

April 24, 2017

Mr. Brent J. Fields  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549-1090

Re: File No. S7-08-15  
Investment Company Reporting Modernization  
Release Nos. 33-9776; 34-75002; IC-31610

Dear Secretary Fields:

The independent trustees of the Fidelity Equity and High Income Funds write to urge the Securities and Exchange Commission (the “Commission” or “SEC”) to prioritize the finalization and adoption of proposed Rule 30e-3 under the Investment Company Act of 1940 (the “Proposed Rule”), which would permit default web delivery of registered investment company shareholder reports, with an opt-out for paper delivery.<sup>1</sup> A complete list of the funds we oversee is attached.

As independent trustees, we are acutely aware of the impact that printing and mailing costs have on the fees and expenses that ultimately are borne by investors in the funds we oversee, as well as the investment returns realized by investors. In our role, we also continuously evaluate our fund practices in an effort to respond to evolving investor preferences and needs. We believe that the Proposed Rule would reduce investor costs, increase returns, improve the overall quality of information provided to investors and be consistent with current investor expectations.

We believe that the Proposed Rule’s default web delivery of shareholder report would play a significant role in providing investment information to today’s investors, as underscored by the Commission’s own investor testing and recent data related to internet usage among fund investors,<sup>2</sup> and would create cost savings, maintain transparency, and protect the interests of investors who desire paper delivery of shareholder reports. Moreover, the Proposed Rule would support the Commission’s goals to modernize the manner in which certain information is

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<sup>1</sup> Investment Company Reporting Modernization, Investment Company Act Release No. 31610 (May 20, 2015), 80 Fed. Reg. 33590 (June 12, 2015) (“Release”). In addition, we endorse the changes to the Proposed Rule suggested by Fidelity Investments. *See Comment from Fidelity Investments (Aug. 10, 2015) (“Fidelity Investments Letter”), available at <https://www.sec.gov/comments/s7-08-15/s70815-249.pdf>.*

<sup>2</sup> *See SEC, Investor Testing in Selected Mutual Fund Annual Reports (Feb. 9, 2012), available at <https://www.sec.gov/comments/s7-08-15/s70815-3.pdf>; Investment Company Institute, Ownership of Mutual Funds, Shareholder Sentiment, and Use of the Internet, 2016 (Oct. 2016) (“ICI Report”), available at <https://www.ici.org/pdf/per22-06.pdf>.*

transmitted to shareholders, increase accessibility of that information and reduce unnecessary burdens such as printing and mailing costs.

Accordingly, and for the reasons described herein, we strongly support the Proposed Rule. We urge the Commission to move forward with finalizing this rulemaking without delay as well as to re-visit its existing guidance on web delivery generally and permit default web delivery for prospectuses as well.

### ***The Proposed Rule would Result in Significant Cost Savings to Fund Investors***

Empirical data regarding the cost savings associated with electronic delivery of shareholder reports indicates that the savings to fund investors would be direct and significant.

In our role as independent trustees, we oversee a large number of funds and have a unique incentive to manage printing and mailing costs so as to maximize both investor savings and investment returns. If the Proposed Rule were adopted, these costs would be substantially defrayed for all of our fund investors, even those investors that elect to continue receiving paper shareholder reports, resulting in increased investment returns.

We note that the Investment Company Institute estimates that the Proposed Rule would result in industry-wide initial net cost savings of \$89 million annually after the first year, with \$140 million in net savings within the first three years of adoption.<sup>3</sup> We agree with other commenters that cost savings may increase substantially if the Commission were to adopt certain amendments to the Proposed Rule related to notice requirements.

### ***The Proposed Rule is Appropriate in Light of Market Trends in Internet Usage and Fund Groups' Development of Sophisticated Online Communication Tools***

Empirical evidence supports the proposition that internet access is nearly universal among fund investors.<sup>4</sup> Further, the data related to internet access for elderly and low-income

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<sup>3</sup> See Comment from David W. Blass, General Counsel, Investment Company Institute (Aug. 11, 2015) (“ICI August 2015 Letter”), available at <https://www.sec.gov/comments/s7-08-15/s70815-315.pdf>; Comment from Paul Schott Stevens, President and CEO, Investment Company Institute (Mar. 14, 2016) (“ICI March 2016 Letter”), available at [https://www.ici.org/pdf/16\\_ici\\_sec\\_reporting\\_modernization\\_ltr.pdf](https://www.ici.org/pdf/16_ici_sec_reporting_modernization_ltr.pdf). We note that the ICI March 2016 Letter discusses uncertainty related to these projections due to certain shareholder report vendors’ interpretation of New York Stock Exchange rules in connection with assessing processing fees. In the interest of preserving cost savings for fund investors, we urge the Commission to resolve these interpretive issues so as to ensure that investors realize the full benefits of the Proposed Rule, as intended.

<sup>4</sup> See ICI Report at 20-21. In mid-2016, 92% of households owning mutual funds had internet access, a substantial increase from 68% in 2000. *Id.*

investors indicates that electronic delivery of shareholder reports would not disadvantage these groups.<sup>5</sup>

Fidelity has used opportunities afforded by the internet to develop new and innovative features for communicating information to, and interacting with, investors. These features can allow fund investors access to consolidated or additional information (*e.g.*, hyperlinks, pop-up boxes, layered disclosure and on-demand updates), as well as tools to interact with and customize data and information. These features encourage regular investor interaction and education in a way that cannot be accomplished by traditional paper disclosures and reports. Fund investors now expect access to such features as an integral part of their investment experience.

Accordingly, we believe that internet-based channels are fundamental to fund interactions and communications with investors, and are expected by investors. This is not merely a trend, but a fact of doing business in the modern investment landscape. We believe that default web delivery of shareholder reports under the Proposed Rule would be consistent with these developments and related investor expectations.

### ***The Proposed Rule Reflects Shifts in Investor Preferences***

As noted in the Release, fund investors prefer the enhanced availability of fund information on the internet, opting to find a fund's annual report on the fund's website, as opposed to alternative sources.<sup>6</sup> We believe this is reflective of the general preferences of investors in the funds that we oversee. The ICI March 2016 Letter notes that a shift in investor preferences to receive information electronically has spurred regulatory developments across the globe and that funds in Australia, Canada, and the European Union have the option to post certain regulatory documents on their website, subject to various investor consent standards.

### ***The Proposed Rule is Subject to Appropriate Investor Safeguards***

The Proposed Rule is subject to conditions that protect the interests of investors who still desire paper delivery. The Release incorporates safeguards to avoid investor confusion and protect the ability of investors to choose their preferred means of communication. In order for a fund to rely on the Proposed Rule, the fund must (1) obtain implied consent from investors; (2) provide notices of the availability of each shareholder report on the website via U.S. mail to such investors; and (3) deliver print shareholder reports to investors that request paper delivery of shareholder reports. Accordingly, investors ultimately would retain the ability to determine the manner in which they receive their shareholder reports and those who desire paper delivery would be appropriately protected.

In consideration of the consent and notice requirements, we reiterate our support for the modifications to the consent and notice requirements contained in the Fidelity Investments

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<sup>5</sup> *See Id.* In mid-2016, the percentage of elderly (age 65 or older) and low-income (annual incomes less than \$50,000) households that had internet access was 83% and 80%, respectively, a substantial increase from 30% and 47%, respectively, in 2000. *Id.*

<sup>6</sup> *Id.* at 33626.

Letter.<sup>7</sup> We believe the modified safeguards would still provide a reasonable mechanism for protecting all investor interests.

We again thank the Commission for the opportunity to provide comment on the Release and urge the Commission to prioritize the finalization and adoption of the Proposed Rule. We would be pleased to provide further information or to answer any questions at the convenience of the Commission's staff.

Sincerely,

/s/ Ned C. Lautenbach

Ned C. Lautenbach  
Chairman, Independent Trustees

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<sup>7</sup> See Fidelity Investments Letter.

## Attachment

**Funds Overseen by Fidelity Equity and High Income Funds Board**

<b>Trust</b>	<b>Fund Name</b>
Fidelity Advisor Series I	Fidelity Advisor Balanced Fund
Fidelity Advisor Series I	Fidelity Advisor Dividend Growth Fund
Fidelity Advisor Series I	Fidelity Advisor Equity Growth Fund
Fidelity Advisor Series I	Fidelity Advisor Equity Income Fund
Fidelity Advisor Series I	Fidelity Advisor Equity Value Fund
Fidelity Advisor Series I	Fidelity Advisor Floating Rate High Income Fund
Fidelity Advisor Series I	Fidelity Advisor Growth & Income Fund
Fidelity Advisor Series I	Fidelity Advisor Growth Opportunities Fund
Fidelity Advisor Series I	Fidelity Advisor High Income Advantage Fund
Fidelity Advisor Series I	Fidelity Advisor High Income Fund
Fidelity Advisor Series I	Fidelity Advisor Large Cap Fund
Fidelity Advisor Series I	Fidelity Advisor Leveraged Company Stock Fund
Fidelity Advisor Series I	Fidelity Advisor Mid Cap II Fund
Fidelity Advisor Series I	Fidelity Advisor Series Equity Growth Fund
Fidelity Advisor Series I	Fidelity Advisor Series Growth Opportunities Fund
Fidelity Advisor Series I	Fidelity Advisor Series Small Cap Fund
Fidelity Advisor Series I	Fidelity Advisor Small Cap Fund
Fidelity Advisor Series I	Fidelity Advisor Stock Selector Mid Cap Fund
Fidelity Advisor Series I	Fidelity Advisor Value Fund
Fidelity Advisor Series I	Fidelity Advisor Value Strategies Fund
Fidelity Advisor Series I	Fidelity Real Estate High Income Fund
Fidelity Advisor Series VIII	Fidelity Advisor Diversified International Fund
Fidelity Advisor Series VIII	Fidelity Advisor Emerging Asia Fund
Fidelity Advisor Series VIII	Fidelity Advisor Emerging Markets Fund
Fidelity Advisor Series VIII	Fidelity Advisor Emerging Markets Income Fund
Fidelity Advisor Series VIII	Fidelity Advisor Global Capital Appreciation Fund
Fidelity Advisor Series VIII	Fidelity Advisor Global Equity Income Fund

<b>Trust</b>	<b>Fund Name</b>
Fidelity Advisor Series VIII	Fidelity Advisor International Capital Appreciation Fund
Fidelity Advisor Series VIII	Fidelity Advisor Overseas Fund
Fidelity Advisor Series VIII	Fidelity Advisor Value Leaders Fund
Fidelity Capital Trust	Fidelity Capital Appreciation Fund
Fidelity Capital Trust	Fidelity Disciplined Equity Fund
Fidelity Capital Trust	Fidelity Flex Small Cap Fund
Fidelity Capital Trust	Fidelity Focused Stock Fund
Fidelity Capital Trust	Fidelity Stock Selector All Cap Fund
Fidelity Capital Trust	Fidelity Stock Selector Small Cap Fund
Fidelity Capital Trust	Fidelity Value Fund
Fidelity Central Investment Portfolios LLC	Fidelity Consumer Discretionary Central Fund
Fidelity Central Investment Portfolios LLC	Fidelity Consumer Staples Central Fund
Fidelity Central Investment Portfolios LLC	Fidelity Emerging Markets Equity Central Fund
Fidelity Central Investment Portfolios LLC	Fidelity Energy Central Fund
Fidelity Central Investment Portfolios LLC	Fidelity Financials Central Fund
Fidelity Central Investment Portfolios LLC	Fidelity Floating Rate Central Fund
Fidelity Central Investment Portfolios LLC	Fidelity Health Care Central Fund
Fidelity Central Investment Portfolios LLC	Fidelity High Income Central Fund 1
Fidelity Central Investment Portfolios LLC	Fidelity High Income Central Fund 2
Fidelity Central Investment Portfolios LLC	Fidelity Industrials Central Fund
Fidelity Central Investment Portfolios LLC	Fidelity Information Technology Central Fund
Fidelity Central Investment Portfolios LLC	Fidelity International Equity Central Fund
Fidelity Central Investment Portfolios LLC	Fidelity Materials Central Fund
Fidelity Central Investment Portfolios LLC	Fidelity Real Estate Equity Central Fund
Fidelity Central Investment Portfolios LLC	Fidelity Specialized High Income Central Fund
Fidelity Central Investment Portfolios LLC	Fidelity Telecom Services Central Fund
Fidelity Central Investment Portfolios LLC	Fidelity Utilities Central Fund
Fidelity Concord Street Trust	Fidelity 500 Index Fund
Fidelity Concord Street Trust	Fidelity Advisor Event Driven Opportunities Fund

<b>Trust</b>	<b>Fund Name</b>
Fidelity Concord Street Trust	Fidelity Event Driven Opportunities Fund
Fidelity Concord Street Trust	Fidelity Extended Market Index Fund
Fidelity Concord Street Trust	Fidelity Flex 500 Index Fund
Fidelity Concord Street Trust	Fidelity Flex Large Cap Fund
Fidelity Concord Street Trust	Fidelity International Index Fund
Fidelity Concord Street Trust	Fidelity Large Cap Stock Fund
Fidelity Concord Street Trust	Fidelity Mid-Cap Stock Fund
Fidelity Concord Street Trust	Fidelity NASDAQ Composite Index Fund
Fidelity Concord Street Trust	Fidelity Series 100 Index Fund
Fidelity Concord Street Trust	Fidelity Series Small Cap Discovery Fund
Fidelity Concord Street Trust	Fidelity Small Cap Discovery Fund
Fidelity Concord Street Trust	Fidelity Small Cap Stock Fund
Fidelity Concord Street Trust	Fidelity Total Market Index Fund
Fidelity Contrafund	Fidelity Advisor New Insights Fund
Fidelity Contrafund	Fidelity Advisor Series Opportunistic Insights Fund
Fidelity Contrafund	Fidelity Contrafund
Fidelity Contrafund	Fidelity Flex Opportunistic Insights Fund
Fidelity Contrafund	Fidelity Series Opportunistic Insights Fund
Fidelity Destiny Portfolios	Fidelity Advisor Capital Development Fund
Fidelity Destiny Portfolios	Fidelity Advisor Diversified Stock Fund
Fidelity Devonshire Trust	Fidelity Advisor Series Equity-Income Fund
Fidelity Devonshire Trust	Fidelity Advisor Series Stock Selector Large Cap Value Fund
Fidelity Devonshire Trust	Fidelity Equity-Income Fund
Fidelity Devonshire Trust	Fidelity Flex Large Cap Value Fund
Fidelity Devonshire Trust	Fidelity Flex Mid Cap Value Fund
Fidelity Devonshire Trust	Fidelity Mid Cap Value Fund
Fidelity Devonshire Trust	Fidelity Series All-Sector Equity Fund
Fidelity Devonshire Trust	Fidelity Series Equity-Income Fund
Fidelity Devonshire Trust	Fidelity Series Stock Selector Large Cap Value Fund

<b>Trust</b>	<b>Fund Name</b>
Fidelity Devonshire Trust	Fidelity Stock Selector Large Cap Value Fund
Fidelity Financial Trust	Fidelity Convertible Securities Fund
Fidelity Financial Trust	Fidelity Equity Dividend Income Fund
Fidelity Financial Trust	Fidelity Independence Fund
Fidelity Hanover Street Trust	Fidelity Emerging Markets Debt Central Fund
Fidelity Hastings Street Trust	Fidelity Advisor Series Growth & Income Fund
Fidelity Hastings Street Trust	Fidelity Fund
Fidelity Hastings Street Trust	Fidelity Growth Discovery Fund
Fidelity Hastings Street Trust	Fidelity Mega Cap Stock Fund
Fidelity Hastings Street Trust	Fidelity Series Emerging Markets Debt Fund
Fidelity Hastings Street Trust	Fidelity Series Growth & Income Fund
Fidelity Investment Trust	Fidelity Canada Fund
Fidelity Investment Trust	Fidelity China Region Fund
Fidelity Investment Trust	Fidelity Diversified International Fund
Fidelity Investment Trust	Fidelity Emerging Asia Fund
Fidelity Investment Trust	Fidelity Emerging Europe, Middle East, Africa (EMEA) Fund
Fidelity Investment Trust	Fidelity Emerging Markets Discovery Fund
Fidelity Investment Trust	Fidelity Emerging Markets Fund
Fidelity Investment Trust	Fidelity Europe Fund
Fidelity Investment Trust	Fidelity Flex International Fund
Fidelity Investment Trust	Fidelity Global Commodity Stock Fund
Fidelity Investment Trust	Fidelity Global Equity Income Fund
Fidelity Investment Trust	Fidelity International Capital Appreciation Fund
Fidelity Investment Trust	Fidelity International Discovery Fund
Fidelity Investment Trust	Fidelity International Growth Fund
Fidelity Investment Trust	Fidelity International Small Cap Fund
Fidelity Investment Trust	Fidelity International Small Cap Opportunities Fund
Fidelity Investment Trust	Fidelity International Value Fund
Fidelity Investment Trust	Fidelity Japan Fund



<b>Trust</b>	<b>Fund Name</b>
Fidelity Investment Trust	Fidelity Japan Smaller Companies Fund
Fidelity Investment Trust	Fidelity Latin America Fund
Fidelity Investment Trust	Fidelity Nordic Fund
Fidelity Investment Trust	Fidelity Overseas Fund
Fidelity Investment Trust	Fidelity Pacific Basin Fund
Fidelity Investment Trust	Fidelity Series Emerging Markets Fund
Fidelity Investment Trust	Fidelity Series International Growth Fund
Fidelity Investment Trust	Fidelity Series International Small Cap Fund
Fidelity Investment Trust	Fidelity Series International Value Fund
Fidelity Investment Trust	Fidelity Total Emerging Markets Fund
Fidelity Investment Trust	Fidelity Total International Equity Fund
Fidelity Investment Trust	Fidelity Worldwide Fund
Fidelity Magellan Fund	Fidelity Magellan Fund
Fidelity Mt. Vernon Street Trust	Fidelity Flex Mid Cap Growth Fund
Fidelity Mt. Vernon Street Trust	Fidelity Growth Company Fund
Fidelity Mt. Vernon Street Trust	Fidelity Growth Strategies Fund
Fidelity Mt. Vernon Street Trust	Fidelity New Millennium Fund
Fidelity Mt. Vernon Street Trust	Fidelity Series Growth Company Fund
Fidelity Puritan Trust	Fidelity Balanced Fund
Fidelity Puritan Trust	Fidelity Flex Intrinsic Opportunities Fund
Fidelity Puritan Trust	Fidelity Low-Priced Stock Fund
Fidelity Puritan Trust	Fidelity Puritan Fund
Fidelity Puritan Trust	Fidelity Series Intrinsic Opportunities Fund
Fidelity Puritan Trust	Fidelity Value Discovery Fund
Fidelity Securities Fund	Fidelity Blue Chip Growth Fund
Fidelity Securities Fund	Fidelity Blue Chip Value Fund
Fidelity Securities Fund	Fidelity Dividend Growth Fund
Fidelity Securities Fund	Fidelity Flex Large Cap Growth Fund
Fidelity Securities Fund	Fidelity Growth & Income Portfolio
Fidelity Securities Fund	Fidelity Leveraged Company Stock Fund

<b>Trust</b>	<b>Fund Name</b>
Fidelity Securities Fund	Fidelity OTC Portfolio
Fidelity Securities Fund	Fidelity Real Estate Income Fund
Fidelity Securities Fund	Fidelity Series Blue Chip Growth Fund
Fidelity Securities Fund	Fidelity Series Real Estate Equity Fund
Fidelity Securities Fund	Fidelity Series Real Estate Income Fund
Fidelity Securities Fund	Fidelity Series Small Cap Opportunities Fund
Fidelity Securities Fund	Fidelity Small Cap Growth Fund
Fidelity Securities Fund	Fidelity Small Cap Value Fund
Fidelity Summer Street Trust	Fidelity Capital & Income Fund
Fidelity Summer Street Trust	Fidelity Export and Multinational Fund
Fidelity Summer Street Trust	Fidelity Focused High Income Fund
Fidelity Summer Street Trust	Fidelity Global High Income Fund
Fidelity Summer Street Trust	Fidelity High Income Fund
Fidelity Summer Street Trust	Fidelity New Markets Income Fund
Fidelity Summer Street Trust	Fidelity Series Floating Rate High Income Fund
Fidelity Summer Street Trust	Fidelity Series High Income Fund
Fidelity Summer Street Trust	Fidelity Short Duration High Income Fund
Fidelity Trend Fund	Fidelity Trend Fund
Variable Insurance Products Fund	VIP: Equity-Income Portfolio
Variable Insurance Products Fund	VIP: Floating Rate High Income Portfolio
Variable Insurance Products Fund	VIP: Growth Portfolio
Variable Insurance Products Fund	VIP: High Income Portfolio
Variable Insurance Products Fund	VIP: Overseas Portfolio
Variable Insurance Products Fund	VIP: Value Portfolio
Variable Insurance Products Fund II	VIP: Contrafund Portfolio
Variable Insurance Products Fund II	VIP: Disciplined Small Cap Portfolio
Variable Insurance Products Fund II	VIP: Emerging Markets Portfolio
Variable Insurance Products Fund II	VIP: Index 500 Portfolio
Variable Insurance Products Fund II	VIP: International Capital Appreciation Portfolio
Variable Insurance Products Fund III	VIP: Balanced Portfolio

<b>Trust</b>	<b>Fund Name</b>
Variable Insurance Products Fund III	VIP: Dynamic Capital Appreciation Portfolio
Variable Insurance Products Fund III	VIP: Growth & Income Portfolio
Variable Insurance Products Fund III	VIP: Growth Opportunities Portfolio
Variable Insurance Products Fund III	VIP: Mid Cap Portfolio
Variable Insurance Products Fund III	VIP: Value Strategies Portfolio