

## **Fidelity Model Portfolio Solutions**

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This brochure provides information about the qualifications and business practices of Fidelity Institutional Wealth Adviser LLC (“FIWA”), a Fidelity Investments company, as well as information about FIWA’s non-discretionary model portfolio solutions and plan lineup services.

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

If you have any questions about the contents of this brochure, please call us at 617-563-7000. 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 FIWA is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.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 from March 28, 2023, through March 28, 2024. Additional information about FIWA is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Capitalized terms are defined herein.

Updates have been made throughout this brochure to discuss additional conflicts related to multi-manager arrangements.

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## **ADVISORY BUSINESS**

Fidelity Institutional Wealth Adviser LLC (“FIWA”) is a registered investment adviser and an indirect, wholly owned subsidiary of FMR LLC (collectively with FIWA and its affiliates, “Fidelity Investments,” “Fidelity,” “us,” or “we”). FIWA was formed in 2016. This brochure covers FIWA’s provision of non-discretionary investment advice through standard and custom model portfolios and plan lineup services.

FIWA also offers several other products and services. Brochures dedicated to these other FIWA products and services can be found on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Fidelity Model Portfolio Solutions**

#### *All Fidelity Model Portfolio Solutions*

FIWA provides non-discretionary investment advice through a variety of standard and custom model portfolios, including model portfolios comprised of mutual funds and exchange traded funds (“ETFs”), model portfolios composed of separately managed accounts that hold individual securities, and various iterations and combinations of these types of models (collectively referred to as “Fidelity Model Portfolio Solutions” or “Model Portfolio Solutions”). Fidelity Model Portfolio Solutions seek to achieve various investment, asset class, sector, or asset allocation objectives.

Fidelity Model Portfolio Solutions are provided to financial institutions such as banks, broker-dealers and other investment advisers (each, an “Intermediary” and collectively, the “Intermediaries”) either directly, or through third party technology platforms that host information about the Fidelity Model Portfolio Solutions and turnkey asset management platforms that an Intermediary may use to provide advisory services on behalf of the Intermediary’s underlying clients (“Platforms”). The Model Portfolio Solutions are also made available to Intermediaries through the Fidelity Managed Account Xchange<sup>®</sup> program (“FMAX”), which is a Platform provided by FIWA for use by Intermediaries. Fidelity Model Portfolio Solutions have also been made available to Intermediaries that use Fidelity’s custody platform and affiliates of FIL Limited in some circumstances. Representatives of FIWA or its broker-dealer affiliates Fidelity Distributors Company LLC (“FDC”), Fidelity Brokerage Services LLC (“FBS”), and/or National Financial Services LLC (“NFS”) market Fidelity Model Portfolio Solutions to Intermediaries and Platforms.

FIWA provides Intermediaries with non-discretionary investment advice in the form of Model Portfolio Solutions that the Intermediaries can use to develop their own investment recommendations and manage their underlying client accounts (the “Underlying Clients”). FIWA does not have an advisory relationship, or act as an adviser or ERISA fiduciary to any Underlying Client of an Intermediary, nor does FIWA have an advisory relationship or act as a fiduciary to an Intermediary or their Underlying Clients who access Model Portfolio Solutions through a Platform, as a result of that Intermediaries’ or Underlying Client’s use of Model Portfolio Solutions.

Each Intermediary is solely responsible for determining whether a Model Portfolio Solution, including the Underlying Funds (defined below) and share classes, as well as any particular strategy or investment, are suitable and appropriate for its Underlying Clients. Each Intermediary, and not FIWA, is responsible for determining whether and how to implement any non-discretionary investment advice provided by FIWA with regard to, or otherwise through, the Model Portfolio Solutions in their Underlying Client accounts. FIWA does not exercise investment discretion over any Underlying Client account in connection with the Model Portfolio Solutions and does not trade or undertake any actions or services typically associated with discretionary management regarding Model Portfolio Solutions. Intermediaries have sole discretion over Underlying Client assets and are responsible for choosing a Platform and/or for placing trades in Underlying Client accounts, including the selection of broker-dealers and the execution of transactions. All management and support of Underlying Client accounts, such as any customization, investment allocation, establishing asset class drift parameters, restrictions or tax harvesting is also the responsibility of the Intermediaries.

The Fidelity Model Portfolio Solutions consist of all or a combination of the following types of investments:

- Fidelity Funds - Mutual funds and/or exchange-traded funds (“ETFs”) sponsored and managed by affiliates of FIWA (“Fidelity Funds”).
- Unaffiliated Funds - Mutual funds and/or ETFs managed by unaffiliated investment managers (“Unaffiliated Funds”). The Fidelity Funds and Unaffiliated Funds are referred to collectively as “Underlying Funds”.
- Fidelity Advisor SMAs - Separate accounts that consist of individual securities selected by affiliates of FIWA (“Fidelity Advisor SMAs”).
- Unaffiliated SMAs - Separate accounts that consist of individual securities selected by unaffiliated advisers (“Unaffiliated SMAs”). The Fidelity Advisor SMAs and Unaffiliated SMAs are referred to collectively as “SMAs”.

Any of the Fidelity Model Portfolio Solutions can include an allocation to cash or cash equivalents as Intermediaries often require cash amounts for their operational purposes. Not all Fidelity Model Portfolio Solutions use all of these types of investments; some Model Portfolio Solutions may only use certain products. Some Model Portfolio Solutions may include allocations to registered alternative investments. Specific information about the Fidelity Model Portfolio Solution, including the types of investments and portfolio construction, is provided in the marketing material particular to that solution. The different variations of Fidelity Model Portfolio Solutions include:

- Fidelity Model Portfolios, which consist solely of Underlying Funds;
- Fidelity Advisor SMAs;
- Fidelity Model Portfolios with SMA, which are Fidelity Model Portfolios that also include an allocation to SMAs; and

- Custom Model Portfolio Solutions, which are portfolios that are tailored to an Intermediary's particular preferences and are made available to that Intermediary. The Custom Model Portfolio Solutions may include any combination of Underlying Funds and SMAs.

In addition to using its own investment research resources, for certain Fidelity Model Portfolio Solutions FIWA has retained its investment advisory affiliates, FMR and Strategic Advisers LLC ("Strategic Advisers") to provide portfolio construction services under parameters determined by FIWA. FMR and Strategic Advisers are compensated by FIWA for the development and updates to the Fidelity Model Portfolio Solutions. FMR and Strategic Advisers construct model portfolios from the universe of Underlying Funds selected for consideration by FIWA. FIWA oversees FMR's and Strategic Advisers' provision of non-discretionary investment advice to FIWA as provided for in FIWA's policies and procedures.

### *Conflicts of Interest in Fidelity Model Portfolio Solutions*

#### *Fidelity Model Portfolios*

FIWA does not charge a separate fee for licensing its standard Fidelity Model Portfolios. However, FIWA and its affiliates receive compensation from sales of certain of the Underlying Funds that are included in the Fidelity Model Portfolios. As a result, there are certain conflicts of interest that are inherent in the design and operation of the Fidelity Model Portfolios because, to the extent consistent with the investment objective of any particular Fidelity Model Portfolio and guidelines applicable to a particular Fidelity Model Portfolio, FIWA will allocate assets among Underlying Funds in order to meet certain minimum target revenue requirements for FIWA and its affiliates. For example, FIWA has a conflict of interest when: (1) FIWA recommends a proprietary investment product or service such as a Fidelity Fund that is sponsored or managed by a Fidelity affiliate; (2) FIWA and its affiliates receive payments as a result of allocating assets in the Fidelity Model Portfolios to Underlying Funds; and (3) FIWA and its affiliates receives payments for providing services to Underlying Funds. The amount of the compensation that Fidelity receives varies depending on the Underlying Funds as described below:

- FIWA and its affiliates receive compensation when shares of Fidelity Funds are purchased.
- Fidelity contracts with certain unaffiliated investment managers in connection with the availability, purchase or redemption of, servicing and ongoing maintenance of their investment products held in accounts on Fidelity's various platforms. Fidelity receives compensation for such services, including asset-based or transaction-based compensation for shareholder servicing, 12b-1 fees, and CUSIP maintenance and add fees.
- Certain of the Unaffiliated Funds or their affiliates participate in an access, engagement, and analytics program established by Fidelity, for which these providers compensate

affiliates of FIWA for these services through a flat, annual fee. Fidelity also receives asset-based fees or fixed fees from certain ETF providers for platform and data support.

- If iShares ETFs are included in a Fidelity Model Portfolio, Fidelity also receives compensation for services provided to iShares ETFs in connection with reduced or commission-free ETFs, and compensation in connection with a marketing program with respect to iShares funds, including ETFs and iShare funds in all Fidelity Model Portfolios.
- Fidelity has contractual arrangements with certain product providers to compensate Fidelity for maintaining the infrastructure required to accommodate that provider's investment products on Fidelity's various platforms.
- Fidelity may share revenue it receives on sales of certain Fidelity Funds included in a Fidelity Model Portfolio Solution with an Intermediary using certain Fidelity Model Portfolio Solutions, leading to less revenue to Fidelity from sales of certain Fidelity Funds versus other Fidelity Funds.

FIWA addresses these conflicts of interest by disclosing the nature of the compensation and related financial incentives in this Brochure and other materials relating to the Fidelity Model Portfolios. In addition, the amount paid to FIWA representatives does not vary based on the Underlying Funds selected when constructing the Fidelity Model Portfolios and the compensation arrangements for applicable investment professionals who develop the Fidelity Model Portfolios at FIWA's affiliates do not vary based on the Underlying Funds selected for such Fidelity Model Portfolios. In general, however, Intermediaries and Platforms should understand that a substantial portion if not the majority of the assets in the Fidelity Model Portfolios generally will be allocated to Fidelity Funds and/or Unaffiliated Funds that pay compensation to FIWA and its affiliates. This is because, to the extent consistent with the overall investment objective and guidelines of any particular Fidelity Model Portfolio, FIWA will allocate assets among Underlying Funds in order to meet certain minimum target revenue requirements for FIWA and its affiliates. Specific information about the composition of the Fidelity Model Portfolio can be found in marketing material for each Fidelity Model Portfolio. In some instances, FIWA pays a Platform, a technology or similar fee to enable the administration of the Fidelity Model Portfolios on the Platform.

The Underlying Funds used in the Fidelity Model Portfolios represent only a subset of all possible mutual funds and ETFs that could be included. FIWA does not consider all available third-party and affiliated products that may be appropriate for a given Fidelity Model Portfolio. Underlying Funds are not necessarily the least expensive or best performing of all possible products. The universe of Underlying Funds has been selected by FIWA for inclusion in the Fidelity Model Portfolios based on eligibility for the mutual funds or ETFs to be distributed to Intermediaries, other measures designed to be consistent with the model parameters related to the asset allocation goals of the model, expenses, asset classes and Intermediary interest and whether such products result in compensation to Fidelity. Each Fidelity Model Portfolio is designed to result in minimum revenue amounts to FIWA and its affiliates.

Certain eligibility criteria based on other factors such as performance, asset levels, and other measures are applied to the universe of products to produce a Fidelity Model Portfolio designed to achieve its stated objective. Within any given Fidelity Model Portfolio, the costs to shareholders and benefits to FIWA and its affiliates vary compared with any other Fidelity Model Portfolio based on the different asset class allocations to the various Underlying Funds (e.g., equity versus fixed income funds, etc.), each of which have their own expenses as provided for in their registration statements. At the request of an Intermediary, FIWA will provide tax-aware alternates for mutual funds and ETFs included in a Fidelity Model Portfolio as part of its non-discretionary services for the Intermediary to evaluate and implement. FIWA will provide such tax-aware alternates within the parameters agreed upon with the Intermediary as described in the applicable agreement or otherwise.

Each Intermediary, including those using FMAX, and not FIWA, is responsible for determining whether any Fidelity Model Portfolio, including the Fidelity Model Portfolio's asset allocation mix, expenses and share class, is suitable for the Underlying Clients. Not all of the underlying investments in the Fidelity Model Portfolios are available across all Platforms on which they may be made available to Intermediaries. Capabilities of Platforms vary.

Affiliates of FIWA manage mutual funds or ETFs that are substantially similar to the Fidelity Funds but have higher or lower fees and expenses. Such mutual funds or ETFs are not available for inclusion in the Fidelity Model Portfolios but may be bought on a stand-alone basis by an Intermediary for their Underlying Clients in certain circumstances. Fidelity Model Portfolios may include a mutual fund rather than a similar ETF. Such mutual fund may have higher fees and expenses than a similar ETF. An Underlying Client who holds a less-expensive share class of a fund will pay lower fees over time, and earn higher investment returns, than an Investor who holds a more expensive share class of the same mutual fund. Information and other marketing materials provided by FIWA concerning the Fidelity Model Portfolios may not be indicative of a client's actual experience. The Fidelity Model Portfolios and any allocations within them are subject to change. Other Underlying Funds and SMAs that are available have lower fees and expenses that Intermediaries could utilize.

## *SMAs*

When FIWA produces a Fidelity Model Portfolio Solution that includes an SMA, it has an incentive to use a Fidelity Advisor SMA because sales of the Fidelity Advisor SMAs result in compensation to FIWA. Underlying Clients of Intermediaries that use any SMA, including Fidelity Advisor SMAs, pay a fee to the Intermediary which in turn pays FIWA for the Fidelity Advisor SMA. When FIWA is producing a Fidelity Model Portfolio Solution with SMA, it has an incentive to use Fidelity Advisor SMAs versus Unaffiliated SMAs because of the compensation FIWA and its affiliates receive when it sells Fidelity Advisors SMAs. However, Fidelity Model Portfolio Solutions that include Underlying Funds and SMAs generally have limits on the amount of SMAs that may be included because of asset class constraints (diversification requirements), limited SMA availability, third-party platform eligibility, investment minimums and other factors. An Unaffiliated SMA within a Fidelity Model Portfolio Solution could be



invested in through FIWA's FMAX platform, which is a separate service of FIWA discussed in a FIWA brochure dedicated to FMAX. Unaffiliated SMAs that use the FMAX platform pay installation and maintenance fees which are further described in that brochure. Availability of Unaffiliated SMAs on certain Platforms may affect the choice of Unaffiliated SMAs due to operational requirements.

### *Share Class Selection*

The share classes of the Fidelity Funds for a given Fidelity Model Portfolio Solution are selected by FIWA based on various considerations including the Intermediaries' share class preferences relative to expense ratios and revenue-sharing opportunities with the Intermediary, share classes used by other asset managers in competing model portfolios, and compensation to FIWA and its affiliates based on the Fidelity Funds. The share classes available for a given Fidelity Fund in the Fidelity Model Portfolios are limited to the share classes designated by FIWA. FIWA has generally designated that each Fidelity Model Portfolio is made available in Class Z and Class I shares. More information about those share classes and how an Intermediary may receive compensation from FIWA and its affiliates for offering Fidelity Model Portfolios that include the Fidelity Funds is provided in the offering documents for the Underlying Funds. The Intermediary using a Fidelity Model Portfolio Solution solely determines whether the share class for a particular Fidelity Model Portfolio Solution is appropriate for its Underlying Client, not FIWA.

When including an Unaffiliated Fund in a standard Fidelity Model Portfolio Solution, FIWA chooses the relevant institutional share class, which is generally the least expensive share class for that Unaffiliated Fund if such share class is otherwise an appropriate selection given the Model Portfolio Solution's requirements. However, it is the Intermediary's ultimate responsibility to choose any share class for any Underlying Fund in a Fidelity Model Portfolio Solution and to take into account minimum requirements and other factors when doing so. In a Custom Model Portfolio Solution, FIWA will use the share class of any Unaffiliated Fund as determined by the Intermediary.

### *Custom Model Portfolio Solutions*

At the request of an Intermediary, FIWA will provide non-discretionary investment advice through creation of a Custom Model Portfolio Solution designed to meet an Intermediary's specific needs. While a Custom Model Portfolio Solution is often a Fidelity Model Portfolio comprised of Underlying Funds, FIWA can also create a Custom Model Portfolio Solution that involves SMAs. The level and extent of customization can vary across the Custom Model Portfolio Solutions. In certain Custom Model Portfolio Solutions, the Intermediary provides parameters to FIWA such as the overall asset allocation to be achieved or the underlying investment and risk or other characteristics, including what role each party plays in recommending and approving the Underlying Funds, the proportion of affiliated and unaffiliated investments, and eligibility criteria for selection of the Underlying Funds and SMAs. The Intermediary can override FIWA's recommendation to exclude an Underlying Fund based on

quality criteria or for another reason. The Intermediary may instead direct FIWA to use that Underlying Fund or choose from a suite of certain Underlying Funds which, in some cases, is affiliated with the Intermediary or offers the Intermediary additional compensation through revenue sharing or other arrangements. In these cases, FIWA is not responsible for the selection of such Underlying Funds, acts upon direction and does not provide investment advice in connection with such selection by the Intermediary or such direction. Similar to a Fidelity Model Portfolio, each Custom Model Portfolio is designed to result in minimum revenue amounts to FIWA and its affiliates. For certain Custom Model Portfolio Solutions, Intermediaries are limited to selecting parameters such as investment managers and vehicle type. For all Custom Model Portfolio Solutions FIWA provides investment advice within the parameters dictated by the Intermediary as described in the applicable agreement or as otherwise agreed upon. The Intermediary designates the share class of any Underlying Funds and determines whether it is appropriate for the Underlying Client, not FIWA.

Fidelity may also provide non-discretionary investment advice to another model provider as part of a Custom Model Portfolio Solution commissioned by an Intermediary in a multi-manager arrangement in which Fidelity and one or more third-party investment advisers operate as co-model providers of a model portfolio through various roles and responsibilities as outlined in the written agreements governing such arrangements ("Multi-Manager Arrangements"). These Multi-Manager Arrangements are offered in response to client demand, but may or may not be marketed as such. In these Multi-Manager Arrangements, the universe of funds is generally limited to certain Fidelity Funds, funds affiliated with the co-model provider or its affiliates, as well as certain other Unaffiliated Funds. However, the investable universe is determined by the Intermediary who commissioned the Multi-Manager Arrangement unless that responsibility is assigned to Fidelity or the co-model provider. These model portfolios are generally composed of a significant percentage of Fidelity Funds which creates a conflict for Fidelity to recommend Fidelity Funds over the funds affiliated with the co-model provider. There are controls to mitigate these conflicts including but not limited to (i) the implementation of a cap on the percentage of the model portfolio that can hold Fidelity Funds as described in the written agreements governing the Multi-Manager Arrangement as set by the Intermediary or (ii) set at a percentage appropriate to, and in consideration of, the responsibilities and risks assumed by the co-model provider which may be a significant percentage of the co-model provider's funds. Both Fidelity and the co-model provider will have a minimum amount of each of its respective products to include the Custom Model Portfolio Solution to ensure that the arrangement generates revenue to each firm.

When Fidelity selects or recommends a Fidelity Fund, it has an incentive to allocate assets of a Fidelity Model Portfolio Solution or a Custom Model Portfolio Solution to new Fidelity Funds to help such funds develop new investment strategies and products because it may benefit Fidelity's affiliated investment adviser which is the adviser to the Fidelity Funds. Fidelity also has an incentive to allocate assets of Fidelity Model Portfolio Solutions or the Custom Model Portfolio Solution to a Fidelity Fund that is small, pays higher fees to Fidelity's affiliate or to which Fidelity's affiliates provided seed capital. In addition, Fidelity has an incentive to avoid recommending withdrawals from a Fidelity Fund in order to avoid or delay the withdrawal's

adverse impact on the Fund. Adverse impacts on the Fund could include selling securities when it otherwise would not have done so to meet withdrawals, significantly reducing the assets of the fund, causing decreased liquidity and, depending on any applicable expense caps, a higher expense ratio or liquidation of the fund and increasing transaction costs. Fidelity has policies and controls in place to govern the selection of Fidelity Funds for any of its Fidelity Model Portfolio Solutions and its Custom Model Portfolio Solutions.

### *Fidelity Advisor SMAs*

FIWA provides non-discretionary investment advice to Intermediaries in the form of Fidelity Advisor SMAs that may be offered directly or through a Platform. Such Intermediaries may make the Fidelity Advisor SMAs available through their proprietary Platforms, including turn-key asset management platforms. In addition, FIWA makes the Fidelity Advisor SMAs available through one of its other services, FMAX. For FMAX and certain other unaffiliated Platforms, FIWA subsidizes the cost of implementing and administering the Fidelity Advisor SMAs on the Platform. These Intermediaries arrange for implementation of the Fidelity Advisor SMAs, in whole or in part, as each Intermediary will be responsible for implementing the Fidelity Advisor SMAs based on the objectives, guidelines and restrictions of the Intermediary's Underlying Clients. Intermediaries, and not FIWA, have discretion over the assets of the Underlying Clients.

FMR, a FIWA affiliate, provides the Fidelity Advisor SMAs to FIWA. FMR is compensated by FIWA for the development and delivery of the Fidelity Advisor SMAs. Fidelity Advisor SMAs' portfolio holdings derive from an optimization process that originates from one or several mutual funds or institutional portfolios managed by affiliates of FIWA. In most cases the mutual funds or institutional portfolios have similar objectives and guidelines to the Fidelity Advisor SMAs, however, certain Fidelity Advisor SMAs do not utilize mutual funds or institutional portfolios with similar objectives and guidelines. The optimization process limits the number of holdings in the Fidelity Advisor SMAs from the original holdings in the mutual funds or institutional portfolios and applies other guidelines and controls for other variables. While certain Fidelity Advisor SMAs consider a similar mutual fund or institutional portfolio holdings as part of their optimization process, the Fidelity Advisor SMAs and a similar mutual fund or institutional portfolio are not, and are not meant to be, substantially similar products.

### **Plan Investment Lineup Services**

FIWA acts as a 3(38) investment manager under the Employee Retirement Income Security Act of 1974 ("ERISA") to plan sponsors and certain affiliates of FIWA in connection with those affiliates' management and implementation of investment lineups for workplace savings plans.

FIWA provides non-discretionary investment management services to Fidelity Management Trust Company ("FMTC") as part of FMTC's Fidelity Flex workplace savings plan fiduciary offering ("Fidelity Flex"). FIWA selects combinations of mutual funds managed by affiliates that are used as the eligible investment options for participants who are enrolled in workplace

savings plans that participate in the Fidelity Flex program. FIWA develops and manages the lineup of available investments for these plans by selecting from among a limited universe of Fidelity Flex® mutual funds (“Flex Funds”) managed by FMR and its affiliates. Unlike many other mutual funds, the Flex Funds do not charge management fees or, with limited exceptions, fund expenses (as further described below in “Fees and Compensation”). FIWA provides this service for the Fidelity Flex program, and such services are not available to plans that are not enrolled in the Fidelity Flex program.

FIWA provides non-discretionary investment management services to Fidelity Workplace Services, LLC (“FWS”) as part of FWS’ Fidelity Advantage 401(k) pooled employer plan workplace savings offering (“Fidelity Advantage 401(k)”). FIWA selects combinations of mutual funds managed by affiliates that are used as the permissible investment options for current and former employees of employers that have elected to participate in the Fidelity Advantage 401(k) plan. FIWA develops and manages the lineup of available investments for this plan by selecting from among a limited universe of Flex Funds managed by FMR and its affiliates. FIWA provides this service for the Fidelity Advantage 401(k) plan, and such services are not available to employers that have not elected to participate in the Fidelity Advantage 401(k) plan.

For additional information about the Flex Funds, please see the applicable prospectuses for such funds.

## **Assets Under Management**

As of December 31, 2023, FIWA managed \$3,931,298,951 of client assets on a discretionary basis in relation to services that are not covered by this brochure. As of December 31, 2023, FIWA did not have any non-discretionary regulatory assets under management.

## **FEES AND COMPENSATION**

### **Fidelity Model Portfolio Solutions**

#### *Fidelity Model Portfolios*

FIWA does not charge a separate advisory fee for the provision of the Fidelity Model Portfolios either as a standalone Solution or as part of a broader Solution. Use of the Fidelity Model Portfolios will result in the payment of fees to the Underlying Funds as provided for in the prospectus to each such fund, and the fees received from investment in the Underlying Funds will be shared by affiliates involved in distributing and advising both the Fidelity Model Portfolios and the Underlying Funds, including FDC, FIWA, FMR, and Strategic Advisers. Each Underlying Fund incurs advisory, administrative, and custodial fees, as well as other fees and expenses that it pays out of each fund’s own assets, meaning that such costs are indirectly

borne by Underlying Clients as shareholders of each applicable fund. Please consult the applicable prospectus of each Underlying Fund for information about the specific fund's expense ratio.

Within a given Fidelity Model Portfolio, the cost to shareholders and benefits to FIWA and its affiliates across the Underlying Funds within that Fidelity Model Portfolio will vary. As a result, FIWA and its affiliates have a financial incentive to select Underlying Funds that pay additional revenue to its affiliates as revenue to Fidelity is generally increased with additional sales of any Fidelity Funds and Unaffiliated Funds from which FIWA's affiliates receive additional compensation. However, the amount paid to FIWA and its representatives does not vary based on the Underlying Funds selected when constructing the Fidelity Model Portfolios and the compensation arrangements for applicable investment professionals who develop the Fidelity Model Portfolios at FIWA's affiliates do not vary based on the Underlying Funds selected for such Fidelity Model Portfolios.

### *Custom Model Portfolio Solutions*

For the Custom Model Portfolio Solutions created for Intermediaries, the use of the custom model will result in the payment of fees to FIWA and its affiliates through investment in Underlying Funds as described above. Please see the Fidelity Model Portfolios section above for details on how the fees paid by shareholders in the Underlying Funds are shared with FIWA and its affiliates.

In certain cases, and as agreed to with the Intermediary, FIWA will charge an advisory fee to the Intermediary in addition to receiving fees from investments in the Underlying Funds. Such advisory fees are determined based on the Custom Model Portfolio Solution designed for each particular Intermediary. In Multi-Manager Arrangements, FIWA also receives a portion of the revenue that accrues to its co-model provider through sales of its affiliated funds, or of other Unaffiliated Funds as described earlier, as delineated in the written agreements related to the Multi-Manager Arrangement.

### *Fidelity Advisor SMAs*

FIWA charges an advisory fee for the provision of the Fidelity Advisor SMAs which is paid by the Intermediaries that use the Fidelity Advisor SMAs with its Underlying Clients. In the case of Fidelity Model Portfolios with SMAs, any such advisory fee will only be charged on the portion of assets allocated to Fidelity Advisor SMAs. The fee FIWA receives derives from the advisory fee the Intermediary charges its Underlying Clients for advisory services. For FMAX, FIWA does not charge a separate fee for the Fidelity Advisor SMAs; however, end investors in the FMAX platform pay a program fee which generally includes all of FIWA's services to that platform, including access to the Fidelity Advisor SMAs. Please refer to the Intermediary's Form ADV 2A brochure, or FIWA's Form ADV 2A brochure for the FMAX platform, as applicable, for additional information on such fees and expenses. The fee FIWA receives may be transmitted

through the Platform or turnkey asset manager that hosts the Fidelity Advisor SMAs. Fees are negotiable in certain circumstances. Fees received from the Fidelity Advisor SMAs will be shared by affiliates involved in distributing and advising the Fidelity Advisor SMAs, including FDC and FMR. The standard fee range for Fidelity Advisors SMAs are 28 to 35 basis points.

#### *Other Issues Relating to Fees for All Fidelity Model Portfolio Solutions*

Underlying Clients that invest using Fidelity Model Portfolio Solutions may be charged fees and expenses by its applicable Intermediary in the Intermediary's sole discretion. FIWA does not receive any compensation from fees charged by an Intermediary to an Underlying Client, nor it is involved in or have any control over such fees. Please refer to the Intermediary's Form ADV 2A brochure, as applicable, for additional information on such fees and expenses.

FIWA representatives are generally also registered with one or more of our affiliated broker-dealers, FBS, NFS, and FDC. These representatives receive a salary, bonus, and non-cash incentives. Bonus and non-cash incentives can vary and are based on criteria including success in meeting sales goals and total assets.

#### **Plan Investment Lineup Services**

***Fidelity Flex.*** As compensation for its investment advisory services under the Fidelity Flex program, FIWA receives a portion of the Fidelity Flex program fee paid to FMTC by retirement plan sponsors. A single program fee for these services is negotiated on a case-by-case basis with plan sponsor clients of FMTC, and FIWA does not receive a separate fee from employee benefit plan sponsors or participants for its services. A portion of the fee received from FMTC is also provided to FIWA to be paid to the advisers of the Flex Funds, including FMR, that are included in investment lineups and to other affiliates of FMTC that provide services under the Fidelity Flex program. FIWA's rate of compensation under its arrangement with FMTC does not vary based on the funds selected by FIWA to be included in the plan lineup.

***Fidelity Advantage 401(k).*** As compensation for its investment advisory services under the Fidelity Advantage 401(k) program, FIWA receives compensation from FWS pursuant to an investment advisory agreement with FWS. An investment service fee for the services provided by FWS, including the services of FIWA, is agreed to by employer clients of FWS and deducted from participant accounts. FIWA does not receive a separate fee from such employers or participants. A portion of the fee that FIWA receives from FWS is to be paid to the investment advisers of the Flex Funds, including FMR, that are included in investment lineups and to other affiliates of FWS that provide services under the Fidelity Advantage 401(k) program. FIWA's rate of compensation under its arrangement with FWS does not vary based on the funds selected by FIWA to be included in the plan lineup.

Fidelity receives no fees from the Flex Funds for managing or handling the business affairs of the Flex Funds and pays the expenses of each Flex Fund, with the exceptions of expenses for typesetting, printing, and mailing proxy materials to shareholders, all other expenses incidental

to holding meetings of the Flex Fund's shareholders (including proxy solicitation), fees and expenses of certain trustees, interest, Rule 12b-1 fees (if any), taxes, and such non-recurring expenses as can arise, including costs of any litigation to which the Flex Fund can be a party, and any obligation it can have to indemnify its officers and trustees with respect to litigation. The Flex Funds also pay non-operating expenses, including brokerage commissions and fees and expenses associated with the Flex Fund's securities lending program, if applicable.

## **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

FIWA does not charge any performance-based fees for provision of the Fidelity Model Portfolio Solutions or plan lineup services.

Certain of FIWA's (in the case of Fidelity Institutional Custom SMAs where FIWA's affiliate, FMR, is sub-adviser) or its affiliates' discretionary accounts may, for unrelated reasons, invest in funds that are also included in the Fidelity Model Portfolio Solutions from time to time. Certain recommendations implicit in the Fidelity Model Portfolio Solutions reflect recommendations being made by FIWA's affiliates to their discretionary accounts. FIWA also provides its research and ratings to other affiliates and unaffiliated investment managers and financial institutions. Ratings and research may be made available at different times to such users. We may also provide customized research or ratings upon request. FIWA's affiliates may have commenced trading before the Intermediary received or acted upon updates to the Fidelity Model Portfolio Solutions. As a result, in certain circumstances, Underlying Clients that are using the Fidelity Model Portfolio Solutions could experience price differentials that may result from FIWA's affiliates placing similar, and possible larger, orders for their discretionary accounts which could result in different prices for the Underlying Funds or securities within the SMAs. Further, while FIWA's affiliates generally take reasonable steps to minimize the market impact caused by their discretionary management, FIWA and its affiliates have no such control over the Intermediaries' trading of Fidelity Model Portfolio Solutions. Strategic Advisers, which provides FIWA with certain of the Fidelity Model Portfolios, or other FIWA affiliates, will typically manage nominal seed accounts of proprietary assets in each of the Fidelity Model Portfolios solely for purposes of generating and maintaining a performance track record. FIWA or its agent disseminates updates to its Fidelity Model Portfolios on a fair and equitable basis over time if a given Fidelity Model Portfolio is provided to multiple users and are in scope of FIWA's policies and procedures. However, while FIWA generally takes reasonable steps to put in place a fair and equitable system to disseminate changes to the Fidelity Model Portfolios and FIWA's affiliates generally take reasonable steps to minimize the market impact caused by their discretionary management, FIWA and its affiliates have no such control over the Intermediaries' trading of Fidelity Model Portfolios.

Strategic Advisers' proprietary accounts incorporate updates to the Fidelity Model Portfolios only after information regarding updates to the Fidelity Model Portfolios has been disseminated to the Intermediaries which are contracted with FIWA.

Different accounts trading in the Fidelity Model Portfolio Solutions may experience differences in pricing, valuation and ultimately performance due to disparities in the timing of trading implementation, among other factors.

In addition, conflicts of interest are present in providing the Fidelity Advisor SMAs (including Fidelity Advisor SMAs included in Fidelity Model Portfolios with SMA) to Intermediaries, on the one hand, and FIWA's affiliates' discretionary management, including (1) discretionary management by FIWA's affiliates in the form of similar mutual funds or institutional portfolios to the Fidelity Advisor SMAs; (2) FIWA's affiliates trading on behalf of a nominal seed account for performance tracking purpose of the Fidelity Advisor SMAs (the "Performance Seed Account"); and (3) trades for other accounts or products managed by Fidelity and its affiliates, on the other hand. Because Fidelity Advisor SMAs utilize an optimization process that originates with a common strategy of a similarly managed mutual fund or institutional portfolio, securities recommendations in the Fidelity Advisor SMAs could, at times, reflect recommendations being made by FIWA's affiliates to their discretionary accounts. Depending on the particular facts and circumstances of a trade, FIWA's affiliates will have typically commenced trading in the similar mutual fund or institutional portfolio, Performance Seed Account, and perhaps elsewhere among the accounts managed by FIWA's affiliates, before the Intermediary received or acted upon updates to the Fidelity Advisor SMAs. As a result, in certain circumstances, Underlying Clients that are using the Fidelity Advisor SMAs could experience price differentials that result from FIWA's affiliates placing similar, and likely larger, orders for their discretionary accounts which could result in different prices for the securities within the Fidelity Advisor SMAs. Further, different accounts trading in the Fidelity Advisor SMAs may experience differences in pricing, valuation and ultimately performance due to disparities in the timing of trading implementation, among other factors.

While the Performance Seed Account receives updates to the Fidelity Advisor SMAs generally before such updates are provided to Intermediaries, because the Performance Seed Account is a proprietary account of nominal assets that generally trades last according to FIWA's affiliates' trade allocation policies and procedures, we believe this conflict of interest is mitigated.

FIWA or its agent disseminates updates to its Fidelity Advisor SMAs and has provided such party with direction to update all Intermediaries with updates to the Fidelity Advisor SMAs on a fair and equitable basis over time. However, while FIWA generally takes reasonable steps to put in place a fair and equitable system to disseminate changes to the Fidelity Advisor SMAs and FIWA's affiliates generally take reasonable steps to minimize the market impact caused by their discretionary management, FIWA and its affiliates have no such control over the Intermediaries' trading of Fidelity Advisor SMAs.

Under the U.S. Investment Advisers Act of 1940, FIWA owes a fiduciary duty to its Intermediary clients, consisting of a duty of care and a duty of loyalty. Although the application of FIWA's fiduciary duty may be shaped by agreement with Intermediaries, this duty cannot,



unless specifically set forth in statute, be waived by contract or practice. Accordingly, investment management agreements with FIWA that include an express limitation of FIWA's liability for acts of gross negligence, negligence, or similar standards are not applicable to FIWA's federal fiduciary duty owed to the Intermediary. Intermediaries will have the right to seek redress against FIWA for such non-waivable fiduciary violations in addition to other rights the Intermediary may have under state and federal law.

## **TYPES OF CLIENTS**

### **Fidelity Model Portfolio Solutions**

FIWA provides non-discretionary investment advice to Intermediaries in the form of the Fidelity Model Portfolio Solutions directly or through Platforms. FIWA does not provide such non-discretionary investment advice directly to any Underlying Clients. If this Form ADV Part 2A brochure is provided to an Intermediary or Underlying Clients with whom FIWA does not have an advisory relationship, or where it is not legally required to be delivered, it is provided to the Intermediary solely for informational purposes and does not imply that FIWA has an advisory, fiduciary or any relationship at all with such Underlying Clients.

### **Plan Investment Lineup Services**

FIWA provides non-discretionary investment management services to its affiliates FMTC and FWS by selecting the investment options that are made available to participants of certain employee benefit plans in connection with the Fidelity Flex and Fidelity Advantage 401(k) programs.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS**

### **Fidelity Model Portfolio Solutions**

#### *Fidelity Model Portfolios and Fidelity Advisor SMAs*

The Business Cyle and Factor ETF Fidelity Model Portfolios and Fidelity Advisor SMAs use various methodologies, including fundamental and quantitative analysis. The various model portfolios are designed to implement strategies keyed to specified fixed income/equity allocation options based on investment guidelines. Model portfolios consist of individual stocks or in the case of certain models, mutual funds and/or ETFs, including Underlying Funds. The funds used in the model portfolios represent only a subset of all mutual funds and ETFs. As a result, the investment performance of such model portfolios is driven by the performance of such underlying mutual funds or ETFs and the portfolios may have limitations on their ability to optimize tax, diversification and other factors or otherwise hedge risk.

The Target Allocation and Income Fidelity Model Portfolios use a systematic approach, in conjunction with a quantitative methodology, for selecting mutual funds and ETFs from the universe of Underlying Funds, and based on investment guidelines. When constructing certain Fidelity Model Portfolios, Strategic Advisers uses an algorithmic approach to combine a set of investment options whose overall risk characteristics, when viewed as a portfolio, are designed to be similar to those of an appropriate asset allocation strategy for a particular risk profile. An important objective of this process is to enhance expected risk-adjusted returns while adhering to the relevant set of risk constraints. These strategies utilize a series of long-term asset allocation benchmarks as a basis for portfolio construction; these benchmarks consist of weighted, market index benchmarks designed to represent an appropriate asset-class mix for a given investor profile, from conservative to aggressive growth. Using the outcome of the evaluation described above, the portfolio construction process identifies the model portfolio based upon the long-term asset allocation benchmarks for stock, bond, and/or short-term asset classes. For certain other Fidelity Model Portfolios, an algorithmic approach is used to combine a set of investment options designed to maximize yield for a particular risk profile.

### *Custom Model Portfolios Solutions*

Custom Model Portfolio Solutions are designed to achieve the agreed upon Intermediary objective(s). The Custom Model Portfolio Solutions constructed by FIWA use a systematic approach in conjunction with a quantitative and qualitative methodology for selecting mutual funds, ETFs or SMAs based on the parameters the Intermediary places on the composition of such custom models. FIWA's quantitative and qualitative methodology considers the research provided by FIWA's fundamental and quantitative investment manager research teams. When constructing certain Custom Model Portfolio Solutions, FIWA uses an algorithmic approach to combine a set of investment options whose overall risk characteristics, when viewed as a portfolio, are designed to meet the Intermediary's objectives that can be subject to change based on a qualitative overlay if agreed to by the Intermediary.

The Custom Model Portfolio Solutions constructed by a FIWA affiliate use a systematic approach, in conjunction with a quantitative methodology, for selecting mutual funds and ETFs from the universe of Underlying Funds, and based on the parameters the Intermediary places on the composition of such custom models. When constructing Custom Model Portfolio Solutions, an algorithmic approach is used to combine a set of investment options whose overall risk characteristics, when viewed as a portfolio, are designed to be similar to those of an appropriate asset allocation strategy for a particular risk profile. An important objective of this process is to enhance expected risk-adjusted returns while adhering to the relevant set of risk constraints. These strategies utilize a series of long-term asset allocation benchmarks as a basis for portfolio construction; these benchmarks consist of weighted, market index benchmarks designed to represent an appropriate asset-class mix for a given investor profile, from conservative to aggressive growth. Using the outcome of the evaluation described above, the portfolio construction process identifies the model portfolio based upon the long-term asset allocation benchmarks for stock, bond, and/or short-term asset classes.

The Intermediary is responsible for providing final approval of the Custom Model Portfolio Solutions above.

### *Fidelity Model Portfolios with SMA*

The Fidelity Model Portfolios with SMA are constructed using a systematic approach in conjunction with a quantitative and qualitative methodology, for selecting mutual funds, ETFs or SMAs. FIWA uses an algorithmic approach to initially identify a set of investment options whose overall risk characteristics, when viewed as a portfolio, generally meet the design parameters, with final portfolio construction subject to change based on a qualitative overlay. In further limiting the universe of investments, additional weight is allocated to products that provide revenue to Fidelity as described further in the Client Referrals and Other Compensation section below. These products may be unaffiliated. Fidelity Models Portfolios with SMA are also constructed to meet minimum revenue thresholds to Fidelity.

### **Plan Investment Lineup Services**

***Fidelity Flex and Fidelity Advantage 401(k).*** To develop investment lineups for retirement plans in the Fidelity Flex and the Fidelity Advantage 401(k) programs, FIWA considers a combination of quantitative and qualitative factors consistent with its existing investment philosophy and processes. As noted above, FIWA will choose from among Flex Funds that are eligible to be included in the Fidelity Flex and Fidelity Advantage 401(k) programs. When selecting actively managed funds, FIWA will evaluate performance relative to peers, manager tenure, and style alignment. FIWA will also seek to understand the investment process and key drivers of performance of a fund and will monitor portfolio, process, and personnel changes. Passively managed funds will be evaluated based on the specific asset class and the underlying benchmark. FIWA will monitor each fund in the lineup through a combination of performance assessments and returns-based analysis. For actively managed funds, FIWA will also conduct due diligence meetings and review fund holdings and investment personnel or process changes. If FIWA determines that a fund does not fully meet all of its criteria after a period of evaluation, then remediation options will be considered. The final decision to replace a fund will be based on a holistic consideration of qualitative and quantitative factors, including the availability of suitable replacement options.

### **Material Investment Risk and Risk of Loss**

Past performance is no guarantee of future results. An investment may be risky and may not be suitable for an Underlying Client's goals, objectives and risk tolerance. An investment's value may be volatile and any investment involves the risk that you may lose money.

Diversification does not ensure a profit or guarantee against a loss.

There is no guarantee that the use of any Fidelity Model Portfolio Solution will achieve any particular result.

Investment performance of the Fidelity Model Portfolios Solutions depends on the performance of the underlying investment options and on the proportion of the assets invested in each underlying investment option over time. The performance of the underlying investment options depends, in turn, on their investments. The performance of these investments will vary day to day in response to many factors. Asset allocation strategies are subject to the volatility of the financial markets, including that of the underlying investment options' asset class.

Investing involves risk, including the risk of loss. Generally, among asset classes stocks are more volatile than bonds or short-term instruments and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Although the bond market is also volatile, lower-quality debt securities including leveraged loans generally offer higher yields compared to investment grade securities, but also involve greater risk of default or price changes. Foreign markets can be more volatile than U.S. markets due to increased risks of adverse issuer, political, market or economic developments, all of which are magnified in emerging markets. SMAs may have additional risks.

Many factors affect investment 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 war, acts of terrorism, economic sanctions, the spread of infectious illness or other public health issues, recessions or other events may magnify factors that affect performance. In addition, some countries experience low or negative interest rates, from time to time, which may magnify interest rate risk for the markets as a whole and for strategies.

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, separately managed accounts, 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 on 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, separately managed accounts, 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, separately managed accounts, 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.

High-risk strategies have the potential for substantial returns; however, there are correspondingly significant risks involved in the strategies and they are not intended for all types of Underlying Clients. Underlying Clients who choose to follow high-risk strategies should be aware that there is the possibility of significant losses up to and including the possibility of the loss of all assets placed in the strategies. It is strongly recommended that Underlying Clients diversify their investments and do not place all their investments in high-risk investment strategies.

Concentrated, non-diversified or sector strategies investing more of their assets in a few holdings involve additional risks, including share price fluctuations, because of the increased concentration of investments. The lack of industry diversification subjects the Underlying Client to increased industry-specific risks. Municipal investment strategies can be affected by adverse tax, legislative, or political changes and the financial condition of the issuers of municipal securities.

Certain ETFs utilize leverage. The use of leverage by an ETF increases the risk to the portfolio. The more a portfolio invests in leveraged instruments, the more the leverage will magnify gains or losses on those investments. Due to the complexity and structure of these portfolios, they may not perform over time in direct or inverse correlation to their underlying index.

Please see the mutual fund and ETF prospectuses, applicable Form ADV Part 2A brochures, and/or related offering documents for more details on risks.

In addition to the risks noted above, the following risks apply to certain investment strategies:

### **Liquidity Risk**

Investing in certain types of securities that are thinly traded, or investing in bonds, ETFs, or mutual funds that invest in thinly traded securities, introduces liquidity risk. Liquidity risk is a financial risk that, for a certain period of time, a security or commodity cannot be readily traded in the market or cannot be traded without a significant discount to the market price. All tradable assets assume some level of liquidity risk. For example, alternative mutual funds and ETFs may use techniques such as shorting of securities, leverage, and derivatives, all of which may have liquidity risks if there are no buyers and sellers available or if a counterparty cannot fulfill the order.

## **Investing in Mutual Funds and ETFs**

Underlying Clients bear all the risks of the investment strategies employed by mutual funds and ETFs, including the risk that a mutual fund or ETF will not meet its investment objectives. For the specific risks associated with a mutual fund or ETF, please see its prospectus.

### **ETFs**

An ETF is a security that trades on an exchange and can seek to track an index, a commodity, or a basket of assets. ETFs can be actively or passively managed. The performance of a passively managed ETFs might not correlate to the performance of the asset it seeks to track. ETFs trade on secondary markets or exchanges and are exposed to market volatility and the risks of the ETF's underlying securities. ETFs that use derivatives, leverage, complex investment strategies or digital assets 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.

### **Digital Assets**

Digital assets are highly volatile, and their market movements are very difficult to predict. Various market forces may impact their value including, but not limited to, supply and demand, investors' faith and their willingness to purchase it using traditional currencies, investors' expectations with respect to the rate of inflation, interest rates, currency exchange rates, an evolving legislative and regulatory environment in the U.S. and abroad, and other economic trends. Investors also face other risks, including significant and negative price swings, flash crashes, and fraud and cybersecurity risks. Digital assets may also be more susceptible to market manipulation than securities.

### **Money Market Funds**

An Underlying Client could lose money by investing in a money market fund. Although a money market fund seeks to preserve the value of an Underlying 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 an Underlying 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 an Underlying Client's shares.

### **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, quantitative investment strategies rely on algorithmic processes, and therefore may be subject to the risks described below under the heading, "Operational Risks."

### **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.

### **Bond Investments**

In general, the bond market is volatile, and fixed income securities carry interest rate risk. As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities. The ability of an issuer of a bond to repay principal prior to 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 and 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 may be less liquid than other investments, and therefore may be more difficult to trade effectively.

### **Credit Risk**

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

### **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 an Underlying Client is a resident in the state of issuance of the bonds held by a 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) could 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 Underlying Clients 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" (a "PFIC"). Underlying 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 Underlying Clients are urged to consult their tax advisors.



## **Risks of Investing in American Depositary Receipts**

American Depositary Receipts (“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.

## **Derivatives**

Certain funds and ETFs may contain derivatives. Generally speaking, a derivative is a financial contract whose value is based on the value of a financial asset (such as a stock, bond, or currency), a physical asset (such as gold, oil, or wheat), or a market index (such as the S&P 500® Index). Investments in derivatives may subject these funds to risks different from, and possibly greater than, those of the underlying securities, assets, or market indexes. 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. Non-standardized 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.

## **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. Unregistered privately offered alternative investment vehicles include private equity, hedge funds, or similar investments (referred to as “private funds”). The performance of alternative investments can be volatile and private funds may have extremely limited liquidity opportunities. Such investments often have concentrated positions, invest in illiquid investments, and may carry higher risks. Underlying Clients should understand that some alternative investment products often engage in leveraging and other speculative investment practices, including the use of derivatives (described above), 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 may involve complex tax structures and delays in distributing important tax information. In many cases, the alternative investments underlying private funds are not transparent and are known only to the investment manager of the alternative investment fund. Please refer to the applicable private fund’s offering documents for additional information on the alternative investment and its related risks.

### **Alternative Mutual Funds**

Risks that may be associated with registered alternative mutual funds include, (i) *leverage*: leverage may enhance a fund’s returns in up markets but exacerbate returns in a bad market. Some investment managers with leverage inherent in their portfolios may experience “margin call” types of actions in the event of liquidity dry-ups or if certain counterparties cannot provide the leverage needed; (ii) *shorting*: certain securities may be difficult to sell short at the price that the investment manager would prefer to execute a trade. A short position may have the possibility of an infinite loss if a security continues to go up in price and the manager does not cover; (iii) *security valuation*: certain securities held in alternative mutual funds, such as derivatives or thinly traded stocks, bonds, or swaps, may not have a market to permit the investment manager to trade it quickly in case of fund redemptions. High bid/ask spreads or the lack of another buyer/seller to take the opposite position of a thinly traded security could cause inaccurate estimates in underlying security valuation by the administrator; and (iv) *nightly reconciliation*: the use of thinly traded securities, shorting and leverage may make it difficult for some alternative funds, based on their investment strategy, to provide accurate nightly Net Asset Values (“NAV”) for the mutual fund.

Semi-liquid and illiquid registered alternative mutual funds are subject to additional risks. These funds cannot be redeemed outside of the designated liquidity window. Although the funds can implement a periodic share repurchase program, there is no guarantee that an investor will be able to sell all of the shares that the investor desires to sell. These funds are designed primarily for long-term investors and not as a trading vehicle. The funds can invest in or hold instruments that are illiquid (generally, those securities that cannot be disposed of within seven days in the ordinary course of business at approximately the value at which the fund has valued the securities). For the specific risks associated with these funds, please see the funds’ prospectus.

**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 including REITs.

**Commodity-Linked Investments**

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 ETFs 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.

**Portfolio Turnover Risk**

Certain strategies engage in active and frequent trading leading to increased portfolio turnover, higher transaction costs, and the possibility of increased capital gains, including short-term capital gains that are generally taxable as ordinary income.

**Model Overlay Risks**

There are risks associated with model implementation for model-traded accounts. The implementation of a model in an Underlying Client's account relies on the Intermediary's ability to purchase the investments in the model provider's portfolio recommendations. This may not be possible due to liquidity constraints or aggregate holdings limitations, among other reasons. This could result in deviation of performance between the model and the Underlying Client's accounts.

### **Legislative and Regulatory Risk**

Investments 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, or individual issuers of securities. Generally, the impact of these changes will not be fully known for some time.

### **Sustainable Strategies**

Investing based on sustainability factors may cause an account to forgo certain investment opportunities available to accounts that do not use such criteria. Because of the subjective nature of sustainable investing, there can be no guarantee that criteria used by Fidelity or a third-party, as applicable, in its sustainable strategies will reflect the beliefs or values of any particular account. Additionally, Fidelity relies upon information and data obtained through third-party reporting, which, if incomplete or inaccurate, could result in Fidelity imprecisely evaluating an issuer's practices with respect to material sustainability factors.

### **Cybersecurity Risks**

With the increased use of technologies to conduct business, FIWA 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. Cyber-attacks 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. Cyber-attacks 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 FIWA, 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 risks 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. For example, computer, communications, data processing, networks, backup, business continuity or other operating, information or technology systems,

including those FIWA outsources to other providers, may fail to operate properly or become disabled, overloaded or damaged as a result of a number of factors. These factors could include events that are wholly or partially beyond FIWA's control and may have a negative impact on our ability to conduct business activities. Though losses arising from operating, information or technology systems failures could adversely affect an Underlying Client account's performance, such losses would likely not be reimbursable under FIWA's policies. Algorithms can be used by FIWA and its affiliates and contribute to operational risks. 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. Any decisions made in reliance on incorrect data or algorithms that do not operate as intended can expose Underlying Clients to potential risks. Issues in the algorithm are often extremely difficult to detect and can 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. FIWA believes that the oversight, testing, and monitoring performed on algorithms and their output will enable the parties described above to identify and address issues appropriately. However, there is no assurance that the algorithms will always work as intended.

### **Tax-Aware Risk**

The Fidelity Model Portfolios Solutions do not attempt to consider the effect of income taxes on performance or returns and do not reflect any opinion on the tax-appropriateness of Fidelity Model Portfolios Solutions for any Underlying Client. Fidelity Model Portfolios Solutions do not consider the effect of taxes, fees and/or expenses associated with investing. Underlying Clients should consult with their investment or tax advisor, if applicable, prior to taking any action.

### **Errors**

Although FIWA and its affiliates take reasonable steps to avoid errors, occasionally errors do occur. FIWA maintains policies and procedures that address the identification and correction of errors, consistent with applicable standard of care, to ensure that FIWA's Clients are treated fairly when an error has been detected.

FIWA seeks to identify errors and works with appropriate parties to correct errors as quickly as is reasonably possible. FIWA will evaluate each situation independently. The determination of whether an incident constitutes an error is made by FIWA or its affiliates, in their sole discretion.

## **DISCIPLINARY INFORMATION**

There are no legal or disciplinary events that are material to an Intermediary's or prospective Intermediary's evaluation of FIWA's business or the integrity of its management personnel.

## **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

FIWA is a wholly owned subsidiary of FMR LLC, 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, FIWA or Intermediaries will have material business relationships with the subsidiaries and affiliates of FMR LLC. In addition, the principal officers of FIWA serve as officers and/or employees of affiliated companies that are engaged in various aspects of FMR LLC’s businesses. In addition, FIWA or its affiliates provide certain investment management personnel to or use the investment management personnel of certain affiliates under personnel sharing arrangements or other inter-company agreements.

FIWA is not registered as a broker-dealer, municipal adviser, futures commission merchant, commodity pool operator, or commodity trading advisor, nor does it have an application pending to register as such. Certain management persons of FIWA are registered representatives, employees, and/or management persons of FBS, NFS, and/or FDC, who are FIWA affiliates and registered broker-dealers.

FIWA has, and Intermediaries could have, a material relationship with the following affiliated companies:

### **Investment Companies and Investment Advisers**

- Fidelity Management & Research Company LLC (“FMR”), a wholly owned subsidiary of FMR LLC, is a registered investment adviser under the Investment Advisers Act of 1940 (the “Advisers Act”). FMR provides investment management services, including to registered investment companies in the Fidelity group of funds and to clients of other affiliated and unaffiliated advisers. FMR also provides model portfolio construction services to FIWA in connection with the Fidelity Model Portfolio Solutions and portfolio management services as a subadviser to FIWA for its Fidelity Institutional Custom SMAs.
- 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.
- FMR Investment Management (UK) Limited (“FMR UK”), an indirect, wholly owned subsidiary of FMR, 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.

- Fidelity Management & Research (Japan) Limited (“FMR Japan”), a wholly owned subsidiary of FMR, is a registered investment adviser under the Advisers Act and has been authorized by the Japan Financial Services Agency (Kanto Local Finance Bureau) to provide investment advisory 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.
- Fidelity Management & Research (Hong Kong) Limited (“FMR Hong Kong”), a wholly owned subsidiary of FMR, 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.
- Strategic Advisers LLC (“Strategic Advisers”), 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 Advisers Act. Strategic Advisers is registered with the U.S. Commodity Futures Trading Commission (“CFTC”) under the Commodity Exchange Act of 1936 (“CEA”), as a commodity pool operator (“CPO”). Strategic Advisers is a member of the National Futures Association (“NFA”). Strategic Advisers provides discretionary and non-discretionary advisory services, and acts as the investment manager to registered investment companies that invest in affiliated and unaffiliated funds, and as sub-advisor to various retail accounts, including separately managed accounts. Strategic Advisers provides model portfolio construction services to FIWA in connection with the Fidelity Model Portfolio Solutions.
- Fidelity Personal and Workplace Advisors LLC (“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 Advisers Act. FPWA provides non-discretionary investment management services and serves as the sponsor to investment advisory programs.
- 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 a commodity trading adviser (“CTA”). 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), business development companies (“BDCs”) and separately managed accounts.

## **Participating Affiliates**

- Fidelity Business Services India Private Limited (“FBS India”), with its registered office in Bangalore, is incorporated under the laws of India and is ultimately owned by FMR LLC through certain of its respective direct or indirect subsidiaries. Certain employees of FBS India (FBS India Associated Employees) may from time to time provide certain research services for FIWA, which FIWA provides to its customers. FBS India is not registered as an investment adviser under the Advisers Act, and is deemed to be a “Participating Affiliate” of FIWA (as this term has been used by the U.S. Securities 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). FIWA deems FBS India and each of the FBS India Associated Employees as “associated persons” of FIWA within the meaning of Section 202(a)(17) of the Advisers Act. FBS India Associated Employees and FBS India, through such employees, may contribute to FIWA’s research process and may have access to information concerning investment research reports and ratings prior to the dissemination of such reports and ratings to FIWA’s customers. As a Participating Affiliate of FIWA, FBS India 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 FIWA’s customers. FIWA maintains a list of FBS India Associated Employees whom FBS India has deemed “associated persons,” and FIWA will make the list available to its current U.S. clients upon request.

## **Broker-Dealers**

- Fidelity Global Brokerage Group, Inc. (“FGBG”), a wholly-owned subsidiary of FMR LLC, wholly-owns six broker-dealers: Fidelity Brokerage Services LLC, National Financial Services LLC, Fidelity Distributors Company LLC, Fidelity Prime Financing LLC, Digital Brokerage Services LLC and Green Pier Fintech LLC. FGBG and FMR Sakura Holdings, Inc., both wholly-owned subsidiaries of FMR LLC, along with other third-party members, have membership interests in Kezar Markets, LLC. Transactions for certain clients of FIWA, as well as clients of FIWA’s affiliates, are executed through the Level ATS and Luminex ATS.
- FDC, a wholly owned subsidiary of FGBG, 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. FDC personnel either shared with and supervised by FIWA or acting on behalf of FDC, market Fidelity Model Portfolio Solutions to Intermediaries on behalf of FIWA.



- NFS, a wholly owned subsidiary of FGBG, 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 affiliates FBS and Digital Brokerage Services LLC. 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 may charge a commission to both sides of each trade executed in CrossStream®. CrossStream® is used to execute transactions for certain FIWA advisory clients and FIWA’s affiliates’ investment company and other advisory clients. NFS also provides securities lending services to certain of FMR’s or FMR’s affiliates’ clients and may borrow securities from affiliated and unaffiliated funds. 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 alternative trading systems (“ATS”), operates the Luminex ATS and the Level ATS, which allow orders submitted by its subscribers to be crossed against orders submitted by other subscribers. Kezar Trading, LLC is a wholly owned subsidiary of Kezar Markets, LLC. Fidelity Global Brokerage Group, Inc. and FMR Sakura Holdings, Inc., both wholly owned subsidiaries of FMR LLC, along with other third-party members, have membership interests in Kezar Markets, LLC. Kezar Trading, LLC charges a commission to both sides of each trade executed in the Luminex ATS and Level ATS. The Luminex ATS and Level ATS are used to execute transactions for certain FIWA advisory clients and FIWA’s affiliates’ investment company and other advisory clients. NFS serves as a clearing agent for transactions executed in the Luminex ATS and Level ATS.
- FBS, a wholly owned subsidiary of FGBG, 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.
- Digital Brokerage Services LLC (“DBS”), a wholly owned subsidiary of Fidelity Global Brokerage Group Inc., is a registered broker-dealer under the Exchange Act. DBS operates a primarily digital/mobile application-based brokerage platform, which enables retail investors to open brokerage accounts via the mobile application and purchase and sell equity securities, including shares of investment companies advised by FMR. DBS receives remuneration from FMR for expenses incurred in servicing and marketing FMR products.

## **Insurance Companies or Agencies**

- FILI, 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.
- EFILI, a wholly owned subsidiary of FILI, 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 (“FMTC”), 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 non-discretionary trustee and custodial services to employee benefit plans and individual retirement accounts through which individuals can invest in affiliated or unaffiliated registered investment companies. FMTC also provides discretionary investment management services to institutional clients. FIWA provides non-discretionary investment management services to FMTC as part of FMTC’s Fidelity Flex workplace savings plan fiduciary offering.
- 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.

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

FIWA has adopted a Code of Ethics for Personal Trading (the “Code of Ethics”). The Code of Ethics applies to officers, directors, employees (including certain contractors), and other supervised persons of FIWA and requires that they place the interests of 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:

- Standards of general business conduct reflecting the investment advisers’ fiduciary obligations;
- Compliance with applicable federal securities laws;
- Employees and their covered persons move their covered accounts to FBS unless an exception exists or prior approval is obtained;

- Reporting and review of personal securities transactions and holdings for persons with access to certain nonpublic information;
- Prohibition of purchasing securities in initial public offerings unless an exception has been approved;
- Reporting of Code of Ethics violations; and
- 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, (vi) restricts the selling short of a covered security, and (vii) 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 FIWA. A copy of the Code of Ethics will be provided on request.

From time to time, Fidelity personnel can buy or sell securities for themselves and also 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 it 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 Fidelity personnel may obtain material nonpublic information that is usually not available to other investors or the general public. In compliance with applicable laws, Fidelity has adopted a comprehensive set of policies and procedures that prohibit the use of material nonpublic information by investment professionals and other employees.

In addition, Fidelity has implemented a Corporate Gifts & Entertainment Policy intended to set standards for business entertainment and the giving or receiving of gifts, help employees make sound decisions with respect to these activities, and ensure that the interests of Fidelity's clients come first. Similarly, to support compliance with applicable "pay-to-play" rules, Fidelity has implemented a Personal Political Contributions & Activities policy which requires

employees to pre-clear 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**

### **Fidelity Model Portfolio Solutions**

FIWA does not execute transactions in connection with the Fidelity Model Portfolio Solutions, nor does it recommend or select broker-dealers for purposes of implementing any non-discretionary investment advice provided with regard to, or through, the Fidelity Model Portfolio Solutions. Each Intermediary and/or Underlying Clients are responsible for determining whether and how to implement a particular Fidelity Model Portfolio Solution including with respect to broker-dealer selection.

FIWA has adopted model update communication policies and procedures designed to ensure that updates to the Fidelity Model Portfolio Solutions are provided to Platforms and Intermediaries on a rotational basis in a fair and equitable manner over time, such that no client is advantaged over any other client in the receipt of such updates over time. To the extent a Platform or Intermediary designates to FIWA that a third-party should receive Fidelity Model Portfolio Solutions updates on their behalf, FIWA's delivery of Fidelity Model Portfolio Solutions updates to that Platform or Intermediary is deemed complete when delivered to the third-party designee. FIWA reserves the right to use the services of a third-party to disseminate updates to its Fidelity Model Portfolio Solutions to Platforms and Intermediaries, which has been directed to follow such policies and procedures under FIWA's oversight.

### **Plan Investment Lineup Services**

FIWA does not execute transactions in connection with the plan lineup services.

## **REVIEW OF ACCOUNTS**

### **Fidelity Model Portfolio Solutions**

The composition of the Fidelity Model Portfolio Solutions is reviewed periodically, and updated in accordance with their mandates, or more often if appropriate. Adjustments may be made as necessary in times of market disruption or distress within the parameters of the Fidelity Model Portfolio Solutions. Custom Fidelity Model Portfolio Solutions are updated or re-balanced as described in the agreement FIWA has entered into with the Intermediary.

FIWA does not have an advisory or client relationship with the Underlying Clients and is not responsible for reviewing the accounts of Underlying Clients that invest in the Fidelity Model Portfolio Solutions. Each Intermediary is responsible for reviewing its Underlying Clients' portfolios on an individual basis, given the Underlying Client's specific circumstances.

### **Plan Investment Lineup Services**

With respect to the Fidelity Advantage 401(k) and Fidelity Flex programs, FIWA reviews the underlying funds on an ongoing basis, with periodic reporting as applicable.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

### **Fidelity Model Portfolio Solutions**

The fees received from investment in the Fidelity Funds or unaffiliated mutual funds included in Fidelity Model Portfolios will be shared by affiliates involved in distributing and advising both the Fidelity Model Portfolios and the Fidelity Funds, including FDC, FIWA, FMR, and Strategic, as applicable. In certain cases, Fidelity will share revenue on Fidelity Funds included in Fidelity Model Portfolios with Intermediaries as agreed upon.

FIWA may compensate or share revenue with the Intermediaries and Platforms that utilize or enable the Fidelity Model Portfolio Solutions in some but not all cases, depending on the particular Intermediary's requirements and business arrangements for making available the Fidelity Model Portfolio Solutions to the Intermediaries' Underlying Clients. As noted above, FIWA has no advisory or client relationship to the Intermediaries' Underlying Clients.

### *Fidelity Advisor SMAs*

FIWA charges an advisory fee for the provision of the Fidelity Advisor SMAs which is paid by the Intermediaries that use the Fidelity Advisor SMA with its Underlying Clients. The fee FIWA receives derives from the advisory fee the Intermediary charges its Underlying Clients for advisory services. In the case of FMAX, FIWA does not charge a separate fee for the Fidelity Advisor SMAs; however, end investors in the FMAX platform pay a program fee which includes all of FIWA's services to that platform, including access to the Fidelity Advisor SMAs. Please refer to the Intermediary's Form ADV 2A brochure or FIWA's Form ADV 2A brochure for the FMAX platform, as applicable, for additional information on such fees and expenses. Fees received from utilization of the Fidelity Advisor SMAs will be shared by affiliates involved in distributing and advising the Fidelity Advisor SMAs, including FDC and FMR.

## **Plan Investment Lineup Services**

As noted in the section entitled “Fees and Compensation,” as compensation for its investment advisory services under the Fidelity Flex and Fidelity Advantage 401(k) programs, FIWA receives an advisory fee paid by its affiliates to compensate FIWA for its investment management activities for such programs. In such cases, a portion of the fee received by FIWA is paid to the investment advisers of the Flex Funds, including FMR, that are included in investment lineups of such programs. FIWA’s rate of compensation under its arrangement with such affiliates does not vary based on the funds selected by FIWA to be included in such plan lineup.

## **CUSTODY**

FIWA does not have custody of any assets in connection with Fidelity Model Portfolio Solutions or plan lineup services.

## **INVESTMENT DISCRETION**

### **Fidelity Model Portfolio Solutions**

FIWA does not exercise investment discretion with respect to the Fidelity Model Portfolio Solutions. FIWA provides non-discretionary investment advice to Intermediaries through the Fidelity Model Portfolio Solutions. Any decision as to whether and how to implement the non-discretionary investment advice provided through the Fidelity Model Portfolio Solutions is made solely by the Intermediary and/or the Underlying Client.

### **Plan Investment Lineup Services**

FIWA does not exercise investment discretion with respect to plan lineup services. When recommending combinations of investment options for the Fidelity Flex and Fidelity Advantage 401(k) programs, FIWA selects from among those Fidelity funds that are eligible to be included in such programs. For the Fidelity Flex program, plan sponsors are responsible for implementing the investment lineups for their plans. For the Fidelity Advantage 401(k) program, FWS as plan sponsor is responsible for implementing the plan’s investment lineup. FIWA periodically reviews the investment lineups available to employee benefit plans under the Fidelity Flex and Fidelity Advantage 401(k) programs and will, from time to time, modify a lineup by adding, removing, or replacing certain funds.

## **VOTING CLIENT SECURITIES**

Because FIWA does not have investment discretion over any portfolios in connection with Fidelity Model Portfolio Solutions or plan lineup services, it does not vote proxies for any accounts in connection with these services.

## **FINANCIAL INFORMATION**

FIWA does not solicit prepayment of client fees greater than 6 months in advance. FIWA is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

## **REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

FIWA is not registered with any state securities authority.