



Program Fundamentals: Fidelity Portfolio Advisory Service®

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

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

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

Additional information about Strategic Advisers, Inc., is available on the SEC's Web site at www.adviserinfo.sec.gov.

Turn here®



SUMMARY OF MATERIAL CHANGES

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

NEW CONTENT ABOUT ASSET ALLOCATION AND HOW STRATEGIC MANAGES CLIENT ASSETS

On December 8, 2011, Strategic Advisers, Inc. ("Strategic"), amended Fidelity's Portfolio Advisory Services product brochures to refine how we describe the program's asset allocation methodology and how we manage your assets in the Service. The product brochure will speak to Strategic's asset allocation methodology and how it aims to keep your portfolio in line with an overall level of risk appropriate for your profile. These changes can be found throughout this document.

NEW DETAILS ON THE USE OF DERIVATIVES IN CLIENT PORTFOLIOS

Additional information about the use of derivatives in underlying mutual funds and exchange traded funds (ETFs) has been added to the Section entitled "Portfolio Manager Selection and Evaluation." Please see page 15 for details.

ADDED REFERENCES TO FIDELITY PRIVATE WEALTH MANAGEMENTSM

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

ADDED DETAILS ON THE USE OF MULTIPLE MANAGERS IN FUNDS

Additional information about the use of multiple managers in funds has been added to the Section entitled "Portfolio Manager Selection and Evaluation." Please see page 16 for details.

UPDATED ASSETS UNDER MANAGEMENT

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

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SERVICES, FEES, AND COMPENSATION

ADVISORY SERVICES

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

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

Strategic Advisers, Inc., provides discretionary investment management for accounts of \$50,000 or more. The minimum for corporate accounts is \$200,000. Fidelity's Portfolio Advisory Service offers two different investment options: a model portfolio consisting of all-Fidelity mutual funds (the "All Fidelity Fund Option") or a blended model portfolio consisting of Fidelity and non-Fidelity mutual funds (the "Blended Fund Option"). In most cases, Strategic Advisers will invest your Fidelity Portfolio Advisory Service® account ("Account") in mutual funds managed by Strategic Advisers that have been developed specifically for use in the Service (the "Strategic Advisers Funds"). The Service is not available to foreign investors and persons who are not U.S. residents.

Based on a review of your individual financial situation, investment objectives, risk tolerance, planned investment time horizon, investment restrictions, and other information provided through the completed Investor Profile Questionnaire ("IPQ"), Strategic will propose a long-term investment strategy from a series of investment strategies which range from aggressive growth to conservative. Thereafter, Strategic Advisers will manage the Account on a discretionary basis, based on market conditions and reviews of updated IPQ information. Due to the active, ongoing management of the model portfolio, if you decide to invest, the actual securities purchased for your Account may differ from those listed in the Investment Proposal that we prepared based on your information. Please note that if you are enrolling in the Service as an underlying account associated with Fidelity Private Wealth Management,SM your asset allocation will be assessed as part of that service's overall wealth planning process.

Once your completed and signed application has been received, a brokerage account will be opened at Fidelity Brokerage Services LLC ("FBS"), member NYSE, SIPC. Thereafter, Strategic Advisers will manage your Account on a discretionary basis based on market conditions and reviews of updated IPQ information.

FEES AND COMPENSATION

Advisory Fees—Gross Advisory Fee

Your Account charges a gross advisory fee that covers the ongoing management of your Account, including investment selection and asset allocation, brokerage, clearing and custody services provided by Strategic's affiliates, the communications program associated with your Account, and the personal service you receive from your team of Portfolio Advisory Services Representative(s) and/or your Account Executive and/or your Portfolio Specialist.

Your gross advisory fee does not include underlying mutual fund expenses charged at the individual fund level for any mutual funds in your Account. These fund expenses, which vary by fund and class, are expenses all mutual fund shareholders pay. Some of these underlying mutual fund expenses are paid to Strategic or its affiliates and will be included in a Fee Credit Amount described below.

Advisory Fee—Credit Amount

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


To the extent applicable, a Credit Amount will be calculated for each type of mutual fund held in your Account:


- For Fidelity funds, including Strategic Advisers Funds, the Credit Amount will equal the underlying investment management and any other fees or compensation paid to us or our affiliates for the fund.
 - For Strategic Advisers Funds, the Credit Amount will also include revenue that Strategic Advisers and its affiliates receive with respect to any funds held within the Strategic Advisers Funds.
- For non-Fidelity funds, the Credit Amount will equal the distribution or shareholder servicing fees paid to us or our affiliates for the funds.

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

Net Advisory Fee = Gross Advisory Fee – Credit Amount

Please see the chart on the following page for the fees charged on your Portfolio Advisory Services Account. (Please note that all fees are subject to change).

ANNUAL ADVISORY FEE SCHEDULE FOR FIDELITY PORTFOLIO ADVISORY SERVICE® ACCOUNT			
Average Daily Assets*	Annual Gross Advisory Fee for All Fidelity Models	Annual Gross Advisory Fee for Blended Models	Variable Net Advisory Fee
For assets less than \$200,000	1.70%	1.48%	 <div>Less Credit Amount† = Resulting Net Advisory Fee</div>
For the first \$200,000	1.60%	1.38%	
For the next \$100,000 or portion thereof	1.40%	1.18%	
For the next \$200,000 or portion thereof	1.30%	1.08%	
For the next \$500,000 or portion thereof	1.10%	0.88%	
For the next \$1,000,000 or portion thereof	1.00%	0.78%	
For the next \$1,000,000 or portion thereof	0.85%	0.63%	
For total assets of \$3 million or more	Flat Rate for Whole Account Based on Schedule Below		

SPECIAL ANNUAL ADVISORY FEE SCHEDULE FOR FIDELITY PORTFOLIO ADVISORY SERVICE® ACCOUNTS OF \$3 MILLION OR MORE			
Average Daily Assets*	Annual Gross Advisory Fee for All Fidelity Models	Annual Gross Advisory Fee for Blended Models	Variable Net Advisory Fee
\$3,000,000 to \$3,999,999	0.98%	0.76%	 <div> Less Credit Amount† = Resulting Net Advisory Fee </div>
\$4,000,000 to \$4,999,999	0.95%	0.73%	
\$5,000,000 to \$5,999,999	0.92%	0.70%	
\$6,000,000 to \$6,999,999	0.90%	0.68%	
\$7,000,000 to \$7,999,999	0.88%	0.66%	
\$8,000,000 or more	0.85%	0.63%	

* Average daily assets of Portfolio Advisory Services accounts are determined on the last business day of the quarter. Certain Portfolio Advisory Services account balances may be aggregated with certain other Portfolio Advisory Services account balances in order to arrive at the reduced fee rates applicable to different levels of account balances. In addition, certain individually owned accounts with the same tax reporting number will be automatically aggregated for fee calculation purposes. Fidelity® Strategic Disciplines accounts cannot be aggregated for a reduced fee rate. Contact your Portfolio Advisory Services representative for details of the account aggregation policy, including any other account that may meet the eligibility requirements.

Minimum investment amount for corporate accounts is \$200,000.

† Credit Amount is defined on the previous page.

Mutual Fund Expenses

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

Sales Loads and Transaction Fees

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

Redemption Fees

In order to protect the interests of long-term shareholders, funds may impose redemption or other administrative fees if shares are not held for a minimum time period. Strategic or its affiliates, at

their sole discretion, may choose to bear any such redemption fees on your behalf, but are under no obligation to do so. In addition, you are responsible for any short-term trading fees that result from the sale of your existing investments (if any) to fund your initial investment in the Service (whether inside or outside your Account) and any subsequent withdrawals that you initiate.

Miscellaneous Fees

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

Billing

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

Information about Representative Compensation

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

In addition, Fidelity representatives who sell and service Fidelity Portfolio Advisory Services accounts may participate in sales contests and may earn additional rewards based on sales criteria, including, but not limited to, the number of solicitations for advisory services they make, gross sales on Service accounts, or retention of assets in the Service and similar programs. Therefore, Fidelity representatives who distribute and service Fidelity Portfolio Advisory Services accounts may have a financial incentive to sell or suggest continued participation in the Service over other programs or services.

However, you are required to complete an IPQ to determine whether the Service is appropriate for you, and also to determine the appropriate investment strategy for your Account. For additional information about how Fidelity compensates its representatives in connection with the sale of this Service and other products, please see the representative's compensation disclosure document that is included with your application materials, contact your representative, or visit [Fidelity.com](https://www.fidelity.com).

ADDITIONAL INFORMATION ABOUT FEES

Fee Changes

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

Fee Negotiations

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

Nondiscretionary Options

You may invest directly in many of the funds available through Portfolio Advisory Services in another account without incurring an advisory fee charged by Fidelity's Portfolio Advisory Services. In this case, however, you would not receive the asset allocation and professional management services offered through Portfolio Advisory Services, and you may be subject to sales loads or transaction and redemption charges. Furthermore, certain investment products used by Fidelity's Portfolio Advisory Services, such as the Strategic Advisers Funds, may not be available for purchase nor may they be held outside of the Service. Participation in Portfolio Advisory Services may cost more or less than if you were to purchase the services separately. Several factors, including trading activity and investment fees, influence the cost of the Service.

ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

Fidelity's Portfolio Advisory Services is generally available to individuals, joint account holders, retirement plans, IRAs, trusts, estates, business entities, and charitable organizations.

The minimum initial investment is generally \$50,000 per account. Additional accounts opened by you or other members of your household must also meet the \$50,000 minimum per account registration. Note, certain Portfolio Advisory Services account balances may be aggregated with certain other Portfolio Advisory Services account balances in order to arrive at a reduced fee rate. See fee schedule for details or speak with a Fidelity representative. Minimum investment amount for a corporate account is generally \$200,000. Subsequent investments to existing accounts may be made for as little as \$250. Minimums for initial and subsequent investments may be lowered at the sole discretion of Strategic Advisers, including those in connection with promotional efforts. Fidelity Portfolio Advisory Service accounts are serviced by a Client Management Team, dedicated Portfolio Specialist, and/or Account Executive. To qualify for the service of a dedicated Portfolio Specialist, you must maintain at least one account with a minimum balance of \$200,000. In certain limited circumstances, Strategic Advisers may exempt accounts from the minimum initial investment

requirement. Clients with accounts less than \$200,000 will be serviced by a Client Management Team. Accounts will be reviewed on a periodic basis to determine continued eligibility, and Strategic Advisers reserves the right to determine eligibility in its sole discretion. The Service is not available to foreign investors and/or persons who are not U.S. residents. Portfolio Advisory Services reserves the right to close your Account if its balance falls below a certain level. Portfolio Advisory Services reserves the right to terminate its services if it believes the Service is no longer appropriate for you. Portfolio Advisory Services reserves the right to terminate, modify, or make exceptions to these policies. If your participation in the Service terminates, Strategic Advisers reserves the right to redeem any and all Fidelity Funds, including Strategic Advisers Funds, in your Account, and this redemption may generate a taxable gain or loss.

OPENING AND FUNDING YOUR ACCOUNT

Once your application and funding has been received, a Fidelity Portfolio Advisory Service account will be opened at FBS and the brokerage account will be allocated to investments aligned with the proposed model portfolio. You may fund your Account with cash or certain mutual funds. Because accounts are actively managed and change over time, actual investments may vary from those listed in the Investment Proposal, which you received prior to enrolling. When funding involves a transfer in kind of a mutual fund that is also in your proposed model portfolio, your Account may not be invested in accordance with the Investment Proposal until we receive all funding, including the transferred shares, for your Account.

When funding the Fidelity Portfolio Advisory Service account, any mutual funds that are not part of your proposed portfolio will be sold and you may be charged a redemption fee, as specified in the prospectus for each mutual fund, or any other fees as applicable to the redemption or the brokerage account from which funds are being liquidated or transferred. The selling may result in a taxable gain or loss in your brokerage account.

WITHDRAWALS FROM YOUR ACCOUNT

All trading and monetary transactions in your Accounts must be processed through a Fidelity representative, who can be reached via Portfolio Advisory Services' toll-free number, or through written instructions by you (on the necessary forms if appropriate) and sent to either a Fidelity mailing address or delivered to a local investor center, or through Portfolio Advisory Services' client Web site (certain limitations may apply to Web transactions and are detailed on the site). For accounts invested in a model portfolio comprising a mix of Fidelity and non-Fidelity funds, requests for withdrawals must be received by 12 p.m. Eastern time (ET), on a day that the New York Stock Exchange (NYSE) is open for business ("business day"), in order for the withdrawal request to be processed on the same business day. Such requests received after 12 p.m. ET are processed on the next business day. If the NYSE closes before 4 p.m. ET, the cutoff time for withdrawal requests will be adjusted earlier in the day to allow sufficient time to process the transactions. If other trading activity is taking place within the portfolio on the day of a withdrawal request, it may take an additional day(s) to process the withdrawal.

For accounts invested in a model portfolio comprising Fidelity funds only, requests for withdrawals must be received by 4 p.m. ET on a business day in order for the withdrawal request to be

processed on the same business day. Requests received after 4 p.m. ET are processed on the next business day. If the NYSE closes before 4 p.m. (ET), the cutoff time for withdrawal requests will be adjusted earlier in the day to allow sufficient time to process the transactions. If other trading activity is taking place within the portfolio on the day of a withdrawal request, it will take an additional day(s) to process the withdrawal.

For withdrawals and account closures, you may request that:

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

Depending on the type of account you have and the exact dollar amount you wish to withdraw, more information may be necessary before the withdrawal can occur. Please note: A signature guaranteed letter of instruction is required if the withdrawn amount is going to an address that is not reflected on the account.

The mutual funds Strategic invests in may have policies that restrict excessive trading. As a result, a fund may reject trade orders if they are deemed to represent excessive trading. In general, a fund will reject trades if there has been a client-initiated purchase and a sale within a 30-day period. As a result, in order to comply with a fund's trading policies, Strategic may be required to suspend investment management of your Account. Exceptions apply.

ACCOUNT CLOSURE

At any time, you can request to close your account. All trading and monetary transactions associated with your account closure must be processed through a Fidelity Representative. Under normal circumstances, the Service will use its best efforts to process and execute requests for full account liquidations or full account closeouts via transfer in kind (collectively, "full closeouts") on the same business day for accounts invested in a model portfolio comprising a mix of Fidelity and non-Fidelity funds if the request is received by 12 p.m. Eastern time (ET), on a day that the NYSE is open for business ("business day"). Such requests received after 12 p.m. ET are processed on the next business day. If the NYSE closes before 4 p.m. ET, the cutoff time for full closeout requests will be adjusted earlier in the day to allow sufficient time to process the transactions. If other trading activity is taking place within the portfolio on the day of a full closeout request, it may take an additional day(s) to process the account closure.

For accounts invested in a model portfolio comprising Fidelity funds only, requests for full closeouts must be received by 4 p.m. ET on a business day in order for the full closeout request to be processed on the same business day. Requests received after 4 p.m. ET are processed on the next business day. If the NYSE closes before 4 p.m. (ET), the cutoff time for full closeout requests will be adjusted earlier in the day to allow sufficient time to process the transactions. If other trading activity is taking place within the portfolio on the day of a full closeout request, it will take an additional day(s) to process the withdrawal.

Mutual funds held in your account that otherwise may not be eligible to you as a retail investor may be purchased in your account. If you cease to be a client of Portfolio Advisory Services, Strategic reserves the right to redeem any and all shares of such funds and you may incur a gain or loss as a result. If such funds are transferred to a non-Portfolio Advisory Services account, you will be subject to the terms and conditions specified in that fund's prospectus.

ADDITIONAL INFORMATION ABOUT TRANSACTIONS IN YOUR ACCOUNT

Mutual funds in your Account may include the Strategic Advisers Funds and other funds that are available only to clients of Portfolio Advisory Services. The Strategic Advisers Funds may invest in both mutual funds and exchange-traded funds and engage the use of Fidelity and non-Fidelity sub-advisers (Sub-Advisers). If you cease to be a client of Portfolio Advisory Services, Strategic reserves the right to redeem any and all Strategic Advisers Fund shares and shares of other funds either made available only to clients of Portfolio Advisory Services or due to other account restrictions, such as minimum balance requirements, held in your Account, and you may incur gains or losses as a result of such redemptions.

PORTFOLIO MANAGER SELECTION AND EVALUATION

STRATEGIC ADVISERS' INVESTMENT APPROACH

Strategic generally uses both fundamental and quantitative investment strategies to manage your Account. The Service offers multiple model portfolios to satisfy a wide variety of investor needs, ranging from the most aggressive portfolios (i.e., model portfolios that may be invested entirely in equities) to more conservative portfolios (i.e., model portfolios that may include only 20% exposure to equity). Strategic will define an appropriate strategy, or long-term asset allocation, and align that to an existing model portfolio of mutual funds that corresponds to your financial situation, investment time horizon, and risk tolerance. Information about your investment strategy and model portfolio can be found in your Investment Proposal.

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

1. Domestic stocks (U.S. equity securities)
2. Foreign stocks (non-U.S. equity securities)
3. Bonds (fixed income securities of all types and maturities, including lower-quality debt securities)
4. Short-term assets (short-duration investments)

Strategic may also invest in mutual funds that invest in non-traditional and/or extended asset classes, such as real estate, inflation-protected debt securities, or commodities. The allocation of your Account will depend on your proposed or selected asset allocation, may change over time, and may deviate from the asset allocation shown as your long-term asset allocation.

Strategic Advisers will take the following steps in managing your Account:

- Strategic will research, analyze, and select mutual funds appropriate for your Account in the model portfolio.
- Strategic will determine the amount of assets that should be allocated to each mutual fund within your model portfolio. As discussed below, Strategic will also determine the amount of assets allocated to each sub-adviser (a "manager") within each Strategic Advisers Fund used in the Service.
- Strategic will monitor and rebalance your Account to help ensure it remains in line with your targeted risk profile.

IDENTIFYING, MONITORING, AND MAINTAINING YOUR ASSET ALLOCATION

Strategic will allocate your portfolio across various asset and extended asset classes with the goal of taking advantage of market action while managing the overall portfolio risk profile. We use sophisticated research tools to gauge when certain asset and extended asset classes should be used to help benefit your model portfolio. This involves both evaluating your model portfolio's characteristics such as sector weightings, duration, valuation, and market capitalization, as well as focusing on key economic indicators and trends. The goal of this focus on asset allocation is to ensure that your model portfolio stays positioned in an appropriate manner for your investment time horizon and risk tolerance.

When determining how to allocate a model portfolio's assets among underlying funds, Strategic considers a variety of factors, including, but not limited to, proprietary fundamental and quantitative fund research, fund performance, a fund manager's experience and investment style, fund company infrastructure, and fund characteristics such as expense ratio, asset size, and portfolio turnover. Investment professionals will obtain and use information from various sources to assist in making allocation decisions among asset classes, as well as decisions regarding the purchase and sale of specific mutual funds and individual securities. Sources of information used include publicly available information and performance data on mutual funds, individual securities, equity markets, fixed income markets, international markets, and broad-based economic indicators. Strategic will use both primary sources (e.g., talking directly with fund companies and mutual fund managers) and secondary sources (reports prepared by fund companies and other sources that provide data on specific mutual fund investment strategies, portfolio management teams, fund positioning, portfolio risk characteristics, performance attribution, and historical fund returns).

Strategic may decide to buy or sell mutual fund shares for a number of reasons, including the need to respond to:

1. The weighting of a particular asset class, industry sector, and/or mutual fund peer group;
2. Any individual fund becoming too large relative to your overall Account;
3. A client's objectives requiring a different approach to diversification; and/or
4. A change in the fundamental attractiveness of a particular mutual fund.

Periodically, market movement may cause "drift" in your model portfolio away from the target risk level associated with your Account. Strategic may choose to rebalance your portfolio to bring it back in line with your Account's targeted risk level. The number of times your Account is rebalanced will vary based on economic and market conditions, as well as changes in the attractiveness or appropriateness of specific mutual funds or managers. Strategic may make shifts in the mutual fund holdings to accommodate fund closures.

When Strategic trades in the model portfolio, you will receive notification that a change has been made via a transaction confirmation. You will also receive a prospectus for any new fund not previously held, unless you have elected to have Strategic act as your agent for the receipt of any non-Fidelity prospectuses.

THE STRATEGIC ADVISERS FUNDS

In most cases, the Strategic Advisers Funds are key building blocks for your Account. These funds are available only to Portfolio Advisory Services® clients and allow Strategic to choose from an expanded group of Fidelity and non-Fidelity money managers. These funds are structured so that Strategic can hire and/or fire sub-advisers, buy and sell mutual funds, and may contain exchange-traded funds (“ETFs”) and derivatives, and hold them all within one fund. This is designed to simplify your portfolio and provide Strategic with greater visibility into the underlying holdings of the funds. At any given time, a significant portion of the assets in your Account, and up to 100% of your Account, may be invested in the Strategic Advisers Funds.

A Strategic Advisers portfolio manager manages each Strategic Advisers Fund by allocating the fund’s assets among Fidelity and non-Fidelity sub-advisers, ETFs, mutual funds, and derivatives. While Strategic selects the sub-advisers and provides ongoing oversight of their activities, the sub-advisers of the fund make the day-to-day investment decisions for the portions of the fund they manage. Strategic may allocate each fund’s assets among any number of sub-advisers or underlying funds at any time. Strategic will also allocate assets among the various Strategic Advisers Funds. This will be done according to your proposed investment strategy, and the allocation may change over time.

For more information on the investment strategies employed by the Strategic Advisers Funds, please see the prospectuses for those funds. The Strategic Advisers Funds are considered to be Fidelity funds, and may be used in any of the Fidelity Portfolio Advisory Service® model portfolios. The fees charged by the Strategic Advisers Funds may be higher or lower than other funds that may be purchased by the Service; however, as noted above, you will receive a fee credit for any revenue received by Strategic and its affiliates as a result of investments in the Strategic Advisers Funds.

RESEARCH: SELECTING THE MANAGERS AND FUNDS

The role of the research team within Strategic Advisers is to provide comprehensive analysis that will guide the investment and manager selection process. “Managers” researched by the team include both fund managers as well as sub-advisers to the Strategic Advisers Funds. Sub-advisers are investment professionals who are hired by Strategic to manage a sleeve of assets in a Strategic Advisers Fund according to a specific mandate. Strategic’s research process is both qualitative and quantitative and is designed to ensure that Strategic Advisers has a clear picture of the manager being researched. Strategic evaluates various data points about a manager and/or fund, including:

- Their asset allocation, risk exposure, and performance attribution
- How they perform in various market cycles
- How they will contribute to a diversified portfolio of managers

Strategic Advisers seeks to confirm that each manager selected has a sound and repeatable investment philosophy and process that is strictly adhered to throughout various types of markets.

ADDITIONAL INFORMATION ABOUT STRATEGIC ADVISERS' INVESTMENT PRACTICES AND MANAGER SELECTION PROCESS

When investing in Fidelity and non-Fidelity funds, Strategic may from time to time consult with the fund's investment manager to understand the manager's guidelines concerning general limitations, if any, on the aggregate percentage of fund shares that can be held under management by Strategic on behalf of all its clients. Funds are not required to accept investments and may limit how much Strategic can purchase. Additionally, Strategic may establish internal limits on how much it may invest in any one fund across the programs it manages. Regulatory restrictions also may limit the amount that one fund can invest in another, which means that Strategic or the Strategic Advisers Funds may be limited in the amount they can invest in any particular fund.

Strategic will work closely with fund management to minimize the impact of the Portfolio Advisory Services reallocation activity on acquired funds. In certain situations, liquidating positions in underlying funds may be accomplished over an extended period of time as a result of operational, relationship, or legal considerations.

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

MATERIAL INVESTMENT RISKS

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

Risk of Loss. All investment strategies employed by Strategic in the Service involve risk of loss (even the Conservative model portfolio will fluctuate in value over time and you may lose money). You should be prepared to bear such losses in connection with investments in the Service. Investments in your Account are not a deposit of a bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

In addition, the funds used by Strategic, including the Strategic Advisers Funds, may be subject to the risks below. Different funds have different risks. For the specific risks associated with any fund used by Strategic in your Account, please see the fund's prospectus.

Investing in Mutual Funds. Your Account bears all the risks of the investment strategies employed by the mutual funds held in your Account, including the risk that they will not meet their investment objectives.

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

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

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

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

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

Taxable Gains on Account Activity. The Service is not designed to take taxes into account when managing the model portfolios. As a result, you may have taxable gains or losses as a result of investment decisions made in your Account. In addition, Strategic may make structural changes to the Service that may result in taxable gains to your Account. To understand the potential tax consequences of the trading activity in your Account, please consult your tax adviser.

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

Quantitative Investing. Funds or securities selected using quantitative analysis can perform differently from the market as a whole as a result of the factors used in the analysis, the weight placed on each factor, changes to the factors' behavior over time, and market volatility.

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

Funds with Multiple Managers. Separate investment decisions and the resulting purchase and sale activities of a fund's sub-advisers might adversely affect a fund's performance or lead to disadvantageous tax consequences.

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

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

OTHER INFORMATION ABOUT THE MANAGEMENT OF YOUR ACCOUNT

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

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

Fidelity's Portfolio Advisory Services is a "wrap fee" program, which means that you will pay a single advisory fee for all the services provided by Strategic and FBS for your Account, including investment management, brokerage, custody, and other services. Strategic retains a portion of the wrap fee for its services as sponsor and investment manager of the Portfolio Advisory Services program, and shares revenue with its affiliates, FBS, and NFS for the services they provide to your

Account. For more information on the fees associated with your Account, and the fees and charges covered by your advisory fee, please see the section on "Fees and Compensation" above.

Fidelity Portfolio Advisory Services does not charge performance-based advisory fees for its services.

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

PROXY VOTING POLICY AND PROCEDURES

Strategic does not generally acquire authority for or exercise proxy voting on your behalf in connection with Portfolio Advisory Services Accounts. Unless you direct us otherwise pursuant to the paragraph below, you will receive proxy materials directly from the funds, their service providers, or NFS. Strategic will not advise you on the voting of proxies. You must exercise any proxy voting directly. Once you establish your Account, you may request information from your Portfolio Specialist or Client Management Representative as to how specific proxies were voted with respect to holdings of the Strategic Advisers Funds in your Account.

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

ASSETS UNDER MANAGEMENT

Strategic Advisers' total assets under management as of December 31, 2011, were \$261,720,600,000 on a discretionary basis, and \$85,000,000 on a nondiscretionary basis. Assets under management in Fidelity Portfolio Advisory Service® on a discretionary basis as of December 31, 2011, were \$77,055,700,000.

CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

Strategic Advisers' investment managers have access to all your relevant Account information with respect to the model for your Account, as well as any reasonable restrictions you have placed on your Account, on a real-time ongoing basis. However, our investment management is based on the completeness and accuracy of the information you have provided to Strategic, including, but not limited to, information about your goals, financial situation, time horizon, and risk tolerance. If you have any changes to your personal or financial situation, please contact your Client Management Team or a dedicated Portfolio Specialist to ensure that Strategic Advisers is managing your Account based on the most accurate information available.

CLIENT CONTACT WITH PORTFOLIO MANAGERS

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

ADDITIONAL INFORMATION

REVIEW OF ACCOUNTS

After reviewing the information provided in your IPQ, Strategic will initially propose an investment strategy, and a corresponding model portfolio of mutual funds. Your investment strategy seeks to yield adequate long-term risk-adjusted returns and manage volatility within the boundaries associated with your stated financial goals and risk tolerance. Your investment strategy will remain unchanged through various market conditions unless there has been a change to the responses in your IPQ or other material changes to your situation.

Strategic's Investment Team will make decisions regarding reallocations within the model portfolio upon which your Account is invested. These decisions are based on the Investment Team's assessments of market and economic conditions and potential investment opportunities. Each model portfolio will be rebalanced periodically. However, the Strategic Advisers Funds are reviewed daily and assets within the Strategic Advisers Funds are reallocated based on the discretion of the Strategic Advisers portfolio managers. As a result, reallocation activity applicable to your Account may take place at the Fund level, rather than directly in your Account.

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

Strategic may provide substantially similar model portfolio proposals to different clients with similar investment objectives; however, your proposal will be based on an analysis of your individual situation as defined by your responses to the IPQ.

Annual Strategic Review

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

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

After completing your review, if Strategic believes that a change is necessary, it will adjust the holdings in your Account and send a prospectus for any new fund not previously held, unless you have elected to have Strategic act as your agent for the receipt of non-Fidelity prospectuses. Any change in your personal circumstances or long-term goals at any time might also warrant a change in your investment strategy. If you have multiple advisory relationships with Strategic, you will need to update your personal, financial, and other important information independently for each respective service.

Account Notifications

When Strategic makes a decision to place a trade in the model portfolio, you will receive notification that a change has been made via a transaction confirmation. You will also receive a prospectus for any new fund not previously held, unless you have elected to have Strategic act as your agent for the receipt of non-Fidelity prospectuses.

At least quarterly, you will receive a reminder to notify Fidelity Portfolio Advisory Service of any change in your financial situation or investment needs. At any time that your personal or financial situation changes, you should contact your team of Client Management Representatives or dedicated Portfolio Specialist to initiate a review of your IPQ. Changes to your IPQ information may not currently be processed through Fidelity.com and may only be made by contacting a Client Management Representative or your Portfolio Specialist. Client Management Teams or dedicated Portfolio Specialists serve as ongoing liaisons between you and the Investment Team, and are available to discuss changes in your mutual fund allocations and are responsible for conducting reviews at least annually.

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

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

CODE OF ETHICS

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

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

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

Strategic, its advisory affiliates, or a related person may buy or sell for itself securities that it also recommends to clients. The potential conflicts of interest involved in such transactions are governed by the Code of Ethics, which establishes sanctions if its requirements are violated and requires that Strategic, its advisory affiliates, or a related person place the interests of Strategic's clients above their own. For information about our practice with respect to conflicts regarding trading with affiliates, please refer to the Types of Clients section within this document.

If you elected to invest in the All Fidelity Fund Option, Strategic will select only Fidelity mutual funds for your Account, including Strategic Advisers Funds. If you elected to invest in the Blended Fund Option, currently Strategic will consider only: 1) Fidelity funds; and 2) non-Fidelity funds available through the Fidelity Investments fund supermarkets. Certain of these funds pay servicing and distribution fees to FBS or NFS. This compensation is paid by the mutual fund and/or its affiliate.

The servicing and distribution fees that FBS or NFS receive from a fund and/or its affiliate are in addition to the advisory fees that you pay Strategic. With respect to certain of these funds, FBS or NFS generally receives 0.40% annually of the average daily net assets of non-Fidelity funds in your Account; however, any such amounts received by FBS or NFS will be offset against your gross advisory fee by a corresponding credit amount equal to the amount of revenue received. See the section entitled "Fees and Compensation" above for additional information. The servicing and distribution fees that FBS receives are taken into consideration when determining your net advisory fee for your Account. Each Fidelity fund, including the Strategic Advisers Funds, pays investment management fees and other fees to FMR, Strategic, or their affiliates. In addition, affiliates of Strategic are compensated for providing distribution, transfer agency, shareholder servicing, and custodial and other services to certain Fidelity and non-Fidelity funds. For Blended Fund Option model portfolios, there is no predetermined allocation of Fidelity or non-Fidelity funds (except that money market funds will always be Fidelity funds). The compensation received by Strategic and its affiliates from investments in Fidelity mutual funds included in the Blended Fund Option model portfolio will generally exceed, prior to the application of the Fee Credit, the compensation from investments in non-Fidelity funds. However, the Credit Amount (described above) is intended to offset this differential.

Strategic Advisers seeks to address this potential conflict through the application of the Fee Credit noted above, and through the application of fund selection criteria and personnel compensation arrangements that do not differentiate between Fidelity and non-Fidelity funds. Strategic Advisers investment professionals are compensated partially based on account performance. Depending on market conditions and other events, certain factors in the fund selection process at times may result in a significant portion of the model portfolio being invested in Fidelity funds. Such an outcome is not the result of an intentional bias toward Fidelity funds.

BROKERAGE PRACTICES

Strategic does not solicit or accept any “soft dollar” benefits in connection with its management of the Portfolio Advisory Services program, nor does it utilize soft dollar services in the management of the Strategic Advisers Funds. Some sub-advisers may use soft dollar or other commission sharing arrangements in connection with transactions effected for the Strategic Advisers Funds.

We do not consider, in selecting or recommending broker-dealers, whether we or a related person to us receives client referrals from a broker-dealer or third party.

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

CLIENT REFERRALS AND OTHER COMPENSATION

Fidelity Management & Research Co. (“FMR Co.”) and its affiliates and subsidiaries are compensated for providing services to one or more of the funds in which Strategic’s clients may invest. These would include FMR Co. and subsidiaries as the investment adviser for the Fidelity funds; Fidelity Distributors Corporation as the underwriter of the Fidelity funds; Fidelity Service Company, Inc., as the transfer agent for certain of the Fidelity funds; Fidelity Investments Institutional Operations Company, Inc., as transfer agent for the Fidelity funds, servicing agent for non-Fidelity funds, and as recordkeeper of certain workplace savings plans; and Fidelity Management Trust Company (FMTTC) as the custodian for certain assets. FMTTC may also be compensated for providing investment management services to one or more of the bank’s investment products recommended by Strategic Advisers. In addition, one or more broker-dealer affiliates of the Fidelity funds may execute portfolio transactions for the funds. FMR Co. may obtain brokerage or research services, consistent with Section 28(e) of the Exchange Act, from broker-dealers in connection with the execution of the Fidelity mutual funds’ portfolio security transactions.

The group of mutual funds eligible for consideration in Fidelity Portfolio Advisory Service® model portfolios is currently limited to funds available through Fidelity’s mutual fund supermarket, FundsNetwork®. FundsNetwork is a registered service mark of FMR LLC and a service of Fidelity Brokerage Services LLC, Member NYSE, SIPC. Mutual funds participating in Fidelity’s mutual fund supermarket that Strategic may purchase for its clients pay remuneration to affiliates of Strategic for providing shareholder services; however, any such revenue received by affiliates of Strategic is subject to the Fee Credit mechanism described above in the Section entitled “Fees and Compensation.”

In connection with clients’ investments, certain personnel of Strategic Advisers may receive other economic incentives in addition to their normal compensation. In addition, our affiliates are compensated for providing distribution, transfer agency, servicing, and custodial services to certain Fidelity and non-Fidelity investments (certain of these fees are also used to calculate the Credit Amount, where applicable). The compensation that Strategic and its affiliates receive as a result of a client’s or participant’s investment in Fidelity-managed investments may exceed the compensation received from a client’s or participant’s investments in non-Fidelity investment options; however, the Credit Amount calculation is designed to eliminate this disparity. The mutual fund fees and expenses for the various services that Strategic or its affiliates provide to the funds are disclosed

in each Fidelity fund prospectus. These fees and expenses are paid by the Fidelity funds and are ultimately borne by the funds' shareholders.

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

Strategic receives referrals through its affiliate FBS, pursuant to a referring agreement, for which compensation is provided to FBS. In connection with a client's investment in Fidelity's Portfolio Advisory Services, certain FBS employees serve as investment adviser representatives of Strategic (Fidelity Representatives). As noted above, Fidelity Representatives receive economic incentives in addition to their normal compensation for distributing and servicing Portfolio Advisory Services Accounts. Payments may be made to affiliates for services that facilitate delivery of Strategic's services. Strategic may also provide advice to clients regarding the selection of advisers and certain financial matters, which may result in a referral by Strategic to Fidelity Personal Trust Company, FSB, or other affiliates.

CUSTODY

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

DISCIPLINARY INFORMATION AND OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

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

Strategic has no material disclosable legal or disciplinary events for its management persons associated with its advisory services.

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

We are generally engaged in three areas of business:

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

Our affiliates provide investment advisory and other services to the Fidelity mutual funds and Fidelity ETFs, and may also provide sub-advisory services to mutual funds that are managed by us (for example, Strategic Advisers Funds). When we invest your assets in Fidelity mutual funds or funds that are sub-advised by an affiliate, those affiliates may receive investment management and other fees from the funds based on the amount of your invested assets.

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

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

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

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

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

Investment Companies and Investment Advisers

- *Fidelity Management & Research Company (FMR)*, a wholly owned subsidiary of FMR LLC, in association with its various affiliates and subsidiaries, serves as investment adviser to registered investment companies, and is registered as an investment adviser under the Advisers Act. Strategic pays FMR an administrative fee for handling the business affairs of the investment companies Strategic advises. In addition, it is expected that we may share employees from time to time with FMR.

- *Pyramis Global Advisors LLC (PGALLC)* is a wholly owned subsidiary of Pyramis Global Advisors Holding Corp., which in turn is wholly owned by FMR LLC. PGALLC provides investment supervisory services, including sub-advisory services to us and our affiliates. PGALLC is a registered investment adviser under the Advisers Act, and is also registered with the Australian Securities and Investment Commission. We have sub-advisory agreements with PGALLC for certain of our funds. In addition, it is expected that we may share employees from time to time with FMR.
- *Fidelity Investments Money Management, Inc. (FIMM)*, is a wholly owned subsidiary of FMR LLC and a registered investment adviser under the Advisers Act. FIMM provides portfolio management services as a sub-adviser to certain of our clients, including investment companies in the Fidelity group of funds or as an adviser. We have sub-advisory agreements with FIMM for certain of our funds.
- *FMR Co., Inc. (FMRC)*, is a wholly owned subsidiary of FMR and is a registered investment adviser under the Advisers Act of 1940. FMRC may provide portfolio management services as a sub-adviser to certain of Strategic's clients. FMRC may also provide portfolio management services as an adviser or a sub-adviser to clients of other affiliated and unaffiliated advisers.
- *Fidelity Management & Research (Hong Kong) Limited (FMR (Hong Kong))* is a wholly owned subsidiary of FMR, a registered investment adviser under the Advisers Act, and has been authorized by the Hong Kong Securities & Futures Commission to advise on securities and futures and to provide asset management services. FMR (Hong Kong) may provide investment advisory or portfolio management services as a sub-adviser with respect to certain clients of our clients, including investment companies in the Fidelity group of funds, and for clients of other affiliated and unaffiliated advisers. We have sub-advisory agreements with FMR (Hong Kong) for certain of our funds.
- *Fidelity Management & Research (Japan) Inc. (FMR (Japan))*, a wholly owned subsidiary of FMR, is a registered investment adviser under the Advisers Act, and has been authorized by the Japan Financial Services Agency (Kanto Local Finance Bureau) to provide investment advisory services. FMR (Japan) may supply investment research and investment advisory information to certain clients of Strategic, including investment companies in the Fidelity group of funds, and to clients of other affiliated and unaffiliated advisers. We have sub-advisory agreements with FMR (Japan) for certain of our funds.
- *Fidelity Management & Research (U.K.) Inc. (FMR (U.K.))*, a wholly owned subsidiary of FMR, is registered as an investment adviser under the Advisers Act and has been authorized by the U.K. Financial Services Authority to provide investment advisory and asset management services. FMR (U.K.) provides investment advisory and portfolio management services as a sub-adviser to certain of Strategic's clients, including investment companies in the Fidelity group of funds. FMR (U.K.) may provide portfolio management services as an adviser or sub-adviser to clients of other affiliated and unaffiliated advisers. We have sub-advisory agreements with FMR (U.K.) for certain of our funds.

Broker-Dealers

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

Banking Institutions

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

Limited Partnerships and Limited Liability Company Investments

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

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

Participating Affiliates

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

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

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

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

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