



## **FIDELITY MANAGEMENT & RESEARCH (U.K.) INC.**

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### **March 28, 2013**

This brochure provides information about the qualifications and business practices of Fidelity Management & Research (U.K.) Inc. ("FMR (U.K.)"). Throughout this brochure and related materials, FMR (U.K.) may refer to itself as a "registered investment adviser" or "being registered." These statements do not in any way imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact 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 FMR (U.K.) also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **MATERIAL CHANGES**

What follows is a discussion only of the material changes made since the last annual update of this brochure was filed on March 28, 2012.

In the “Other Financial Industry Activities and Affiliations” section, updates were made to the Pyramis Global Advisors (UK) Limited (“PGAUK”) description to reflect that PGAUK has been deemed to be a “Participating Affiliate” of FMR (U.K.). Furthermore, descriptions were added for Fidelity SelectCo, LLC and Pyramis Global Advisors (Japan) KK as new affiliated investment advisers.

In the “Brokerage Practices” section, under the subheading “Trade Allocation Policies,” updates were made to reflect that trade allocations may be impacted by various regulatory requirements depending on where the trade is executed and what types of accounts are included in the trade.

In the “Voting Client Securities” section, updates were made to the Guidelines (defined below) and proxy voting policies addressing the factors FMR or its affiliates may consider when voting on equity-based compensation plans.

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## ADVISORY BUSINESS

Fidelity Management & Research (U.K.) Inc. ("FMR (U.K.)") is authorized by the U.K. Financial Services Authority (and as of April 1, 2013, the Financial Conduct Authority) to provide investment advisory, asset management and dealing services. FMR (U.K.) provides investment advisory and portfolio management services as a sub-adviser to certain of Fidelity Management & Research Company's ("FMR") clients, including investment companies in the Fidelity family of mutual funds (the "Fidelity Funds" or "Fidelity group of funds"). FMR (U.K.) may provide portfolio management services as an adviser or sub-adviser to clients of other affiliated and unaffiliated advisers. FMR (U.K.), a wholly-owned subsidiary of Fidelity Management & Research Company, which in turn is wholly-owned by FMR LLC, has been registered with the Securities and Exchange Commission ("SEC") since 1987. FMR (U.K.) is also registered with the Central Bank of Ireland.

FMR (U.K.) may provide investment supervisory services, including sub-advisory services, to institutional accounts, principally investment companies (also referred to as "mutual funds") registered under the Investment Company Act of 1940 (the "1940 Act"). FMR (U.K.) may provide to certain investment company and other institutional clients of FMR or its affiliates research, investment advisory, and/or discretionary asset management services principally relating to securities of issuers located outside of North America, including in the United Kingdom and elsewhere in Europe. FMR (U.K.) or its affiliates provide all necessary office facilities and personnel for servicing the funds' investments, and pay the salaries and fees of all officers of the funds; of all members of the Boards of Trustees who are "interested persons" of the funds, FMR (U.K.) or its affiliates; and of all personnel of the funds, FMR (U.K.) or its affiliates who perform services relating to research, statistical and investment activities. Though FMR (U.K.) may advise the mutual funds and other institutional accounts it manages regarding certain commodity interests, FMR (U.K.) is not registered as a commodity pool operator or commodity trading adviser.

As part of its non-discretionary advisory services, FMR (U.K.) or its affiliates provide investment research services, which include written research notes and ratings. FMR (U.K.) or its affiliates may provide this research to other affiliates and unaffiliated investment managers and financial institutions, in some instances on a delayed basis. In addition, FMR (U.K.) or its affiliates, subject to the supervision of the Board of Trustees of each fund in the Fidelity group of funds, provide the management and administrative services necessary for the operation of the Fidelity group of funds. These services include: providing facilities for maintaining each fund's organization; supervising relations with custodians, transfer and pricing agents, accountants, underwriters and other persons dealing with the funds; preparing all general shareholder communications and conducting shareholder relations; maintaining each fund's records and the registration and notice filing status of each fund's shares under federal and state law, respectively; developing management and shareholder services for each fund; and furnishing reports, evaluations and analyses on a variety of subjects to the Board of Trustees of each fund in the Fidelity group of funds.

FMR (U.K.) may, to the extent permitted by its advisory contracts, delegate investment discretion over all or a portion of the portfolio to one or more sub-advisers, including FMR (U.K.)'s affiliates and various subsidiaries and affiliates of FIL Limited ("FIL"). FMR (U.K.) has access to investment research from various subsidiaries and affiliates of FIL, which are registered investment advisers operating principally in the United Kingdom, Japan and Hong Kong. Certain of FIL's subsidiaries and affiliates, which are companies not registered with the SEC (each, a "Participating Affiliate"), may have access to information (such as through employees who work for both a FIL registered adviser and the unregistered FIL subsidiary or affiliate) concerning securities recommendations for the registered adviser's U.S. clients. FMR (U.K.) disclaims that it is a related person of FIL.

In the course of FMR (U.K.)'s providing its investment advisory services, a portfolio manager, analyst or other employee of FMR (U.K.) or its affiliates may, from time to time, express views regarding a particular company, security, industry or market sector. The views expressed by any such person are the views of only that individual as of the time expressed and do not necessarily represent the views of FMR (U.K.) or its affiliates or any other person in the Fidelity organization. Any such views are subject to change at any

time based upon market or other conditions and FMR (U.K.) disclaims any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for an account managed by FMR (U.K.) or its affiliates are based on numerous factors, may not be relied on as an indication of trading intent on behalf of any such account.

FMR (U.K.) or its affiliates generally have authority to determine which securities to purchase or sell and the total amount of such purchases and sales. However, with respect to each discretionary account, FMR (U.K.)'s and its affiliates' authority is subject to certain limitations, including the applicable investment objectives, policies and restrictions. These limitations may be based on a variety of factors, including regulatory constraints and policies formally imposed by a client or its governing body (e.g., Board of Trustees) through, for example, a management agreement. With respect to FMR (U.K.)'s registered investment company clients, many of the applicable investment policies and limitations are set forth in each client's registration statement filed with the SEC.

As of December 31, 2012, FMR (U.K.) managed \$17,752,100,000 of client assets on a discretionary basis. As of December 31, 2012, FMR (U.K.) did not manage any client assets on a non-discretionary basis.

## FEES AND COMPENSATION

The management fee arrangements with most of FMR (U.K.)'s and its affiliates' mutual fund clients generally consist of one or more of the following elements: a group fee rate, an individual fund fee rate, and a performance adjustment rate. The group fee rate is based on the average net assets of all of the registered investment companies for which FMR serves as manager, and the rate decreases as total assets under management increase. An individual fund fee rate is the portion of a fund's rate that takes into account the relative costs of executing that individual fund's investment strategy. The performance adjustment rate is the rate at which an individual fund's overall fee rate (i.e., the combined group fee rate and individual fund fee rate) adjusts based on whether the fund out- or underperforms its benchmark. Not all of FMR (U.K.)'s mutual fund clients will have group fee rates or performance adjustment rates (e.g., clients that have flat fees or all-inclusive fee arrangements).

A generic fee schedule describing these arrangements is provided below:

### *Fee Schedule\**

Group Fee	+	Individual Fund Fee	+/-	Performance Adjustment (if any)	=	Management Fee
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\* See individual fund's or account's registration statement or offering document for fee schedules specific to the fund or account

For certain equity funds that have performance adjustments, the performance adjustment rate is calculated monthly by comparing the fund's performance relative to a benchmark over a 36-month performance period. The maximum annualized performance adjustment rate is  $\pm 0.20\%$  of the fund's average net assets over the performance period. The performance adjustment rate is divided by twelve and multiplied by the fund's average net assets over the performance period, and the resulting dollar amount is then added to or subtracted from the basic fee.

The fees of bond and money market (also referred to as "fixed income") funds generally are fixed fees based on assets or a combination of a group fee rate and an individual fund fee rate, or fees that vary both with assets and fund income.

The specific rate charged to any particular fund may vary based on the application of the individual fund fee rate, group fee rate, and performance adjustment fee, if any. The fee applicable to any fund, along with its fee schedule, is disclosed in that fund's registration statement or offering document.

FMR (U.K.) or its affiliates generally pay the organizational and promotional expenses of mutual funds comprising the Fidelity group of funds. The majority of FMR (U.K.)'s clients in the Fidelity group of funds pay all of their other operating expenses. However, certain of FMR (U.K.)'s clients have "all-inclusive fee" arrangements or other expense limitation agreements, pursuant to which FMR (U.K.) or its affiliates pay certain of the mutual fund's operating expenses.

FMR (U.K.) may provide non-discretionary advisory services, primarily in the form of research services, to other affiliated and unaffiliated investment managers or financial institutions, in some instances on a delayed basis. With respect to such services, fees are negotiable and generally relate to the amount of assets benefiting from the research or other advisory services. If non-discretionary investment advice and research services are provided on behalf of FMR or its affiliates, FMR (U.K.) generally will receive from FMR or its affiliates a sum equal to 110% of all costs and expenses, exclusive of taxes imposed on income, incurred by FMR (U.K.) in the performance of its investment advisory services.

In the case of investment companies registered under the 1940 Act, both the advisory contract with the fund's adviser and the sub-advisory agreement between FMR (U.K.) and the adviser, if applicable, are subject to approval by the Board of Trustees, including trustees who are not interested persons (as defined in the 1940 Act) ("Independent Trustees"), of each mutual fund. The fees for providing these services are negotiated on an individual basis and may vary significantly among clients. When serving as a sub-adviser to investment companies managed by FMR, FMR (U.K.)'s basic fee schedule for discretionary mutual fund portfolio management generally consists of a percentage of the management fee (typically 50%) payable by each portfolio to FMR or its affiliates; provided, however, that such fee shall in all circumstances be an amount not less than 110% of FMR (U.K.)'s costs and expenses, exclusive of taxes imposed on income, incurred in rendering such services (except that such fee shall not exceed FMR's or its affiliates' management fee during the relevant period).

Compensation to FMR (U.K.) or its affiliates is deducted from a registered investment company's assets and is payable on a monthly basis in arrears or on such other terms as FMR (U.K.) and/or its affiliates and the particular client may from time to time agree. When FMR (U.K.) is serving as a sub-adviser to investment companies managed by FMR, FMR pays FMR (U.K.). Any investment advisory agreement concerning a registered investment company will terminate within two years of the effective date of the investment advisory agreement unless renewed by the investment company in a manner permitted by Section 15 of the 1940 Act. Any such agreement shall also terminate upon assignment or upon sixty (60) days' advance written notice by any party to the agreement or by the investment company concerned.

For FMR (U.K.) clients that are not registered investment companies, compensation to FMR (U.K.) is deducted from that client's assets in arrears generally on a monthly basis or at such other time as agreed between FMR (U.K.) and/or its affiliates and the particular client. When FMR (U.K.) is serving as a sub-adviser to clients that are not registered investment companies, the adviser to those clients may pay FMR (U.K.) directly. FMR (U.K.) and/or its affiliates and the particular client may also agree to other terms of compensation from time to time.

FMR (U.K.) or its affiliates may, from time to time, voluntarily or contractually agree to reimburse certain mutual fund clients for management fees and other expenses above a specified limit. FMR (U.K.) or its affiliates retain the ability to be repaid by such clients if expenses fall below the specified limit prior to the end of the client fiscal year. Reimbursement arrangements can decrease a fund's expenses and enhance its performance. Voluntary reimbursement arrangements may be discontinued by FMR (U.K.) or its affiliates at any time.

In addition to any management fee payable to FMR (U.K.) or its affiliates and the fees payable to the transfer agent and pricing and bookkeeping agent, and any costs associated with securities lending, most funds in the Fidelity group of funds or classes thereof, as applicable, pay all fund expenses that are not assumed by those parties. Most funds pay for the typesetting, printing, and mailing of their proxy materials to shareholders, legal expenses, and the fees of the custodian, auditor, and Independent Trustees. Most funds' management contracts further provide that the fund will pay for typesetting, printing, and mailing prospectuses, statements of additional information, notices, and reports to

shareholders; however, under the terms of these funds' transfer agent agreements, the transfer agent bears these costs. Other expenses paid by a fund generally include interest, taxes, brokerage commissions, the fund's proportionate share of insurance premiums and Investment Company Institute dues, and the costs of registering shares under federal securities laws and making necessary filings under state securities laws. A fund is also liable for such non-recurring expenses as may arise, including costs of any litigation to which the fund may be a party, and any obligation it may have to indemnify its officers and Trustees with respect to litigation. For information regarding FMR (U.K.)'s and its affiliates' brokerage arrangements, see "Brokerage Practices" on page 16.

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

The management of multiple funds and accounts (including proprietary accounts of FMR (U.K.) or one or more of its affiliates) may give rise to potential conflicts of interest if the funds and accounts have different objectives, benchmarks, time horizons, and fees as the portfolio manager must allocate his or her time and investment ideas across multiple funds and accounts. As described in "Fees and Compensation" on page 5, certain equity funds in the Fidelity group of funds have management fees that include a performance adjustment component. Where a portfolio manager manages such multiple funds and accounts, and some of those funds and accounts include performance-adjusted fees and others do not, the portfolio manager may have an incentive to favor those funds and accounts that include a performance-adjusted component.

Potential conflicts of interest may also arise if the funds' or accounts' orders do not get fully executed due to being aggregated with those of other funds or accounts managed by FMR (U.K.) or an affiliate. The portfolio manager also may execute transactions for another fund or account that may adversely impact the value of securities held by a fund. For example, the portfolio manager may manage funds or accounts that engage in short sales, and could sell short a security for such a fund or account where other funds or accounts may trade or hold the shorted security. Although FMR (U.K.) or its affiliates monitor such transactions to attempt to ensure equitable treatment of both the fund or account and a fund or account that engages in short sales, there can be no assurance that the price of a security held by the fund or account would not be impacted as a result. Also, securities selected for a particular fund or account may outperform the securities selected for other funds or accounts managed by the same portfolio manager. Portfolio managers may be permitted to invest in the funds or accounts they manage, even if a fund or account is closed to new investors.

FMR (U.K.) has adopted policies and procedures and maintains a compliance program designed to help manage such potential conflicts, which include trade allocation policies approved by the Fidelity Funds' Boards of Trustees. These policies and procedures seek to ensure that FMR (U.K.) is not favoring one fund or account over another, and that trading for all funds and accounts is conducted in a fair and equitable manner. There can be no assurance, however, that all conflicts have been addressed in all situations. For more information regarding conflicts of interests relating to the management of multiple funds and accounts, see "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading" on page 15.

## **TYPES OF CLIENTS**

FMR (U.K.) is wholly-owned by FMR, a registered investment adviser. FMR's clients are generally mutual funds or other institutional accounts. FMR (U.K.) may provide research and may serve as sub-adviser with respect to equity, high income, money market and fixed income mutual funds and institutional accounts, or portions of mutual funds and institutional accounts, managed by FMR or affiliated or unaffiliated advisers or other institutions. FMR (U.K.) may provide research and may serve as an adviser or sub-adviser to various accounts for which FMR (U.K.) affiliates or FIL, FIL's subsidiaries or affiliates have contracted to provide investment advisory services. These accounts include, among others, unit and investment trusts and investment companies authorized in jurisdictions outside the United States and

Canada. FMR (U.K.) is authorized to undertake investment business in the U.K. FMR (U.K.) may provide investment supervisory services on behalf of clients of affiliated or unaffiliated advisers following similar investment strategies that FMR (U.K.) uses for another client.

FMR (U.K.) will generally accept only investment company clients or similar foreign mutual funds on a fully discretionary basis (subject to whatever limitations have been set forth by the client's or fund's investment objectives, policies and restrictions, and as may be imposed by law). To the extent other accounts would be considered, an initial amount of \$5,000,000 would generally be required.

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

FMR (U.K.) uses a variety of methods of security analysis in managing client assets, including fundamental analysis such as each issuer's financial condition and industry position, as well as market and economic conditions, to select investments; quantitative analysis (i.e., mathematical and statistical modeling); technical analysis (i.e., statistical analysis of market activity); and cyclical analysis (i.e., evaluating companies based in part on their sensitivity to business cycles). FMR (U.K.) may use general macro-economic analysis as a component of its security analysis methods. In addition, FMR (U.K.) may use information related to foreign sovereigns and currency markets. FMR (U.K.) may also use extensive corporate visits and interviews as a source of information.

FMR (U.K.) uses a wide variety of investment strategies in managing client assets, including, but not limited to, investing in: stocks and other equity securities; stocks with "growth" or "value" characteristics; U.S. and non-U.S. issuers, including issuers in "emerging" or "frontier" markets; companies with small, medium and large market capitalizations; bonds and other debt securities of all types and repurchase agreements for those securities; compliance with industry-standard regulatory requirements for money market funds for the quality, maturity, and diversification of investments; real estate related investments of all types; allocating investments across different asset classes, market sectors, maturities, and countries and regions; FMR's or its affiliates' central funds (specialized investment vehicles used by Fidelity Funds to invest in particular security types or investment disciplines, or for cash management); securities of companies engaged in particular industries or market sectors; and a combination of underlying Fidelity Funds, short sales, margin transactions, and option writing, including covered options, uncovered options or spreading strategies. Margin may be required in connection with certain client futures and options transactions or in connection with short sales. FMR (U.K.) does not engage in the purchase of securities on margin, except it may do so in connection with clearance and settlement of securities transactions. The extent to which any of these strategies is used on behalf of any one client is based on that client's investment objective, policies and restrictions.

FMR (U.K.) may engage in swap transactions and swaptions, including interest rate, total return and credit default; written call options; futures transactions, currency forward trading and other currency-related derivatives. In addition, FMR (U.K.) may engage in securities lending to parties such as broker-dealers or other institutions. FMR (U.K.) has established allocation policies for its clients reasonably designed to ensure that lending opportunities are allocated appropriately among participating clients over time. When supply/demand is insufficient to satisfy all eligible clients, lending opportunities are generally allocated among participating clients based on the client's security position size as a percentage of the client's net assets in that particular security.

The strategies presented above pose risks, and many factors affect each fund's or account's performance. Strategies that pursue investments in equities will be subject to stock market volatility, and strategies that pursue fixed-income investments (such as bond or money market funds) will see values fluctuate in response to changes in interest rates. 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 and accounts that invest in a smaller number of individual issuers can be more sensitive to these changes. Nearly all funds or accounts are subject to volatility in non-U.S. markets, either through direct exposure or indirect effects in U.S. markets from events abroad. Those funds 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, funds or accounts that pursue debt investments are subject to risks of prepayment or default, and funds 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 international or emerging markets funds' exposure to a particular country or region) may be significantly impacted by events affecting those industries or markets. Strategies that lead funds or accounts to invest in other funds bear all the risks inherent in the underlying funds in which those funds invest, and strategies that pursue leverage 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.

Ultimately, a fund's or account's share price changes daily based on changes in market conditions and interest rates and in response to other economic, political, or financial developments. A fund's or account's reaction to these events will be affected by the types of securities in which the fund or account invests, the financial condition, industry and economic sector, and geographic location of an issuer; and the fund's or account's level of investment in the securities of that issuer. A fund's or account's investment in such securities involves risk of loss that clients of the fund or account would, and should, be prepared to bear. When a shareholder sells shares in the fund or account, the shares may be worth more or less than what the shareholder paid for them, which means that the shareholder could lose money by investing in the fund or account.

With respect to FMR (U.K.)'s mutual fund and other institutional account clients, more detailed information relating to the methods and strategies and their associated risks are set forth in that fund's or account's prospectus and registration statement filed with the SEC or other applicable offering document.

## **DISCIPLINARY INFORMATION**

On March 5, 2008 the SEC issued a settlement order which contained the following findings, which FMR and an advisory affiliate ("Fidelity") neither admitted nor denied: (1) Fidelity failed to reasonably supervise its employees' receipt of travel, entertainment and gifts from brokers; (2) Fidelity failed to seek best execution for its clients' securities transactions; (3) Fidelity failed to disclose the material conflict of interest arising from the receipt by certain employees of travel, entertainment and gifts from brokers; (4) Fidelity made materially false and misleading statements and omissions about its selection of brokers; and (5) Fidelity failed to keep certain communications with brokers concerning the placing or execution of orders to purchase or sell securities. Pursuant to the settlement order, Fidelity agreed to (1) cease and desist from certain conduct, (2) a censure, (3) payment of an \$8,000,000 fine to the United States Treasury, and (4) compliance with various undertakings relating to the engagement of an independent compliance consultant.

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

### **Broker-Dealers**

FMR (U.K.) has relationships or arrangements with the following broker-dealers:

Fidelity Distributors Corporation ("FDC"), a wholly-owned subsidiary of FMR LLC, acts as principal underwriter and general distribution agent of the registered investment companies advised by FMR. FDC is a registered broker-dealer under the Securities Exchange Act of 1934 ("Exchange Act").

Fidelity Brokerage Services LLC ("FBS"), a wholly-owned subsidiary of Fidelity Global Brokerage Group, Inc., is a registered broker-dealer under the Exchange Act, and provides brokerage products and services including the sale of shares of investment companies advised by FMR to individuals and institutions

including retirement plans administered by affiliates. Pursuant to referral agreements and for compensation, representatives of FBS may refer customers to various services offered by FBS's related persons. In addition, FBS is the distributor of insurance products, including variable annuities, which are issued by FMR (U.K.)'s related persons, Fidelity Investments Life Insurance Company ("FIL") and Empire Fidelity Investments Life Insurance Company ("EFIL"). FBS may provide shareholder services to certain of FMR (U.K.)'s or FMR (U.K.)'s affiliates' clients.

Fidelity Global Brokerage Group, Inc., a wholly-owned subsidiary of FMR LLC, wholly-owns three broker-dealers: Fidelity Brokerage Services LLC, National Financial Services LLC, and Fidelity Clearing Canada ULC, and also has an equity interest in eBX LLC ("eBX"), a holding company and a registered broker-dealer under the Exchange Act, which was formed for the purpose of developing, owning and operating an alternative trading system, the "Level ATS." Transactions for clients of FMR (U.K.) or other entities for which FMR (U.K.) serves as adviser or sub-adviser or provides discretionary trading services, as well as clients of FMR (U.K.)'s affiliates, may be executed through the Level ATS. FMR (U.K.) disclaims that it is a related person of eBX.

Fidelity Clearing Canada ULC ("FCC") is engaged in the institutional brokerage business and provides clearing and execution services for other brokers. FCC is a wholly-owned subsidiary of Fidelity Global Brokerage Group, Inc., a holding company that provides administrative services to FCC.

National Financial Services LLC ("NFS") is engaged in the institutional brokerage business and provides clearing and execution services for other brokers. NFS is a wholly-owned subsidiary of Fidelity Global Brokerage Group, Inc., a holding company that provides administrative services to NFS. Fidelity Capital Markets ("FCM"), a division of NFS, may execute transactions for FMR (U.K.)'s or FMR (U.K.)'s affiliates' investment company and other clients. Additionally, NFS operates CrossStream, an alternative trading system that allows orders submitted by its subscribers to be crossed against orders submitted by other subscribers. NFS charges a commission to both sides of each trade executed in CrossStream. CrossStream may be used to execute transactions for FMR (U.K.)'s affiliates' investment company and other advisory clients. NFS is a registered broker-dealer under the Exchange Act and NFS is also registered as an investment adviser under the Investment Advisers Act of 1940 ("Advisers Act"). NFS may serve as a clearing agent for client transactions that FMR (U.K.) places with certain broker-dealers. NFS may provide transfer agent or sub-transfer agent services to certain of FMR (U.K.)'s or FMR (U.K.)'s affiliates' clients.

FMR (U.K.) is authorized to place portfolio transactions with FCM and use CrossStream, an alternative trading system operated by NFS, if it reasonably believes the quality of the transaction is comparable to what it would be with other qualified broker-dealers. In addition, FMR (U.K.) may place client trades with broker-dealers that use NFS as a clearing agent.

In all cases, transactions executed by affiliated brokers on behalf of investment company clients are effected in accordance with Rule 17e-1 under the 1940 Act, and procedures approved by the Trustees of FMR (U.K.)'s or its affiliates' clients in the Fidelity group of funds. The Board of Trustees of each fund in the Fidelity group of funds has approved FCM effecting fund portfolio transactions and retaining compensation in connection with such transactions pursuant to Section 11(a) of the Exchange Act.

FCM may cross transactions on an agency basis between clients of FMR (U.K.) or its affiliates, including investment company clients, non-investment company clients, and other non-advisory clients (agency cross transactions). Such transactions will be executed in accordance with (i) Rule 206(3)-2 under the Advisers Act, requiring written consent, confirmations of transactions and annual reporting, and (ii) procedures adopted by the Board of Trustees of FMR (U.K.)'s or FMR (U.K.)'s affiliates' clients in the Fidelity group of funds pursuant to Rule 17e-1 under the 1940 Act.

Fidelity Investments Institutional Services Company, Inc. ("FIISC") is a wholly-owned subsidiary of FMR LLC. FIISC is a registered broker-dealer under the Exchange Act and a registered municipal adviser. FIISC primarily markets to investment companies advised by FMR to institutional clients including intermediaries.

Pyramis Distributors Corporation LLC (“PDC”), a wholly-owned subsidiary of Pyramis Global Advisors Holdings Corp., acts as a placement agent for privately offered investment funds advised by Pyramis Global Advisors, LLC, Pyramis Global Advisors Trust Company, and their affiliates in the United States. PDC is a registered broker-dealer under the Exchange Act.

The potential conflicts of interest that may arise from dealings with affiliated brokers are governed by various policies adopted by the Fidelity Funds Boards of Trustees. For example, Section 10(f) of the 1940 Act is intended to prevent affiliated underwriters from “dumping” undesirable securities on funds or otherwise using fund purchases to benefit the underwriting syndicate. In accordance with Rule 10f-3, the Fidelity Funds Boards of Trustees have adopted procedures by which the funds may purchase securities in offerings for which FCM acts as a principal underwriter, provided that certain conditions are satisfied. FMR (U.K.) or its affiliates report quarterly to the Board any purchases by the funds in such offerings. Additionally, Section 17(a) prevents affiliated brokers on their own behalf from selling securities to or buying securities from the funds, except to the extent allowed by law, in order to prevent those affiliated brokers from taking advantage of the funds. The Fidelity Funds Boards of Trustees have adopted policies and procedures preventing affiliated brokers from engaging in such transactions, except to the extent allowed by law. Furthermore, Section 17(e) prevents affiliated brokers from charging excessive fees for transactions on behalf of the funds. Under Rule 17e-1, affiliated brokers may receive a “usual and customary brokerage commission” in connection with transaction effected on a securities exchange, and the Rule 17e-1 procedures adopted by the Fidelity Funds Boards of Trustees ensure that the fees do not exceed the usual and customary requirements.

## **Investment Companies**

FMR (U.K.) provides portfolio management services for a number of investment companies, including investment companies in the Fidelity group of funds. FMR (U.K.) disclaims that it is a related person of the investment companies for which it provides investment management services.

## **Other Investment Advisers**

FMR (U.K.) has relationships or arrangements with the following investment advisers:

Fidelity Management & Research Company (“FMR”), the parent company of FMR (U.K.), is a wholly-owned subsidiary of FMR LLC and is a registered investment adviser under the Advisers Act. FMR principally provides portfolio management services as an adviser or a sub-adviser to registered investment companies. FMR may also provide portfolio management services as an adviser or sub-adviser to clients of other affiliated and unaffiliated advisers.

FMR Co., Inc. (“FMRC”) is a wholly-owned subsidiary of FMR and a registered investment adviser under the Advisers Act. FMRC may provide portfolio management services as an adviser or sub-adviser to certain of FMR's clients and Fidelity Funds. FMRC may also provide portfolio management services as an adviser or a sub-adviser to clients of other affiliated and unaffiliated advisers.

Fidelity Investments Money Management, Inc. (“FIMM”) is a wholly-owned subsidiary of FMR LLC and a registered investment adviser under the Advisers Act. FIMM provides portfolio management services as an adviser or sub-adviser to certain of FMR's clients and Fidelity Funds. FIMM may also provide portfolio management services as an adviser or a sub-adviser to clients of other affiliated and unaffiliated advisers.

Fidelity Management & Research (Japan) Inc. (“FMR (Japan)”), a wholly-owned subsidiary of FMR, is a registered investment adviser under the Advisers Act and has been authorized by the Japan Financial Services Agency (Kanto Local Finance Bureau) to provide investment advisory services. FMR (Japan) may supply investment research and investment advisory information to certain clients of FMR, including 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 and Futures Commission to advise on securities and futures and provide asset management services. FMR (Hong Kong) may provide investment advisory or portfolio management services as a sub-adviser with respect to certain clients of FMR, including investment companies in the Fidelity group of funds, and for clients of other affiliated and unaffiliated advisers.

Fidelity SelectCo, LLC ("SelectCo") is a wholly-owned subsidiary of FMR LLC and a registered investment adviser under the Advisers Act. SelectCo may provide portfolio management services as an adviser to certain of FMR's clients and Fidelity Funds.

Strategic Advisers, Inc. ("SAI") is a wholly-owned subsidiary of FMR LLC and is a registered investment adviser under the Advisers Act. SAI provides discretionary and non-discretionary investment management services and acts as the investment manager to registered investment companies.

Pyramis Global Advisors, LLC ("PGALLC") is a wholly-owned subsidiary of Pyramis Global Advisors Holding Corp., which in turn is wholly-owned by FMR LLC, and provides investment supervisory services, including sub-advisory services to FMR or its affiliates. PGALLC is a registered investment adviser under the Advisers Act. PGALLC is also registered with the Ontario Securities Commission, the Australian Securities and Investments Commission and the Central Bank of Ireland.

Pyramis Global Advisors (UK) Limited ("PGAUK"), an indirect, wholly-owned subsidiary of FMR LLC, is authorized by the U.K. Financial Services Authority (and as of April 1, 2013, the Financial Conduct Authority) to provide investment advisory, portfolio management and distribution services. PGAUK may provide research and/or portfolio management services to PGALLC, its affiliates, FMR and its affiliates and FIL. PGAUK may provide research and/or portfolio management services with respect to issuers and investments located outside of the United States. Certain employees of PGAUK may from time to time provide certain research and/or portfolio management services for PGALLC and FMR (U.K.). PGAUK has been deemed to be a "Participating Affiliate" of PGALLC and FMR (U.K.) as described below.

Pyramis Global Advisors (Canada) ULC ("PC"), an unlimited liability corporation incorporated in Alberta, Canada, is registered as an adviser in the categories of investment counsel and portfolio manager and as an adviser in the category of commodity trading manager with the Ontario Securities Commission. PC also maintains a branch office in Montreal, Quebec that is registered with the Autorité des marchés financiers as an unrestricted practice adviser. Certain employees of PC may from time to time provide certain research services for PGALLC, which PGALLC may also provide to its clients. PC has been deemed to be a "Participating Affiliate" of PGALLC as described below.

Pyramis Global Advisors (Hong Kong) Limited ("PGAHK"), a company limited by shares, incorporated in Hong Kong and registered under the Business Registration Ordinance of Hong Kong, is authorized by the Hong Kong Securities and Futures Commission to advise on securities and futures contracts, manage assets, and deal in securities. PGAHK is also registered with the Australian Securities and Investments Commission and the South Korea Financial Supervisory Commission. Certain employees of PGAHK may from time to time provide certain research services for PGALLC, which PGALLC may also provide to its clients. PGAHK has been deemed to be a "Participating Affiliate" of PGALLC as described below.

Pyramis Global Advisors (Japan) KK, a wholly-owned subsidiary of Pyramis Global Advisors Holdings Corp., is incorporated in Japan and is registered with the Tokyo Legal Affairs Bureau. It has been authorized by the Japan Financial Services Agency (Kanto Local Finance Bureau) to provide investment management and investment advisory and agency services.

Ballyrock Investment Advisors LLC ("Ballyrock") is a wholly-owned subsidiary of FMR LLC, and is registered as an investment adviser under the Advisers Act. Ballyrock provides investment advisory services to various types of institutional accounts, with a focus on investments in high yield debt

securities, including bank loans. FMR (U.K.) may provide portfolio management services as a sub-adviser to clients of Ballyrock.

Northern Neck Investors LLC (“Northern Neck”) is controlled by various shareholders and employees of FMR LLC, and is a registered investment adviser under the Advisers Act. Northern Neck serves as investment adviser and general partner to or manager of employee securities companies and related investment entities owned by FMR’s related persons. Northern Neck may place orders in public securities with FMR (U.K.)’s affiliates’ trading personnel for execution.

Fidelity Investments Canada ULC (“FIC”) is an indirect, wholly-owned subsidiary of FMR LLC. FIC, a registered portfolio manager and mutual fund dealer in all provinces and territories of Canada, provides management and administrative services to Canadian mutual funds, pooled funds and institutional accounts. FMR (U.K.) or its affiliates may serve as adviser and/or sub-adviser for accounts managed or distributed by FIC or its affiliates.

FIL Limited (“FIL”), a Bermuda company, was incorporated in 1969 and serves as investment manager and adviser to non-U.S. funds and institutional accounts. FMR (U.K.) disclaims that it is a related person of FIL.

FIL Investments (Japan) Limited (“FIJ”) is an indirect wholly-owned subsidiary of FIL and is registered as an investment adviser under the Advisers Act. FIJ may provide research, investment advisory and discretionary investment management services to FMR’s or its affiliates’ clients with respect to Japan and other Asian countries and issuers, and may serve as sub-adviser (generally through a delegation from FIL Investment Advisors (“FIA”)) for certain of FMR’s clients. FIJ may recommend to its clients, or invest in on behalf of its clients, securities that are the subject of recommendations to, or discretionary trading on behalf of, FMR’s or its affiliates’ clients. FMR (U.K.) disclaims that it is a related person of FIJ.

FIL Investment Advisors (“FIA”) is a wholly-owned subsidiary of FIL and is registered as an investment adviser under the Advisers Act. FIA may provide research, investment advisory and discretionary investment management services to FMR’s or its affiliates’ clients with respect to companies outside the United States, and may serve as sub-adviser for certain of FMR’s or its affiliates’ clients. FIA may recommend to its clients, or invest in on behalf of its clients, securities that are the subject of recommendations to, or discretionary trading on behalf of, FMR’s or its affiliates’ clients. FMR (U.K.) disclaims that it is a related person of FIA.

FIL Investment Management (Hong Kong) Limited (“FIM (Hong Kong)”), a company incorporated under the laws of Hong Kong, is a “Participating Affiliate” of FIA. FIM (Hong Kong) is a wholly-owned subsidiary of FIL, and certain of its employees who act as portfolio managers, portfolio advisers or research analysts, and their supervisors are also employed by FIA. FIM (Hong Kong) may recommend to its clients, or invest in on behalf of its clients, securities that are the subject of recommendations to, or discretionary trading on behalf of, FMR’s or its affiliates’ clients. FMR (U.K.) disclaims that it is a related person of FIM (Hong Kong).

FIL Investment Advisors (UK) Limited (“FIA (UK)”) is an indirect, wholly-owned subsidiary of FIL and is registered as an investment adviser under the Advisers Act. FIA (UK) may provide research, investment advisory and discretionary investment management services to certain of FMR’s or its affiliates’ clients with respect to companies outside the United States and serves as sub-adviser (generally through a delegation from FIA) for certain of FMR’s or its affiliates’ clients. FIA (UK) may recommend to its clients, or invest in on behalf of its clients, securities that are the subject of recommendations to, or discretionary trading on behalf of, FMR’s or its affiliates’ clients. FMR (U.K.) disclaims that it is a related person of FIA (UK).

FIL Investments International (“FII”), FIL Investment Services (UK) Limited (“FIS(UK)L”), and FIL Pensions Management (“FPM”), companies incorporated under the laws of England, are “Participating Affiliates” of both FIA and FIA(UK). FIL Holdings Limited (“FHL”), an indirect, wholly-owned subsidiary of FIL, is the owner of 100% of the capital stock of FIS(UK)L and FPM, and 98% of the capital stock of FII.

Certain of FIL's, FIS(UK)L's and FPM's employees who act as portfolio managers, portfolio advisers or research analysts, and their supervisors are also employed by FIA(UK). FIA, FIS(UK)L and FPM may recommend to their clients, or invest in on behalf of their clients, securities that are the subject of recommendations to, or discretionary trading on behalf of, FMR's or its affiliates' clients. FMR (U.K.) disclaims that it is a related person of FHL, FII, FIS(UK)L, or FPM.

FIL Asset Management (Korea) Limited ("FIA(K)L") and FIL Investment Management (Australia) Limited ("FIAL") are also "Participating Affiliates" of FIA and provide research services to FIA, which FIA may in turn use on behalf of FMR's or its affiliates' clients. FIA(K)L and FIAL may recommend to their clients, or invest in on behalf of their clients, securities that are the subject of recommendations to, or discretionary trading on behalf of, FMR's or its affiliates' clients. FMR (U.K.) disclaims that it is a related person of FIA(K)L and FIAL.

FIL Investment Management (Singapore) Limited ("FI(S)L") is an indirect wholly-owned subsidiary of FIL and is a "Participating Affiliate" of FIA. FI(S)L may, under the supervision and review of FIA and in accordance with FIA's applicable investment guidelines and compliance policies, determine the securities to be purchased and sold for a limited number of FIA's clients. FI(S)L may recommend to its clients, or invest in on behalf of its clients, securities that are the subject of recommendations to, or discretionary trading on behalf of, FMR's or its affiliates' clients. FMR (U.K.) disclaims that it is a related person of FI(S)L.

## **Banking or Thrift Institutions**

FMR (U.K.) has relationships or arrangements with the following banking and trust institutions:

Fidelity Management Trust Company ("FMTC"), a trust company organized and operating under the laws of The Commonwealth of Massachusetts, provides discretionary investment management and other fiduciary services to IRAs, employee benefit plans and institutional clients which may be invested in mutual funds or other clients for which FMR or its affiliates are the sub-adviser. FMTC is a wholly-owned subsidiary of FMR LLC. FMR or its affiliates provide certain administrative services to FMTC, including, but not limited to, securities execution, investment compliance and proxy voting.

Fidelity Personal Trust Company, FSB ("FPTC") is a federal savings bank limited to trust powers. FPTC is an indirect, wholly-owned subsidiary of FMR LLC.

Pyramis Global Advisors Trust Company ("PGATC"), a non-depository trust company organized under the laws of the State of New Hampshire, provides investment management services for employee benefit plans, institutional clients and investment companies exempt from registration under the 1940 Act. PGATC is a wholly-owned subsidiary of Pyramis Global Advisors Holdings Corp., which in turn is wholly-owned by FMR LLC. FMR or its affiliates provide certain administrative services to PGATC, including, but not limited to, trade execution, investment compliance and proxy voting.

## **Insurance Companies or Agencies**

FMR (U.K.) has relationships or arrangements with the following insurance companies and agency:

Fidelity Investments Life Insurance Company ("FIL"), a wholly-owned subsidiary of FMR LLC, is engaged in the distribution and issuance of life insurance and annuity products that may offer shares of investment companies managed by FMR or its affiliates.

Empire Fidelity Investments Life Insurance Company ("EFIL"), a wholly-owned subsidiary of FIL, is engaged in the distribution and issuance of life insurance and annuity products that may offer shares of investment companies managed by FMR or its affiliates to residents of New York.

Fidelity Insurance Agency, Inc., 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.

## **Participating Affiliates**

Fidelity Business Services Private Limited ("FBS India"), with its registered office in Bangalore, is incorporated under the laws of India and is ultimately owned by and 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 FMR and its affiliates, which FMR and its affiliates may use for their U.S. clients.

None of PGAUK, PC, PGAHK or FBS India is registered as an investment adviser under the Advisers Act and each is deemed to be a "Participating Affiliate" (as this term has been used by the SEC's Division of Investment Management in various no-action letters granting relief from the Advisers Act's registration requirements for certain affiliates of registered investment advisers). PGAUK, PC, and PGAHK are Participating Affiliates of PGALLC. PGAUK is also a Participating Affiliate of FMR (U.K.). FBS India is a Participating Affiliate of FMR. Each of PGALLC, FMR (U.K.) and FMR deem each of their respective Participating Affiliates and certain of their employees as associated persons within the meaning of Section 202(a)(17) of the Advisers Act, because each of PGAUK, PC, PGAHK, and FBS India may, through such employees, contribute to the research process of the advisers who have deemed them to be Participating Affiliates, and may have access to information concerning which securities are being recommended to those advisers' U.S. clients prior to the effective dissemination of such recommendations. Each of PGAUK, PC and PGAHK may also provide certain affiliates of PGALLC, including FMR and its affiliates, with certain research relating to securities that are the subject of research it also provides to PGALLC, and FBS India may also provide certain affiliates of FMR with certain research relating to securities that are the subject of research it provides to FMR. As Participating Affiliates of the respective advisers, each of PGAUK, PC, PGAHK and FBS India has agreed to submit itself to the jurisdiction of United States courts for actions arising under U.S. securities laws in connection with investment advisory activities conducted for the advisers' U.S. clients. PGALLC, FMR (U.K.) and FMR each maintain a list of the employees of their respective Participating Affiliates whom it has deemed associated persons, which it will make available to current and prospective U.S. clients upon request.

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

FMR (U.K.) may purchase or sell for the accounts of clients securities in which FMR (U.K.)'s or its affiliates' in-house accounts (including institutional accounts), affiliates, directors, officers or employees have a position. This situation results, in part, from the breadth of securities purchased by FMR (U.K.)'s or its affiliates' varied clients and from FMR (U.K.)'s and its affiliates' personnel being permitted to invest in securities for their personal accounts. The potential conflicts of interest involved in such transactions are governed by FMR's Code of Ethics for Personal Investing ("Code"), which has been adopted and approved by the Board of Trustees of FMR (U.K.)'s or its affiliates' mutual fund clients in the Fidelity group of funds in accordance with Rule 17j-1 under the 1940 Act and which incorporates the Adviser's Code of Ethics ("Adviser's Code") adopted in accordance with Rule 204A-1 under the Advisers Act.

The Code applies to all officers, directors, and employees of FMR (U.K.) and requires that they place the interests of FMR (U.K.)'s clients above their own. The Code establishes securities transactions requirements for all covered employees and their covered persons, including their spouses. More specifically, the Code: (i) requires employees and their covered persons to move their covered accounts to a broker that will provide duplicate reporting; (ii) requires pre-clearance of transactions in covered securities; (iii) requires reporting of transactions in covered securities on a quarterly basis; (iv) requires reporting of accounts and holdings of covered securities on an annual basis; (v) generally prohibits purchases or sales by portfolio managers of securities which are traded in client accounts within seven days before or after the trade; (vi) prohibits purchases of securities in initial public offerings unless an

exception has been approved; and (vii) prohibits investments in limited offerings without prior approval. Violation of the Code's requirements, including certain short-term transactions, may also result in the imposition of remedial action.

The Adviser's Code, which is applicable to all employees of FMR (U.K.): (1) describes the fiduciary duty employees have to FMR (U.K.)'s clients; (2) requires employees of FMR (U.K.) to comply with federal securities laws; (3) requires certain employees of FMR (U.K.) to report, and for FMR (U.K.) to review, employees' and their covered persons' mutual fund share transactions and holdings periodically (money market funds excepted) for funds advised by FMR (U.K.) or an affiliate and certain other funds specified in the Adviser's Code; (4) requires employees of FMR (U.K.) to report any violations of the Adviser's Code to FMR's Ethics Office; and (5) requires FMR (U.K.) to provide each employee with a copy of the Adviser's Code and any amendments, and requires employees to acknowledge their receipt of the Adviser's Code.

FMR (U.K.) will provide a copy of its Adviser's Code, as integrated into the Code, to any client or prospective client upon request.

The purchase or sale of securities for the accounts of clients in which FMR (U.K.)'s or its affiliates' in-house accounts, affiliates, directors, officers or employees have a position also may arise in public offerings of securities where an affiliate of FMR (U.K.) is a selling shareholder. Any such activity is evaluated in accordance with Regulation M under the Exchange Act and the 1940 Act. FCM, a division of NFS, an affiliated broker-dealer of FMR (U.K.), may be a selling agent or principal underwriter in underwritings of municipal, equity or other securities which FMR (U.K.) recommends to clients. The Trustees of FMR (U.K.)'s or its affiliates' mutual fund clients in the Fidelity group of funds evaluate any such activity by FMR (U.K.) in accordance with Rule 10f-3 under the 1940 Act and procedures adopted pursuant to Rule 10f-3.

Conflicts of interest may arise if the funds' orders do not get fully executed due to being aggregated with those of other accounts managed by FMR (U.K.) or an affiliate, including FMR (U.K.)'s or its affiliates' in-house accounts. FMR (U.K.) has adopted policies and procedures (for example, trade allocation procedures) and maintains a compliance program designed to help manage these actual and potential conflicts. There can be no assurance, however, that all conflicts have been addressed in all situations. Trading in personal accounts, which may give rise to potential conflicts of interest, is restricted by a fund's Code.

From time to time, in connection with its business, FMR (U.K.) may obtain material non-public information that is usually not available to other investors or the general public. In compliance with applicable laws, FMR (U.K.) has adopted a comprehensive set of policies and procedures that prohibit the use of material non-public information by investment professionals or any other employee. FMR (U.K.) also has procedures addressing the use of third party paid research consultants.

In addition, FMR (U.K.) has implemented a policy on Business Entertainment and Workplace Gifts intended to set standards for business entertainment and gifts and help employees make sound decisions with respect to these activities and ensure that the interests of FMR (U.K.)'s clients come first. Similarly, to ensure compliance with applicable "pay to play" laws, FMR (U.K.) has adopted a Political Contributions and Activity policy which requires all employees to pre-clear any political contributions and activity.

## **BROKERAGE PRACTICES**

### **Selection of Brokers and Dealers to Effect Client Transactions**

FMR (U.K.) or its affiliates generally have authority to select brokers (whether acting as a broker or a dealer) with which to place clients' portfolio transactions. FMR (U.K.) or its affiliates may be responsible for the placement of portfolio transactions for certain client accounts for which an affiliate or related person has investment discretion. In selecting a broker or dealer for a specific securities transaction,



FMR (U.K.) or its affiliates evaluate a variety of criteria and use good faith judgment in seeking to obtain execution of portfolio securities transactions at commissions that are reasonable in relation to the brokerage and research services provided.

In selecting securities brokers, including affiliates of FMR (U.K.), to execute client portfolio securities transactions, FMR (U.K.) or its affiliates consider the factors they deem relevant in the context of a particular trade and in regard to FMR (U.K.)'s or its affiliates' overall responsibilities with respect to the fund and other investment accounts including any instructions from the client's portfolio manager, which may emphasize, for example, speed of execution over other factors. Based on the factors considered, FMR (U.K.) or its affiliates may choose to execute an order using electronic communications networks (ECNs), including algorithmic trading, crossing networks, direct market access and program trading, or by actively working an order. Other possibly relevant factors may include, but are not limited to, the following: price; the size and type of the securities transaction; the reasonableness of compensation to be paid, including spreads and commission rates; the speed and certainty of trade executions, including broker willingness to commit capital; the nature and characteristics of the markets for the security to be purchased or sold, including the degree of specialization of the broker in such markets or securities; the availability of liquidity in the security, including the liquidity and depth afforded by a market center or market-maker; the reliability of a market center or broker; the broker's overall trading relationship with FMR (U.K.) or its affiliates; the trader's assessment of whether and how closely the broker likely will follow the trader's instructions to the broker; the degree of anonymity that a particular broker or market can provide; the potential for avoiding or lessening market impact; the execution services rendered on a continuing basis; the execution efficiency, settlement capability, and financial condition of the firm; arrangements for payment of fund expenses, if applicable; and the provision of additional brokerage and research products and services, if applicable.

The trading desks through which FMR (U.K.) or its affiliates may execute trades are instructed to execute portfolio transactions on behalf of their clients based on the quality of execution without any consideration of Research and Brokerage Services (as defined below) the broker or dealer may provide. The administration of Research and Brokerage Services is managed separately from the trading desks, which means that traders have no responsibility for administering soft dollar activities.

In seeking best qualitative execution for portfolio securities transactions, FMR (U.K.) or its affiliates may select a broker that uses a trading method, including algorithmic trading, for which the broker may charge a higher commission than its lowest available commission rate. FMR (U.K.) or its affiliates also may select a broker that charges more than the lowest available commission rate available from another broker. FMR (U.K.) or its affiliates may execute an entire securities transaction with a broker and allocate all or a portion of the transaction and/or related commissions to a second broker where a client does not permit trading with an affiliate of FMR (U.K.) or in other limited situations. In those situations, the commission rate paid to the second broker may be higher than the commission rate paid to the executing broker. For futures transactions, the selection of a futures commission merchant is generally based on the overall quality of execution and other services provided by the futures commission merchant. FMR (U.K.) or its affiliates may choose to execute futures transactions electronically.

If FMR (U.K.) grants investment management authority to a sub-adviser, that sub-adviser will be authorized to provide the services described in the sub-advisory agreement. To facilitate the execution of securities transactions in non-U.S. markets, FMR (U.K.) or its affiliates have entered into trading services and or discretionary investment advisory agreements with FIL or its subsidiaries, which include investment advisers. Therefore, client transactions in overseas markets may be executed by FIL or its affiliates.

### **Investment Research Products and Brokerage Services Furnished by Research Providers and Brokers**

FMR (U.K.) or its affiliates may execute portfolio transactions with brokers that provide products and services that assist them in fulfilling their investment management responsibilities ("Research and

Brokerage Services") in accordance with applicable law. Research and Brokerage Services that FMR (U.K.) or its affiliates may have received during the last fiscal year include, when permissible under law: economic, industry, company, municipal, sovereign (U.S. and non-U.S.), legal, or political research reports; market color; company meeting facilitation; compilation of securities prices, earnings, dividends and similar data; quotation services, data, information and other services; analytical computer software and services; and investment recommendations. In addition to receiving these Research and Brokerage Services via written reports and computer-delivered services, such reports may also be provided by telephone and in-person meetings with securities analysts, corporate and industry spokespersons, economists, academicians and government representatives and others with relevant professional expertise. FMR (U.K.) or its affiliates may request that a broker provide a specific proprietary or third-party product or service. Some of these Research and Brokerage Services supplement FMR (U.K.)'s or its affiliates' own research activities in providing investment advice to their clients.

In addition, Research and Brokerage Services may include, when permissible under law, those that assist in the execution, clearing and settlement of securities transactions as well as other incidental functions (including, but not limited to, communication services related to trade execution, order routing and algorithmic trading, post-trade matching, exchange of messages among brokers or dealers, custodians and institutions, and the use of electronic confirmation and affirmation of institutional trades).

Although FMR (U.K.) or its affiliates do not use client commissions to pay for products or services that do not qualify as Research and Brokerage Services, they may use commission dollars to obtain certain products or services that are not used exclusively in FMR (U.K.)'s or its affiliates' investment decision-making process ("mixed-use products or services"). In those circumstances, FMR (U.K.) or its affiliates will make a good faith judgment to evaluate the various benefits and uses to which they intend to put the mixed-use product or service, and will pay for that portion of the mixed-use product or service that does not qualify as Research and Brokerage Services with their own resources (referred to as "hard dollars").

To the extent permitted by applicable law, brokers who execute client transactions may receive compensation in recognition of their Research and Brokerage Services that is in excess of the amount of compensation that other brokers might have charged. In connection with the allocation of client brokerage, FMR (U.K.) or its affiliates make a good faith determination that the compensation paid to brokers and dealers is reasonable in relation to the value of the Research and Brokerage Services provided to FMR (U.K.) or its affiliates, viewed in terms of the particular transaction for the client or FMR (U.K.)'s or its affiliates' overall responsibilities to that client or other clients for which FMR (U.K.) or its affiliates have investment discretion; however, each Research and Brokerage Service received in connection with a client's brokerage may not benefit the client. While FMR (U.K.) or its affiliates may take into account the Research and Brokerage Services provided by a broker or dealer in determining whether compensation paid is reasonable, neither FMR (U.K.), its affiliates, nor their respective clients incur an obligation to any broker, dealer, or third-party to pay any Research and Brokerage Services (or portion thereof) by generating a specific amount of compensation or otherwise. Typically, these Research and Brokerage Services assist FMR (U.K.) or its affiliates in terms of their overall investment responsibilities to a client or any other client accounts for which FMR (U.K.) or its affiliates have investment discretion. Certain client accounts may use brokerage commissions to acquire Research and Brokerage Services that may also benefit other client accounts managed by FMR (U.K.) or its affiliates.

FMR (U.K.)'s or its affiliates' expenses likely would be increased if they attempted to generate these additional Research and Brokerage Services through their own efforts or if they paid for these Research and Brokerage Services with their own resources. To minimize the potential for conflicts of interest, the trading desks through which FMR (U.K.) or its affiliates may execute trades are instructed to execute portfolio transactions on behalf of clients based on the quality of execution without any consideration of Research and Brokerage Services the broker or dealer may provide. The administration of Research and Brokerage Services is managed separately from the trading desks, which means that traders have no responsibility for administering soft dollar activities. Furthermore, certain of the Research and Brokerage Services that FMR (U.K.) or its affiliates receive are furnished by brokers on their own initiative, either in connection with a particular transaction or as part of their overall services. Some of these Research and Brokerage Services may be provided at no additional cost to FMR (U.K.) or its affiliates or have no explicit

cost associated with them. In addition, FMR (U.K.) or its affiliates may request that a broker provide a specific proprietary or third-party product or service, certain of which third-party products or services may be provided by a broker that is not a party to a particular transaction and is not connected with the transacting broker's overall services.

FMR (U.K.) or its affiliates have arrangements with certain third-party research providers and brokers through whom FMR (U.K.) or its affiliates effect client trades, whereby FMR (U.K.) or its affiliates may pay with fund commissions or hard dollars for all or a portion of the cost of research products and services purchased from such research providers or brokers. If hard dollar payments are used, FMR (U.K.) or its affiliates may still cause the client to pay more for execution than the lowest commission rate available from the broker providing research products and services to FMR (U.K.) or its affiliates, or that may be available from another broker. FMR (U.K.) or its affiliates view hard dollar payments for research products and services as likely to reduce the client's total commission costs even though it is expected that in such hard dollar arrangements the commissions available for recapture and used to pay client expenses, as described below, will decrease. FMR (U.K.)'s or its affiliates' potential determination to pay for research products and services separately, rather than bundled with client account commissions, is wholly voluntary on FMR (U.K.)'s or its affiliates' part and may be extended to additional brokers or discontinued with any broker participating in this arrangement.

## **Other Considerations and Brokerage Arrangements**

### ***Commission Recapture***

FMR (U.K.) or its affiliates may allocate brokerage transactions to brokers (who are not affiliates of FMR (U.K.)) who have entered into arrangements with FMR (U.K.) or its affiliates under which the broker, using a predetermined methodology, rebates a portion of the compensation paid by a client account to offset that client account's expenses. Not all brokers with whom the client account trades have been asked to participate in brokerage commission recapture.

FMR (U.K.) or its affiliates recommend that clients do not request them to direct client portfolio transactions to specific brokers. Clients may nonetheless make such requests subject to FMR (U.K.)'s and its affiliates attempts to seek quality execution and provided that the broker is an approved counterparty of FMR (U.K.) or its affiliates.

### ***Transactions with Certain Brokers***

FMR (U.K.) or its affiliates may place trades with certain brokers including NFS, with whom they are under common control, provided FMR (U.K.) or its affiliates determine that these affiliates' trade execution abilities and costs are comparable to those of non-affiliated, qualified brokerage firms.

In addition, FMR (U.K.) or its affiliates may place client trades with brokers that use NFS as a clearing agent.

### ***Transactions Among Clients***

FMR (U.K.) or its affiliates may execute transactions between mutual funds and other accounts they manage, as well as with certain other clients managed by their affiliates and by FIL or its affiliates. Such transactions for clients in the Fidelity group of funds will be executed in accordance with applicable rules under the 1940 Act, the Advisers Act and procedures adopted by the Board of Trustees or Directors (as applicable) of FMR (U.K.)'s or FMR (U.K.)'s affiliates' clients in the Fidelity group of funds.

### ***Non-U.S. Securities Transactions***

To facilitate trade settlement and related activities in non-U.S. securities transactions, FMR or its affiliates may effect spot foreign currency transactions with foreign currency dealers.

## **Trade Allocation Policies**

### ***Bunched Trades***

It is generally FMR (U.K.)'s or its affiliates' practice, when appropriate, to combine or "bunch" orders of various accounts, including those of its clients, its affiliates' clients, clients of FIL and its affiliates, and proprietary accounts (to the extent allowed by law), for order entry and execution. Bunched orders may be executed through one or more brokers. The allotment of trades among brokers is based on a variety of factors, which may include price, order size, the time of order, the security and market activity. A bunched trade executed with a particular broker is generally allocated pro-rata among the accounts that are participating in the bunched trade until any account has been filled. After any account has been filled, the trade is allocated pro-rata among any remaining accounts. Each broker's execution of a bunched order may be at a price different than another broker's bunched order execution price for the same security.

### ***Allocation of Trades***

FMR (U.K.) and its affiliates have established allocation policies for their various accounts (including proprietary accounts to the extent allowed by law) and securities types (e.g., equity, fixed income and high income) to ensure allocations are appropriate given clients' differing investment objectives and other considerations. These policies also apply to initial public and secondary offerings. When, in FMR (U.K.)'s or its affiliates' opinion, the supply/demand is insufficient under the circumstances to satisfy all outstanding trade orders, the amount executed generally is distributed among participating accounts (which may, to the extent allowed by law, include proprietary accounts) based on account asset size (for purchases), and security position size (for sales), or otherwise according to the allocation policies. Trades are executed by traders based on orders or indications of interest for clients, which are established prior to or at the time of a transaction. With limited exceptions, the trading systems contain rules that allocate trades on an automated basis, in accordance with these policies. Generally, any exceptions to FMR (U.K.)'s and its affiliates' policies (i.e., special allocations) must be approved by senior trading and compliance personnel and documented.

FMR (U.K.)'s and its affiliates' trade allocation policies identify circumstances under which it is appropriate to deviate from the general allocation criteria and describe the alternative procedures. The trade allocation policies generally provide for minimum allocations based on market-defined minimum denominations, and the equity trade allocation policies provide for a minimum allocation for securities in offerings and secondary market trades. Certain specialized funds or accounts, such as international, real estate investment, convertible securities, or other funds or accounts may receive an increased allocation where the securities match the investment objective or focus of the account. In addition, if a standard allocation would result in a client receiving a very small allocation (e.g., because of its small asset size), the client may receive an increased allocation to achieve a more meaningful allocation, or the client may receive no allocation. FMR (U.K.)'s and its affiliates' policies also provide for the execution of program trades and short sales notwithstanding the existence of active orders for individual securities on the trading desk, provided that consideration is given to whether the program trade or short sale might have a material effect on such other active orders.

The fixed income trade allocation policy provides that clients specializing in a particular type of security, such as single-state municipal bond funds, may receive an increased allocation of obligations that are tax-exempt within their state. The fixed income trade allocation policy also provides for certain alternative procedures for money market funds when they are purchasing money market instruments. The high income and fixed income allocation policies define the applicable net assets to be used in the allocation

process generally by reference to each fund's assets managed by the high income or fixed income divisions, respectively, and by reference to certain security and portfolio types.

Trade allocations may also be impacted by various regulatory requirements (e.g., the Markets in Financial Instruments Directive) depending on where the trade is executed and what types of accounts are included in the trade. In such circumstances, some accounts may need to be prioritized over others when supply/demand is insufficient (e.g., client accounts receive priority of allocation over proprietary accounts).

## **REVIEW OF ACCOUNTS**

Each portfolio manager regularly reviews the holdings in the funds or accounts for which he or she is responsible. Account assignments are made based on several factors, including the experience and seniority of the managers, the complexity of the funds, and similarities among funds assigned to a manager. Account managers may draw on a large research and trading staff of FMR (U.K.) or its affiliates for support. FMR (U.K.)'s and its affiliates' investment activities are organized on a group basis, with account managers of similar accounts forming these groups. There are various groups directly related to portfolio management and other groups comprising FMR (U.K.)'s or its affiliates' fundamental research departments, each of which has a group Chief Investment Officer or Managing Director of Research. Each group Chief Investment Officer and Managing Director of Research regularly receives detailed analysis of the funds in their oversight groups, and conducts periodic fund reviews with each manager. In addition, FMR's Asset Management Compliance group monitors the funds' and accounts' trading activity for compliance with applicable regulations.

The Trustees of each investment company client review at least annually the activities of FMR (U.K.)'s responsible portfolio managers, and review on a regular basis the performance of the Fidelity Funds. FMR's Treasurer's Office continuously monitors the operations of the Fidelity Funds. FMR (U.K.) may also provide investment advisory services on a discretionary or non-discretionary basis to other entities, or clients of other entities, related or unrelated to FMR (U.K.). These entities, or their clients, may similarly review the activities of FMR (U.K.)'s portfolio managers and other investment professionals.

Certain members of the Board of Trustees of each of FMR (U.K.)'s or its affiliates' investment company clients in the Fidelity group of funds are supplied quarterly reports providing, among other items, comparative performance data, sales and redemptions of shares information, and certain brokerage commission reports.

FMR (U.K.) generally supplies similar data in its capacity as a sub-adviser. Reports to other non-investment company clients may be prepared as requested by such clients.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

FMR (U.K.) does not have client referral arrangements.

## **CUSTODY**

FMR (U.K.) does not have custody of client funds or securities.

## **INVESTMENT DISCRETION**

FMR (U.K.)'s discretionary authority to manage accounts on behalf of its clients and any limitations that may be imposed on such authority are described in "Advisory Business" on page 4.

FMR (U.K.) and its affiliates exercise discretionary authority on behalf of their mutual fund clients pursuant to management contracts and sub-advisory agreements (together, the “Advisory Contracts”). The Advisory Contracts are entered into in accordance with Section 15 of the 1940 Act, and approved and renewed by each fund’s Board of Trustees, including the Independent Trustees. In approving the Advisory Contracts, the Board of Trustees authorizes by resolution FMR (U.K.)’s and its affiliates’ ability to exercise discretionary authority, and the Advisory Contracts contain the terms and limitations, if any, with regard to the authority granted.

In considering whether to approve or renew the Advisory Contracts for a fund, the Board of Trustees considers all factors it believes relevant, including (i) the nature, extent, and quality of the services to be provided to the fund and its shareholders (including the investment performance of the fund); (ii) the competitiveness of the fund’s management fee and total expenses; (iii) the total costs of the services to be provided and the profits to be realized by FMR (U.K.) or its affiliates from its relationship with the fund; (iv) “fallout benefits,” if any, FMR or its affiliates receive as a result of their relationship with the fund; and (v) the extent to which economies of scale would be realized as the fund grows and whether fee levels reflect these economies of scale, if any, for the benefit of fund shareholders.

With respect to FMR (U.K.)’s or its affiliates’ non-fund clients, FMR (U.K.) or its affiliates provide advisory services pursuant to management or sub-advisory agreements, the terms of which are negotiated with such clients. As with FMR (U.K.)’s or its affiliates’ mutual fund clients, the management and/or sub-advisory agreements contain the terms and limitations, if any, with regard to the authority granted.

## **VOTING CLIENT SECURITIES**

When authorized by clients, FMR (U.K.) or its affiliates generally cast votes on behalf of client accounts by proxy at shareholder meetings of issuers in which FMR (U.K.) or its affiliates invest client assets. The Boards of Trustees of the Fidelity Funds have established formal written proxy voting guidelines (the “Guidelines”) that are designed to ensure that proxies on behalf of the Fidelity Funds are voted in a manner consistent with the best interests of shareholders. FMR has also adopted these Guidelines as part of its proxy voting policies and procedures in accordance with Rule 206(4)-6 under the Advisers Act.

FMR (U.K.) or its affiliates vote on behalf of the Fidelity Funds in accordance with the Guidelines that have been approved by the Boards of Trustees of the Fidelity Funds. The power to vote or direct the voting of shares owned directly by the Fidelity Funds resides with each Fund’s Board of Trustees, who have delegated to FMR (U.K.)’s or its affiliates’ Investment Proxy Research Group (“IPR”) the authority to carry out the voting of shares owned by the Fidelity Funds in accordance with the Guidelines. Generally, FMR retains the authority granted by the Board of Trustees of the Fidelity Funds to vote proxies under these Guidelines when acting on behalf of the Fidelity Funds; however, where FMR (U.K.) or its affiliates are granted authority to vote such proxies when acting as advisers or sub-advisers to the Fidelity Funds, they do so in accordance with the Guidelines and FMR’s proxy voting policies and procedures.

Except as set forth in the Guidelines, FMR (U.K.) or its affiliates will generally vote in favor of routine management proposals and will evaluate shareholder proposals by their likelihood to enhance the economic returns or profitability of the portfolio company or to maximize shareholder value.

Non-routine proposals not covered by the Guidelines or involving other special circumstances are evaluated on a case-by-case basis with input from the appropriate FMR (U.K.) or its affiliates’ analyst or portfolio manager, as applicable, subject to review by an attorney within FMR’s General Counsel’s office and a member of senior management within IPR. A significant pattern of such proposals or other special circumstances will be referred to the appropriate Fidelity Fund Board Committee or its designee.

## **Proposals Relating to Director Elections**

FMR (U.K.) or its affiliates will generally withhold authority for the election of all directors or directors on responsible committees if: a poison pill or other anti-takeover provision was adopted or extended without shareholder approval; options were repriced without shareholder approval; the board is not composed of a majority of independent directors; the director attended less than 75% of the aggregate number of board or committee meetings during the company's prior fiscal year; or executive compensation appears misaligned with shareholder interests or otherwise problematic, taking into account those factors identified in "Proposals Relating to Executive Compensation" below. FMR (U.K.) and its affiliates will generally support proposals calling for directors to be elected by a majority of votes cast, provided that the proposal allows for plurality voting standard in the case of contested elections. FMR (U.K.) and its affiliates may consider voting against such shareholder proposals where a company has adopted an alternative measure, such as a director resignation policy, that provides a meaningful alternative to the majority voting standard and appropriately addresses situations where an incumbent director fails to receive the support of a majority of the votes cast in an uncontested election.

## **Proposals Relating to Executive Compensation**

FMR (U.K.) or its affiliates will generally vote for proposals to ratify executive compensation unless such compensation appears misaligned with shareholder interests or is otherwise problematic, taking into account certain factors, which include, but are not limited to: (i) whether the company has an independent compensation committee; (ii) whether the compensation committee engaged independent compensation consultants; and (iii) whether, in the case of stock awards, the restriction period was less than three years for non-performance-based awards, and less than one year for performance-based awards; (iv) whether the compensation committee has lapsed or waived equity vesting restrictions; and (v) whether the company has adopted or extended a golden parachute without shareholder approval. FMR (U.K.) and its affiliates will generally support an annual frequency for advisory votes on executive compensation.

## **Proposals Relating to Equity-Based Compensation Plans**

The Guidelines generally oppose plans or amendments to plans that: have option exercise prices less than 100% of fair market value on the date of grant; include an evergreen provision; provide for the acceleration of vesting of equity awards even though an actual change in control may not occur; give the ability to reprice outstanding stock options without shareholder approval; or cause excessive dilution to shareholders by considering the average three-year burn rate, based on the company's market capitalization. Large-capitalization companies are those included in the Russell 1000® Index or the Russell Global ex-U.S. Large Cap Index; small-capitalization companies are those not included in the Russell 1000® Index or the Russell Global ex-U.S. Large Cap Index that are not micro-capitalization companies; and micro-capitalization companies are those with a market capitalization under US \$300 million.

## **Proposals Relating to Changes in Corporate Control**

The Guidelines generally oppose measures that are designed to prevent or obstruct corporate takeovers. Such measures include: fair price amendments, classified boards, "blank check" preferred stock, executive "golden parachutes," shareholders rights plans ("poison pills"), supermajority provisions, restricting shareholders' right to call special meetings or to set board size, and any other provision that eliminates or limits shareholder rights.

## **Proposals Relating to Shareholder Rights**

The Guidelines generally: (i) support simple majority voting, (ii) oppose cumulative voting, (iii) support confidential voting, and (iv) oppose new classes of stock with differential voting rights.

## **Conflicts of Interest**

The Guidelines have been designed so that proxies are voted in the best interests of FMR (U.K.)'s and its affiliates' clients, and to resolve potential conflicts of interest. Potential conflicts generally may arise in connection with business arrangements of FMR (U.K.) or its affiliates. For example, FMR (U.K.)'s affiliates may manage or administer employee benefit plans, or provide brokerage, underwriting, insurance, or banking services to a company whose management is soliciting proxies. FMR (U.K.) or its affiliates may also have business or personal relationships with participants in proxy contests, corporate directors or candidates for directorships. FMR (U.K.) or its affiliates vote shares in a manner consistent with the Guidelines and without regard to any other relationship, business or otherwise, that FMR (U.K.) or its affiliates may have with companies in which FMR (U.K.) or its affiliates invest client assets.

IPR, which is part of FMR (U.K.)'s or its affiliates' Investment Services department, is charged with administering the Guidelines as agent to facilitate the voting of proxies relating to portfolio securities held by the Fidelity Funds. IPR votes proxies without regard to any other Fidelity companies' relationship, business or otherwise, with that portfolio company. Like other Fidelity employees, IPR employees have a fiduciary duty to never place their own personal interest ahead of the interests of fund shareholders, and are instructed to avoid actual and apparent conflicts of interest. In the event of a conflict of interest, IPR employees, like other Fidelity employees, will escalate to their managers or the Ethics Office, as appropriate, in accordance with Fidelity's corporate policy on conflicts of interest.

A complete set of the Guidelines, as well as information on how the Fidelity Funds' proxies were voted, may be obtained on [www.fidelity.com](http://www.fidelity.com).

## **FINANCIAL INFORMATION**

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

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

FMR (U.K.) is not registered with any state securities authority.