

STRATEGIC ADVISER PORTFOLIOS

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This brochure provides information about the qualifications and business practices of Strategic Advisers, Inc. and provides clients with information about Strategic Advisers, Inc. that should be considered before becoming a client. Throughout this brochure and related materials, Strategic Advisers, Inc. may refer to itself as a “registered investment adviser” or as “being registered.” These statements do not imply a certain level of skill or training or endorsement by any regulatory agency. 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. also is available on the SEC’s website at www.adviserinfo.sec.gov.

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. The below section highlights revisions that have been made to the Fidelity Strategic Adviser Portfolios Program Brochure from March 31, 2011 through March 30, 2012.

Additional Details on the Use of Derivatives in Client Portfolios

Additional information about the use of derivatives in underlying mutual funds has been added to the section entitled “Material Investment Risks”. Please see page 9 for details.

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ADVISORY BUSINESS

Strategic Advisers, Inc. (“Strategic,” or sometimes referred to as “we” or “us” throughout this document) is a registered investment adviser and a wholly owned subsidiary of FMR LLC, offering services which include discretionary investment management services for individuals, joint accounts, retirement plans, trusts, estates, business entities and charitable organizations. Various direct and indirect subsidiaries of FMR LLC are engaged in investment advisory, brokerage, banking or insurance businesses. Strategic was incorporated in 1977 and acts as sponsor and investment manager to all Fidelity managed accounts

Strategic is 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 Strategic’s affiliates.
3. Offering educational materials concerning investment and personal finance.

Strategic provides a proprietary mutual fund asset allocation program known as Strategic Adviser Portfolios (“Strategic Portfolios”), made available through a wrap program (“Managed Account Solutions”) sponsored by Envestnet Asset Management, Inc. (“Envestnet”). Strategic Portfolios provides a range of mutual funds portfolios allocated to align with the client risk profile as assessed by investment advisers using Envestnet’s programs and tools to service such clients.

Envestnet is an independent, registered investment adviser providing investment management and investment advisory services for the use by independent investment advisers (“Advisers”). Advisers generally use Envestnet’s platform and services to better provide financial services to their own clients (“Clients”). Envestnet’s services may also support institutional clients such as pension or profit-sharing plans, trusts, estates, and corporations.

Strategic communicates allocation changes in the model portfolios to Envestnet for processing and trading; Envestnet is responsible for executing transactions in the client’s portfolios, and for any overrides or other investment decisions made by the client.

Envestnet, and/or the Advisers participating in the Managed Account Solutions program, are responsible for meeting with program clients and making specific recommendations which may include Strategic Portfolios. Envestnet and/or Advisers participating in the Managed Account Solutions program are also responsible for the implementation of reasonable restrictions with respect to customer accounts.

Strategic provides Strategic Portfolios to Envestnet as part of a “wrap fee” program, which means clients will pay a single advisory fee for certain base services provided by Strategic, Envestnet, and the broker-dealers responsible for the trading and custody of client accounts, including investment management, brokerage, custody, and other services. Strategic receives a portion of the wrap fee for its services as model provider to the Managed Account Solutions program. For more information on the fees associated with client accounts and fees and charges covered by the advisory fee, please see the section on “Fees and Compensation” below.

Assets Under Management

Strategic's total assets under management as of December 31, 2011 were \$261,720,600,000 on a discretionary basis, and \$85,000,000 on a non-discretionary basis. Assets under management in the Strategic Portfolios on a non-discretionary basis as of December 31, 2011 were \$85,000,000.

FEES AND COMPENSATION

Strategic receives a quarterly fee for maintaining Strategic Portfolios. This fee is calculated separately at the close of each calendar quarter for each account and billed in arrears, based on the average daily account assets during the quarter. The gross fee for each account is generally calculated on an annualized basis. A credit shall be calculated and applied against the gross fee for each account. The credit shall be calculated daily and, for each fund that is part of the assets managed by Strategic, shall equal the greater of:

- a) An amount equal to 0.57% on an annualized basis of all assets in that fund;
and
- b) Either
 - 1. the actual underlying investment management fees paid to Strategic or its affiliates from such fund if it is a Fidelity fund (but not other fund expenses such as transfer agency fees); or
 - 2. the actual distribution or shareholder servicing fees paid to Strategic or its affiliates from or in respect of such fund if it is not a Fidelity fund, including purchase-related fees for Transaction Fee Funds.

A credit shall be calculated and applied against the gross advisory fee for each account. The credit shall be equal to the revenue received by Strategic or its affiliates for investments in affiliated and unaffiliated mutual funds used by Strategic Portfolios. If the credit amount exceeds the gross fee for a given account, the aggregate fee payable to Strategic in respect to other accounts shall be reduced by the amount of excess credit.

All fees are set, managed, and collected by Envestnet and its associated custodians. Strategic does not bill clients directly for management services.

Clients pay a management fee to their adviser who in turn is billed by Envestnet for access to the Envestnet platform. Strategic receives a portion of the money collected by Envestnet that is related to the assets invested in Strategic Portfolios.

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

The servicing and distribution fees that Fidelity Brokerage Services LLC ("FBS") or National Financial Services LLC ("NFS") receives from a fund and/or its affiliates is in addition to the advisory fees that clients pay Strategic. With respect to certain of these funds, FBS or NFS may receive up to 0.40% annually of the average daily net assets of non-Fidelity funds in client accounts; 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 as discussed above. The servicing and distribution fees that FBS receives are taken into consideration when determining a client's gross advisory fee for a client's account. NFS does not receive servicing and distribution fees in connection with investments in Strategic Portfolios.

Each Fidelity fund pays investment management fees, and other fees, to Fidelity Management & Research Company ("FMR"), Strategic, or their affiliates. In addition, affiliates of Strategic are compensated for providing distribution, transfer agency, shareholder servicing and custodian and other services to certain Fidelity and non-Fidelity funds. The compensation received by Strategic and its affiliates from investments in Fidelity mutual funds included in Strategic Portfolios 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 seeks to address these potential conflicts through the application of the fee credit noted above, and through the application of fund selection criteria and personnel compensation arrangements that do not differentiate between Fidelity and non-Fidelity funds. Strategic investment professionals are compensated partially based on account performance. There is no predetermined allocation of Fidelity or non-Fidelity funds

(except that money market funds will always be Fidelity funds). 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.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

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

TYPES OF CLIENTS

For Strategic Portfolios, participation is generally conditioned on a minimum account size of \$50,000. The account requirements may vary on a case-by-case basis.

Strategic generally provides investment advisory services to the following types of clients in connection with the Strategic Portfolios: individuals, trusts, estates, charitable organizations or corporations and other business entities.

Strategic offers its services solely with respect to the investment of mutual fund shares in connection with Strategic Portfolios.

METHOD OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Strategic generally uses both fundamental and quantitative investment strategies to manage Strategic Portfolios. Strategic offers multiple model portfolios to satisfy a wide variety of investor needs, ranging from the most aggressive portfolios (i.e., model portfolios that are assigned mostly to equity) to the most conservative portfolios (i.e., model portfolios that include generally only 20% exposure to equity). Strategic will define an appropriate strategy for a given asset allocation and create a model portfolio of mutual funds that corresponds to the general volatility of that asset allocation.

Strategic uses both direct primary research and secondary research in recommending appropriate mutual funds for the different model portfolios. Primary research can take the form of face-to-face meetings with mutual fund managers to discuss investment philosophy, focus and discipline. Secondary research utilizes qualitative and quantitative considerations to analyze mutual funds, including without limitation, reports regarding investment strategies and styles, fund risk profiles, historical returns and fundamental characteristics such as price to earnings ratio ("P/E") multiples, factor risk, market capitalization, etc. of specific mutual funds. A combination of proprietary and third party information sources and measurement systems, including holdings and returns-based analytical tools, are used to monitor and evaluate performance at the individual fund and portfolio levels on a daily, weekly, monthly, quarterly and annual basis.

Strategic Portfolios applies a quantitative research and screening process for U.S. Equity funds. This process is based on a proprietary multi-factor performance attribution model. Variables considered in the model include historical performance, , risk control factors such as beta and tracking error and other factors such as valuations.

Using the multi-factor model, the portfolios will regress historical daily returns of funds against the benchmark—Dow Jones Wilshire 5000 Index—to identify excess return. As a result, Strategic attempts to identify managers who they believe most consistently demonstrate strong stock selection capabilities.

Strategic's fundamental research analyst team applies a mix of quantitative and qualitative research to international and fixed income investments. Strategic conducts rigorous quantitative analysis that considers, but is not limited to: fund managers' public holdings, risk analysis and returns history.

Strategic relies on both proprietary fundamental and quantitative fund research. Factors considered when investing in underlying funds include 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. Strategic pursues a disciplined, benchmark-guided approach to portfolio construction, and monitors and adjusts allocations to underlying funds as necessary to attempt to control overall account risk and pursue appropriate returns.

Strategic uses its analyses to prepare for ongoing meetings and qualitative assessments of fund managers. Strategic examines criteria including:

- Portfolio managers' explanations/defenses of investment processes,
- Management teams' reaction to changing market conditions,
- Firms' cultures and incentives, and
- Succession plans.

Additional Information About Strategic's Investment Practices and Manager Selection Process

When including the Fidelity and non-Fidelity funds in Strategic Portfolios, 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 or in models provided 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 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 Strategic Portfolios reallocation activity on acquired funds. In certain situations,

liquidating positions in underlying funds may be accomplished over an extended period of time as a result of operational or legal considerations. With respect to Fidelity funds, the investment managers at Strategic who manage Strategic Portfolios do not have access to the proprietary or material non-public information of FMR, the investment adviser to the Fidelity funds.

Material Investment Risks

As discussed above, Strategic offers multiple asset allocations to satisfy a wide variety of investor needs, ranging from the most aggressive portfolios (i.e., portfolios that are assigned mostly to equity) to the most conservative portfolios (i.e., portfolios that generally include only 20% exposure to equity). In general, all the portfolios managed by Strategic 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 involve risk of loss (even the Conservative model portfolio will fluctuate in value over time and clients may lose money). Clients should be prepared to bear such losses in connection with investments in Strategic Portfolios. Investments in a client's 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 may be subject to the risks below. Different funds have different risks. For the specific risks associated with any fund used by Strategic, please see the fund's prospectus.

Investing in Mutual Funds. Client accounts bear all the risks of the investment strategies employed by the mutual funds held in the 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 fluctuations, economic, regulatory, and political risks, all of which may be greater in emerging markets. These risks are particularly significant for funds that focus on a

single country or region. Foreign markets may be more volatile than U.S. markets and can perform differently than the U.S. market.

Bond Investments. In general, the bond market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) The ability of an issuer of a 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. Strategic Portfolios is not designed to take taxes into account. As a result, clients may have taxable gains or losses as a result of investment decisions made for their accounts. In addition, Strategic may make structural changes to Strategic Portfolios that may result in taxable gains. To understand the potential tax consequences of the trading activity, clients should consult their tax adviser.

Derivatives. Certain funds used by Strategic may use 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 harder to value. As a result, these funds may be more volatile than if the fund had not been leveraged because the leverage tends to exaggerate the effect of any increase or decrease in the value of a fund's portfolio securities.

Quantitative Investing. Strategic Portfolios relies on a quantitative framework for selecting funds. 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.

Commodity-Linked Investments. These investments may be more volatile and less liquid than the underlying instruments or measures, and their value may be affected by the performance of the overall commodities markets as well as by weather, disease, and regulatory developments.

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

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

DISCIPLINARY INFORMATION

There are no legal or disciplinary events that are material to the evaluation of Strategic's advisory business or the integrity of its management.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Strategic 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.

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

Strategic's affiliates provide investment advisory and other services to the Fidelity mutual funds and a Fidelity ETF, and may also provide sub-advisory services to mutual funds that are managed by Strategic (for example, Strategic's mutual funds). When Strategic invests client 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 client invested assets.

While Strategic receives no economic benefit from their affiliated or unaffiliated entities in connection with their investment decisions, including fund selections made for client accounts, 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 client assets.

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 ("Exchange Act"), from broker-dealers in connection with the execution of the funds' portfolio security transactions.

From time to time, Strategic or its 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 of 1940 ("Advisers Act"). Strategic pays FMR an administrative fee for handling the business affairs of the investment companies it advises. In addition, it is expected that Strategic 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 Strategic's clients, including investment companies in the Fidelity group of funds or as an adviser. Strategic has sub-advisory agreements with FIMM for certain of Strategic's funds.
- FMR Co., Inc. ("FMRC") is a wholly owned subsidiary of FMR and is a registered investment adviser under the Advisers Act. FMRC may provide portfolio

management services as a sub-adviser to certain of Strategic's clients and Fidelity Funds. 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 Strategic's clients, including investment companies in the Fidelity group of funds, and for clients of other affiliated and unaffiliated advisers. Strategic has sub-advisory agreements with FMR (Hong Kong) for certain of Strategic's 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. Strategic has sub-advisory agreements with FMR (Japan) for certain of Strategic's 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. Strategic has sub-advisory agreements with FMR (U.K.) for certain of Strategic's 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 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 Strategic's

- investment companies and other clients. Additionally, NFS operates CrossStream®, an alternative trading system that allows orders submitted by its subscribers to be crossed against orders submitted by other subscribers. NFS charges a commission to both sides of each trade executed in CrossStream®. CrossStream® may be used to execute transactions for Strategic's investment companies and other advisory 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 Strategic places with certain broker-dealers. NFS may provide transfer agent or sub-transfer agent services to certain of Strategic's clients or Strategic's affiliates' clients. NFS provides transaction processing services in conjunction with the implementation of Strategic's discretionary investment management instructions. NFS also provides custodial and recordkeeping and reporting services to clients. Strategic compensates NFS for these services.
- 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 and Strategic 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, wholly-owns three broker-dealers including Fidelity Brokerage Services LLC, National Financial Services LLC, and Fidelity Clearing Canada ULC, and also 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 Strategic's clients or other entities for which Strategic serves as adviser or sub-adviser or for which Strategic provides discretionary trading services, as well as for clients of Strategic's affiliates, may be executed through the Level ATS.

Banking Institutions

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

Limited Partnerships and Limited Liability Company Investments

Strategic provides 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.

Strategic also provides 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 Strategic, which Strategic may use for Strategic’s clients.

FBS India is registered as a “Participating Affiliate” of Strategic (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). Strategic deems FBS India and each of the FBS India Associated Employees as “associated persons” of Strategic 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 Strategic’s 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 Strategic’s Participating Affiliate, 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 Strategic’s clients.

FBS India maintains a list of its FBS India Associated Employees whom it has deemed “associated persons,” which Strategic will make available to clients upon request.

As noted above, certain affiliates of Strategic receive compensation as a result of sales or servicing of mutual funds used in Strategic Portfolios. However, any conflicts

associated with the receipt of any such fees are mitigated by the use of a fee credit that reduces the Program's Advisory Fee by the amount of revenue received by Strategic and its Affiliates from such underlying Funds. For additional information regarding the fee credit, please see the "Fees and Compensation" section above.

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

Code of Ethics

The potential conflicts of interest involved in such transactions are governed by Fidelity's Code of Ethics for Personal Investing (Code), which has been adopted by Fidelity Investments and its registered investment advisers, including Strategic. The Code has been approved by the Board of Trustees of Fidelity's or its affiliates' mutual fund clients in the Fidelity group of funds in accordance with Rule 17j-1 under the Investment Company Act of 1940 and Rule 204A-1 under the Advisers Act. The Code applies to all officers, directors, and employees of Strategic and requires that they place the interests of Strategic's clients above their own. The Code contains provisions requiring:

- i. Standards of general business conduct reflecting Strategic's fiduciary obligations
- ii. Compliance with applicable federal securities laws
- iii. Employee covered accounts to be held at Fidelity Brokerage Services LLC unless an exception has been approved
- iv. Reporting and review of personal securities transactions and holdings for persons with access to certain non-public information
- v. Prohibition or pre-approval 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 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 its registered investment advisers, including Strategic.

Strategic will provide a copy of the Code to any client or prospective client 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, 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.

Envestnet employees or related persons may have accounts with investment managers that Envestnet recommends to clients as part of its investment programs. This means that Envestnet employees or related persons may buy or sell securities that clients also own in their accounts. Investment decisions for Envestnet personnel may not be made at the same time or in the same manner as those made for clients. Please see Envestnet's brochure for information about Envestnet's trading practices and code of ethics.

BROKERAGE PRACTICES

Strategic does not solicit or accept any "soft dollar" benefits in connection with its management of Strategic Portfolios.

Strategic does not consider, in selecting or recommending broker-dealers, whether Strategic or a related person to Strategic receives client referrals from a broker-dealer or third party.

Strategic does not trade Strategic Portfolios offered through the Managed Account Solution program. Strategic recommends the model portfolios allocations to Envestnet, who in turn executes trading via the Envestnet Correspondent's mutual fund trading platform. As the model portfolios are invested strictly in open-end mutual funds, Strategic does not aggregate orders with respect to purchases or sales suggested by the model portfolios.

REVIEW OF ACCOUNTS

For Strategic Portfolios, Strategic's investment strategists review each model portfolio regularly, and make appropriate changes as market conditions warrant. Model portfolios are managed in accordance with the governing investment management agreements. Reviews of individual client accounts are conducted by Envestnet and/or other Advisers serving the clients in accordance with duties as sponsor of the Managed Account Solutions program and/or as Adviser, as applicable.

CLIENT REFERRALS AND OTHER COMPENSATION

FMR LLC 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 and subsidiaries as the investment adviser for the Fidelity funds, FDC 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. ("FIIOC") as transfer agent for the Fidelity funds, servicing agent for non-Fidelity funds and as recordkeeper of certain workplace savings plans, and FMTC as the custodian for certain assets. FMTC may also be compensated for providing investment management services to one or more of the bank's investment products recommended by Strategic. In addition, one or more broker-dealer affiliates of the Fidelity funds may execute portfolio transactions for the funds. FMR 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.

For Strategic Portfolios, the group of mutual funds eligible for consideration in recommended portfolios is currently limited to funds available through Fidelity's mutual fund supermarket, FundsNetwork. FundsNetwork is a registered trademark 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. Affiliates of Strategic receive compensation related to clients' investment in affiliated funds which may exceed the compensation affiliates of Strategic receive from clients' investments in non-affiliated funds. However, the fee credit mechanism described above is designed to offset any such revenue.

In connection with client's investments, certain personnel of Strategic may receive other economic incentives in addition to their normal compensation. In addition, Strategic's 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 client's or participant's investment in Fidelity-managed investments may exceed the compensation received from a client's or participant's investments in non-Fidelity investment options, although the fee credit calculation is designed to mitigate this disparity. The mutual fund fees and expenses for the various services that Strategic or our 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. In addition, the amounts that Strategic or its affiliates receive from non-Fidelity mutual funds are disclosed to clients in each respective fund's prospectus.

Client referrals are provided by affiliated entities including FBS, or other affiliates, pursuant to referring agreements where applicable. Payments may be made to affiliates for services that facilitate delivery of Strategic's services. Fidelity Investments Institutional Services Company, LLC and certain related entities, including FIIOC and Fidelity Employer Services Company LLC, 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.

CUSTODY

Custody of client funds is maintained by Envestnet as sponsor of the Managed Account Solutions platform and its correspondent brokerage clients, including NFS. Strategic does not maintain custody of client assets in connection with Strategic Portfolios. Clients of Strategic may receive holdings and transactions information at least quarterly, or on such basis as agreed by both Strategic and the respective client.

INVESTMENT DISCRETION

Envestnet, and/or the investment advisers participating in the Managed Account Solutions program, are responsible for meeting with program clients and making specific recommendations which may include Strategic Portfolios. Envestnet and/or the investment advisers participating in the Managed Account Solutions program exercise investment discretion with respect to the implementation of those portfolios.

Strategic manages investments in Fidelity and non-Fidelity mutual funds on a non-discretionary basis. The Fidelity funds are advised and distributed by affiliates of Strategic. Strategic and its affiliates have authority to allocate client assets among various mutual funds, subject to product-specific conditions. There are currently no sales loads for accounts of advisory clients of the service. Fees include the services' basic account management fee for investments made through the services, and any fees disclosed in each fund's prospectus.

Strategic may decide to adjust the model portfolio for a number of reasons, including but not limited to the need to respond to: the weighting of a particular asset class, industry sector, mutual fund peer group, or an individual security that Strategic believes has too much representation in an account; diversification needs based on a client's objectives and on market conditions; change in the fundamental attractiveness of a particular security or mutual fund.

Strategic will make recommendations to buy, sell, exchange, and otherwise trade in mutual fund shares and maintain uninvested funds, if any, in a money market fund or similar short term account for the model portfolios. Strategic communicates allocation changes in the model portfolios to Envestnet for processing and trading.

VOTING CLIENT SECURITIES

Strategic does not accept authority for voting client securities in connection with Strategic Portfolios. Envestnet generally delegates proxy voting to the asset managers to whom it allocates client assets, but does not engage in this practice for Strategic Portfolios. Instead, proxy voting authority is determined in accordance with the various

advisory agreements executed between Envestnet, third party investment advisers and the clients of those parties, as applicable.

In the unlikely event that Envestnet becomes responsible for voting proxies relating to securities held by its clients, Envestnet has developed appropriate principles, policies and procedures to ensure that such proxies are voted in the best interests of Envestnet's clients. These principles, policies and procedures are relatively general in nature to allow Envestnet the flexibility and discretion to use its business judgment in making appropriate decisions with respect to client proxies.

Envestnet acknowledges and agrees that it has a fiduciary obligation to its clients to ensure that any proxies for which it has voting authority are voted solely in the best interests and for the exclusive benefit of its clients. The policies are intended to guide Envestnet and its personnel in ensuring that proxies are voted in such manner without limiting Envestnet or its personnel in specific situations to vote in a pre-determined manner. These policies are designed to assist Envestnet in identifying and resolving any conflicts of interest it may have in voting client proxies.

FINANCIAL INFORMATION

Strategic does not solicit prepayment of client fees. Furthermore, there are no financial conditions that are reasonably likely to impair Strategic's ability to meet any of its contractual commitments to its clients.

REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Strategic is not registered with any state securities authority.