection for goals may also carry through to other planning and guidance tools at Fidelity.

*Note:* The hypothetical asset allocation results generated by the target asset mix may not correlate to the investment results provided in the lifecycle strategy or 529 college savings plan segments of the tool and should not be used as an asset allocation benchmark when evaluating the lifecycle strategy products or 529 college savings plan products.

\*Morningstar, Inc., is an independent provider of financial information. Morningstar does not endorse any broker-dealer, financial planner, insurance company, or mutual fund company.



## What Are the Fidelity Target Asset Mixes?

Fidelity has created six target asset mixes based on historical risk and estimates of long-term asset class returns. They represent six significantly different allocations that are intended to reflect differing investor profiles with varying investment objectives and risk tolerances, as well as investment styles ranging from conservative to aggressive.

Target Asset Mix	Asset Class			
	Domestic Equity	International Equity <sup>^</sup>	Fixed Income	Short-Term
Short-Term	0%	0%	0%	100%
Conservative	14%	6%	50%	30%
Balanced	35%	15%	40%	10%
Growth	49%	21%	25%	5%
Aggressive Growth	60%	25%	15%	0%
Most Aggressive	70%	30%	0%	0%

<sup>^</sup> Strategic Advisers, Inc., is adjusting its target asset mixes, as of November 2009, to increase the percentage of international equity to 30% of the overall equity portion of each target asset mix.

When you select asset mixes, keep in mind that different asset classes tend to offer different balances of risk and reward. Generally, the greater the potential for long-term returns, the greater the risk volatility, especially over the short term. In order to help control the risk you assume, it is critical that your portfolio provides an appropriate mix of investments. A more aggressive portfolio (one with a higher stock allocation) could represent higher risk, especially in the short term, but higher potential long-term returns. Conversely, a less aggressive portfolio (with a lower allocation to stock and higher to bonds or short-term investments) could represent less short-term risk, but potentially lower long-term returns. You should take into consideration any unique circumstances or need for funds that might apply to your situation when deciding on an appropriate investment strategy.

While past performance does not guarantee future results, history has shown that diversifying your assets among different asset classes, industries, and countries can potentially improve the long-term performance of your portfolio. However, it is important to remember that certain asset types involve greater risk than others do. Diversifying your investments across asset classes, industry sectors, and international funds may help minimize your overall exposure to sudden market swings that may cause sudden changes in the price of investments. However, it does not ensure a profit or guarantee against loss.

### Your Time Horizon–Based Default Target Asset Mix

As a possible starting point for either your retirement or non-retirement goals, Portfolio Review will default to a target asset mix (TAM) based on a measure of your time horizon. The measure of time horizon and the available default TAMs will vary by goal type. Time horizon for retirement goal type is defined as the difference between Current Year and Retirement (Goal Start) Year. Time horizon for nonretirement goal type is defined as the difference between Current Year and Goal Start Year plus 1/2 of the Goal Length (Goal Start Year – Goal End Year). Please note that this time horizon–based default TAM is just a starting point for you to begin the consideration of the appropriate asset allocation. For a more in-depth look at your asset allocation that will take your risk tolerance, financial situation, and time horizon into consideration, Fidelity suggests completing our Investor Profile Questionnaire (IPQ).

### For a Retirement Investment Goal

- For a retirement goal, if you are already 12 years or more into retirement, Portfolio Review will default to the Conservative TAM.
- If you are 11 years into retirement or have four years until your retirement start date, Portfolio Review will default to the Balanced TAM.
- If you are five to 12 years away from your retirement start date, Portfolio Review will default to the Growth TAM.
- If you are 13 years or more away from your retirement start date, Portfolio Review will default to the Aggressive Growth TAM.

### For Nonretirement Investment Goals

- For nonretirement goals with a time horizon of two years or less, Portfolio Review will default to the All Short-term TAM.
- For a time horizon of more than two years, Portfolio Review will suggest the Balanced TAM.

### Maximum Appropriate Target Asset Mix

Based on the variety of information you have provided about yourself and your accounts, Fidelity seeks to present hypothetical model portfolios and certain single fund approaches reflective of risk levels that may be appropriate in light of your investment profile. For each of your Fidelity accounts, you are asked to provide information designed to elicit your investment profile, including your investment objective, age, annual income, net worth and liquid net worth, tax bracket, investment experience, investment time horizon, investment purpose, and liquidity needs. This information is evaluated against the range of Fidelity target asset mixes to establish an upper limit TAM (in terms of risk) for each of your accounts included in your planning session. Portfolio Review will alert you if you select a TAM that historically exhibited a level of risk higher than the upper limit TAM. The TAM you select should be one that historically exhibited similar or lower investment risk.

### Investment Strategy Options

Depending upon your goals and accounts, and the data you input, the tool presents various investment strategies for you to explore, including:

- Fidelity Professional Discretionary Asset Management Services
- Multiple Funds Model Portfolios
- Single-Fund Strategies
- Hypothetical Trading
- Lifecycle Investment Options: Fidelity Freedom<sup>®</sup> Funds
- 529 College Savings Plans

Note: Certain investment strategy options may not be available in your employer-sponsored plan, BrokerageLink account, tax-deferred annuity, or 529 college savings plan accounts.

### Limitations on Investment Strategies Based on Financial Suitability Responses

The tool may limit delivery of certain specific investment strategies based upon criteria that Fidelity may apply from time to time to the financial information collected.

## Asset Allocation Single-Fund Strategies

### Asset Manager Single-Fund Strategy for Personal Investing Accounts

The tool considers four Fidelity Asset Manager Funds, single-fund strategy mutual funds whose target asset allocations approximate the asset allocations of the diversified target asset mixes used in the tool. (Note: For personal investing accounts, the tool does not consider other fund companies' single-fund strategy funds that may be available.) At the same time, these funds provide an opportunity for enhanced returns through the portfolio manager's ability to alter the mix of holdings based on market dynamics. For this reason, the asset allocation and style characteristics of the Asset Manager funds may deviate from the target asset mixes from time to time within a controlled band.

The Asset Manager funds and the target asset mixes to which they correspond are:

- Fidelity Asset Manager® 20% — Conservative Target Asset Mix
- Fidelity Asset Manager® 50% — Balanced Target Asset Mix
- Fidelity Asset Manager® 70% — Growth Target Asset Mix
- Fidelity Asset Manager® 85% — Aggressive Growth Target Asset Mix

Keep in mind that the Asset Manager fund presented and any related information is only current as of the date provided. Be sure to return to the tool periodically to see if there are changes with respect to the fund identified for the target asset mix you selected. You will not be contacted proactively to do so.

In addition, three other Fidelity Asset Manager funds are available that are also single-fund strategy mutual funds:

- Fidelity Asset Manager® 30%
- Fidelity Asset Manager® 40%
- Fidelity Asset Manager® 60%

These additional funds do not approximate the asset allocations of the diversified target asset mixes used in the tool. Rather, they are additional Fidelity Asset Manager Funds to consider.

### Asset Allocation Single-Fund Strategy Mutual Funds for Workplace Savings Accounts

Your workplace savings account may offer single-fund strategy mutual funds whose target asset allocations approximate the asset allocations of the diversified target asset mixes used in the tool. At the same time, asset allocation funds generally provide an opportunity for enhanced returns through the portfolio manager's ability to alter the mix of holdings based on market dynamics. For this reason, and specifically with respect to the Fidelity Asset Manager Funds, the asset allocation and style characteristics may deviate from the target asset mixes from time to time within a controlled band.

Depending on the available single-fund strategy or strategies in your workplace savings account, the tool will provide a list of available funds that may include Fidelity Asset Manager Funds and/or non-Fidelity single-fund asset allocation strategy mutual fund options. The tool will default to the single-fund strategy mutual fund closest to the equity percent of your target asset mix.

If your workplace savings account offers both Fidelity Asset Manager Funds and non-Fidelity single-fund strategy mutual funds, and there are two available funds with equal equity percentages closest to your target asset mix, a default will

not be provided but you will be able to select from a list of available single-fund strategy funds. You should research the funds presented in the drop-down list to determine which fund most closely matches your target asset mix.

Additional funds shown may not approximate the asset allocations of the diversified target asset mixes used in the tool. Rather, they are additional asset allocation single-fund strategy mutual funds to consider.

Keep in mind that the single fund presented and any related information is only current as of the date provided. Be sure to return to the tool periodically to see if there are changes with respect to the single fund identified for the target asset mix you have selected. You will not be contacted proactively to do so.

Any company stock you hold through a workplace savings plan will not be considered when presenting the single-fund strategy mutual funds; therefore, your portfolio may deviate from your selected asset mix.

**Model Portfolios:** (May not be available in some workplace savings plans or some tax-deferred annuities. Model portfolios are not available for BrokerageLink accounts or tax-deferred annuities.)

A model portfolio investment strategy attempts to closely match your selected target asset mix. While the model portfolio is intended to be consistent with your selected target asset mix, it may not meet your target asset mix exactly.

The process SAI, the tool's developer, applies to building a model portfolio uses investments that have demonstrated, over time, consistency in risk and return relative to an appropriate benchmark. Be sure to return to this tool periodically to see if there are changes in the funds identified for your target asset mix. You will not be contacted proactively to do so.

Model portfolios are not designed to maximize return or predict the highest-performing fund or group of funds within each asset class in the model. Model portfolios are composed of mutual funds chosen in a process that is independent with respect to fund family and investment manager. The tool does not list all investment options that may be available and appropriate for you. See "Step 1: Screening of Investment Options" below.

It is possible that, due to restrictions on certain workplace savings plans, a model portfolio may not be available for one or more of your workplace savings accounts.

### How the Model Portfolio Is Generated

The model portfolio construction process is composed of a series of three well-defined steps, based in part on the target asset mix you select for your goal:

**Step 1:** Screening of investment options

**Step 2:** Performance evaluation and ranking

**Step 3:** Optimization and model portfolio construction

The process attempts to match risk levels (volatility), asset class weights (stocks, bonds, and short-term), equity sector weights (technology, cyclicals, etc.) and foreign stock holdings (which are part of the stock allocation).

The Dow Jones U.S. Total Stock Market Index is used to determine the target sector weights and other domestic stock risk and return characteristics. The MSCI EAFE® Index is used as the foreign stock benchmark. The Barclays U.S. Aggregate Bond Index is the bond asset class benchmark, and was incorrectly called Barclays U.S. 3 Month Treasury Bellwethers Index is the short-term asset class benchmark.



## Step 1: Screening of Investment Options

The first step in the model portfolio construction process is the identification of available investment options that are appropriate for use as building blocks in the model portfolio. This tool does not list or consider all investment options that may be available and appropriate for you. For personal investment accounts, including IRAs, you can select Fidelity mutual funds only, or all available Fidelity and non-Fidelity funds (available through FundsNetwork® without paying a transaction fee), or a Fidelity single-fund strategy.

Note: For workplace savings plans, investment options are limited to those that are available in your workplace savings plan and that are appropriate for use in the model portfolio. In addition, your plan sponsor may limit the plan investment options we consider for use in the tool, and as a result, the model portfolios we create in such circumstances may perform differently than if we were to use your entire plan lineup. For tax-deferred variable annuities, investment options are limited to those that are available in the annuity.

The non-Fidelity mutual funds listed include only those funds available through Fidelity FundsNetwork that do not have transaction fees (no-transaction-fee, or NTF, funds). Non-Fidelity funds that have transaction fees or sales loads available through Fidelity FundsNetwork are excluded from consideration for model portfolios presented in this tool. Fidelity Brokerage Services LLC (FBS) or National Financial Services LLC (NFS) receives other compensation in connection with the purchase and/or the ongoing maintenance of positions in certain mutual fund shares and other investment products in your brokerage account. This additional compensation may be paid by the mutual fund or other investment product, its investment advisor, or one of its affiliates. Additional information about the source(s) and amount(s) of compensation as well as other remuneration received by FBS or NFS will be furnished to you upon written request. FBS or its affiliates receive servicing or distribution fees with respect to NTF funds. In addition, FBS or its affiliates receive compensation for investment management and other services performed for the Fidelity mutual funds and Fidelity annuity funds.

### Mutual Funds

For the selection of mutual funds for the model portfolios, we use the following criteria to create a list of eligible funds:

- Funds have at least \$300M in total net assets.
- Funds have a minimum investment of not more than \$2,500.
- Funds that have at least nine months of daily return data and that are classified according to Morningstar as adhering to a core investment objective are identified. Different class of shares in a mutual fund are generally evaluated separately for length of performance history. For certain funds that do not meet the above performance history criteria (such as a new institutional class of shares, a new index fund, or a clone of an established fund), SAI may substitute the characteristics of a very similar fund or index (such as the retail class of shares in the same fund, the index that a new fund seeks to track, or the established fund that the clone seeks to emulate). In this way, the fund can be evaluated for potential inclusion in the model portfolio. Performance information for publicly available mutual funds is obtained from an independent third-party vendor. Funds closed to new investors are excluded from consideration.

Note: For workplace savings plans, investment options are limited to those that are available in your workplace savings plan. In addition, your plan sponsor may limit the plan investment options we consider for use in the tool, and as a result,

the model portfolios we create in such circumstances may perform differently than if we were to use your entire plan lineup. We do not apply the total net assets or the minimum investment criterion in creating multiple-fund model portfolios for these plans.

### Other Investment Options in Workplace Savings Plans

Often employer-sponsored workplace savings plans include non-mutual fund investments. These investments (for instance, separately managed accounts, commingled managed income pools, fixed annuities, and proprietary funds) are not reported by Morningstar, so Strategic Advisers relies on the information provided by Fidelity affiliates, third-party sources, or the plan sponsor to evaluate the investment options. The returns-history screening criteria stated previously for mutual funds are also applied to these non-mutual fund investments.

### Complementary Portfolio

The model portfolio of mutual funds delivered through Portfolio Review can, in certain circumstances, be modified to complement existing holdings that a customer chooses to retain (lock) in whole or in part. The universe of investment holdings eligible to be locked is limited to 1) a universe of diversified domestic equity mutual funds (based on a list of qualifying Morningstar categories defined by Fidelity [SAI]), 2) diversified domestic equity custom funds (separate accounts, collective investment trusts, etc.) as characterized by Fidelity, and 3) a limited universe of individual common stocks trading on domestic exchanges. In the situation where a participant owns company stock that has insufficient [return history for evaluation](#), Strategic Advisors, Inc., will apply a proprietary methodology to approximate the company's stock market risk. This calculation provides an approximation; therefore, there is no guarantee that it reflects the company's actual stock-specific risk. Other types of investments, such as fixed income or international investments, are not eligible at this time.

### What Is a Complementary Portfolio?

The initial model portfolio of mutual funds presented is composed of investment options that, in aggregate, meet the asset allocation objectives of your selected investment strategy, or target asset mix (TAM) and is estimated to provide a risk profile consistent with that TAM.

The complementary model portfolio is selected from among 102 model portfolios. They include models with a mix of short-term and bond investments and equity weights from 0% to 100% in 1% increments, and an all short-term mix.

The primary focus of the complementary model process is on matching the total risk of portfolios with the total risk of the TAM. The process evaluates both beta (systematic risk) and relative volatility (systematic and non-systematic) of the retained positions, and identifies the complementary model that, combined with any retained positions, provides a risk profile that attempts to closely approximate that of the TAM.

### Limitations of Complementary Models

Deciding to keep one or more existing positions in your portfolio may result in an investment strategy that does not correspond with your chosen target asset mix and may not effectively diversify your portfolio. Holding concentrated positions in individual securities may lead to the suggestion of a complementary model portfolio composed extensively or exclusively of bond and short-term funds in an attempt to offset some of the risks associated with those concentrated positions. This may lead to an overall portfolio for which the asset allocation deviates significantly from that of the selected TAM. If, as

a result of your retained positions, your investment strategy includes concentrated positions and/or is unable to achieve your desired target asset allocation, stock style, and/or bond style, you should carefully consider whether that strategy is appropriate for you.

The goal of the complementary model portfolio is, to the extent possible, to combine with positions retained by the customer to deliver a total risk profile that most closely approximates that of the selected TAM. Concentrated positions include, to varying degrees, elements of stock-specific, nondiversifiable risk that cannot be effectively addressed (mitigated) with a complementary portfolio. It is important to understand that if you hold a significant amount of any single investment, particularly an individual security, the model portfolio of mutual funds presented by Fidelity may not be able to fully offset the security-specific risks associated with that investment, and your portfolio may not be appropriately diversified. By presenting a model portfolio around any positions that you have chosen to retain, Fidelity is not endorsing or otherwise assessing the advisability of retaining any existing positions.

### **Municipal Bond Fund Substitution**

In certain situations, Tool users with taxable account(s) will have the ability to substitute national municipal bond fund(s) for taxable bond fund(s) in their model portfolio. When a taxable account(s) is assigned to a goal, a model portfolio is requested, and the model portfolio contains fixed income fund(s) in the "Buy" list, the Tool will provide educational information about municipal bond fund considerations and the ability for users to substitute national municipal bond fund(s) for taxable bond fund(s) in their taxable account(s). National municipal bond fund(s) presented in this area, are presented by using Fund Picks from Fidelity® selection criteria. State specific municipal bond fund(s) may be substituted in a model portfolio by using the Tool's fund substitution functionality.

### **Other Investment Exclusions**

Certain investments may be excluded from the multiple-fund model portfolios. For example, investment strategy funds, including asset allocation funds and lifecycle funds, are usually excluded because they are designed for people who want to diversify their savings through a single investment vehicle. You may compare your single-fund strategy investments to the multiple-fund model portfolios in the tool. We also usually exclude specialty funds like sector or regional funds, as defined by Morningstar, and separately managed accounts with similar investment objectives when the plan offers enough diversified investment options. In addition, your plan sponsor may limit the plan investment options we consider for use in the tool, and as a result, the model portfolios we create in such circumstances may perform differently than if we were to use your entire plan lineup.

### **Step 2: Performance Evaluation and Ranking**

Once the universe of investment options has been screened, the tool evaluates the historical performance of the eligible investments. (See "Historical Performance.") Through a proprietary statistical approach in which SAI uses return data, each investment's total return is adjusted based on its exposure to the overall market and to different types of securities and risks within the market. In this way, the investment's "alpha" or "excess return" can be identified. In other words, the investment's return is adjusted for the performance of the average security in the market, and any return left over, positive or negative, is a measure of the risk-adjusted return. The alpha, or

risk-adjusted excess return, is used as an assessment of the ability of a particular investment to enhance returns over time through security selection. Depending on the weight of the asset classes in the investment, the tool uses one of three different multifactor analysis engines. Each of these models produces a number of specific evaluations for each investment. Specifically:

- Alpha (risk-adjusted excess return)
- Factor loadings for risk exposures
- Significance tests on all alphas and parameters
- Consistency of risk characteristics

These parameters are used in the subsequent screening and model portfolio construction steps of the methodology.

### **Step 3: Optimization and Model Portfolio Construction**

The model portfolio construction process uses an optimization approach to select and weight a set of candidate investment options whose overall risk characteristics, when viewed as a portfolio, are similar to those of the model target asset mix. After applying the techniques above, the optimization process identifies the portfolio of investments that has the best risk-adjusted return for the least amount of tracking error relative to the benchmark. All performance and risk evaluations for all candidate investment options are considered simultaneously in the decision process. The model's tracking error is judged relative to the target asset mix.

### **Policy Requirements**

We require that the amount allocated to any one pooled stock investment is not less than 5% of your total assets. The 5% minimum limits the total number of investments in a model portfolio so that each position has a meaningful impact in the model portfolio. For workplace savings accounts, there are no maximum weight limits for any given option. However, the asset allocation process discourages highly concentrated positions by recognizing the relative magnitude of each option's weight. This is done to provide for portfolio manager and specific investment option diversification, and is explicitly designed to capture the specific risk of each investment option.

### **Treatment of Stable-Value Investments** (if available in your workplace savings plan)

With respect to any stable value option within a plan lineup, SAI will use the stable value option as the cash portion of the model portfolios, making the assumption that the underlying assets held by the stable value portfolio have volatility characteristics and returns of a short-term investment-grade bond index. The performance of any stable value portfolio may vary over time and, in certain circumstances, may or may not match the results of the proxy index. We may exclude the stable value option if we learn of any extraordinary circumstances that may, in our judgment, have possible harmful effects on the overall portfolio.

As with any portfolio construction, the tool model portfolio attempts to come as close as possible to the target asset mix, but may not meet the target asset mix exactly.

### **Updates to the Model Portfolios**

The model portfolio represents SAI's model portfolio for the selected target asset mix only as of the date it is provided. You must return to the tool periodically to see if any changes have been made to the model portfolio. You will not be contacted proactively to do so. The model portfolios are reviewed and, if warranted, updated quarterly. For workplace savings plans,

model portfolios are reviewed and, if warranted, updated monthly. They may be reviewed more often if SAI determines in its discretion that more frequent reviews are necessary.

Note for customers in employer-sponsored workplace savings plans: Changes in the options available in a plan may cause Fidelity to review and update the suggested model portfolios associated with that plan. Fidelity, however, will not proactively contact you about any such changes.

**MAPR (Multiple Accounts Portfolio Rebalancing Solver)** (Not available for Workplace Savings Plans)

For customers who may have designated multiple personal investing accounts to a goal, the tool has the ability to run a trade allocation process to help you to determine which funds to buy in which accounts. This process, called MAPR (Multiple Accounts Portfolio Rebalancing Solver), identifies for your consideration one possible trade list for each specific account assigned to a model portfolio. In general, the account assignment solver seeks to:

- Ensure fund minimums are met for each fund in the model
- Match the model position for each fund (+/- 5%)
- Control the overall number of trades
- Minimize the cash left over after each trade (generally maintaining an approximate 2% cash buffer on sales to accounts for market fluctuation)

The Trade List merely illustrates one possible way of implementing the portfolio across multiple non-workplace accounts. In general, it seeks to minimize the number of trades necessary to implement the model portfolio's percentage allocation for each fund. The Trade List does not consider factors such as transaction or redemption fees, tax consequences of transactions (including with regard to wash-sale transactions), or margin balances, and you should consider these factors and your personal circumstances prior to implementing the model portfolio.

The MAPR process runs when a user proceeds from the model portfolio (or personal choice portfolio) page to the Action Plan page. MAPR may vary the amount of funds to buy within a particular account. However, it does not change the list of funds nor the percentage of each fund across the model or personal choice portfolio. Note that MAPR does not differentiate between a tax-advantaged and a taxable account.

Accounts eligible to be run through MAPR include Fidelity Personal Investment accounts, including tax-advantaged and taxable accounts, but does not include Fidelity recordkept workplace savings accounts, annuities available through Fidelity, or any accounts held outside of Fidelity.

### **Personal Choice Portfolio**

A Personal Choice Portfolio may be presented prior to the Action Plan page. A Personal Choice Portfolio is a portfolio that has been adjusted by the user from the original model portfolio presented by Fidelity and may include any locked down positions or fund substitutions made by the user during the Guidance interaction.

### **Hypothetical Trading** (not available for workplace savings plans)

Hypothetical trading lets you see the potential impact of buy and sell transactions on your portfolio and the potential impact they may have on asset allocation, concentration, and stock and bond styles. It also lets you save your buy transactions to a watch list for future reference.

### **Fund Picks from Fidelity® Selection Criteria** (not available in workplace savings plans)

Within both hypothetical trading and the model portfolio, you can hypothetically purchase various funds, including Fund Picks from Fidelity®. Through the municipal bond fund substitution functionality, you can also choose to substitute a national municipal bond fund for a taxable bond fund in their model portfolio by using Fund Picks from Fidelity. In these instances, the funds' presented display in investment categories created by Strategic Advisers. Investment categories identify funds according to their historical investment styles as measured by portfolio statistics and composition over the past three years. Strategic creates the investment categories used in Fund Picks from Fidelity by combining similar Morningstar, Inc., Investment Categories.<sup>1</sup>

For reference, Fund Picks from Fidelity also identifies the current investment style, which is provided by Morningstar and reflects a fund's investment approach as determined by its currently available portfolio composition data.<sup>2</sup>

The funds on the Fund Picks from Fidelity list are selected on a quarterly basis based on the screening criteria described below. Fund Picks from Fidelity is not a personalized recommendation or endorsement of any fund for an investor's individual circumstances.

<sup>1</sup> Before applying the screening criteria, Strategic Advisers makes minor refinements to certain Morningstar Investment Categories: Short-Term Bond and Short-Term Government categories are combined and labeled as Short-Term Taxable Bond Category; Intermediate-Term Bond and Intermediate-Term Government categories are combined and labeled as Intermediate-Term Taxable Bond Category; Long-Term Bond and Long-Term Government categories are combined and labeled as Long-Term Taxable Bond Category. Conservative Allocation and Moderate Allocation are combined and labeled as Domestic Hybrid. Additionally, the Foreign Stock category is modified to represent only the foreign stock funds that have an investment objective of foreign stock and the following categories: Foreign Large Blend, Foreign Large Value, Foreign Large Growth, Foreign Small/Mid Value, and Foreign Small/Mid Growth. The domestic equity categories (Large Blend, Large Growth, Large Value, Mid Blend, Mid Growth, Mid Value, Small Blend, Small Growth, and Small Value) only include funds with the following investment objectives: Growth, Growth & Income, Income, Equity Income, Small Company, and Aggressive Growth.

<sup>2</sup> Data provided by Morningstar, Inc. © 2015. All rights reserved. The information contained herein is the proprietary information of Morningstar, Inc., and may not be copied or redistributed for any purpose. Fidelity and Morningstar are not affiliated and neither represents or warrants the data contained herein to be accurate, correct, complete, or timely and neither shall be responsible for the results obtained from its use. Morningstar, Inc., has not granted consent for it to be considered or deemed an "expert" under the Securities Act of 1933.

<sup>3</sup> Fidelity reserves the right to change the funds available without transaction fees and to reinstate the fees on any funds. Fidelity will charge a short-term trading fee each time you sell or exchange shares of FundsNetwork NTF funds held less than 180 days (short-term trade). If these funds are held for more than 180 days, they may be sold without a short-term trading fee. Fidelity funds, money market funds, funds redeemed through the Personal Withdrawal Service, and shares purchased through dividend reinvestment may be sold without this fee. The fee will be based on the following schedule:

- Online: \$49.95 for most funds. Certain funds will have a transaction fee of \$75. To identify any applicable transaction fees associated with the purchase of a given fund, please refer to the "Fees and Distributions" tab on the individual fund page on Fidelity.com.
- Fidelity Automated Service Telephone (FAST®): 25% off representative-assisted rates; maximum: \$187.50, minimum: \$75
- Representative-assisted: 0.75% of principal; maximum: \$250, minimum: \$100

## Screening Criteria

The universe of funds available for consideration in Fund Picks from Fidelity comprises two groups: 1) Fidelity funds, and 2) FundsNetwork funds and Fidelity funds that are available through Fidelity without paying a transaction fee ("NTF funds"). There are additional funds available through FundsNetwork subject to paying a transaction fee and/or sales load that you may wish to evaluate using Fund Evaluator.<sup>3</sup>

The Fidelity funds group and FundsNetwork NTF funds are independently screened by Strategic Advisers to include only open-ended funds that are open to new investors with a minimum investment of not more than \$2,500. The funds must also meet a \$300 million total net asset threshold. The asset threshold is lowered for certain categories. For mid-cap categories, the threshold is \$200 million. For small-cap and sector fund categories, the threshold is \$100 million. The funds are further screened to include only those funds that have a minimum of three years' performance history. Finally, funds in the bottom three-year performance quartile for their respective investment categories are eliminated.

We then select the funds with the highest three-year risk-adjusted return (Sharpe ratio) within their respective investment category. The results of these screens are displayed within each investment category in two alphabetically sorted lists: 1) a list of up to five NTF Fidelity mutual funds, and 2) a list of up to five Fidelity mutual funds and FundsNetwork mutual funds that are available at Fidelity without paying a transaction fee.

The performance data featured represents past performance, which is no guarantee of future results. Share price, yield, and return will vary and you may have a gain or loss when you sell your shares. Mutual fund performance fluctuates and currently may be significantly lower than stated. Periods of market strength may not be repeated.

### High, Medium, Low Indicator for Portfolio Characteristics

Fund Picks from Fidelity also provides users with relative indicators for certain portfolio characteristics of the mutual funds displayed.

#### *Standard Deviations*

Low: Less than or equal to 5

Medium: More than 5, but less than or equal to 15

High: More than 15

#### *Correlations to Benchmark*

Low: More than -1, but less than or equal to 0.7

Medium: More than 0.7, but less than or equal to 0.95

High: More than 0.95

#### *Portfolio Turnover*

Low: More than 0%, but less than or equal to 50%

Medium: More than 50%, but less than or equal to 100%

High: More than 100%

In addition, if you place more than 15 short-term trades in a 12-month period in your account, Fidelity will charge a transaction fee each time you purchase or exchange shares, including automatic investments of FundsNetwork funds (typically available without paying a transaction fee or load) in that account for the following 12 months. Fidelity funds, money market funds, funds redeemed through the Personal Withdrawal Service, and shares purchased through dividend reinvestment are excluded from this fee.

Please be aware that certain FundsNetwork funds may be subject to separate and additional redemption fees imposed by the particular fund. Please refer to that fund's current prospectus for details.

Fidelity Brokerage Services (FBS) or National Financial Services (NFS) receives other compensation in connection with the purchase and/or the ongoing maintenance of positions in certain mutual fund shares and other investment products in your brokerage account. This additional compensation may be paid by the mutual fund or other investment product, its investment advisor or one of its affiliates. Additional information about the source(s) and amount(s) of compensation as well as other remuneration received by FBS or NFS will be furnished to you upon written request.

Fidelity mutual funds are managed by Fidelity Management & Research Company. Fidelity Freedom Funds are managed by Strategic Advisers, Inc., a Fidelity Investments company. Non-Fidelity funds are managed by non-Fidelity entities.

## Single-Fund and/or Lifecycle Fund Strategies with Company Stock Positions

If offered through your plan, you may view portfolios that may be achieved with a single fund by selecting Single-Fund Strategy or Lifecycle Strategies. If you select Single-Fund Strategy, any company stock you hold will not be considered, and your portfolio may deviate from your selected target asset mix. If you select Lifecycle Strategies, the Fidelity Freedom Fund that may be available will not be based on your selected target asset mix and will not account for the potential impact of any company stock holdings.

## Lifecycle Investment Strategies

### Fidelity Freedom Funds for Personal Investing Accounts

The Fidelity Freedom Funds are presented and designed as lifecycle investment strategy funds designed for investors seeking a single-fund timeline retirement investment for all or a portion of their assets. (Note: For personal investing accounts the tool does not consider other fund companies' lifecycle funds.) Each Freedom fund is aligned to a target retirement date and not to a selected target asset mix. Each Freedom fund is composed of Fidelity funds invested in a combination of domestic and international equity funds, investment-grade and high-yield fixed-income funds, and short-term funds. The investment mix among equity, fixed-income, and short-term funds is allocated to align with a target retirement date, with the allocation generally becoming more conservative over time. For example, Fidelity Freedom<sup>®</sup> 2040 Fund, which is designed for investors planning to retire around the year 2040, initially has a substantial portion of its assets invested in equity funds, and a modest portion of its assets invested in fixed-income funds. After the fund reaches its target retirement date of 2040, it continues becoming more conservative for 10 to 15 years, until it reaches an asset allocation approximating the Freedom Income Fund, designed for investors in retirement, with an asset allocation mix more heavily weighted in fixed-income and short-term funds. Please note that principal invested in a Freedom Fund is not guaranteed at any time, including at or after the fund's target date.



## Lifecycle Investment Strategies for Workplace Savings Accounts

The lifecycle funds are presented and designed for investors seeking a single-fund timeline retirement investment for all or a portion of their assets. Each lifecycle fund is aligned to a target retirement date and not to a selected target asset mix.

- If you (or your spouse/planning partner) have an anticipated retirement age that is 10 years or more above/below age 65, the tool will not display a default fund.

If your workplace savings account offers Fidelity Freedom Funds, non-Fidelity lifecycle funds, or offers both Fidelity Freedom Funds and non-Fidelity lifecycle funds, the tool will provide a list of the available lifecycle funds in the plan, which you will then be able to select from. You may research the funds presented in the list to determine which fund most closely matches your retirement time horizon.

If Fidelity Freedom Funds are available in your workplace savings account, each Freedom fund is composed of Fidelity funds invested in a combination of domestic and international equity funds, investment-grade and high-yield fixed-income funds, and short-term funds. The investment mix among equity, fixed-income, and short-term funds is allocated to align with a target retirement date, with the allocation becoming more conservative over time. For example, Fidelity Freedom® 2040 Fund, which is designed for investors planning to retire around the year 2040, initially has a substantial portion of its assets invested in equity funds, and a modest portion of its assets invested in fixed-income funds. After the fund reaches its target retirement date of 2040, it continues becoming more conservative for 10 to 15 years, until it reaches an asset allocation approximating the Freedom Income Fund, designed for investors in retirement, with an asset allocation mix more heavily weighted in fixed-income and short-term funds. Please note that principal invested in a Freedom Fund is not guaranteed at any time, including at or after the fund's target date.

Note: The tool does not consider any custom timeline funds that may be available in a workplace savings plan.

### Alert for Equity Holdings

The tool alerts you if there is a differential greater than 10% between the total domestic and foreign equities portion of the asset allocation of the selected Freedom fund and the total domestic and foreign equities portion of the selected target asset mix for your retirement goal.

Example:

Hypothetical Freedom Fund	Selected	Target Asset Mix
Domestic Equity	50%	45%
Foreign Equity	15%	5%
Bonds	25%	40%
Short-Term	25%	10%

$$(50\% + 15\%) - (45\% + 5\%) = 15\%$$

### 529 College Savings Plans

529 college savings plan accounts are flexible accounts designed specifically for college savings. Qualified distributions from a 529 plan account are federal income tax free. The plans were named after Section 529 of the IRS code that created them. Each 529 plan is state sponsored, and most are managed by a financial services company. Residents of any state can invest in most state plans.

Units of the portfolios are municipal securities and may be subject to market volatility and fluctuation.

### How the Tool Selects a Plan for Your Consideration

When you set a college savings goal, the tool defaults to the 529 college savings plan and age-based portfolio based on your state of residence (if available) and age of designated beneficiary, respectively. The suggested age-based portfolio will most closely match the education time horizon for your beneficiary. Your state of residence is determined by your address of record. If you are a New Hampshire, Massachusetts, Arizona, or Delaware resident, the tool will default to the 529 plan offered by New Hampshire, Massachusetts, Arizona, or Delaware, respectively. All four of these states' plans are managed by Fidelity. If you are not a resident of these four states, the tool will default to the UNIQUE College Investing Plan, which is the 529 plan offered by the state of New Hampshire and is managed by Fidelity. The 529 plan and age-based portfolio are not selected based on your target asset mix results or risk tolerance. You may opt for the suggested option, select an alternate 529 plan and/or portfolio managed by Fidelity from the drop-down menu, or go to [savingforcollege.com](http://savingforcollege.com) for information on a 529 plan offered by your or the designated beneficiary's home state. The [savingforcollege.com](http://savingforcollege.com) Web site is unaffiliated with Fidelity. Fidelity has not been involved in the preparation of the content supplied at the unaffiliated site and does not guarantee or assume any responsibility for its content.

Note: Some states offer favorable tax treatment to their residents only if they invest in their own state's 529 plan. If you or the designated beneficiary are not a Massachusetts, New Hampshire, Arizona, or Delaware resident, you may want to consider, before investing, whether your or the designated beneficiary's home state offers its residents a plan with alternate state tax advantages or other benefits.

Age-based portfolios (composed of actively managed funds) invest in a variety of stocks or bonds. These funds seek to outperform a major market index over the long term through active management; therefore, may carry a greater risk than index funds. These mutual funds are managed by dedicated portfolio managers who are making investment decisions backed by Fidelity's proprietary investment research.

Age-based portfolios (composed of index funds) invest in stocks or bonds that are included in a specific index (such as the Standard & Poor's® 500 Index). These funds seek to mirror the performance and risk of a major market index over the long term. Index funds are generally able to keep transaction costs and other expenses relatively low, because the portfolio manager is not engaged in active trading trying to outperform the index.

To determine the appropriate 529 plan for the student's time frame, the tool uses the following calculation:

1. Your state of residence: If you are a New Hampshire, Massachusetts, Arizona, or Delaware resident, the tool will default to the appropriate age-based portfolio in the UNIQUE College Investing Plan (offered by the state of New Hampshire), U.Fund College Investing Plan (offered by MEFA), Fidelity Arizona College Savings Plan (offered by the Arizona Commission for Postsecondary Education), or the Delaware College Investment Plan (offered by the state of Delaware). If you are a resident of any other state, the tool will default to the appropriate age-based portfolio in the UNIQUE College Investing Plan. You may opt for this option or go to [savingforcollege.com](http://savingforcollege.com) for information on a 529 plan offered by your or the designated beneficiary's home state.

2. The beneficiary's date of birth is matched to the age-based portfolio that is designed to reflect the year in which the beneficiary is anticipated to turn 18 and start college.

*Example:*

#### **Input Data**

Student's Date of Birth = 6/1/2002

Current Year = 2009

State of Residence = MA

#### **Calculation**

Student's Year of Birth = 2002

529 Plan Selection = MA Portfolio 2021

## **HISTORICAL PERFORMANCE**

The historical performance analysis is a way of analyzing how various asset classes in particular allocations may have performed based on historical market data. Analysts use historical data to estimate the potential risk and returns of various asset classes, industry sectors, and investment styles.

Using benchmark data, the tool analyzes how hypothetical portfolios with asset mixes (of stocks, bonds, and short-term) similar to each target asset mix might have performed historically in the time frame similar to the one you indicated for your goal. We provide highest and lowest annual performance analysis using historical returns for the period from 1926 to the end of the previous calendar year (when it becomes available), as well as an analysis that identifies the best and worst cumulative performance over certain time horizons.

The goal of the analysis is to show how the asset classes within a hypothetical portfolio might have performed in real markets of the past. Once you've viewed the historical information, you can use the best- and worst-case scenarios presented to better understand your risk exposure and tolerance for a particular target asset mix.

*Note:* Historical performance figures do not represent the actual or hypothetical performance of individual securities. Each target asset mix's performance figures are based on the weighted average of annual return figures for certain benchmarks for each asset class represented in the target asset mix. Historical returns for the various asset classes are based on performance numbers provided by Ibbotson Associates in the *Stocks, Bonds, Bills, and Inflation (S&P) 2010 Yearbook* (annual update work by Roger G. Ibbotson and Rex A. Sinquefeld). Domestic Stocks are represented by the S&P 500® Index; bonds are represented by U.S. Intermediate Term Government Bonds; and short-term assets are based on the 30-day U.S. Treasury Bill. Foreign equities are represented by the MSCI EAFE Index for the period from 1970 to the last calendar year. Foreign equities prior to 1970 are represented by the S&P 500® Index. Average annual returns are hypothetical, and, if achieved annually, would have produced the same cumulative total return if performance had been constant over the entire period. Average annual total returns simply smooth out variation in performance; they are not the same as actual year-by-year results. Past performance is no guarantee of future results.

## **ANALYSIS OF YOUR PORTFOLIO**

### **Investment Data**

Independent sources provide the holdings data the tool uses to classify financial assets.

**Stock Data** — S&P's Compustat, SunGard's Fame, and Morningstar provide individual stock data. The "other" category includes non-asset class holdings (e.g., derivative securities, options, warrants, precious metals, REITs) in some of your investments, as well as some 529 plan college investment trust holdings.

In the case of individual securities held within a workplace savings account, the tool determines the industry sector of the individual security using the same parameters as the third-party vendor providing underlying holdings data for publicly available funds. In the rare instances in which such data is unavailable from the third-party vendor, Strategic Advisers, Inc., a Fidelity Investments company, determines the industry sector using publicly available information. If the information is unavailable, the holdings will be classified as "unknown."

**Fund Data** — Independent third-party vendors—Morningstar, Bloomberg, and Datastream—supply data monthly (including asset allocation, equity industry sector, equity style, and foreign vs. domestic classifications) for publicly available funds. Note that data provided by third party vendors may not be current.

In some cases (e.g., newer funds), Morningstar may not have holdings information; therefore, such funds are classified as "unknown." In other cases, Morningstar may not recognize all the holdings within a fund. In these cases, Morningstar provides analysis only on the recognized portion of the fund. In this case, the unrecognized holdings are classified as "unknown."

*For workplace savings plan accounts and 529 plan accounts:* Fidelity affiliates, plan sponsors, and external money managers provide quarterly performance data for proprietary mutual funds and other pooled investment options unique to certain retirement plans (such as commingled pools or separate accounts). If current quarterly holdings are unavailable, the latest available data is used. In the event this data is also unavailable, the assets will be classified as "unknown."

Investment information provided to Strategic Advisers, Inc., is not based on contemporaneous data. Strategic Advisers, Inc., is not responsible for the accuracy of data provided by third parties.

**Bonds** — Standard & Poor's, Moody's, Bloomberg and Lipper provide credit rating and duration information on individual bonds. Morningstar provides credit rating and duration information on bond funds. Lipper Inc. provides sector information on bond funds.

**Other Considerations** — As stated above, the tool may not be able to analyze certain investments when information is unavailable. The tool may also not be able to analyze or display the effect of certain derivative and non-traditional alternative investments either directly held by you or through securities that invest in them, including but not necessarily limited to options; warrants; REITs; commodities; futures; hard assets (e.g., precious metals, etc.); hybrid securities; 130/30 strategies; short positions; leveraged or debt strategies; or inverse strategies, including mutual funds, ETFs, ETNs, and UITs that invest in such non-traditional alternative investment strategies. Accordingly, investors should not rely on the tool's results when



analyzing or modeling such investments. Investors should also carefully consider any analysis that is shown as “Other” or “Unknown,” particularly when it represents a significant percentage of their portfolio.

### Interpreting Your Analysis

To help you identify how you can adjust your portfolio, the analysis quickly summarizes your asset allocation, concentration among individual stock positions, stock style diversification, and bond style diversification. A color-coding system is used as follows:

- A red icon indicates an aspect of your portfolio that appears to depart significantly from your target asset mix or the indices we’ve selected as benchmarks for the overall domestic bond or stock markets.
- A yellow icon indicates an aspect of your portfolio that appears to depart less significantly from your target asset mix or the indices we’ve selected as benchmarks for the overall domestic bond or stock markets.
- A green icon indicates an aspect of your portfolio that is relatively close to your target asset mix or the indices we’ve selected as benchmarks for the overall domestic bond or stock markets

**Note:** You will receive a message indicating that there is insufficient data if we cannot identify a significant portion of your stock or bond holdings.

If more than one area of your portfolio is red or yellow, we suggest you address them in the following order:

1. Asset Allocation
2. Concentration
3. Domestic Stock Style
4. Bond Style

**Note:** Workplace savings plan rules may restrict you from making certain exchanges.

Below are the specific rules for how we conduct the analysis. Note that for purposes of this analysis, the Portfolio Review tool does not make a distinction between diversified and non-diversified funds. Nondiversified funds, such as sector and region- or country-specific funds, are assumed to be diversified portfolios. Nondiversified funds may pose risks that this tool will not identify.

### Asset Allocation

**Green** — If your current or hypothetical asset allocation among domestic and foreign stocks is within 10% of your selected target asset mix, it appears you are on target. Check the other aspects of the analysis, but continue to monitor your asset allocation on an ongoing basis.

**Yellow** — If your current or hypothetical asset allocation among domestic and foreign stocks is within 10% to 25% of your selected target asset mix, it appears you are off your target. Consider rebalancing your portfolio to bring it closer to your selected target asset mix.

**Red** — If your current or hypothetical asset allocation among domestic and foreign stocks is off by more than 25% from your selected target asset mix, it appears you are significantly off your target. We suggest you consider rebalancing your portfolio soon to bring it closer to your selected target asset mix.

### Concentration

Please note that for manually entered accounts specifically, the proposed analysis depends on the level of detail you provide. Fidelity encourages you to provide position-level detail for a more comprehensive assessment of your account. If you have significant net worth concentrated in a single stock, please consult your financial or tax advisor.

In evaluating concentration, we only consider individual stock and bond positions within your accounts; we do not look through to the underlying stock or bond positions in mutual funds or other pooled investment options you may hold.

**Green** — If you do not hold individual stocks or bonds from a single issuer (except Treasury or municipal general obligation bonds [GO bonds] issues) that represent 5% or more of your assets assigned to this goal, your portfolio does not appear to be concentrated in any one position. Check the other aspects of the analysis, but continue to monitor your concentration on an ongoing basis.

**Yellow** — If you hold only one individual stock or bonds from a single issuer that represent between 5% and 10% of your goal assets or

- you hold two of these and that total represents  $\leq$  15% of your mix or
- you hold three of these and that total represents  $\leq$  20% of the mix, your portfolio may be concentrated in those positions.

**Red** — If you hold only one individual stock or bond from a single issuer that represents more than 10% of your total investment mix or

- you hold two of these and that total represents  $>$  15% of the mix or
- you hold three of these and that total represents  $>$  20% of the mix or
- you hold more than four concentrated positions, your portfolio may be significantly concentrated in those positions.

In any of these conditions, consider rebalancing your portfolio soon to avoid concentrating too much of your portfolio’s risk in these securities.

### Domestic Stock Style

**Note:** Foreign stock holdings in funds that are classified as domestic stock are included in the domestic stock style analysis.

**Green** — Your current portfolio’s domestic stock style diversification tracks reasonably closely to the Dow Jones U.S. Total Stock Market Index, as measured by estimated tracking error. Check the other aspects of the analysis, but continue to monitor your domestic stock style diversification on an ongoing basis.

**Yellow** — Your current portfolio’s domestic stock style diversification does not closely track the Dow Jones U.S. Total Stock Market Index, as measured by estimated tracking error.

**Red** — Your current portfolio’s domestic stock style tracks significantly differently from the Dow Jones U.S. Total Stock Market Index, as measured by estimated tracking error.

### Bond Style

The Barclays U.S. Aggregate Bond Index was selected as a benchmark of the overall domestic bond market.

**Green** — Your current portfolio’s domestic bond style diversification tracks reasonably close to the Barclays U.S. Aggregate Bond Index and lies within either the Investment Grade-Short Term or Investment Grade-Intermediate Term box.

**Yellow** — Your current portfolio’s domestic bond style diversification does not closely track to the Barclays U.S. Aggregate Bond Index and lies within the Investment Grade-Long Term, Non-Investment Grade-Short Term, or Non-Investment Grade-Intermediate Term box.

**Red** — Your current portfolio’s domestic bond style diversification tracks significantly differently from the Barclays U.S. Aggregate Bond Index and lies within the Non-Investment Grade-Long Term box.

**Gain/Loss Analysis Calculations** (not applicable to employer stock plans, annuities, or tax-advantaged accounts such as IRAs, workplace savings plans, including BrokerageLink assets, and 529 college savings plans)

The tool calculates the estimated gain or loss resulting from a proposed hypothetical trade if modeled in a taxable account held at Fidelity Personal Investments for which we have the needed tax-lot accounting information. The tool also displays estimated cost basis and holding period information, if available, on hypothetical trades, as well as on certain other screens, such as those for concentrated positions. Note that estimated cost basis, potential gain or loss, and holding period information may not reflect all adjustments necessary for tax-reporting purposes.

**Cost Basis per Share** — The calculated cost of one share of the security. Cost basis is generally the original amount paid for shares of a security, including the amount of reinvested dividends and capital gains, plus or minus certain adjustments. If the position is held short, this amount represents the proceeds per share. Cost basis per share must be ascertained in order to determine the gain or loss from a sale or other disposition of property.

The tool estimates cost basis using the average cost–single category (ACSC) method for open-end mutual funds and other securities. For tax-reporting purposes, the ACSC cost-basis method may not be the most appropriate method for an individual taxpayer with respect to mutual fund positions, nor is such a method available to be used with respect to individual securities other than open-end mutual funds.

**Potential Gain/Loss** — The tool estimates the amount that could potentially be realized upon the sale or other disposition of mutual funds and securities after cost basis is subtracted from the market value, based on the previous market day’s closing price. **Holding Period** — The period that the shares have been held since the acquisition date. Possible holding periods are as follows:

- Long: the shares were held for more than one year
- Short: the shares were held for one year or less
- Fractured: the shares were held for a combination of holding periods
- Unknown: Fidelity has no record of the holding period

Be sure to verify estimated cost basis, potential gain or loss, and holding period information provided against your own records when calculating reportable gain or loss resulting from a sale. Estimated cost basis, potential gain or loss, and holding period information is not reported to the IRS. Fidelity is not responsible for the accuracy of such information you may be required to report to federal, state, and other taxing authori-

ties. Be sure to consult your tax advisor to discuss issues specific to your situation.

### Receiving a Suggested Target Asset Mix

You can receive a suggested target asset mix by completing our Investor Profile Questionnaire (IPQ). In order to suggest a target asset mix to you, the tool takes into consideration what type of investor you are, how long you have until you need to begin withdrawing the money, your overall financial situation, and how much investment risk you are willing to take. You provide this information to the tool through an Investor Profile Questionnaire (IPQ).

The IPQ is composed of a series of questions that are categorized into three components. Most of these questions are multiple choice. Each question is given a score and a weight. The three components that make up your IPQ score are: 1) time horizon; 2) financial situation; and 3) risk tolerance. Each of these components is made up of the following factors:

1) Time Horizon	2) Financial Situation	3) Risk Tolerance
<ul style="list-style-type: none"> <li>• Number of years prior to goal start</li> <li>• Chance of early withdrawal for your goal</li> <li>• Annual contribution</li> <li>• Annual withdrawal amount (if less than 4 years until retirement)</li> </ul>	<ul style="list-style-type: none"> <li>• Amount in your emergency fund</li> <li>• Overall financial situation</li> <li>• Current asset allocation for assets both in the goal and out of the goal, but in your portfolio</li> <li>• Essential expense/discretionary expense</li> <li>• Age and income</li> </ul>	<ul style="list-style-type: none"> <li>• Investment knowledge</li> <li>• Investment experience/years in the market</li> <li>• Level of risk tolerance</li> <li>• “Bail out” likelihood, i.e., your tendency to want to sell your investment if the market takes a downturn</li> </ul>

A target asset mix is generated by an algorithm, which evaluates your responses and scores. The scoring algorithm is sensitive to the specific combination of answers you might give in each of the three sections.

Of these components, your IPQ score is most dependent upon time horizon, specifically, the number of years prior to the year in which you will begin to withdraw the money for your goal. While financial situation gives us an overall estimate of your financial flexibility and ability to withstand any losses in your portfolio, and risk tolerance gives us an estimate of your personal attitudes toward investment risk, these estimates also impact final score. They indicate how likely you are to liquidate your investments before your planned time horizon, whether due to other financial needs or due to your discomfort with market volatility. Generally, the more time it appears you will stay invested, the more your target asset mix will be weighted toward stock investments.

Overall, your final IPQ score is based on the lowest (most conservative) of the three subscores. The higher the final score, the more aggressive the suggested target asset mix will be.



Brokerage services are provided by Fidelity Brokerage Services LLC, Member NYSE, SIPC.