

Fidelity® Wealth Services

Program Fundamentals

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This brochure provides information about the qualifications and business practices of Strategic Advisers LLC ("Strategic Advisers"), a Fidelity Investments® company, as well as information about Fidelity Wealth Services.

Throughout this brochure and related materials, Strategic Advisers refers to itself as a "registered investment adviser" or "being registered." These statements do not imply a certain level of skill or training.

Please contact us at 800.544.3455 with any questions about the contents of this brochure. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Strategic Advisers is available on the SEC's website at adviserinfo.sec.gov.



SUMMARY OF MATERIAL CHANGES

The SEC requires registered 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 only material revisions that have been made to the Fidelity Wealth Services Program Fundamentals from March 28, 2023, through March 28, 2024. Clients and prospective clients can obtain a copy of the Program Fundamentals, without charge, by calling 800.544.3455, by visiting [Fidelity.com/information](https://www.fidelity.com/information), by visiting the SEC's website at adviserinfo.sec.gov, or by contacting their Fidelity representative. Capitalized terms are defined in the Program Fundamentals.

Material Changes

- "About Tax-Smart Investing Techniques" and "Material Investment Risks" in "Methods of Analysis, Investment Strategies and Risk of Loss" has been updated with enhanced disclosure regarding the risks and limitations associated with our tax-loss harvesting services and wash-sale rules.

Other Changes

- "Methods of Analysis, Investment Strategies and Risk of Loss" has been updated to remove the ability for new clients to elect to have their Tax-Smart Program Accounts invested gradually over time, and to clarify that for Sustainable Index-Focused accounts the ESG criteria used in evaluating index-based funds can be centered on the index the fund tracks and the fund manager's ability to adhere to the index.
- "Material Investment Risks" in "Methods of Analysis, Investment Strategies and Risk of Loss" has been updated to remove a statement that Fidelity's government and U.S. Treasury money market funds will not temporarily suspend an investor's ability to sell shares under certain circumstances, to provide enhanced risk disclosure about investments in alternative assets, and to update information about error correction processes.
- Certain minor revisions have been made to the text that describes Strategic Advisers' affiliates in "Other Financial Industry Activities and Affiliations" and "Client Referrals and Other Compensation."
- "Review of Accounts" has been updated to clarify the circumstances when a "do-not-trade" restriction could be placed on an account.
- "Custody" has been updated to clarify that Strategic Advisers is deemed to have custody because its affiliate serves as qualified custodian for the Program.

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ADVISORY BUSINESS

Strategic Advisers LLC ("Strategic Advisers") is a registered investment adviser and an indirect, wholly owned subsidiary of FMR LLC (collectively with Strategic Advisers and its affiliates, "Fidelity Investments," "Fidelity," "us," "our," or "we"). Strategic Advisers was formed in 1977 and provides a variety of investment management services, including discretionary portfolio management services to retail and institutional clients and nondiscretionary advisory services to certain institutional clients, including but not limited to Fidelity affiliates. This brochure provides information about Strategic Advisers' role only with respect to Fidelity Wealth Services (the "Program"). For information about the additional services that Strategic Advisers provides, please see Strategic Advisers' other Form ADV Part 2A brochures.

Strategic Advisers serves as sub-advisor to its affiliate Fidelity Personal and Workplace Advisors LLC ("FPWA") in connection with various investment advisory programs offered by FPWA, including the Program. As sub-advisor, Strategic Advisers will make the day-to-day discretionary trading decisions with respect to the Program's Personalized Portfolios accounts ("Program Accounts") (also referred to as Portfolio Advisory Services accounts) and will receive a portion of the advisory fees clients pay to FPWA in connection with the Program. Important information regarding FPWA and the Program can be found in FPWA's Fidelity Wealth Services Program Fundamentals ("FPWA Program Fundamentals").

As described in the FPWA Program Fundamentals, the Program offers three service levels that provide a range of (i) discretionary investment management services, (ii) access to financial planning, and (iii) assistance from one or more Fidelity representatives. The Program service levels are Advisory Services Team, Wealth Management, and Private Wealth Management. Program Accounts can include tax-advantaged accounts ("Retirement Program Accounts"), taxable accounts that are managed using tax-smart investing techniques ("Tax-Smart Program Accounts"), and, for clients in the Wealth Management and Private Wealth Management service levels, taxable and tax-advantaged BlackRock® Diversified Income Portfolio ("BDIP") Program Accounts, which are not managed using tax-smart investing techniques. In addition, eligible Wealth Management and Private Wealth Management Tax-Smart Program Accounts can be invested in individual securities through separately managed account sleeves ("SMA Sleeves"), which are discussed below.

As of December 31, 2023, Strategic Advisers' total assets under management were \$792,623,731,892 on a discretionary basis, and \$32,116,364,923 on a nondiscretionary basis.

FEES AND COMPENSATION

The Program charges a Gross Advisory Fee that differs depending on the service level selected by the client. Program clients do not pay Strategic Advisers for the services it provides under the Program. Instead, as compensation for its discretionary portfolio management services provided to Program Accounts, Strategic Advisers receives a portion of the advisory fee paid to FPWA by Program clients through an agreement between FPWA and Strategic Advisers. Strategic Advisers and its affiliates can receive compensation with respect to the mutual funds and exchange-traded products ("ETPs") that are held in a client's Program Account. However, a crediting program reduces the advisory fees paid to FPWA by the amount of compensation, if any, Strategic Advisers and its affiliates retain with respect to these mutual funds and ETPs that is derived as a direct result of investments by Program Accounts (the "Credit Amount"). Compensation that is not directly derived from Program Account assets is not included in the Credit Amount calculation. Please see the FPWA Program Fundamentals for information about Program fees and the application of the Credit Amount.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Strategic Advisers does not currently charge performance-based management fees for any of its advisory services and, therefore, does not engage in side-by-side management.

TYPES OF CLIENTS

Strategic Advisers provides discretionary portfolio management services for clients' Program Accounts. Please see the FPWA Program Fundamentals for information about the types of clients eligible for the Program.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

This section contains information about how Strategic Advisers provides discretionary portfolio management services to Program Accounts.

FPWA will propose an appropriate long-term asset allocation (an "Asset Allocation") that corresponds to a level of risk consistent with a client's financial situation, investment goals and objectives, risk tolerance, planned investment time horizon, and other information the client provides (the "Profile Information"). Each Asset Allocation is designed to correspond to a level of risk ranging from conservative (lower risk and return potential) to aggressive (higher risk and return potential). If a client has selected an Asset Allocation that differs from the allocation proposed by FPWA, such clients understand that the performance of the Program Account will differ from the performance of an account managed according to the Asset Allocation originally proposed, perhaps significantly, and such clients acknowledge directing Strategic Advisers to manage the Program Account according to such Asset Allocation. Subject to the imposition of reasonable restrictions, Strategic Advisers will apply its proprietary methodology to manage a client's Program Account to align with the identified Asset Allocation. It is important to understand that a Program Account's actual asset allocation (or the asset-weighted asset allocation of a group of Program Accounts associated with a single goal) can deviate from the identified Asset Allocation for reasons that include market movement and investment decisions that seek to increase potential returns or reduce risks.

Program Accounts will include allocations among a combination of the primary asset classes: domestic stocks (U.S. equity securities), foreign stocks (non-U.S. equity securities), bonds (fixed income securities of all types and maturities, including lower-quality debt securities), and short-term assets (short-duration investments). Program Accounts can also have allocations to nontraditional asset classes and/or extended asset classes, including but not limited to real estate, inflation-protected debt securities, commodities, or other alternative investments. At times, investments in these asset classes could make up a substantial portion of a Program Account. As a result, a client's exposure to the primary asset classes, particularly bond and short-term investments, can be reduced to gain exposure to these nontraditional and/or extended asset classes. As a secondary consideration to asset allocation and diversification, Tax-Smart Program Accounts will be managed using individualized, federal tax-smart investing techniques that seek to enhance after-tax returns as described herein. All other Program Accounts will be managed without regard to a client's individual tax situation.

Program Accounts, other than Tax-Smart Program Accounts, are generally invested in a model-based portfolio made up of mutual funds and/or ETPs. Tax-Smart Program Accounts are personalized based on a client's existing holdings and tax profile. However, model-based Program Accounts are generally managed in alignment with a model portfolio. Retirement and BDIP Program Accounts generally differ from the model portfolio with respect to the mutual funds and/or ETPs held, or the weights of such positions, based on factors such as the amount invested, timing of client investments and withdrawals, any client-imposed investment restrictions, and investment management decisions on when to trade a Program Account to align it with a model.

Tax-Smart Program Accounts can include several different "sleeves" in which different types of investments are held. For most investment strategies, the majority of positions will be held in the "Central Investment Positions" sleeve, which generally holds interests in mutual funds and ETPs based on the Tax-Smart Program Account's Asset Allocation. If a Wealth Management or Private Wealth Management Tax-Smart Program Account qualifies, the account can have SMA Sleeves that hold individual securities within a given asset class to provide an additional layer of opportunities for tax-smart investing techniques. SMA Sleeves are managed

based on investment models provided to Strategic Advisers by affiliated and/or unaffiliated investment advisers ("Model Providers"), or managed by Strategic Advisers without the use of investment models provided by other investment advisers.

Strategic Advisers will manage eligible securities that a client uses to fund a Tax-Smart Program Account. While Strategic Advisers does consider the potential tax consequences of the sale of eligible securities in a Tax-Smart Program Account, appropriate asset allocation and diversification are of primary importance, and the application of tax-smart investing techniques is a secondary consideration in managing such Tax-Smart Program Accounts. Accordingly, clients who fund a Tax-Smart Program Account with appreciated securities should understand that Strategic Advisers can sell such securities, notwithstanding that the sale could trigger significant tax consequences. Please see the FFWA Program Fundamentals or contact a Fidelity representative for information about opening and funding a Program Account.

The mutual funds used in the Program are selected from among those available through Fidelity's mutual fund platform, FundsNetwork®. Mutual funds and ETPs used in the Program are managed by Fidelity and/or non-Fidelity advisers and could include mutual funds managed by Strategic Advisers or an affiliate that have been developed specifically for use in programs offered or managed by Strategic Advisers or an affiliate (the "Fidelity Program Dedicated Funds") and/or other funds that are not available for investment directly to retail investors (together with Fidelity Program Dedicated Funds, "Program Only Funds"). The Fidelity Program Dedicated Funds can invest in individual equity and fixed income securities, mutual funds, ETPs, and derivatives, and engage the use of Fidelity and non-Fidelity sub-advisors ("Fund Sub-advisors"). The selection and allocation of assets to Fidelity Funds or to third-party funds that pay fees to Strategic Advisers' affiliates creates conflicts of interest for Strategic Advisers. For funds managed by a Fidelity affiliate, these affiliates receive fees for services, including management and administration of the fund. For any third-party fund, Strategic Advisers' affiliates receive fees in connection with the fund's FundsNetwork participation. Strategic Advisers seeks to address these conflicts through the application of the Credit Amount, described in "Fees and Compensation" in the FFWA Program Fundamentals, and through personnel compensation arrangements that are not differentiated based on the investments selected for Program Accounts.

Strategic Advisers generally uses both fundamental and quantitative investment strategies to manage Program Accounts. Strategic Advisers uses sophisticated research tools to gauge when certain primary and extended asset classes should be used. This involves both evaluating characteristics, such as sector weightings, duration, valuation, and market capitalization, as well as focusing on key economic indicators and trends. When determining how to allocate assets among underlying mutual funds and ETPs, Strategic Advisers considers a variety of objective and subjective factors, including but not limited to proprietary fundamental and quantitative fund research, a manager's experience and investment style, fund company infrastructure, fund availability, current public information about a fund, such as expense ratio, performance history, asset size, and portfolio turnover, and overall fit within Program Accounts. Strategic Advisers' 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, ETPs, and individual securities. Sources of information used include publicly available information and performance data on mutual funds and ETPs, individual securities, equity markets, fixed income markets, foreign markets, and broad-based economic indicators. Strategic Advisers will use both primary sources (e.g., talking directly with fund companies and managers) and secondary sources (reports prepared by fund companies and other sources that provide data on specific fund investment strategies, portfolio management teams, fund positioning, portfolio risk characteristics, performance attribution, and historical fund returns) as inputs into its investment process.

In general, Strategic Advisers will evaluate the mutual funds available on the FundsNetwork platform and make fund investment determinations based on investment methodology. Strategic Advisers will review the share classes offered by identified funds and seek to choose the share class of a fund that is appropriate for clients after the application of the Credit Amount. Strategic Advisers generally chooses share classes of the funds it invests in on a Program-wide basis, and generally does not vary its share class selections among Program Accounts or modify its share class selections for clients who receive fee waivers (primarily Fidelity

employees) or discounts. On an annual basis Strategic Advisers will assess whether the mutual funds held in Program Accounts offer less expensive share classes (after the application of the Credit Amount) and, if so, will make appropriate conversions thereafter. Clients should understand that a Program Account can hold a more expensive share class of a fund for an extended amount of time until the share class review and conversion process is complete. Investors who hold a more expensive share class will pay higher fees over time—and earn lower investment returns—than investors who hold a less expensive share class of the same fund.

About the Program Account Investment Approaches and Universes

The Program offers the following two investment approaches and six investment universes for the management of Program Accounts, other than BDIP Program Accounts, to accommodate investor preferences. Clients select either the Total Return or the Defensive investment approach. The Total Return investment approach seeks to enhance total return for a given level of risk through broad diversification across asset classes. The Defensive investment approach seeks to temper downside risk in an effort to provide a smoother investment experience over the long term (as compared with a Total Return approach) by implementing “defensive” strategies. Defensive Program Accounts will have increased exposures to defensive investments that, in the judgment of Strategic Advisers, could cause the account to have lower sensitivity to broader market price movements. These defensive investments include conservative equity (those with stable earnings growth, low financial leverage, and a high return on equity; or those that are expected to have lower volatility and to rise and fall in price less than the market generally), which can be combined with increased exposure to longer-term high-quality bonds to help reduce variability in returns and reduce some of the equity and credit risk associated with the other investments used in Defensive Program Accounts. As part of its evaluation of the business cycle, Strategic Advisers can manage Defensive Program Accounts to have lower equity exposure than the identified long-term Asset Allocation, with the amount of variation expected to be greater in Defensive Program Accounts with higher long-term allocations to equity. There is no guarantee that the defensive strategies used in managing Defensive Program Accounts will produce the desired results, and clients should be aware that this approach is generally expected to limit a client’s gains during rising market environments.

Clients select from the Blended, Sustainable Blended, Fidelity-Focused, Sustainable Fidelity-Focused, Index-Focused, and Sustainable Index-Focused investment universes for their Total Return Program Accounts. Please note that only the Blended investment universe is available for Defensive Program Accounts. Additional investment approaches and universes could be made available from time to time. Clients should expect that, depending on the investment approach and universe selected and whether the account is managed with tax-smart investing techniques, a significant percentage to substantially all of the assets in a Program Account will be invested in Fidelity mutual funds and ETPs. It is possible that non-Fidelity investments will outperform Fidelity mutual funds and ETPs. Clients should refer to their account statements or investment proposal documentation for more information about the funds held, or proposed to be held, in a Program Account.

Blended, Sustainable Blended, Fidelity-Focused, and Sustainable Fidelity-Focused Program Accounts seek to enhance risk-adjusted returns through broad diversification across asset classes. Blended and Sustainable Blended Program Accounts use both Fidelity and non-Fidelity investments. Fidelity-Focused and Sustainable Fidelity-Focused Program Accounts primarily use investments from Fidelity. Blended, Sustainable Blended, Fidelity-Focused, and Sustainable Fidelity-Focused Program Accounts will generally invest in actively managed investments, but can also invest in index-based investments based on market conditions, risk management, and trading considerations, and the availability of actively managed and index-based investments used to gain exposure to a particular asset or sub-asset class, in each case in the judgment of Strategic Advisers.

Index-Focused and Sustainable Index-Focused Program Accounts also seek to enhance risk-adjusted returns through broad diversification across asset classes, but will have a preference for index-based investments. Index-Focused and Sustainable Index-Focused Program Accounts use both Fidelity and non-Fidelity investments. Index-Focused and Sustainable Index-Focused Program Accounts can also invest in non-index-based investments when deemed appropriate by the investment team, based on market conditions and the availability of actively managed and index-based investments used to gain exposure to a particular asset

or sub-asset class, in each case in the judgment of Strategic Advisers. In general, for Index-Focused and Sustainable Index-Focused Program Accounts, the investment management team can use actively managed investments to gain exposure to certain fixed income asset classes, including municipal and high-yield bonds, though this could change in the future depending on the availability and appropriateness of index-based investments with exposure to certain asset or sub-asset classes. Accordingly, Index-Focused and Sustainable Index-Focused Program Accounts that are taxable or that have a more conservative asset allocation can hold a higher percentage of actively managed investments than other accounts with the same asset allocation or investment universe.

Strategic Advisers expects that Retirement Program Accounts will more quickly achieve desired allocations to investments identified as part of the investment universe than comparable Tax-Smart Program Accounts, due to the consideration of the tax impact of selling securities that have appreciated since purchase.

For the Sustainable Blended, Sustainable Fidelity-Focused, and Sustainable Index-Focused investment universes (together, the "Sustainable Universes"), Strategic Advisers applies its fundamental research processes to identify mutual funds and ETPs that, in its judgment, have meaningfully integrated sustainability practices into the mutual fund's or ETP's investment research and decision-making processes (such mutual funds and ETPs are referred to herein as "Sustainable Funds"). The Sustainable Universes will have a preference for Sustainable Funds, but will also invest in non-Sustainable Funds when deemed appropriate by the investment team, based on market conditions and the availability of Sustainable Funds used to gain exposure to a particular asset or sub-asset class. Except as provided below with respect to mutual funds or ETPs that invest primarily in debt securities issued by governmental entities, Strategic Advisers generally reviews a mutual fund's or ETP's manager as part of its fundamental research process to identify Sustainable Funds in an effort to determine (i) the extent to which the manager has integrated environmental, social, and governance ("ESG") criteria into its investment processes; (ii) the extent to which the manager engages with issuers of securities in which it invests regarding ESG criteria; and (iii) the extent to which the mutual fund's or ETP's investment holdings appear to be consistent with an investment approach based on ESG criteria. In assessing a potential Sustainable Fund as part of its fundamental research process, Strategic Advisers can review a number of factors that can include but are not limited to the extent to which the fund's manager has demonstrated capabilities and management-level commitment to sustainable investing, evidence of support and consistency of approach across the fund's investment team, the level of resources of the fund's manager has dedicated to sustainable investing, the fund manager's proxy voting record with respect to ESG issues, the fund's underlying investments in securities based on ESG factors, and the fund's demonstrated differences relative to a benchmark that does not consider ESG factors. With respect to mutual funds or ETPs that invest primarily in debt securities issued by governmental entities, Strategic Advisers generally relies on third-party ratings (including by its affiliates) of the governmental issuer to determine whether the fund is a Sustainable Fund.

Strategic Advisers generally looks for mutual fund and ETP managers who assess security issuers based on multiple ESG factors. With respect to environmental factors, Strategic Advisers generally looks for managers who assess issuers based on factors that include but are not limited to the issuer's carbon and toxic emissions, water management, waste management, vulnerability to the physical impacts of climate change, and research and investment into products, services, and energies that reduce emissions and/or provide opportunities to achieve a low carbon transition. With respect to social factors, Strategic Advisers generally looks for managers who assess issuers based on factors that include but are not limited to the issuer's approach to diversity and inclusion, human capital management, data privacy, product safety, and human rights. With respect to governance factors, Strategic Advisers generally looks for managers who assess issuers based on factors that include but are not limited to the independence and diversity of the issuer's board, the issuer's compensation practices, and the issuer's board's oversight of critical ESG issues. The evaluation of index-based mutual funds and ETPs generally centers on the index that the fund's manager has selected to track and the manager's ability to adhere to the index. Some factors, such as engagement practices, can be less relevant for index-based funds or those with quantitative investment processes.

In addition, for the Sustainable Index-Focused universe, Strategic Advisers will prioritize index-based investments offered by BlackRock Investment Management LLC ("BlackRock") or its affiliates over other index-based investments. It is possible that non-BlackRock index-based funds will outperform mutual funds and ETPs offered by BlackRock or its affiliates ("BlackRock funds"). As described in "Client Referrals and Other Compensation" below, affiliates of Strategic Advisers and BlackRock have a marketing relationship. While this marketing relationship does not apply to the services offered by FPWA and sub-advised by Strategic Advisers, and employees responsible for selecting investments for Program Accounts are not compensated based on the investments selected for Program Accounts, clients should be aware of this conflict of interest.

Strategic Advisers' determination as to whether a mutual fund or ETP will be considered a Sustainable Fund is based on a subjective, qualitative assessment made based on the judgment of the Strategic Advisers investment team; none of the categories of review performed as part of an assessment is dispositive, and the weighting Strategic Advisers gives to ESG criteria can differ. Strategic Advisers generally expects that the ESG criteria it evaluates in determining whether a mutual fund or ETP is a Sustainable Fund can differ depending on the availability of data regarding underlying ESG criteria, or the mutual fund's or ETP's exposure to specific asset classes, sub-asset classes, sectors, industries, or investment styles. Strategic Advisers' review of these fund managers can be based on its own proprietary research as well as data provided by third parties, and the ESG criteria it considers as well as Strategic Advisers' assessment of a Sustainable Fund can change over time. Please note that Strategic Advisers can, based on its subjective, qualitative assessment, determine that a mutual fund or ETP is a Sustainable Fund even if the mutual fund or ETP is not categorized as such by the mutual fund's or ETP's manager.

Clients should be aware that Strategic Advisers' assessment of a mutual fund or ETP does not capture all possible ESG criteria, and there is no common industry standard relating to the development and application of ESG criteria. The subjective value that an investor assigns to certain types of ESG criteria can differ substantially from that of Strategic Advisers, and reasonable investors can differ in their views of what constitutes positive or negative ESG characteristics. As a result, clients should not assume that a Sustainable Universe account will necessarily invest in mutual funds or ETPs that reflect their own ESG beliefs and values. The application of Strategic Advisers' ESG criteria will cause an account invested using a Sustainable Universe to forgo certain investment opportunities, which will cause such an account to perform differently, perhaps significantly, compared with an account that does not exclude mutual funds and ETPs based on such criteria.

In addition, clients can direct Strategic Advisers to act as agent to vote proxies with respect to the investments held in a Program Account whereby clients must instruct Strategic Advisers to vote proxies for mutual funds and ETPs not advised by a Fidelity affiliate and individual securities pursuant to the directions provided by Institutional Shareholder Services Inc. ("ISS"), and to vote proxies for Fidelity mutual funds and ETPs advised by an affiliate in the same proportion as the vote of all other holders of such Fidelity mutual fund or ETP (referred to as "echo voting"). Please note that the Sustainable Universe Program Accounts do not evaluate or consider proxy voting of securities held in a Program Account in attempting to reach their objectives. Accordingly, it is possible that ISS' proxy voting directions and echo voting will not be consistent with, or contrary to, the sustainable goal of a Sustainable Universe Program Account. Please see "Voting Client Securities" for more information related to proxy voting.

About Tax-Smart Investing Techniques

Strategic Advisers believes appropriate asset allocation and diversification are of primary importance to the portfolio management of all Program Accounts. The application of tax-smart investing techniques to provide portfolio management services to clients in a more tax-sensitive manner is a secondary consideration in managing Tax-Smart Program Accounts. Strategic Advisers cannot guarantee the effectiveness of its tax-smart investing techniques in serving to reduce or minimize a client's overall tax liability or the tax results of a given transaction, and Strategic Advisers does not take direction from a client on when to take gains or losses from the client's Tax-Smart Program Account.

If, based on information the client provides, Strategic Advisers determines that the client's Tax-Smart Program Account requires modification to its Asset Allocation, it will generally make such changes as soon as reasonably possible, even if such changes would trigger significant tax consequences. The potential federal income tax consequences of holding, buying, and selling securities are considered as part of the investment services provided to Tax-Smart Program Accounts, but we do not consider state or local taxes; foreign taxes, including those applied to dividends and any potential reclaim; federal tax rules applicable to entities; or estate, gift, or generation-skipping transfer taxes.

The tax-smart investing techniques Strategic Advisers uses when it makes trading decisions to buy, hold, or sell mutual funds, ETPs, or other types of securities for a client's Tax-Smart Program Account will vary depending on the service level selected by the client, the type and size of the Program Account, and the investment strategy selected. The tax-smart investing techniques referenced throughout this brochure refer to one or more of the following:

Ability to harvest tax losses. Individual mutual fund, ETP, stock, or bond positions can experience price declines, possibly below a client's adjusted tax basis in the security (as determined by the tax basis information on record for the client's Tax-Smart Program Account). In such instances, losses can be realized in the client's Tax-Smart Program Account for tax purposes. In cases where a position is sold to realize a capital loss for tax purposes, the position usually will be replaced with one or a combination of investments we believe will maintain comparable market exposure. In harvesting tax losses, Strategic Advisers does not attempt to harvest every potential tax loss that occurs in the client's Tax-Smart Program Account and will consider factors such as investment risk, available comparable investment alternatives, and potential wash sales when deciding whether to harvest tax losses. For the Sustainable Universes, the general priority is to attempt to preserve exposure to Sustainable Funds while harvesting tax losses. However, the Sustainable Universes have fewer available comparable investment alternatives than the other investment universes, which can result in Strategic Advisers selecting investment alternatives that do not conform to the other aspects of the investment universe selected by the client (such as a focus on Fidelity Funds or index-based investments) in order to maintain exposure to Sustainable Funds.

Strategic Advisers considers the potential application of the wash-sale rules when evaluating transactions in Tax-Smart Program Accounts. However, clients should understand that Strategic Advisers does not prevent or avoid wash sales in all cases. The wash-sale rule requires taxpayers to defer losses that would otherwise be realized if the taxpayer acquires a substantially identical investment 30 days before or after the sale. While Strategic Advisers considers whether its trading in Tax-Smart Program Accounts may trigger the wash-sale rules, we will nevertheless engage in transactions that are potentially subject to the wash-sale rules if we determine that such transactions are consistent with the Program Account's Asset Allocation. Strategic Advisers will monitor for wash sales within Tax-Smart Program Accounts. However, the wash-sale rule not only applies to investment transactions occurring in a Tax-Smart Program Account, but also to transactions occurring in other investment accounts, whether maintained at Fidelity or at another financial institution, which are held by the client, the client's spouse and certain entities controlled by the client and/or a spouse. As a result, clients can have wash sales arising from transactions within Tax-Smart Program Accounts as well as other accounts (whether maintained at Fidelity or another institution). The wash-sale rule is complex, and while Strategic Advisers seeks to monitor wash sales in Tax-Smart Program Accounts, clients are ultimately responsible for determining whether the wash-sale rules apply to any particular transaction in their Program Accounts or in their other investment accounts. Clients should consult their tax advisors with respect to the application of the wash-sale rules based on their individual facts and circumstances.

A client can work with a Fidelity representative to identify their other accounts enrolled in the managed account programs offered by FPA (whether the account is owned by the client or the client's spouse) to review which accounts could be eligible related accounts for wash-sale monitoring. Clients should contact a Fidelity representative with any questions regarding how to provide relevant tax information for their Program Accounts. Eligible Wealth Management and Private Wealth Management Program Accounts included in

a goal-based plan can have wash-sale monitoring applied to trading activity occurring across the Program Accounts, including SMA Sleeves, associated with a goal (see “Household tax-smart strategies” below).

Opportunities to avoid and/or postpone capital gain realizations. If there are specific lots of securities in a client’s Tax-Smart Program Account—a block of shares bought at a particular time at a particular price—lots are reviewed and the potential federal income tax burden associated with selling that lot is weighed against the potential investment merits of the sale, such as performance potential, added diversification, and support of risk-management strategies. Once Strategic Advisers decides to sell an eligible security, it will attempt to sell the lot(s) that will generate the lowest overall federal income tax burden (or generate a loss for tax purposes) using the tax basis and holding period information on record, with a preference for long-term capital gains over short-term capital gains.

Seeking to manage exposure to fund distributions. After taking other factors into consideration, Strategic Advisers seeks to manage exposure to taxable fund distributions by considering historical and projected dividend and capital gain distributions when selecting and trading funds for the Program Account. It is important to understand that in a given year, due to investment decisions or market conditions, a client could receive varying levels of taxable fund distributions within a Tax-Smart Program Account. In general, Strategic Advisers will not sell a fund merely to avoid a taxable fund distribution, but rather looks at the overall portfolio to determine the most appropriate action.

Purchasing municipal bond funds based on factors including tax bracket and estimated tax-equivalent yields. When appropriate, Program Accounts will be invested in state-specific municipal bond funds (as alternatives to comparable taxable bond funds) to seek to generate income generally exempt from federal income taxes (and state income taxes, if the client is a resident of the issuer’s state or another exemption applies). When consistent with overall portfolio objectives, Program Accounts will also invest in non-state-specific (i.e., national) municipal bond funds to seek to generate income generally exempt from federal income taxes.

Household tax-smart strategies. For eligible Wealth Management and Private Wealth Management clients with both Tax-Smart and Retirement Program Accounts, Strategic Advisers can apply tax-smart strategies across a group of Program Accounts associated with a single goal. These strategies include the use of asset location strategies that seek to strategically position assets within the type of account (taxable, tax-deferred, or tax-exempt) that could help enhance marginal after-tax returns. Generally, this means locating more tax-efficient investments in a Tax-Smart Program Account and less tax-efficient investments in a Retirement Program Account. In addition, having at least one Tax-Smart and one Retirement Program Account associated with a goal also allows Strategic Advisers to coordinate decisions around transitioning securities used to fund a Program Account, rebalancing, and satisfying client-initiated withdrawal needs, in an effort to enhance the tax-smart strategies applied in managing the Program Accounts.

Funding with a concentrated position. If a client funds a Tax-Smart Program Account with eligible equity securities that Strategic Advisers considers to be a concentrated position, Strategic Advisers will generally sell down such positions within the first 90 days after funding in an effort to appropriately diversify the Program Account, and, accordingly, a client will incur tax gains or losses as a result of such sales. A Wealth Management or Private Wealth Management client can also elect to have Strategic Advisers seek to spread the capital gain over a longer period of time by selling the concentrated positions on a more gradual schedule, subject to Strategic Advisers’ determinations regarding appropriate asset allocation and diversification. Notwithstanding the foregoing, Strategic Advisers could sell concentrated positions within a short period of time in circumstances where Strategic Advisers determines that the expected capital gain is reasonable, even if the client elects the gradual sell-down schedule. Thereafter, Strategic Advisers will sell any remaining concentrated positions opportunistically over a maximum of three successive tax years to defer the realization of taxable gains associated with the client’s concentrated positions. As noted above, tax considerations are secondary to asset allocation and diversification considerations, and clients who elect to have concentrated positions sold off over time should understand that Strategic Advisers will accelerate the sale of such concentrated positions if Strategic Advisers believes it is more appropriate to do so based on asset allocation and diversification considerations.

Target capital gain amount. Clients in the Private Wealth Management service level can provide FPWA with a target capital gain amount for the year and Strategic Advisers will take this into consideration in managing these clients' Tax-Smart Program Accounts; however, there is no guarantee that Strategic Advisers will achieve this target.

About the SMA Sleeves for Tax-Smart Program Accounts

If a Wealth Management or Private Wealth Management client's Tax-Smart Program Account qualifies, a portion of the account can be invested in the SMA Sleeves offered by Strategic Advisers. These SMA Sleeves provide an additional layer of tax-smart investing techniques within a Tax-Smart Program Account. Strategic Advisers uses its discretion in allocating a client's assets between mutual funds/ETPs and the SMA Sleeves, and within and among the SMA Sleeves. Additional SMA Sleeves can be made available from time to time. Once a client has agreed to the use of SMA Sleeves within one of the primary asset classes, we will have the discretion to use any such additional SMA Sleeve from that primary asset class within a client's Tax-Smart Program Account, provided that FPWA will provide advance notice regarding the use of an SMA Sleeve for which there is an additional SMA Sleeve fee. A client can impose a restriction on the use of SMA Sleeves entirely, or on the use of certain SMA Sleeves, by contacting a Fidelity representative. Please see the FPWA Program Fundamentals for more information about any applicable SMA Sleeve fees.

Domestic Stock SMA Sleeves

The **Strategic Advisers Tax-Managed U.S. Large Cap SMA Sleeve** invests in stocks and seeks to approximate the pre-tax risk and return characteristics of the Fidelity U.S. Large Cap IndexSM while actively trading holdings in an attempt to enhance after-tax returns through the use of tax-smart investing techniques. The Fidelity U.S. Large Cap IndexSM is a float-adjusted market capitalization-weighted index designed to reflect the performance of the stocks of the largest 500 U.S. companies based on float-adjusted market capitalization. While this SMA Sleeve looks to approximate the pre-tax risk and return characteristics of the Fidelity U.S. Large Cap Index, it will purchase only a subset of the stocks that make up the Fidelity U.S. Large Cap Index.

The **Strategic Advisers Equity Growth SMA Sleeve** and the **Strategic Advisers Equity Value SMA Sleeve** are each actively managed to seek additional opportunities for return and tax-smart investing, as compared with the Russell 1000[®] Growth Index and Russell 1000[®] Value Index, respectively. The Russell 1000[®] Growth Index is an unmanaged market capitalization-weighted index of those stocks of the 1,000 largest U.S.-domiciled companies that exhibit growth-oriented characteristics. The Russell 1000[®] Value Index is an unmanaged market capitalization-weighted index of those stocks of the 1,000 largest U.S.-domiciled companies that exhibit value-oriented characteristics. These SMA Sleeves will invest in stocks that are designed to complement the Strategic Advisers Tax-Managed U.S. Large Cap SMA Sleeve, which provides core market exposure. Each of these SMA Sleeves will hold a subset of the stocks that make up their respective indexes, but can also invest in stocks not included in their respective benchmark indexes, in each case selected by Strategic Advisers based on the portfolio recommendations of multiple Model Providers. The Model Providers are selected by Strategic Advisers to have complementary investment styles and can be affiliated or unaffiliated with Strategic Advisers. Strategic Advisers then blends those stock portfolio recommendations for each of these SMA Sleeves. These SMA Sleeves can also invest in American Depositary Receipts ("ADRs"), real estate investment trusts ("REITs"), and ETPs.

The **Fidelity Strategic Advisers U.S. Large Cap Equity SMA Sleeve** invests in stocks and seeks capital appreciation and to outperform the S&P 500[®] Index over a full market cycle. This SMA Sleeve primarily invests in U.S. large-cap stocks but can also invest in securities not included in its index, including non-U.S. large-cap stocks, ADRs, REITs, and ETPs, in each case selected by Strategic Advisers based on the portfolio recommendations of the affiliated Model Provider. The S&P 500[®] Index is a market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance. This SMA Sleeve will have a blend of equity exposures (e.g., growth, value, and core domestic equity), based on Strategic Advisers' view of market cycle implications and overall positioning.

The **Fidelity Strategic Advisers Blended International Equity SMA Sleeve** and the **Fidelity Strategic Advisers International Equity SMA Sleeve** each seek the potential for capital appreciation and to outperform the MSCI EAFE Index (Net MA Tax) over a full market cycle. The MSCI EAFE Index (Net MA Tax) is an unmanaged market capitalization–weighted index that is designed to measure the investable equity market performance for global investors in developed markets, excluding the U.S. and Canada, and its returns are adjusted for tax withholding rates applicable to U.S.-based mutual funds organized as Massachusetts business trusts. Each SMA Sleeve invests primarily in ADRs and a mutual fund designed for use in Program Accounts that invests in foreign securities to obtain foreign exposures where Strategic Advisers believes ADRs are either unavailable or inappropriate. Strategic Advisers will blend model portfolios for international equity exposure provided by the Model Provider(s) at its discretion, based on market cycle implications and overall positioning. The Model Provider(s) for the Fidelity Strategic Advisers International Equity SMA Sleeve will be affiliated with Strategic Advisers, while the Model Provider(s) for the Fidelity Strategic Advisers Blended International Equity SMA Sleeve will include at least one Model Provider that is unaffiliated with Strategic Advisers.

The **Fidelity Strategic Advisers Tax-Managed International Equity Index SMA Sleeve** seeks to approximate the pre-tax risk and return characteristics of the Fidelity Developed International ex North America Focus Index (Net) by investing primarily in ADRs and ETPs while actively trading holdings in an attempt to enhance after-tax returns through the use of tax-smart investing techniques. The Fidelity Developed International ex North America Focus Index (Net) is a float-adjusted market capitalization–weighted index designed to reflect the performance of the developed international equity market, including large-capitalization stocks. While this SMA Sleeve looks to approximate the pre-tax risk and return characteristics of the Fidelity Developed International ex North America Focus Index (Net), it will purchase only a subset of the securities that make up the index.

For additional information about the Model Providers who provide stock portfolio recommendations to Strategic Advisers, please contact a Fidelity representative. At any time, Strategic Advisers, in its discretion, can change the weight allocated to a particular Model Provider's stock portfolio recommendations within client accounts. In addition, Strategic Advisers can, in its discretion, replace the Model Providers from which it receives stock portfolio recommendations, or can contract with additional Model Providers to provide stock portfolio recommendations. Where Strategic Advisers uses more than one investment model with respect to a particular SMA Sleeve, Strategic Advisers uses its discretion to blend those investment models. If deemed appropriate, Strategic Advisers can substitute other securities or ETPs for securities identified by a Model Provider. Strategic Advisers can also use ETPs to obtain certain exposures within an SMA Sleeve while implementing a client-imposed investment restriction. The number of securities used by Strategic Advisers within an SMA Sleeve will vary over time. There is expected to be an overlap among the securities held in each of the SMA Sleeves associated with a particular asset class. Each of the securities purchased in the SMA Sleeves will appear on the account statement and on Fidelity.com. Securities selected for the SMA Sleeves are individually tailored based on a client's existing holdings and unique financial situation, and on the tax attributes of the assets in the client's Tax-Smart Program Account. A client can expect that the securities that make up the SMA Sleeves can vary, perhaps significantly, from the securities purchased for other clients in the Program.

When determining the appropriateness of implementing SMA Sleeves, Strategic Advisers considers the trade-offs inherent in managing a client's Tax-Smart Program Account toward the appropriate risk and return while monitoring the potential tax consequences. This could mean that the implementation of the SMA Sleeves might not happen on the first set of trades, and indeed could happen in small amounts over the course of months or even years from the start date. In some circumstances, a client's account could have such large, embedded gains that it is not in the client's best interest to sell their existing mutual fund or ETP holdings to invest in SMA Sleeves. In the future, Strategic Advisers might offer additional SMA Sleeves. These SMA Sleeves can be managed by Strategic Advisers or by affiliated or unaffiliated third-party registered investment advisers retained by Strategic Advisers. If such additional SMA Sleeves become available, Strategic Advisers will consider whether these SMA Sleeves are appropriate for a client's Tax-Smart Program Account and could offer these additional SMA Sleeves to a client.

About the Fidelity Program Dedicated Funds and Program Only Funds

Fidelity Program Dedicated Funds enable Strategic Advisers to choose from an expanded group of Fidelity and non-Fidelity mutual funds and ETPs and Fund Sub-advisors. All Fidelity Program Dedicated Funds are considered to be Fidelity Funds; however, these funds can have a blend of both affiliated and unaffiliated mutual funds, ETPs, and Fund Sub-advisors, or a preference for affiliated mutual funds, ETPs, and Fund Sub-advisors. Certain of these funds are structured so that, within one fund, Strategic Advisers can hire and/or fire Fund Sub-advisors who will purchase equity or fixed income securities for the fund, and buy and sell mutual funds, ETPs, and certain types of derivatives. This structure is designed to simplify Program Accounts and provide Strategic Advisers with greater visibility into the underlying holdings of the funds. For more information on the investment strategies employed by the Fidelity Program Dedicated Funds, please see the prospectuses for those funds.

Fidelity Program Dedicated Funds can be used in any Program Account and are available only to clients of certain of Fidelity's managed account programs. A significant portion (up to 100%) of the assets in a Program Account, other than Tax-Smart and BDIP Program Accounts, could be invested in the Fidelity Program Dedicated Funds.

If an investor ceases to be a client of the Program, in general, Strategic Advisers will redeem any and all Program Only Fund shares as well as shares of other funds that can no longer be held by the client due to other restrictions, such as minimum balance requirements, and a client could incur gains or losses as a result of such redemptions.

About Strategic Advisers' Model Provider Selection Process

Prior to selecting a Model Provider for the Program, Strategic Advisers performs a comprehensive review of the Model Provider and its investment style and approach. Strategic Advisers' review generally includes, among other things, assessing information about the Model Provider and its investment strategy collected from third-party sources and information received directly from the Model Provider. In selecting a Model Provider, Strategic Advisers will consider a variety of factors, including but not limited to investment approach, portfolio characteristics, and total assets of the Model Provider. Strategic Advisers will evaluate information from both quantitative and qualitative analyses, including but not limited to the Model Provider's investment strategy and ability to adhere to the investment guidelines, credit research capabilities, security coverage, experience, growth of assets under management, stability of management, governance program, and trading and operational capabilities. Strategic Advisers evaluates a Model Provider's adherence to the investment strategy not less than semiannually based on the factors described above.

A model portfolio provided by a Model Provider for an SMA Sleeve or a BDIP Program Account could reflect trading decisions previously made by the Model Provider for its discretionary client accounts. As a result, such Program Accounts could receive prices that are more favorable or less favorable than the prices obtained by the Model Provider's discretionary client accounts, particularly with respect to thinly traded securities. In addition, aggregate holding limits and other investment limits applicable to such prior trading decisions, and collectively to the discretionary accounts of Strategic Advisers and its affiliates generally, could result in investment opportunities not being included in a model portfolio.

About Program Accounts Selecting BDIP

Wealth Management and Private Wealth Management clients can select the BDIP strategy, which seeks an attractive level of investment income for an appropriate level of risk by investing in mutual funds and ETPs that invest in (or track) the following primary asset classes: domestic stocks, foreign stocks, investment-grade and high-yield bonds, and short-term investments. Strategic Advisers has retained BlackRock as Model Provider for this strategy. Strategic Advisers can select investments for a BDIP Program Account that differ from BlackRock's model portfolio, but could also implement BlackRock's model portfolio without change. Strategic Advisers is responsible for portfolio management, trading, and supervision of BDIP Program Accounts. BlackRock is not acting as an investment adviser or portfolio manager with respect to BDIP Program Accounts.

Mutual funds and ETPs included in the model portfolio are identified by BlackRock based on a variety of objective and subjective factors, including but not limited to performance, expenses, quality, history of portfolio management, understanding of style consistency, asset size, availability, trading characteristics, current public information on the investment and its management, and overall fit within the model portfolio. BDIP Program Accounts are not intended to provide a complete investment program. Clients are responsible for appropriate diversification of assets outside BDIP Program Accounts to help guard against the risk of loss. Cash flows from dividend distributions or interest payments will be reinvested in the portfolio unless a client elects otherwise. In selecting mutual funds and ETPs for inclusion in the model portfolio provided to Strategic Advisers, BlackRock will primarily select BlackRock funds. It is possible that non-BlackRock funds will outperform BlackRock funds. As described in "Client Referrals and Other Compensation" below, affiliates of Strategic Advisers and BlackRock have a marketing relationship. While this marketing relationship does not apply to the services offered by FPWA and sub-advised by Strategic Advisers, and employees responsible for selecting investments for Program Accounts are not compensated based on the investments selected for Program Accounts, clients should be aware of this conflict of interest. BlackRock can also include mutual funds or ETPs advised by third parties, including Strategic Advisers or its affiliates, if BlackRock determines, in its sole discretion, that a BlackRock fund might not achieve the investment objective. The mutual funds and ETPs included in the model portfolio provided by BlackRock will vary in their exposure to different asset classes, as well as different styles (e.g., investing for capital appreciation or income). Strategic Advisers has designed investment guidelines for the mutual funds and ETPs held in BDIP Program Accounts. These guidelines can change from time to time. BlackRock can provide a similar model portfolio to, or manage accounts using a similar investment strategy for, its other clients and could provide the model to such accounts or clients before providing it to Strategic Advisers.

BlackRock seeks to generate a higher yield and a lower risk profile for its model portfolio than that of a balanced portfolio that holds 50% equity investments and 50% investment-grade fixed income (including short-term assets). However, in constructing the model portfolio, BlackRock has wide flexibility in the relative investment weightings given to each asset class and generally can allocate from 20% to 80% to equity investments and correspondingly from 80% to 20% to fixed income investments (including high-yield and short-term assets). BlackRock seeks to balance income and risk in the model portfolio by targeting lower volatility over a rolling three-year period that is in line with a balanced portfolio (as measured by the annualized standard deviation of monthly returns).

Fractional Share Investing

Clients should be aware that the use of fractional shares could result in the receipt of fewer dividends. Please note that any dividends received that are valued at less than \$0.01 but that round up to \$0.01 will be credited to a Program Account, but amounts that do not round up to \$0.01 will not be distributed to the Program Account that held the fractional share; this operational process results in dividend amounts that could otherwise be received by a Program Account being received by another Program Account. If any amount is not distributed and the aggregate value is less than or equal to \$1.00 per security, it will be retained by National Financial Services ("NFS"), and when it exceeds \$1.00, it will be escheated to the state of Delaware. Also, with respect to proxy voting, clients are not able to vote a fractional share of an individual security; however, if clients elect to appoint Strategic Advisers as proxy voting agent on their behalf, such fractional shares can generally be voted. Please see "Voting Client Securities" below for information regarding the voting of client securities. Fractional shares cannot be transferred to an account outside of Fidelity; in such situations the fractional share would need to be sold and a taxable gain or loss incurred.

Personalizations and Investment Restrictions

A client can elect to personalize a Program Account by imposing reasonable restrictions on the management of the Program Account, or by modifying the Asset Allocation of the account (other than a BDIP Program Account) by increasing or decreasing the exposure to foreign stocks within certain limits. Reasonable restrictions can include limitations on the purchase of a particular fund, individual security, industry, or sub-asset class, subject

to our review and approval. Reasonable restrictions will not apply to underlying securities or holdings that are held in a mutual fund, ETP, or any other types of pooled vehicles purchased in the Program Account. Please note that Program Accounts managed using household tax-smart strategies must have personalizations and restrictions applied to all the Program Accounts assigned to the same goal. It is important to understand that imposing an investment restriction can delay the start of discretionary management on a Program Account and can impact the performance of a Program Account, at times significantly, as compared with the performance of a Program Account managed without personalizations and/or restrictions, possibly producing lower overall results. Program Account personalizations and restrictions should be requested through a Fidelity representative.

Additional Information about Strategic Advisers' Investment Practices

In managing Program Accounts, Strategic Advisers will obtain information from various sources. Strategic Advisers will use both primary sources (e.g., talking directly with fund companies and fund managers) and secondary sources (e.g., analysts' reports from fund companies that will provide data on the investment strategies, risk profiles, and historical returns). Secondary sources also include a variety of publicly available market and economic information and third-party research, as well as proprietary research generated by Strategic Advisers. Strategic Advisers will analyze this information to assist in making allocation decisions among asset classes as well as in making purchase and sale decisions. Strategic Advisers does not seek access to material nonpublic information on any investment used by the Program. With respect to Fidelity mutual funds or ETPs used by the Program, the investment team at Strategic Advisers that manages Program Accounts does not have access to material nonpublic information of the Fidelity mutual funds or ETPs.

When investing in Fidelity and non-Fidelity funds, Strategic Advisers from time to time consults the fund 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 Advisers on behalf of all its clients. Funds are not required to accept investments and can limit how much Strategic Advisers can purchase. One way that Strategic Advisers deals with potential capacity issues is to use Fidelity Program Dedicated Funds instead of third-party funds. Additionally, Strategic Advisers can establish internal limits on how much it invests in any one fund across the programs for which it provides management services. Regulatory restrictions sometimes limit the amount that one fund can invest in another, which means that Strategic Advisers or the Fidelity Program Dedicated Funds could be limited in the amount they can invest in any particular fund. Strategic Advisers will work closely with fund management to minimize the impact of its reallocation activity on acquired funds. In certain situations, liquidating positions in underlying funds will be accomplished over an extended period of time as a result of operational considerations, legal considerations, or input from underlying fund managers.

Strategic Advisers will invest Program Accounts in mutual funds available through Fidelity's mutual fund platform, FundsNetwork, and ETPs available for sale through Fidelity. Strategic Advisers does not have a predetermined allocation to Fidelity or non-Fidelity mutual funds or ETPs, other than the exclusive use of Fidelity money market funds. Similarly, Strategic Advisers does not have a predetermined allocation with respect to the use of Fidelity or non-Fidelity Model Providers for the SMA Sleeves. The application of the Credit Amount, lack of additional fees associated with the use of Fidelity Model Providers and that Strategic Advisers' investment professionals are not compensated based on the amount of Fidelity or non-Fidelity mutual funds or ETPs used in the Program mitigates Strategic Advisers' economic conflict in choosing between Fidelity and non-Fidelity mutual funds, ETPs, and Model Providers. However, Strategic Advisers will achieve greater efficiencies and economies of scale with respect to the research and management services that it provides to clients when it invests in Fidelity mutual funds, ETPs, and Model Providers and can consider these efficiencies when selecting investments for Program Accounts.

From time to time, Strategic Advisers and/or its affiliates can determine that, as a result of regulatory requirements that apply to Strategic Advisers and/or its affiliates due to investments in a particular country or in an issuer operating in a particular regulated industry, investments in the securities of issuers domiciled or

listed on trading markets in that country or operating in that regulated industry above certain thresholds are impractical or undesirable. The foregoing limits and thresholds can apply at the Program Account level or in the aggregate across all accounts (or certain subsets of accounts) managed, sponsored, or owned by, or otherwise attributable to Strategic Advisers and its affiliates. For investment risk management and other purposes, Strategic Advisers and its affiliates also generally apply internal aggregate limits on the amount of a particular issuer's securities that can be owned by all such accounts. In such instances, the adviser can limit or exclude a client's investment in a particular issuer, which can also include investment in related derivative instruments, and investment flexibility will be restricted. To the extent that a Program Account already owns securities that directly or indirectly contribute to an ownership threshold being exceeded, securities held in such a Program Account could be sold to bring account-level and/or aggregate ownership below the relevant threshold. In the event that any such sales result in realized losses for a Program Account, that Program Account will bear such losses depending on the particular circumstances.

Additionally, many of the mutual funds Strategic Advisers invests in have policies that restrict excessive trading. As a result, a fund can reject trade orders if they are deemed to represent excessive trading. In general, a fund will restrict future trade activity if it deems the excessive trading policy, as outlined in the fund prospectus, has been violated (for example, a purchase and sale within a 30-day period). As a result, to comply with a fund's trading policies, Strategic Advisers will be required to suspend investment management of a Program Account. Strategic Advisers will cease to manage a Program Account as soon as reasonably practicable. The imposition of any such order can take up to one business day to implement, and will stop any trading activity that is occurring in a Program Account.

Material Investment Risks

In general, all the portfolios managed by Strategic Advisers in the Program 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. The discretionary investment management strategies implemented by Strategic Advisers for clients in the Program, including conservative investments, involve risk of loss. Investments in a Program Account are not bank deposits and are not insured or guaranteed by the Federal Deposit Insurance Corporation ("FDIC") or any other government agency. All investments involve risk, the degree of which varies significantly. Investment performance can never be predicted or guaranteed, and the value of your assets will fluctuate due to market conditions and other factors. A client could lose money by investing in mutual funds, ETPs, and individual securities. A client could lose money by investing in the Program.

Many factors affect each investment's or Program Account's performance. Strategies that pursue investments in equities will be subject to stock market volatility, and strategies that pursue fixed income investments (such as bond or money market funds) will see values fluctuate in response to changes in interest rates. Developments that disrupt global economies and financial markets, such as wars, acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events, can magnify factors that affect performance. All strategies are ultimately affected by impacts to the individual issuers, such as changes in an issuer's credit quality, or changes in tax, regulatory, market, or economic developments. Non-diversified funds, SMA Sleeves, and accounts that invest in a smaller number of individual issuers can be more sensitive to these changes. Nearly all investments or accounts are subject to volatility in non-U.S. markets, through either direct exposure or indirect effects in U.S. markets from events abroad. Those investments and accounts that are exposed to emerging markets are potentially subject to heightened volatility from greater social, economic, regulatory, and political uncertainties, as the extent of economic development, political stability, market depth, infrastructure, capitalization, and regulatory oversight can be less than in more developed markets. Additionally, investments or accounts that pursue debt exposure are subject to risks of prepayment or default, and funds, SMA Sleeves, or accounts that pursue strategies that concentrate in particular industries or are otherwise subject to particular

segments of the market (e.g., money market funds' exposure to the financial services industry, municipal funds' exposure to the municipal bond market, or foreign or emerging markets funds' exposure to a particular country or region) can be significantly impacted by events affecting those industries or markets. Strategies that lead funds, SMA Sleeves, or accounts to invest in other funds bear all the risks inherent in the underlying investments in which those funds invest, and strategies that pursue leveraged risk, including investment in derivatives—such as swaps (interest rate, total return, and credit default) and futures contracts—and forward-settling securities, magnify market exposure and losses. Additionally, investments and accounts are subject to operational risks, which can include risk of loss arising from failures in internal processes, people, or systems, such as routine processing errors or major systems failures, or from external events, such as exchange outages.

In addition, investments in the mutual funds, ETPs, and individual securities in a Program Account could be subject to the following risks:

Investing in Mutual Funds and ETPs. A Program Account bears all the risks of the investment strategies employed by the mutual funds and ETPs held in the Program Account, including the risk that a mutual fund or ETP will not meet its investment objectives. For the specific risks associated with a mutual fund or ETP, please see its prospectus.

ETPs. An ETP is a security that trades on an exchange and can seek to track an index, a commodity, or a basket of assets. ETPs can include exchange-traded funds ("ETFs"), exchange-traded notes, unit investment trusts, closed-end funds, master limited partnerships, and certain trusts. ETPs can be actively or passively managed. The performance of a passively managed ETP might not correlate with the performance of the asset it seeks to track. ETPs trade on secondary markets or exchanges and are exposed to market volatility and the risks of the ETP's underlying securities. ETPs that use derivatives, leverage, or complex investment strategies are subject to additional risks. Share trading can be halted or the security could cease to trade on an exchange. Trading volume and liquidity can vary and could affect the ability to buy or sell shares, or could cause the market price of shares to experience significant premiums or discounts relative to the value of the assets underlying the shares. Because ETPs trade on exchanges, buyers and sellers experience a spread between the bidding price and the asking price, and the size of these spreads can vary significantly. ETPs can also have unique risks depending on their structure and underlying investments.

Money Market Funds. Cash balances in a Program Account will be invested in the core Fidelity money market fund, the cash sweep vehicle for a Program Account. A client could lose money by investing in a money market fund. Although a money market fund seeks to preserve the value of a client's investment at \$1.00 per share, it cannot guarantee it will do so. An investment in a money market fund is not a bank account and is not insured or guaranteed by the FDIC or any other government agency. Fidelity, the sponsor of Fidelity's money market funds, is not required to reimburse money market funds for losses, and a client should not expect that Fidelity will provide financial support to a Fidelity money market fund at any time, including during periods of market stress. Fidelity's government and U.S. Treasury money market funds will not impose a fee upon the sale of a client's shares.

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

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, market volatility, or the quantitative model's assumption about market behavior. In addition, Strategic Advisers' quantitative investment strategies rely on algorithmic processes, and therefore are subject to the risks described below under the heading, "Operational Risks." To the extent that the quantitative models fail to adequately match the risk and return profile of a reference index used in managing a particular strategy, a Program Account could perform differently; it could underperform, or it could outperform the corresponding reference index on a pre-tax basis. In addition, to the extent that the components of the corresponding reference index perform in a highly correlated fashion—such as most stocks

in the index rising or falling at the same time—the strategy could be less effective at harvesting the tax losses on which the after-tax portion of the strategy relies.

Investing for Volatility Management. The ability of Defensive and BDIP Program Accounts to manage the overall level of account volatility in response to market volatility depends on Strategic Advisers' ability (and, for BDIP Program Accounts, BlackRock's ability as model provider to Strategic Advisers) to correctly estimate the volatility of the investments it chooses relative to the broader market. Volatility could be higher than anticipated, and the specific investments used to manage volatility might not be as correlated or uncorrelated with the broader market as expected. There can be no guarantee of success in managing the overall level of volatility. These accounts might not realize the anticipated benefits from the volatility management process or could realize losses because of the investment techniques used to manage volatility, or because of the limitations of volatility management processes in periods of extremely high or low volatility. Under certain market conditions, the use of volatility management processes could also result in less favorable performance than if such processes had not been used. The volatility management strategies used in managing these accounts can cause them to underperform when markets rise, and there can be no guarantee that these strategies will help mitigate losses when markets fall.

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. In addition, stock investments are subject to risk related to market capitalization as well as company-specific risk.

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. During periods of very low or negative interest rates, we could be unable to maintain positive returns on bond investments. Very low or negative interest rates can magnify interest rate risk for the markets as a whole and for individual bond investments. Changing interest rates, including rates that fall below zero, can also have unpredictable effects on markets, and can result in heightened market volatility. The ability of an issuer of a bond to repay principal before a security's maturity can cause greater price volatility, and, if a bond is prepaid, a bond fund could have to invest the proceeds in securities with lower yields. Fixed income securities also carry inflation risk as well as credit and default risks for both issuers and counterparties. The interest payments of inflation-protected bonds are variable and usually rise with inflation and fall with deflation. 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 are less liquid than other investments and, therefore, are 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.

Municipal Bonds. The municipal market can be significantly affected by adverse tax, legislative, or political changes, and by the financial condition of the issuers of municipal securities. Municipal bond funds normally seek to earn income and pay dividends that are expected to be exempt from federal income tax. If a fund investor is a resident in the state of issuance of the bonds held by the fund, interest dividends could also be exempt from state and local income taxes. Income exempt from regular federal income tax (including distributions from municipal and money market funds) can be subject to state, local, or federal alternative minimum tax. Certain funds normally seek to invest only in municipal securities generating income exempt from both federal income taxes and the federal alternative minimum tax; however, outcomes cannot be guaranteed, and the funds sometimes generate income subject to these taxes. For federal tax purposes, a

fund's distribution of gains attributable to a fund's sale of municipal or other bonds is generally taxable as either ordinary income or long-term capital gains.

Redemptions, including exchanges, can result in a capital gain or loss for federal and/or state income tax purposes. Tax code changes could impact the municipal bond market. Tax laws are subject to change, and the preferential tax treatment of municipal bond interest income could be removed or phased out for investors at certain income levels. Because many municipal bonds are issued to finance similar projects, especially those relating to education, health care, transportation, and utilities, conditions in those sectors can affect the overall municipal market. Budgetary constraints of local, state, and federal governments on which the issuers are relying for funding can also impact municipal bonds. In addition, changes in the financial condition of an individual municipal insurer can affect the overall municipal market, and market conditions can directly impact the liquidity and valuation of municipal bonds.

Foreign Exposure. Investing in foreign securities and securities of U.S. entities with substantial foreign operations are subject to interest rate, currency exchange rate, economic, tax, operational, regulatory, and political risks, all of which are likely to be greater in emerging markets. These risks are particularly significant for investment strategies that focus on a single country or region or emerging markets, or for clients who elect to increase foreign stock exposure. Foreign markets can be more volatile than U.S. markets and can perform differently from the U.S. market. Emerging markets can be subject to greater social, economic, regulatory, and political uncertainties and can be extremely volatile. Foreign exchange rates can also be extremely volatile. Foreign markets can also offer less protection to investors than U.S. markets. For example, foreign issuers are generally not bound by uniform accounting, auditing, and financial reporting requirements and standards of practice comparable to those applicable to U.S. issuers. Adequate public information on foreign issuers might not be available, and it could be difficult to secure dividends and information regarding corporate actions on a timely basis. Regulatory enforcement can be influenced by economic or political concerns, and investors could have difficulty enforcing their legal rights in foreign countries. Furthermore, investments in securities of foreign entities can result in clients owning an interest in a passive foreign investment company ("PFIC"). Clients holding an interest in a PFIC could be subject to additional tax liabilities and filing requirements as a result of such investments. The rules regarding investments in PFICs are complex, and clients are urged to consult their tax advisors.

Risks of Investing in ADRs. ADRs are certificates evidencing ownership of shares of an underlying foreign issuer that are issued by depositary banks and generally trade on an established market in the U.S. or elsewhere. ADRs are alternatives to directly purchasing the underlying foreign securities in their national markets and currencies. However, ADRs are subject to many of the risks associated with investing directly in foreign securities. The depositary bank can charge fees for various services, including forwarding dividends and interest, and for corporate actions. In addition, certain ADRs are not traded on a national securities exchange, can be less liquid than other investments, and could therefore be more difficult to trade effectively. Investing in ADRs can make it more difficult for U.S. persons to benefit from applicable treaty rates that could otherwise reduce withholding on any distributions from the underlying foreign issuer. Recovery of any extra foreign tax withheld can be costly and complex, and recovery might not be available for certain registration types such as individual retirement accounts.

Alternative Investments. Alternative investments are classified as assets whose investment characteristics and/or performance differ substantially from the primary asset classes (stocks, bonds, and short-term investments) and therefore offer opportunities for additional diversification and returns, but that also offer increased volatility and risk of loss due to their nontraditional or complex investment strategies. Strategic Advisers does not invest in unregistered privately offered alternative investment vehicles such as private equity, hedge funds, or similar investments (referred to as "private funds") directly in Program Accounts; however, Strategic Advisers can invest in publicly available registered funds (referred to as "public funds") that invest significantly in private funds and, therefore, clients could have indirect exposure to these types of investments. Generally speaking, public funds offer more investor protections as compared with private funds, including limits on illiquid investments and the use of leverage and derivatives, diversification requirements,

daily pricing and liquidity features, regular reporting of fund holdings, and enhanced portfolio security valuation requirements. However, clients should understand that while public funds that invest in alternative investments offer greater investment protections as compared with private funds, both public and private funds that invest in alternative investments offer enhanced risks that clients should be aware of. Alternative investment strategies are not appropriate for all clients.

The performance of alternative investments can be volatile and private funds can have extremely limited liquidity opportunities. Such investments often have concentrated positions, invest in illiquid investments, and can carry higher risks. Clients should understand that some alternative investment products often engage in leveraging and other speculative investment practices, including the use of derivatives (described below), that can magnify the risk of investment loss and volatility regardless of whether they are used for speculative investment purposes or for the hedging of risk. In addition, private funds are not required to provide periodic pricing or valuation information to investors and can involve complex tax structures and delays in distributing important tax information. In many cases, the alternative investments underlying both public and private funds are not transparent and are known only to the investment manager of the alternative investment fund. Please refer to the applicable private or public fund's offering documents or prospectus for additional information on the alternative investments used by the fund and their related risks.

Derivatives. Certain funds and ETPs used by Strategic Advisers 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 subject these funds to risks different from, and possibly greater than, those of the underlying securities, assets, or market indexes. Funds that invest in derivatives could experience losses if the underlying securities, assets, or market indexes do not perform as anticipated, and changes in the value of a derivative might not correlate as anticipated with the underlying securities, assets, or market indexes, thereby reducing their effectiveness. 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. Nonstandardized derivatives (such as swap agreements), on the other hand, tend to be more specialized or complex, and can be more difficult to value and illiquid. Derivatives could involve leverage because they can provide investment exposure in an amount exceeding the initial investment; certain derivatives require low margin deposits, which make it possible for a fund to employ a high degree of leverage. As a result, the use of derivatives can cause these funds to be more volatile, because leverage tends to exaggerate the effect of any increase or decrease in the value of a fund's portfolio securities. Leverage can magnify investment risks and cause losses to be realized more quickly, and a small change in the underlying security, asset, or market index can lead to significant losses for a fund. Certain derivatives have the potential for unlimited losses, regardless of the size of the initial investment. Derivative investments are subject to credit risks associated with the issuer of, or counterparty to, the derivative investment.

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.

Commodity-Linked Investing. Commodity-linked investments can be leveraged and can be more volatile and less liquid than the underlying commodity, instruments, or measures. The performance of commodity-linked investments can be affected by the performance of individual commodities and the overall commodities markets, as well as by weather, political, tax, and other regulatory and market developments. A commodity-linked investment is subject to credit risks associated with the issuer of, or counterparty to, the commodity-linked investment. The commodities industries can be significantly affected by the level and volatility of commodity prices; the rate of commodity consumption; world events including international monetary and political developments; import controls, export controls, and worldwide competition; exploration and production spending; and tax and other government regulations and economic conditions.

Currency Exposure. Certain funds and ETPs used by Strategic Advisers can be exposed to foreign currencies and, as a result, could experience losses based solely on the weakness of foreign currencies versus the U.S. dollar and changes in the exchange rates between foreign currencies and the U.S. dollar. Currency transactions tied to emerging markets can present market, credit, liquidity, legal, political, and other risks different from, or greater than, the risks of currency transactions tied to developed foreign countries.

Illiquid Investments. Illiquid securities sometimes trade infrequently in the secondary market. As a result, valuing an illiquid security can be more difficult, and buying and selling an illiquid security at an acceptable price can be more difficult or delayed. Difficulty in selling an illiquid security can result in a loss. The relative liquidity of any investment, particularly those that trade on exchanges, can vary, at times significantly.

Risks and Limitations Associated with Tax-Smart Investing Techniques. For Tax-Smart Program Accounts, clients should understand that there are risks and limitations associated with the use of tax-smart investing techniques, and these limitations can result in tax-inefficient trades. Strategic Advisers believes appropriate asset allocation and diversification are of primary importance, and we will make changes to a Tax-Smart Program Account's Asset Allocation even if such changes trigger significant tax consequences, including but not limited to wash sales or the realization of short- and/or long-term capital gains. Clients should consult their tax and/or legal advisor prior to enrolling in a Tax-Managed Program Account as well as on an ongoing basis to determine whether the wash-sale rule or other special tax rules could apply to the client's tax situation.

Strategic Advisers relies on information a client provides in applying tax-smart investing techniques and does not offer tax advice. Strategic Advisers actively manages for federal income taxes, but does not manage in consideration of state or local taxes; foreign taxes, including those applied to dividends and any potential reclaim; federal tax rules applicable to entities; or estate, gift, or generation-skipping transfer taxes.

In harvesting tax losses, Strategic Advisers does not attempt to harvest every potential tax loss that occurs in a Tax-Smart Program Account. Clients should also be aware that, in cases where a position is sold to realize a capital loss for tax purposes, Strategic Advisers can replace that position with one or a combination of investments designed to provide comparable market exposure, and it is important to understand that in a given year, due to investment decisions or market conditions, a client could receive varying levels of taxable distributions within a Tax-Smart Program Account. In general, Strategic Advisers will not sell a fund merely to avoid a taxable fund distribution but, in fact, looks at the overall portfolio to determine the most appropriate action. A Tax-Smart Program Account will generally trade more frequently than other Program Accounts that are not managed using tax-smart investing techniques. There are implicit trading opportunity costs associated with the additional turnover which can affect the returns on your Program Account. It is important to note that the performance of any replacement investments will not be the same as that of the investment sold, and any replacement investments can perform worse than the investment that was sold. In addition, any tax-related benefits resulting from tax-smart investing techniques can be offset or even outweighed by investment losses and/or missed gains (realized and unrealized). Furthermore, there are not clear guidelines on what constitutes a "substantially identical" security for purposes of the wash-sale rule. As such, there can be no guarantee that if Strategic Advisers selects ETPs or mutual funds as replacement investments to an investment sold in a client's Program Account, a replacement investment will not be deemed "substantially identical" for purposes of the wash-sale rule.

If a Tax-Smart Program Account is held by an entity, such as a corporation or limited liability company, the tax-smart investing techniques used will not take into account all the tax rules applicable to that entity, which, in certain circumstances, will reduce the effectiveness of the tax-smart investing techniques. For example, if a Tax-Smart Program Account is held by an entity treated as a corporation for federal income tax purposes, the tax-smart investing techniques will not take into account the rules limiting the use of capital losses by a corporation, which could affect the amount and timing of taxes payable by such entity.

Sustainable Investing. Because of the subjective nature of investing based on sustainable criteria, there can be no guarantee that any of the Sustainable Universes and the related ESG criteria used by Strategic Advisers will reflect the beliefs or values of any particular client. Clients should understand that the application of ESG

criteria does not mean that a Program Account invested using one of the Sustainable Universes will exclude any and all mutual funds or ETPs that are deemed to have negative ESG characteristics; rather, the application of ESG criteria in Strategic Advisers' fundamental research process is intended to include mutual funds and ETPs offered by managers that Strategic Advisers believes have meaningfully integrated sustainability practices into their investment research and decision-making processes. Please see the section above titled "About the Program Account Investment Approaches and Universes" for more details regarding the application of ESG criteria in Strategic Advisers' fundamental research process.

Investing based on ESG criteria could cause a Sustainable Universe Program Account to forgo certain investment opportunities available to strategies that do not use such criteria. An account could underperform other investments that do not assess ESG criteria or that use a different methodology to identify and/or incorporate ESG criteria. Information regarding ESG practices is obtained through voluntary or third-party reporting, which could be inaccurate or incomplete. Information used to evaluate ESG criteria might not be readily available, complete, or accurate, and can vary across providers, issuers, and regions as ESG investing is not uniformly defined. As a result, there is a risk that Strategic Advisers could incorrectly assess a mutual fund or ETP based on ESG criteria. There could be limitations with respect to the readiness of ESG data for certain mutual funds or ETPs, as well as limited availability of investments with relevant ESG characteristics in certain asset classes or sectors. Strategic Advisers can change the ESG criteria it uses to assess mutual funds and ETPs over time. There is no assurance that an investment strategy using an ESG focus will be successful.

Growth Investing. Growth stocks can react differently to issuer, political, market, and economic developments than the market as a whole and other types of stocks. Growth stocks tend to be more expensive relative to their earnings or assets compared with other types of stocks. As a result, growth stocks tend to be sensitive to changes in their earnings and more volatile than other types of stocks.

Value Investing. Value stocks can react differently to issuer, political, market, and economic developments than the market as a whole and other types of stocks. Value stocks tend to be inexpensive relative to their earnings or assets compared with other types of stocks. However, value stocks can continue to be inexpensive for long periods of time and, as a result, might never realize their full expected value.

Risks Associated with the Strategic Advisers Tax-Managed U.S. Large Cap SMA Sleeve and the Fidelity Strategic Advisers Tax-Managed International Equity Index SMA Sleeve. The Strategic Advisers Tax-Managed U.S. Large Cap SMA Sleeve and the Fidelity Strategic Advisers Tax-Managed International Equity Index SMA Sleeve each rely on a quantitative model that is designed to replicate the overall risk and return characteristics of their respective reference indexes. To the extent that the quantitative model fails to adequately match the risk and return profile of the relevant reference index, the SMA Sleeve will perform differently from the reference index on a pre-tax basis. In addition, to the extent that the components of the applicable index perform in a highly correlated fashion, the strategy will generally be less effective at harvesting the tax losses on which the strategy relies. In addition, each of these SMA Sleeves relies on algorithmic processes and, therefore, is subject to the risks described below under the heading, "Operational Risks."

Model Overlay Risks. There are risks associated with Program Accounts that use model portfolios provided by Model Providers. These accounts rely on Strategic Advisers' ability to purchase the investments in the Model Providers' portfolio recommendations. This might not be possible due to liquidity constraints or aggregate holdings limitations, among other reasons. Such Program Accounts will perform differently from the Model Providers' portfolio recommendations.

Legislative and Regulatory Risk. Investments in a Program Account could be adversely affected by new (or revised) laws or regulations. Changes to laws or regulations could impact the securities markets as a whole, specific industries, and individual issuers of securities. Generally, the impact of these changes will not be fully known for some time.

Cybersecurity Risks. With the increased use of technologies to conduct business, Strategic Advisers and its affiliates are susceptible to operational, information security, and related risks despite taking reasonable steps to mitigate them. In general, cyber incidents can result from deliberate attacks or unintentional events that can

arise from external or internal sources. Cyberattacks include but are not limited to gaining unauthorized access to digital systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information; corrupting data, equipment, or systems; and causing operational disruption. Cyberattacks can also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting Strategic Advisers, its affiliates, or any other service providers (including but not limited to custodians, transfer agents, and financial intermediaries used by Fidelity or by an issuer of securities) have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with the ability to calculate asset prices, impediments to trading, the inability to transact business, destruction to equipment and systems, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of securities in which an account invests, counterparties with which an account engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers) and other parties.

Operational Risks. Operational risks can include risk of loss arising from failures in internal processes, people, or systems, such as routine processing incidents or major systems failures, or from external events, such as exchange outages. Strategic Advisers uses algorithms in support of its discretionary portfolio management process. There is a risk that the data input into the algorithms could have errors, omissions, or imperfections, or that the algorithms do not operate as intended (generally referred to as “processing incidents”). Any decisions made in reliance on incorrect data or algorithms that do not operate as intended can expose Program Accounts to potential risks. Issues in the algorithm are often extremely difficult to detect and could go undetected for long periods of time or never be detected. These risks are mitigated by testing and human oversight of the algorithms and their output. We believe that the oversight and testing performed on our algorithms and their output will enable us to identify and address issues appropriately. However, there is no assurance that the algorithms will always work as intended. In general, we will not assess each Program Account individually, nor will we override the outcome of the algorithm with respect to any particular Program Account.

Not all processing incidents arising from operational failures, including those resulting from the mistakes of third parties, will be compensable by Strategic Advisers to clients. Strategic Advisers maintains policies and procedures that address the identification and resolution of processing incidents, consistent with applicable standards of care, to ensure that clients are treated fairly when a processing incident has been detected. The determination of whether, and how, to address a processing incident is made by Strategic Advisers or its affiliates, in their sole discretion.

Processing incidents will be reviewed to determine whether there was a financial impact on a client’s Program Account based on, among other things, the relevant investment strategy, and to evaluate the materiality of the impact. If we determine that a material financial impact has occurred, we will make an appropriate correction or otherwise reimburse the Program Account in an amount Strategic Advisers or its affiliates determines is appropriate based on all relevant circumstances. Typically, processing incidents that result in a financial impact of less than \$10 per Program Account are not considered material. Other examples of impact that could affect the performance of a Program Account but would likely not be material include impacts arising from computer, communications, data processing, network, cloud computing, backup, business continuity or other operating, information, or technology systems, including those we outsource to other providers, failing to operate as planned or becoming disabled, overloaded, or damaged as a result of a number of factors. These factors could include events that are wholly or partially beyond our control and could have a negative impact on our ability to conduct business activities. Though losses arising from operating, information, or technology systems failures could adversely affect the performance of a Program Account, such losses would likely not be reimbursable under Strategic Advisers’ policies and procedures.

Past performance is not a guarantee of future returns. Investing in securities and other investments involves a risk of loss that a client should understand and be willing to bear. Clients are encouraged to discuss these risks with a Fidelity representative.

DISCIPLINARY INFORMATION

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

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Strategic Advisers is a wholly owned subsidiary of Fidelity Advisory Holdings LLC, which in turn 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 or Fidelity. Various direct or indirect subsidiaries of FMR LLC are engaged in investment advisory, brokerage, banking, or insurance businesses. From time to time, Strategic Advisers and its clients will have material business relationships with the subsidiaries and affiliates of FMR LLC. In addition, the principal officers of Strategic Advisers serve as officers and/or employees of affiliated companies that are engaged in various aspects of the financial services industry.

Strategic Advisers is not registered as a broker-dealer, futures commission merchant, or commodity trading advisor, nor does it have an application pending to register as such. Strategic Advisers is registered with the U.S. Commodity Futures Trading Commission ("CFTC") under the Commodity Exchange Act of 1936, as amended ("CEA"), as a commodity pool operator ("CPO") and is a member of the National Futures Association ("NFA"). Certain personnel of FPWA, Strategic Advisers, Fidelity Brokerage Services ("FBS"), and NFS share premises and have common supervision. In addition, certain management persons of Strategic Advisers are registered representatives of FBS, a Strategic Advisers affiliate and a registered broker-dealer.

Strategic Advisers has, and its clients could have, a material relationship with the following affiliated companies:

Investment Companies and Investment Advisers

- FPWA, a wholly owned subsidiary of Fidelity Advisory Holdings LLC, which in turn is wholly owned by FMR LLC, is a registered investment adviser under the Investment Advisers Act of 1940 (the "Advisers Act"). FPWA provides nondiscretionary investment management services and serves as the sponsor to investment advisory programs, including the Program. Strategic Advisers acts as sub-advisor to FPWA in providing discretionary investment management to certain clients, and assists FPWA in evaluating sub-advisors.
- Fidelity Management & Research Company LLC ("FMRCo"), a wholly owned subsidiary of FMR LLC, is a registered investment adviser under the Advisers Act. FMRCo provides investment management services, including to registered investment companies in the Fidelity group of funds and to clients of other affiliated and unaffiliated advisers. FMRCo acts as sub-advisor to FPWA in providing discretionary portfolio management to certain clients and provides model portfolio recommendations and environmental filtering services to Strategic Advisers in connection with Strategic Advisers' provision of discretionary portfolio management to certain clients. Strategic Advisers pays FMRCo an administrative fee for handling the business affairs of the registered investment companies advised by Strategic Advisers, and FPWA compensates FMRCo for making certain mutual funds available to managed account programs offered by FPWA. In addition, Strategic Advisers shares employees from time to time with FMRCo.
- Fidelity Institutional Wealth Adviser LLC ("FIWA"), a wholly owned subsidiary of FMR LLC, is a registered investment adviser under the Advisers Act. FIWA provides nondiscretionary investment management services and sponsors the Fidelity Managed Account Xchange® program. Strategic Advisers provides

model portfolio services to FIWA in connection with FIWA's services to its institutional and intermediary clients, and FIWA compensates Strategic Advisers for such services.

- FIAM LLC ("FIAM"), a wholly owned subsidiary of FIAM Holdings LLC, which in turn is wholly owned by FMR LLC, is a registered investment adviser under the Advisers Act and is registered with the Central Bank of Ireland. FIAM provides investment management services, including to registered investment companies in the Fidelity group of funds and to clients of other affiliated and unaffiliated advisers. Strategic Advisers has sub-advisory agreements with FIAM for certain registered investment companies advised by Strategic Advisers.
- FMR Investment Management (UK) Limited ("FMR UK"), an indirect, wholly owned subsidiary of FMRCO, is a registered investment adviser under the Advisers Act, has been authorized by the U.K. Financial Conduct Authority to provide investment advisory and asset management services, and is registered with the Central Bank of Ireland. FMR UK provides investment management services, including to registered investment companies in the Fidelity group of funds and to clients of other affiliated and unaffiliated advisers. FIAM has sub-advisory agreements with FMR UK for certain registered investment companies advised by Strategic Advisers.
- Fidelity Management & Research (Japan) Limited ("FMR Japan"), a wholly owned subsidiary of FMRCO, 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 and discretionary investment management services. FMR Japan provides investment management services, including to registered investment companies in the Fidelity group of funds and to clients of other affiliated and unaffiliated advisers. FIAM has sub-advisory agreements with FMR Japan for certain registered investment companies advised by Strategic Advisers.
- Fidelity Management & Research (Hong Kong) Limited ("FMR Hong Kong"), a wholly owned subsidiary of FMRCO, is a registered investment adviser under the Advisers Act and has been authorized by the Hong Kong Securities & Futures Commission to advise on securities and to provide asset management services. FMR Hong Kong provides investment management services, including to registered investment companies in the Fidelity group of funds and to clients of other affiliated and unaffiliated advisers. FIAM has sub-advisory agreements with FMR Hong Kong for certain registered investment companies advised by Strategic Advisers.
- Fidelity Diversifying Solutions LLC ("FDS"), a wholly owned subsidiary of FMR LLC, is a registered investment adviser under the Advisers Act. FDS is registered with the CFTC under the CEA as a CPO and as a commodity trading advisor. FDS is a member of the NFA. FDS provides portfolio management services as an adviser and a CPO to registered investment companies, unregistered investment companies (private funds), and separately managed accounts.

Broker-Dealers

- Fidelity Distributors Company LLC ("FDC"), a wholly owned subsidiary of Fidelity Global Brokerage Group, Inc., which in turn is wholly owned by FMR LLC, is a registered broker-dealer under the Securities Exchange Act of 1934 (the "Exchange Act"). FDC acts as principal underwriter of the registered investment companies in the Fidelity group of funds and also markets those funds and other products advised by its affiliates to third-party financial intermediaries and certain institutional investors.
- National Financial Services LLC ("NFS"), a wholly owned subsidiary of Fidelity Global Brokerage Group, Inc., which in turn is wholly owned by FMR LLC, is a registered broker-dealer under the Exchange Act. NFS is a fully disclosed clearing broker-dealer that provides clearing, settlement, and execution services for other broker-dealers, including its affiliate FBS. Fidelity Capital Markets ("FCM"), a division of NFS, provides trade executions for Fidelity affiliates and other clients. Additionally, FCM operates CrossStream®, an alternative trading system that allows orders submitted by its subscribers to be crossed against orders submitted by other subscribers. FCM charges a commission to both sides of each trade executed in

CrossStream. CrossStream is used to execute transactions for investment company and other clients. NFS provides transfer agent or subtransfer agent services and other custodial services to certain Fidelity clients.

- Kezar Trading, LLC, a registered broker-dealer and operator of two alternative trading systems ("ATS"), operates the Luminex ATS and the Level ATS, which allow orders submitted by subscribers to be crossed against orders submitted by other subscribers. Kezar Markets, LLC, owns Kezar Trading, LLC. Fidelity Global Brokerage Group, Inc., and FMR Sakura Holdings, Inc., each a wholly owned subsidiary of FMR LLC, have membership interests in Kezar Markets, LLC, along with other members. Kezar Trading, LLC, charges a commission to both sides of each trade executed in the Luminex ATS and Level ATS. Luminex ATS and Level ATS are used to execute transactions for Fidelity affiliates' investment company and other advisory clients. NFS serves as a clearing agent for transactions executed in the Luminex ATS and Level ATS.
- Fidelity Brokerage Services LLC ("FBS"), a wholly owned subsidiary of Fidelity Global Brokerage Group, Inc., which in turn is wholly owned by FMR LLC, is a registered broker-dealer under the Exchange Act and provides brokerage products and services, including the sale of shares of registered investment companies in the Fidelity group of funds to individuals and institutions, including retirement plans administered by Fidelity affiliates. In addition, along with Fidelity Insurance Agency, Inc. ("FIA"), FBS distributes insurance products, including variable annuities, which are issued by Fidelity Investments Life Insurance Company ("FIL") and Empire Fidelity Investments Life Insurance Company® ("EFIL"), both Fidelity affiliates. FBS provides shareholder services to certain of Fidelity's clients. FBS is the introducing broker for managed accounts offered by FPWA and places orders for execution with its affiliated clearing broker, NFS.
- Digital Brokerage Services LLC ("DBS"), a wholly owned subsidiary of Fidelity Global Brokerage Group, Inc., which in turn is wholly owned by FMR LLC, is a registered broker-dealer under the Exchange Act. DBS operates a primarily digital/mobile application-based brokerage platform that enables retail investors to open brokerage accounts via the mobile application and purchase and sell equity securities, including shares of investment companies advised by FMRCo or its affiliates. DBS receives remuneration from FMRCo for expenses incurred in servicing and marketing FMRCo products.

Insurance Companies or Agencies

- FIL, a wholly owned subsidiary of FMR LLC, is engaged in the distribution and issuance of life insurance and annuity products that offer shares of registered investment companies managed by Fidelity affiliates.
- EFIL, a wholly owned subsidiary of FIL, is engaged in the distribution and issuance of life insurance and annuity products that offer shares of registered investment companies managed by Fidelity affiliates to residents of New York.
- FIA, a wholly owned subsidiary of FMR LLC, is engaged in the business of selling life insurance and annuity products of affiliated and unaffiliated insurance companies.

Banking Institutions

- Fidelity Management Trust Company ("FMT"), a wholly owned subsidiary of FMR LLC, is a limited-purpose trust company organized and operating under the laws of the Commonwealth of Massachusetts that provides nondiscretionary trustee and custodial services to employee benefit plans and individual retirement accounts through which individuals can invest in affiliated or unaffiliated registered investment companies. FMT also provides discretionary investment management services to institutional clients.
- Fidelity Personal Trust Company, FSB, a wholly owned subsidiary of Fidelity Thrift Holding Company, Inc., which in turn is wholly owned by FMR LLC, is a federal savings bank that offers fiduciary services that include trustee or co-trustee services, custody, principal and income accounting, investment management services, and recordkeeping and administration.

Limited Partnerships and Limited Liability Company Investments

Strategic Advisers provides discretionary investment management to partnerships and limited liability companies designed to facilitate acquisitions by mutual funds offered by Strategic Advisers. These funds are privately offered consistent with stated investment objectives. Strategic Advisers does not currently engage in borrowing, lending, purchasing securities on margin, short selling, or trading in commodities.

Participating Affiliate

Certain employees of Fidelity Strategic Advisers Ireland, Limited ("Strategic Ireland") can from time to time provide certain services, including but not limited to research, operations, and investment management support services for Strategic Advisers, which Strategic Advisers could use for its clients. Strategic Ireland is not registered as an investment adviser under the Advisers Act and is deemed to be a "Participating Affiliate" of Strategic Advisers (as this term has been used by the Security and Exchange Commission'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 Advisers deems Strategic Ireland and each of the Strategic Ireland Associated Employees as "associated persons" of Strategic Advisers within the meaning of Section 202(a)(17) of the Advisers Act. Strategic Ireland Associated Employees and Strategic Ireland through such employees can contribute to Strategic Advisers' research process and could have access to information concerning securities that are being selected for clients prior to the effective implementation of such selections. As a Participating Affiliate of Strategic Advisers, Strategic Ireland has agreed to submit itself to the jurisdiction of United States courts for actions arising under United States securities laws in connection with investment advisory activities conducted for Strategic Advisers' clients. Strategic Advisers maintains a list of Strategic Ireland Associated Employees whom Strategic Ireland has deemed "associated persons," and Strategic Advisers will make the list available to its current U.S. clients upon request.

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

Strategic Advisers has adopted a Code of Ethics for Personal Trading (the "Code of Ethics"). The Code of Ethics applies to all officers, directors, employees, and other supervised persons of Strategic Advisers and requires that they place the interests of Strategic Advisers' clients above their own. The Code of Ethics establishes securities transaction requirements for all covered employees and their covered persons, including their spouses. More specifically, the Code of Ethics contains provisions requiring the following:

- (i) Standards of general business conduct reflecting the investment advisers' fiduciary obligations;
- (ii) Compliance with applicable federal securities laws;
- (iii) Employees and their covered persons to move their covered accounts to FBS unless an exception exists or prior approval has been granted;
- (iv) Reporting and review of personal securities transactions and holdings for persons with access to certain nonpublic information;
- (v) Prohibition of purchasing securities in initial public offerings unless an exception has been approved;
- (vi) Reporting of Code of Ethics violations; and
- (vii) Distribution of the Code of Ethics to all supervised persons, documented through acknowledgments 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. Such restrictions and reporting obligations include (i) the preclearing of transactions in covered securities with limited exceptions, (ii) a prohibition on investments in limited offerings without prior approval, (iii) a prohibition on personal trading by a portfolio manager within seven days before or after a trade in any covered security of the same issuer by a fund or account managed by such portfolio manager

except in limited circumstances, (iv) the reporting of transactions in covered securities on a quarterly basis with limited exceptions, (v) the reporting of securities accounts and holdings of covered securities at the time of hire and annually thereafter, and (vi) the disgorgement of profits from short-term transactions with limited exceptions. Violation of the Code of Ethics requirements can also result in the imposition of remedial action. 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 Advisers. A copy of the Code of Ethics will be provided to any client or prospective client on request.

From time to time, Strategic Advisers and its related persons can buy or sell securities for themselves and recommend those securities to clients. The conflicts of interest involved in such activities are contemplated in the Code of Ethics and other relevant Fidelity policies. In particular, the Code of Ethics and other Fidelity policies are designed to make clear to Fidelity personnel that they should never place their personal interests ahead of Fidelity's clients in an attempt to benefit themselves or another party. The Code of Ethics and other Fidelity policies impose sanctions if these requirements are violated.

From time to time, in connection with our business, certain supervised persons obtain material nonpublic information that is usually not available to other investors or the general public. In compliance with applicable laws, Strategic Advisers has adopted a comprehensive set of policies and procedures that prohibit the use of material nonpublic information by investment professionals or any other employees and that limit the transactions that Strategic Advisers can implement for Program Accounts.

In addition, Fidelity has implemented a Corporate Gifts & Entertainment Policy intended to set standards for business entertainment and the giving or receiving of gifts, to help employees make sound decisions with respect to these activities, and to ensure that the interests of Strategic Advisers' clients come first. Similarly, to support compliance with applicable "pay-to-play" laws, Fidelity has adopted a Personal Political Contributions & Activities Policy that requires employees to preclear any political contributions and activities. Fidelity also has a Global Anti-Corruption Policy regarding commercial bribery and bribery of government officials that prohibits directly or indirectly giving, offering, authorizing, promising, accepting, or receiving any bribe, facilitation payment, kickback, or payoff (whether in cash or any other form) with the intent to improperly obtain or retain business or any improper advantage.

BROKERAGE PRACTICES

Transactions in Program Accounts

Strategic Advisers has a duty to seek best execution for transactions in client accounts. In determining a broker-dealer's ability for a transaction, Strategic Advisers or its affiliates evaluate a variety of criteria and use good faith judgment, including the broker-dealer's execution capabilities, reputation, and access to the markets for the securities being traded. Other possibly relevant factors Strategic Advisers or its affiliates consider in the context of a trade include but are not limited to the following: price; costs; the size, nature, and type of the order; speed of execution; and financial condition and reputation of a broker-dealer. Strategic Advisers or its affiliates can choose to place trades for Program Accounts with affiliated or unaffiliated registered broker-dealers, and choose to execute an order using electronic channels, including Fidelity order routing systems or broker-dealer sponsored algorithms, or by verbally working an order with a broker-dealer. To obtain best execution for a transaction, Strategic Advisers can select a broker-dealer that does not necessarily charge the lowest available commission rate; however, Strategic Advisers believes that its order routing policies, taking into consideration the factors stated above, are designed to result in transaction processing that is favorable to Program clients. Strategic Advisers regularly monitors the quality of the execution of transactions allocated to affiliated and unaffiliated broker-dealers. The Program's advisory fee includes the cost of any commissions associated with Program Account transactions executed through broker-dealers affiliated with Strategic Advisers but does not include the cost of commissions associated with transactions executed through

unaffiliated broker-dealers; provided, however, that Strategic Advisers or its affiliates can voluntarily assume the cost of commissions for Program Account transactions that are executed through unaffiliated broker-dealers, in which case clients will not be charged commissions for such transactions.

Strategic Advisers places ETP and individual security transactions for execution with its affiliate NFS, through FCM, when Strategic Advisers reasonably believes that the quality of the execution of the transaction is comparable to what could be obtained through other qualified broker-dealers. In many circumstances, Strategic Advisers will allocate up to 100% of a Program client's order to FCM. NFS transmits orders received for execution through FCM to various exchanges or market centers based on a number of factors. These include the size of the order, trading characteristics of the security, favorable execution prices (including the opportunity for price improvement), access to reliable market data, availability of efficient automated transaction processing, and execution costs. Some market centers or broker-dealers execute orders at prices superior to the publicly quoted market prices. Where Strategic Advisers directs the market center to which an order is routed, FBS or NFS will route the order to such market center in accordance with Strategic Advisers' instructions without regard to its general order routing practices.

With respect to investments made by Fidelity mutual funds and ETPs, Strategic Advisers and its affiliates can allocate brokerage transactions to unaffiliated broker-dealers that have entered into commission recapture arrangements with Strategic Advisers or its affiliates under which the broker-dealer, using predetermined methodology, rebates a portion of the compensation paid by the fund to offset that fund's expenses, which can be paid to Strategic Advisers or its affiliates. Not all broker-dealers with whom Strategic Advisers trades have agreed to participate in brokerage commission recapture. Strategic Advisers expects that broker-dealers from whom Strategic Advisers or its affiliates purchase research products and services with "hard dollars" are unlikely to participate in commission recapture.

Please see the FPWA Program Fundamentals for further information about Program fees, brokerage commissions, and additional fees for transactions in a Program Account.

Trade Aggregation and Allocation

Strategic Advisers' policy is to treat each client's account in a fair and equitable manner over time when aggregating and allocating orders for the purchase and sale of mutual funds, ETPs, and individual securities. While Strategic Advisers is under no obligation to aggregate orders for Program Accounts, in general, Strategic Advisers will choose to aggregate trades for Program Accounts and/or aggregate Program Account trades with trades for other client accounts (including certain proprietary accounts of Strategic Advisers or its affiliates and Fidelity employee accounts managed by Strategic Advisers) when, in Strategic Advisers' judgment, aggregation is in the best interest of all clients involved and it is operationally feasible to do so. Orders are aggregated to facilitate seeking best execution, to negotiate more favorable commission rates, or to allocate equitably among clients the effects of any market fluctuations that might have otherwise occurred had these orders been placed independently. Aggregated trades are generally allocated pro rata among similarly situated client accounts participating in the transaction until the order is filled, and transactions that are executed on the same trade day are averaged as to price and allocated as to amount according to the purchase and sale orders actually placed for each client account. If Strategic Advisers does not complete an order in a single day (e.g., when an aggregate order for client accounts exceeds the available supply or to minimize market impact), client accounts will trade over multiple days. Although it is Strategic Advisers' policy to treat each client's account in a fair and equitable manner over time, if trades are executed over multiple days there can be no assurance that all participating Program Accounts will receive the same execution and certain Program Accounts can experience a more or less favorable execution depending on market conditions. Strategic Advisers has adopted trade allocation policies for managing client accounts, including Program Accounts, and for the funds of funds managed by Strategic Advisers designed to achieve fairness and not to purposefully disadvantage comparable client accounts over time when allocating purchases and sales.

Agency and Advisor Cross Trades

To the extent permitted by law and applicable policies and procedures, Strategic Advisers can execute “agency cross trades” for Program Accounts. Agency cross trades are trades in which Strategic Advisers, or any person controlling, controlled by, or under common control with Strategic Advisers, acts as both investment adviser and broker for a client, and as broker for the party or parties on the other side of the trade. Agency cross trades will be executed in accordance with Section 206(3) of the Advisers Act, requiring written consent, confirmations of transactions, annual reporting, and compliance procedures. In addition, to the extent permitted by law and applicable policies and procedures, Strategic Advisers can execute “advisor cross trades” for Program Accounts when Strategic Advisers believes such trades are in the best interest of all clients involved. Advisor cross trades are trades in which Strategic Advisers, or an affiliate, acts as investment adviser to both clients involved in the trade. Advisor cross trades will be facilitated either directly or through a broker-dealer (including FBS or NFS) and the relevant crossing value will be determined based on one or more third-party pricing services, actual market bids, and/or closing prices as reflected on a national securities exchange.

Account Transaction Information

When Strategic Advisers trades in a Program Account, unless Fidelity Personal Trust Company, FSB, is acting as trustee or co-trustee with respect to the Program Account, clients will receive a confirmation of such transaction from NFS, except with respect to automatic investments, automatic withdrawals, dividend reinvestments, and transactions that involve the core Fidelity money market fund where a client’s account statement serves in lieu of a confirmation. Clients will receive statements from NFS that will provide holdings and transaction information, including trades, contributions, withdrawals, advisory fees, and estimated gain/loss and tax basis information. Statements and confirmations are also available online at Fidelity.com and by enrolling in the electronic delivery program. Clients should carefully review all statements and other communications received from FBS and NFS. Clients will also receive a prospectus for any new mutual fund or ETP not previously held, unless the client has elected to have Strategic Advisers act as agent for the receipt of any non-Fidelity prospectuses. The routing details of a particular order will be provided on request, and an explanation of order routing practices will be provided on an annual basis. In addition, from time to time, Fidelity will provide aggregated trade execution data to clients and prospective clients.

Soft Dollars

Strategic Advisers does not have a soft dollar program.

Client-Directed Brokerage Activities

Program Accounts are not available for brokerage activities outside of the activities directed by Strategic Advisers, including but not limited to margin trading or trading of securities by a client or any of the client’s designated agents.

REVIEW OF ACCOUNTS

Ongoing Review and Adjustments of Program Accounts

Strategic Advisers monitors Program Accounts and their investments periodically. Market conditions and/or an upturn or downturn in a particular security will at times cause a “drift” in a client’s investment portfolio away from the long-term risk level associated with the client’s Program Account. Strategic Advisers can choose to rebalance a client’s Program Account to bring it back in line with the Asset Allocation. The number of times a Program Account is rebalanced will vary based on economic and market conditions, as well as changes in the attractiveness or appropriateness of specific funds or managers. Strategic Advisers can also modify the funds held in a Program Account to accommodate new fund allocations and fund closures.

In managing Program Accounts, Strategic Advisers could decide to adjust allocations for a number of reasons, including but not limited to the following:

- The weighting of a particular asset class, sector, or individual security that Strategic Advisers believes has too much or too little representation in a Program Account;
- Changes in the fundamental attractiveness or appropriateness of a particular mutual fund, ETP, or security;
- Changes in a client's Profile Information and any consequent changes to an associated investment strategy;
- Deposit or withdrawal of cash or securities into a Program Account;
- Accommodating mutual fund or ETP closures or limitations; or
- For Tax-Smart Program Accounts, certain changes in the client's tax situation or in the tax treatment of the investments in the Tax-Smart Program Account.

For Program Accounts other than Tax-Smart and BDIP Program Accounts, Strategic Advisers' investment management team will make decisions regarding reallocations within the model portfolio on which such Program Account is invested. These decisions are based on the investment management team's assessment of market and economic conditions and potential investment opportunities. Each model portfolio will be rebalanced periodically. Strategic Advisers will generally trade a Program Account when the model portfolio to which it is aligned is changed, subject to any restrictions a client requests. The Fidelity Program Dedicated Funds are reviewed daily and assets within the Fidelity Program Dedicated Funds are reallocated based on the discretion of the applicable fund's portfolio managers. As a result, reallocation activity applicable to such a Program Account's assets invested in the Fidelity Program Dedicated Funds could take place at the fund level, rather than directly in a client's Program Account.

Generally, Strategic Advisers reviews and adjusts account holdings in Tax-Smart Program Accounts as needed, based on the criteria listed above, with additional consideration given to the potential impact of federal income taxes. Periodically, Strategic Advisers will evaluate a client's Tax-Smart Program Account with respect to a variety of factors to determine whether the Tax-Smart Program Account could benefit from trading that day. Strategic Advisers does not anticipate that each Tax-Smart Program Account will be traded each day. Rather, Strategic Advisers' proprietary account evaluation system monitors each Tax-Smart Program Account periodically to identify those accounts that could benefit from trading, and Strategic Advisers then evaluates those Tax-Smart Program Accounts to determine if trading is required.

In determining whether a Program Account requires trading on a given day, Strategic Advisers relies on the prior trading day's closing values of the securities held in a Program Account. In general, Strategic Advisers does not attempt to conduct intraday account evaluations, and Strategic Advisers does not generally attempt to time intraday price fluctuations in its decisions to buy or sell securities.

There can be instances where we need to place a "do-not-trade" restriction on one or more Program Accounts, including when a client requests a security be transferred from a Program Account, when processing a trade correction, when we need to comply with a court order, when a client asks us to process a withdrawal and keep the proceeds from the sale of securities used to fund the withdrawal in the account until the client provides further instructions for the transfer of the proceeds, when a client closes (including through withdrawal) an account that is invested along with other Program Accounts associated with a single goal, or when we need additional Profile Information from a client. For the period when a do-not-trade restriction is in effect, we will not trade or otherwise manage the Program Account until the do-not-trade restriction is removed.

Clients have access to information that details the performance of their Program Account and summarizes the market activity during the period. Industry standards are applied when calculating performance information.

CLIENT REFERRALS AND OTHER COMPENSATION

Strategic Advisers and its affiliates are compensated for providing services, including for investment management, distribution, transfer agency, servicing, and custodial services, to certain Fidelity and non-Fidelity mutual funds, ETPs, and other investments in which Program Accounts are invested or which a client could use to implement the Program's financial planning recommendations. These affiliates include FMRCo and its affiliates as the investment adviser for the Fidelity Funds; FDC as the underwriter of the Fidelity Funds; and Fidelity Investments Institutional Operations Company LLC ("FIIOC") as transfer agent for the Fidelity Funds, servicing agent for non-Fidelity funds, and recordkeeper of certain workplace savings plans. Certain funds used in Program Accounts are available only to fee-based accounts offered by Fidelity. Unlike many other mutual funds, these funds do not charge fees or expenses for certain services provided by a Fidelity affiliate (but do charge fees for other services). Instead, compensation for such uncharged services is paid by FPWA or an affiliate. Strategic Advisers' affiliates also receive compensation and other benefits in connection with portfolio transactions executed on behalf of the Fidelity and non-Fidelity mutual funds, ETPs, and other investments. FMRCo and its affiliates also 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 Funds' portfolio security transactions.

FBS and NFS receive compensation for executing portfolio transactions and providing, among other things, clearance, settlement, custodial, and other services to Fidelity and non-Fidelity mutual funds, ETPs, and other investments, and NFS provides securities lending agent services to certain Fidelity Funds for which it receives compensation. FBS, NFS, and FIIOC also offer Fidelity's mutual fund platform, FundsNetwork, and provide shareholder and other services (including, for a limited number of participants on the platform, the sharing of certain aggregated data regarding ETF holdings in Program Accounts) to participating mutual funds and ETPs (or their sponsors) for which FBS, NFS, and FIIOC receive compensation, including with respect to those mutual funds and ETPs in which Program Accounts are invested. Neither FBS nor NFS receives any compensation in connection with directing equity trades for Program Accounts to market makers for execution. We can execute trades through alternative trading systems or national securities exchanges, including ones in which a Fidelity affiliate has an ownership interest, such as Members Exchange, a registered national securities exchange. Any decision to execute a trade through an alternative trading system or exchange in which a Fidelity affiliate has an ownership interest would be made in accordance with applicable law, including best execution obligations. For trades placed on certain national securities exchanges, including ones in which a Fidelity affiliate has an ownership interest, Fidelity could receive exchange rebates from such trades for Program Accounts, and these rebates will be subject to the Credit Amount (as described in "Fees and Compensation") and will be allocated, pro rata based on assets, among client Program Accounts.

Fidelity receives compensation from BlackRock Fund Advisors, an affiliate of BlackRock, in connection with an exclusive, long-term marketing program that includes promotion of ETFs advised by BlackRock (or an affiliate) and inclusion of the funds in certain FBS platforms and investment programs. Additional information about the sources, amounts, and terms of compensation is provided in the ETF's prospectus and related documents. Fidelity does not retain additional compensation as a direct result of a Program Account holding BlackRock funds.

The compensation described above that is retained by Strategic Advisers or its affiliates as a direct result of investments by the Program Accounts in Fidelity and non-Fidelity mutual funds and ETPs will be included in the Credit Amount (as described in "Fees and Compensation"), which reduces the Gross Advisory Fee. However, to the extent that Strategic Advisers or its affiliates, including FBS, NFS, or FIIOC, receive compensation that is neither a direct result of, nor directly derived from, investments by the Program Accounts, such compensation is not included in the Credit Amount, does not reduce the Gross Advisory Fee, and will be retained by Strategic Advisers or its affiliates. Receipt of compensation in addition to the Gross Advisory Fee creates a financial incentive for Strategic Advisers and its affiliates to select investments that will increase such compensation. Strategic Advisers seeks to address this financial conflict of interest through the application of the Credit Amount, which will reduce the Gross Advisory Fee, as applicable, and through personnel compensation

arrangements (including those of Strategic Advisers' investment professionals and the Fidelity representatives) that are not differentiated based on the investments or share classes selected for Program Accounts. Strategic Advisers and its affiliates have also implemented processes reasonably designed to prevent the receipt of compensation from affecting the nature of the advice provided to Program Accounts.

See "Fees and Compensation" for additional information.

Client referrals are provided by affiliated entities, including FBS, pursuant to referral agreements where applicable.

CUSTODY

Clients must establish and maintain a brokerage account with FBS to participate in the Program, and NFS serves as the qualified custodian for Program Accounts. Clients should carefully review all statements and other communications received from NFS and FBS. NFS and FBS are broker-dealers and affiliates of Strategic Advisers.

Strategic Advisers is deemed to have custody under the Advisers Act because its affiliate, NFS, serves as qualified custodian for Program Accounts.

INVESTMENT DISCRETION

Strategic Advisers' portfolio management services for Program Accounts include the discretionary authority to determine which securities to purchase or sell, the total amount of such purchases and sales, and the brokers or dealers through which transactions are executed in Program Accounts. Such discretionary authority is subject to certain limits, including the Program's investment objectives and policies, regulatory constraints, and those investment restrictions we agree to impose based on a client's request in accordance with applicable laws.

VOTING CLIENT SECURITIES

Strategic Advisers does not generally acquire authority for, or exercise, proxy voting on a client's behalf in connection with managing Program Accounts. Unless a client directs Strategic Advisers otherwise pursuant to the paragraph below, the client will receive proxy materials directly from the funds, the issuer of the individual security (or their service providers), or NFS. Strategic Advisers will not advise clients on the voting of proxies. Clients must exercise any proxy voting directly.

Notwithstanding the information above, a client can direct Strategic Advisers to act as agent to vote proxies on the client's behalf for the funds and other securities held in Program Accounts. For Fidelity Funds, clients who make such a direction must instruct Strategic Advisers 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 and other securities, such clients must instruct Strategic Advisers to vote proxies pursuant to the directions provided by ISS, an unaffiliated third-party proxy advisory services provider. Please note that, unlike general proxy votes, Strategic Advisers generally treats certain voluntary corporate actions as subject to the exercise of its discretion as an investment manager. Accordingly, Strategic Advisers will make decisions with respect to voluntary corporate actions directly as part of the investment management services it provides to Program Accounts. However, a client retains the right to make elections with respect to voluntary corporate actions if they so choose; if a client would like to make an election with respect to a security subject to a voluntary corporate action, the client will need to contact us to transfer the security out of the client's Program Account.

In connection with this election, a client must acknowledge that Strategic Advisers is acting solely at the client's direction, and does not exercise discretion with respect to the voting of any proxy. Clients receive information about ISS' proxy voting policies in the summary of ISS' proxy voting guidelines available at

Fidelity.com/information. In some instances, ISS will be unable to provide proxy voting directions, in which case Strategic Advisers will not vote such proxy because it does not have discretion to determine how proxies are voted. To obtain a copy of ISS' summary proxy voting guidelines or information on how investment proxies were voted, please contact a Fidelity representative. In addition, a client can request that Strategic Advisers act as agent for receipt of certain legally required communications, including prospectuses, annual and semiannual reports, and proxy materials for mutual funds and ETPs that are not managed by FMRCo or an affiliate thereof, and other individual securities.

Clients should be aware that, to the extent that a Program Account holds a fractional share of an ETP or individual security, they will not be able to vote the fractional share; however, where Strategic Advisers is acting as proxy voting agent on the client's behalf, such fractional share can generally be voted. In addition, clients are not able to take any discretionary or voluntary corporate action with respect to any fractional share position.

FINANCIAL INFORMATION

Program clients do not pay Strategic Advisers for the services it provides under the Program. Strategic Advisers does not solicit prepayment of client fees. Strategic Advisers is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

FOR MORE INFORMATION, PLEASE CALL US TOLL-FREE AT

8 0 0 . 5 4 4 . 3 4 5 5

Monday through Friday, 8 a.m. to 7 p.m. Eastern time



Keep in mind that investing involves risk. The value of your investment will fluctuate over time, and you may gain or lose money.

Diversification and asset allocation do not ensure a profit or guarantee against loss.

Fidelity does not provide legal or tax advice, and the information provided is general in nature and should not be considered legal or tax advice. Clients should consult an attorney, tax professional, or other advisor regarding their specific legal or tax situation.

BlackRock Investment Management, LLC (BlackRock), is an independent entity that is not affiliated with any Fidelity Investments company. Strategic Advisers is the portfolio manager for BlackRock Diversified Income Portfolio Program Accounts and implements trades for the accounts based on the model portfolio of investments it receives from BlackRock. Strategic Advisers can select investments for an account that differ from BlackRock's model.

For iShares ETFs, Fidelity receives compensation from the ETF sponsor and/or its affiliates in connection with an exclusive, long-term marketing program that includes promotion of iShares ETFs and inclusion of iShares funds in certain FBS platforms and investment programs. Additional information about the sources, amounts, and terms of compensation can be found in the ETF's prospectus and related documents. Fidelity can add or waive commissions on ETFs without prior notice. BlackRock and iShares are registered trademarks of BlackRock, Inc., and its affiliates.

The Fidelity U.S. Large Cap IndexSM is a float-adjusted market capitalization-weighted index designed to reflect the performance of the stocks of the largest 500 U.S. companies based on float-adjusted market capitalization.

The Russell 1000[®] Growth Index is an unmanaged market capitalization-weighted index of those stocks of the 1,000 largest U.S.-domiciled companies that exhibit growth-oriented characteristics.

The Russell 1000[®] Value Index is an unmanaged market capitalization-weighted index of those stocks of the 1,000 largest U.S.-domiciled companies that exhibit value-oriented characteristics.

The S&P 500[®] Index is a market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance.

The MSCI EAFE Index (Net MA Tax) is an unmanaged, market capitalization-weighted index that is designed to measure the investable equity market performance for global investors in developed markets, excluding the U.S. and Canada. Index returns are adjusted for tax withholding rates applicable to U.S.-based mutual funds organized as Massachusetts business trusts.

The Fidelity Developed International ex North America Focus Index (Net) is a float-adjusted market capitalization-weighted index designed to reflect the performance of the developed international equity market, including large-capitalization stocks.

Indexes are unmanaged. It is not possible to invest directly in an index.

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