



**Fidelity Go®**

## **Fidelity® Personalized Planning & Advice**

### Program Fundamentals

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This brochure provides information about the qualifications and business practices of Strategic Advisers LLC ("Strategic Advisers"), a Fidelity Investments company, as well as information about the Fidelity Go® program and the Fidelity® Personalized Planning & Advice program.

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

Please contact us at 800-544-3455 with any questions about the contents of this brochure. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Strategic Advisers is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



## **SUMMARY OF MATERIAL CHANGES**

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The SEC requires investment advisers to provide and deliver an annual summary of material changes to their advisory services program brochure (also referred to as the Form ADV Part 2A). The section below highlights only material revisions that have been made to the Fidelity Go® and Fidelity® Personalized Planning & Advice Program Fundamentals from March 29, 2019, through March 27, 2020. You can obtain a copy of the Program Fundamentals, without charge, by calling 800-823-0125 or by visiting [fidelity.com/forms](https://fidelity.com/forms).

No material changes were made to the Fidelity Go® and Fidelity® Personalized Planning & Advice Program Fundamentals from March 29, 2019, through March 27, 2020.

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## ADVISORY BUSINESS

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Strategic Advisers is a registered investment adviser and an indirect, wholly owned subsidiary of FMR LLC (collectively with Strategic Advisers and its affiliates, "Fidelity Investments," "Fidelity," "us," or "we"). Strategic Advisers was formed in 1977 and serves as sub-advisor to its affiliate, Fidelity Personal and Workplace Advisors LLC ("FPWA"), a registered investment adviser and an indirect, wholly owned subsidiary of FMR LLC, in connection with various investment advisory programs offered by FPWA, including the two digital investment advisory programs described in this brochure: (1) the Fidelity Go® ("Fidelity Go") program and (2) the Fidelity® Personalized Planning & Advice ("FPPA") program (each, a "Program," and collectively referred to as the "Programs"). As such, Strategic Advisers will make the day-to-day trading decisions for all Program accounts and will receive a portion of the advisory fee clients pay to FPWA in connection with each of the Programs. Important information regarding FPWA and each of the Programs can be found in FPWA's Fidelity Go and Fidelity Personalized Planning & Advice Program Fundamentals ("FPWA's Program Fundamentals").

Strategic Advisers provides a variety of investment management services including discretionary portfolio management services to retail and institutional clients and providing nondiscretionary advisory services. This brochure provides information only about Strategic Advisers' role with respect to each of the Programs. For additional information about services that Strategic Advisers provides, please see Strategic Advisers' relevant Form ADV Part 2A brochures.

As described in FPWA's Program Fundamentals, the Programs are designed for a client ("client" or "you") who seeks a digital, discretionary investment management experience. The Programs offer discretionary investment management based on clients' goals and objectives, as well as trading and custody services for Program accounts (each a "Program Account," and together "Program Accounts"). The Fidelity Go Program's discretionary investment management services are made available through the Fidelity Go website and there is no minimum to open a Fidelity Go Program Account. The FPPA Program includes the same investment portfolios as the Fidelity Go Program plus financial planning services made available to clients through the FPPA website or via telephone by a dedicated team of Fidelity representatives. To be eligible for the FPPA Program, you must typically invest and maintain \$25,000, in the aggregate, in one or more of your FPPA Program Accounts. A Program Account will not be invested according to your selected asset allocation strategy until the Program Account has a balance of at least \$10.

Strategic Advisers implements your selected asset allocation strategy for your Program Account. For each asset allocation strategy, there is a corresponding portfolio with an appropriate mix of Fidelity mutual funds (hereafter, "Fidelity funds"). The Fidelity funds are managed by Fidelity Management & Research Company LLC ("FMRCo") and its affiliates. Subject to reasonable restrictions that you can impose, Strategic Advisers will invest your Program Account in a model portfolio identified for your selected asset allocation strategy. Fidelity Go Program Accounts and FPPA Program Accounts are managed using the same model portfolios, and all Program Account assets will be invested in certain Fidelity Flex® mutual funds ("Flex Funds"). The Flex Funds are Fidelity funds that are available only to certain fee-based accounts offered by Fidelity. Unlike many other mutual funds, the Flex Funds do not charge management fees or, with limited exceptions, fund expenses. Instead, compensation for access to the Flex Funds is paid out of the fees charged by Fidelity fee-based accounts that include Flex Funds as underlying investments, including the Programs. In general, it is expected that your Program Account will be invested in approximately six to twelve Flex Funds.

Your Program Account will be periodically rebalanced to the model portfolio identified for your selected asset allocation strategy. The specific Flex Funds or number of Flex Funds in which your Program Account is invested could change, and the underlying Flex Funds held in a Program Account can differ based on whether a Program Account is a taxable or individual retirement account. For additional information about the Flex Funds selected for your Program Account, our use of the Flex Funds, and any associated risks, please see the section below entitled "Methods of Analysis, Investment Strategies and Risk of Loss" and the respective funds' prospectuses.

You have the ability to impose reasonable restrictions on the management of your Program Account. Any proposed investment restriction is subject to our review and approval. If a restriction is accepted, Program Account assets will be invested in a manner that is appropriate given the restriction. Imposing an investment restriction can delay the start of discretionary management, and Program Accounts with client-imposed restrictions will experience performance different from Program Accounts without restrictions, possibly producing lower overall results. Restrictions can be reevaluated at any time. Investment restrictions should be requested by contacting a Fidelity representative through your Program's website.

As of December 31, 2019, Strategic Advisers' total assets under management were \$436,654,685,517 on a discretionary basis, and \$20,055,910,175 on a nondiscretionary basis.

## **FEES AND COMPENSATION**

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Clients of the Programs do not pay Strategic Advisers for the services it provides under the Programs. Instead, as compensation for its discretionary portfolio management services provided to Program Accounts, Strategic Advisers receives a portion of the advisory fee paid to FPWA by Program clients.

Your Program's advisory fee could be reduced by a credit amount if you elect to transfer securities to fund your Program Account. The credit amount reduces the advisory fees paid to FPWA by the amount of compensation, if any, Strategic Advisers and its affiliates retain that is derived as a direct result of investments imported into Program Accounts. As described above, Program Account assets will be invested in certain Flex Funds. The Flex Funds are not subject to the credit amount because Fidelity receives no fees from the Flex Funds for managing or handling the business affairs of the funds and pays the expenses of each fund, with limited exceptions. Instead, a portion of each of the Programs' advisory fees will be allocated to access the Flex Funds in which Program Accounts will be invested. Please see the FPWA Program Fundamentals for information about Program fees and the application of the credit amount.

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

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

## **TYPES OF CLIENTS**

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Strategic Advisers provides discretionary portfolio management services to clients enrolled in each of the Programs. Please see FPWA's Program Fundamentals for information about the types of clients eligible for each of the Programs.

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

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This section contains information about how Strategic Advisers provides discretionary portfolio management services to Program Accounts. FPWA utilizes a proprietary algorithm to identify one in a series of long-term asset allocation strategies for your Program Account. Strategic Advisers has been retained by FPWA to create model portfolios for each asset allocation strategy and to invest Program Accounts in alignment with the respective model portfolio, subject to reasonable restrictions that you can impose. Fidelity Go Program Accounts and FPPA Program Accounts are managed using the same Strategic Advisers model portfolios.

Each asset allocation strategy is a combination of stocks, bonds and short-term investments, and is one in a series of asset allocations that range from conservative (i.e., a strategy that has a lower allocation to

equities and a lower risk/lower return potential) to aggressive growth (i.e., a strategy that has a higher allocation to equities and a higher risk/higher return potential).

As part of the Fidelity Go enrollment process, FPWA will identify and propose an asset allocation strategy using the information you provided during the enrollment process and, as applicable, certain assumptions about you and your situation. You can select the proposed asset allocation strategy or another asset allocation strategy that you believe is most appropriate for your situation, subject to certain constraints and limitations defined by FPWA. If you select an asset allocation strategy that differs from that originally suggested by FPWA, Strategic Advisers will provide discretionary management for your Fidelity Go Program Account consistent with your selected asset allocation strategy. As a result, the performance of a Fidelity Go Program Account will differ from the performance of an account managed according to the asset allocation originally proposed by FPWA. If you enroll in the FPPA Program, FPWA will identify and propose an appropriate asset allocation strategy using the information you provided during the FPPA Program enrollment process and, as applicable, certain assumptions about you and your situation. FPWA will monitor and adjust this asset allocation strategy over time based on the updates you provide to your information and the other information we have on file for your FPPA Program Account(s).

The Programs are designed to provide investors with a portfolio of Flex Funds. For the equity portion of a portfolio, Program Account assets will be invested in passively managed Flex Funds that seek to replicate the performance of relevant market indexes. For the bond (fixed income) and money market (short-duration investments) portions of a portfolio, Program Account assets can be invested in both passively and actively managed Flex Funds. The Flex Funds are managed by affiliates of Strategic Advisers including FMRCo. For additional information about the Flex Funds selected for your Program Account, and the associated risks, please see the respective funds' prospectuses.

Program Accounts that have a more conservative asset allocation strategy will typically hold a higher percentage of bond funds than other Program Accounts. The specific mix of funds chosen will depend on the asset allocation strategy selected for your Program Account, could change over time in light of changes to your personal situation, and could deviate at times from the asset allocation strategy you originally viewed as part of your Program's online enrollment process.

### **Additional Information about Strategic Advisers' Investment Practices**

Strategic Advisers generally uses both fundamental and quantitative investment strategies to manage Program Accounts. This involves both evaluating characteristics such as sector weightings, duration, valuation, and market capitalization, as well as focusing on key economic indicators and trends. When determining how to allocate assets among underlying mutual funds, Strategic Advisers considers a variety of objectives and subjective factors, including, but not limited to, proprietary fundamental and quantitative fund research, a manager's experience and investment style, fund company infrastructure, fund availability, current public information about a fund such as expense ratio, performance history, asset size, and portfolio turnover, and overall fit within Program Accounts. Strategic Advisers' investment professionals will obtain and use information from various sources to assist in making allocation decisions among asset classes, as well as decisions regarding the purchase and sale of specific mutual funds. Sources of information used include publicly available information and performance data on mutual funds, individual securities, equity markets, fixed-income markets, international markets, and broad-based economic indicators. Strategic Advisers will use both primary sources (e.g., talking directly with fund companies and managers) and secondary sources (reports prepared by fund companies and other sources that provide data on specific fund investment strategies, portfolio management teams, fund positioning, portfolio risk characteristics, performance attribution, and historical fund returns) as inputs into its investment process. However, as described earlier in this brochure, Program Account assets will be invested in certain Flex Funds.

Strategic Advisers does not seek access to material nonpublic information on any investment used by the Programs. With respect to Fidelity funds used by the Programs, the investment team at Strategic

Advisers that manages Program Accounts does not have access to the proprietary or material nonpublic information of the Fidelity funds.

If, based on the information you provide, FPWA determines that your Program Account requires modification to its asset allocation strategy, Strategic Advisers will generally make such changes as soon as reasonably possible, even if such changes trigger additional trading or, in the case of taxable accounts, significant tax consequences.

When investing in Fidelity funds, Strategic Advisers from time to time consults the fund manager to understand the manager's guidelines concerning general limitations, if any, on the aggregate percentage of fund shares that can be held under management by Strategic Advisers on behalf of all its clients. Funds are not required to accept investments and can limit how much Strategic Advisers can purchase. Additionally, Strategic Advisers can establish internal limits on how much it invests in any one fund across the programs it manages. Regulatory restrictions sometimes limit the amount that one fund can invest in another, which means Strategic Advisers could be limited in the amount it can invest in any particular fund. Strategic Advisers will work closely with fund management to minimize the impact of its reallocation activity on acquired funds. In certain situations, liquidating positions in underlying funds will be accomplished over an extended period of time as a result of operational considerations, legal considerations, or input from underlying fund managers. To the extent that a Program Account already owns securities that directly or indirectly contribute to an ownership threshold being exceeded, securities held in such a Program Account could be sold to bring account-level and/or aggregate ownership below the relevant threshold. In the event that any such sales result in realized losses for a Program Account, that Program Account will bear such losses depending on the particular circumstances.

From time to time, Strategic Advisers and/or its affiliates can determine that, as a result of regulatory requirements that apply to Strategic Advisers and/or its affiliates due to investments in a particular country or in an issuer operating in a particular regulated industry, investments in the securities of issuers domiciled or listed on trading markets in that country or operating in that regulated industry above certain thresholds are impractical or undesirable. The foregoing limits and thresholds could apply at the Program Account level or in the aggregate across all accounts (or certain subsets of accounts) managed, sponsored, or owned by, or otherwise attributable to Strategic Advisers and its affiliates. For investment risk management and other purposes, Strategic Advisers and its affiliates also generally apply internal aggregate limits on the amount of a particular issuer's securities owned by all such accounts. In such instances, investment flexibility will be restricted, and Strategic Advisers could limit or exclude a client's investment in a particular issuer, which can also include investment in related derivative instruments. Additionally, many of the mutual funds Strategic Advisers invests in have policies that restrict excessive trading. As a result, a fund can reject trade orders if they are deemed to represent excessive trading. In general, a fund will restrict future trade activity if it deems the excessive trading policy, as outlined in the fund prospectus, has been violated (for example, a purchase and sale within a 30-day period). As a result, to comply with a fund's trading policies, Strategic Advisers will be required to suspend investment management of a Program Account. Strategic Advisers will cease to manage a Program Account as soon as reasonably practicable. The imposition of any such order can take up to one (1) business day to implement, and will stop any trading activity that is occurring in a Program Account.

### **Material Investment Risks**

In general, all the portfolios managed by Strategic Advisers in the Programs are subject to the list of investment risks discussed below. However, investment strategies that have higher concentrations of equity will have greater exposure to the risks associated with equity investments, such as stock market volatility and foreign exposure. On the other hand, investment strategies that have higher exposure to fixed income will have greater exposure to the risks associated with those products, such as credit risk and bond investment risk.

**Risk of Loss.** The discretionary investment management strategies implemented by Strategic Advisers for clients in each of the Programs, including conservative investments, involve risk of loss. Investments in a Program Account are not a deposit of a bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation ("FDIC") or any other government agency. You could lose money by investing in mutual funds. You could lose money by investing in a Program.

Many factors affect each investment's or Program Account's performance and potential for loss. 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, the spread of infectious illness or other public health issues, recessions or other events can magnify factors that affect performance. All strategies are ultimately affected by impacts to the individual issuers, such as changes in an issuer's credit quality, or changes in tax, regulatory, market, or economic developments.

Nearly all investments or accounts are subject to volatility in non-U.S. markets, through either direct exposure or indirect effects in U.S. markets from events abroad. Those investments and accounts that are exposed to emerging markets are potentially subject to heightened volatility from greater social, economic, regulatory, and political uncertainties, as the extent of economic development, political stability, market depth, infrastructure, capitalization, and regulatory oversight can be less than in more developed markets.

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

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

**Money Market Funds.** A client could lose money by investing in a money market fund. Although a money market fund seeks to preserve the value of a client's investment at \$1.00 per share, it cannot guarantee it will do so. An investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency. Fidelity, the sponsor of Fidelity's money market funds, has no legal obligation to provide financial support to a Fidelity money market fund, and a client should not expect that Fidelity will provide financial support to a Fidelity money market fund at any time.

Fidelity's government and U.S. Treasury money market funds will not impose a fee upon the sale of shares, nor temporarily suspend an investor's ability to sell shares, if a fund's weekly liquid assets fall below 30% of its total assets because of market conditions or other factors.

**Quantitative Investing.** Funds or securities selected using quantitative analysis can perform differently from the market as a whole as a result of the factors used in the analysis, the weight placed on each factor, changes to the factors' behavior over time, market volatility, or the quantitative model's assumption about market behavior. In addition, Strategic Advisers' quantitative investment strategies rely on algorithmic processes, and therefore are subject to the risks described below under the heading, "Operational Risks."

**Stock Investments.** Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Different parts of the market can react differently to these developments. Value and growth stocks can perform differently from other types of stocks. Growth stocks can be more volatile. Value stocks can continue to be undervalued by the market for long periods of time. In addition, stock investments are subject to risk related to market capitalization as well as company-specific risk.

**Bond Investments.** In general, the bond market is volatile, and fixed-income securities carry interest rate risk. As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities. During periods of very low or negative interest rates, we could be unable to maintain positive returns on bond investments. Very low or negative interest rates can magnify interest

rate risk for the markets as a whole and for individual bond investments. Changing interest rates, including rates that fall below zero, can also have unpredictable effects on markets, and can result in heightened market volatility. The ability of an issuer of a bond to repay principal 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, as well as credit and default risks for both issuers and counterparties. The interest payments of inflation-protected bonds are variable and usually rise with inflation and fall with deflation. Unlike individual bonds, most bond funds do not have a maturity date, so holding them until maturity to avoid losses caused by price volatility is not possible. In addition, investments in certain bond structures are less liquid than other investments, and therefore are more difficult to trade effectively.

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

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

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

**Foreign Exposure.** Foreign securities are subject to interest rate, currency exchange rate, economic, regulatory, and political risks, all of which are likely to be greater in emerging markets. These risks are particularly significant for funds that focus on a single country or region or emerging markets. 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"). Clients holding an interest in a PFIC could be subject to additional tax liabilities and filing

requirements as a result of such investments. The rules regarding investments in PFICs are complex, and clients are urged to consult with their tax advisors.

**Derivatives.** Certain funds used by Strategic Advisers, including the Flex Funds, contain derivatives. Generally speaking, a derivative is a financial contract whose value is based on the value of a financial asset (such as a stock, bond, or currency); a physical asset (such as gold, oil, or wheat); or a market index (such as the S&P 500® Index). Investments in derivatives subject these funds to risks different from, and possibly greater than, those of the underlying securities, assets, or market indexes. 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/or sold, and whose market values of which are determined and published daily. Nonstandardized derivatives (such as swap agreements), on the other hand, tend to be more specialized or complex, and can be more difficult to value. Derivatives could involve leverage because they can provide investment exposure in an amount exceeding the initial investment. 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.

**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 might never realize their full expected value.

**Legislative and Regulatory Risk.** Investments in your Program Account could be adversely affected by new (or revised) laws or regulations. Changes to laws or regulations can impact the securities markets as a whole, specific industries, or individual issuers of securities, and Strategic Advisers' determinations with respect to the expected rate of return, value, tax treatment, or creditworthiness of a particular security. Generally, the impact of these changes will not be fully known for some time.

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

**Operational Risks.** Operational risks can include 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. Algorithms are used by Strategic Advisers in support of its discretionary portfolio management process and contribute to operational risks. There is a risk that the algorithms and data input into the algorithms could have errors, omissions, imperfections and malfunctions. Any decisions made in reliance upon incorrect data expose Program Accounts to potential risks. Issues in the algorithm are often extremely difficult to detect and could go undetected for long periods of time or never be detected. These risks are mitigated by testing and human oversight of the algorithms and their output. We believe that the oversight and testing performed on our algorithms and their output will enable us to identify and address issues appropriately. However, there is no assurance that the algorithms will always work as intended. In general, we will not assess each Program Account individually, nor will we override the outcome of the algorithm with respect to any particular Program Account.

Not all incidents arising from operational failures, including those resulting from the mistakes of third parties, will be compensable by Strategic Advisers to you. Strategic Advisers maintains policies and procedures that address the identification and correction of errors, consistent with applicable standard of care, to ensure that clients are treated fairly when an error has been detected. The determination of whether an incident constitutes an error is made by Strategic Advisers or its affiliates, in their sole discretion. In the event that Strategic Advisers or its affiliates make an error that has a financial impact on a Program Account, Strategic Advisers or its affiliates will generally return the Program Account to the position it would have held had no error occurred. Strategic Advisers will evaluate each situation independently, and unless prohibited by applicable regulation or a specific agreement with the client, we will net a client's gains and losses from the error or a series of related errors with the same root cause and compensate clients for the net loss. This corrective action could result in financial or other restitution to a Program Account, or inadvertent gains being reversed out of a Program Account. Under certain circumstances, clients will not be reimbursed for errors where the loss is less than \$10 per Program Account; in such cases, we have instituted procedures designed to prevent Fidelity from receiving economic benefits from limiting the correction of such errors.

## **DISCIPLINARY INFORMATION**

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

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

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

Strategic Advisers is not registered as a broker-dealer, futures commission merchant, commodity pool operator, or commodity trading adviser, nor does it have an application pending to register as such. Certain management persons of Strategic Advisers are registered representatives of Fidelity Brokerage Services LLC ("FBS"), a Strategic Advisers affiliate and a registered broker-dealer.

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

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

- FPWA, a wholly owned subsidiary of Fidelity Advisory Holdings LLC, which in turn is wholly owned by FMR LLC, is a registered investment adviser under the Investment Advisers Act of 1940 (the “Advisers Act”). FPWA provides nondiscretionary investment management services and serves as the sponsor to investment advisory programs, including the Programs. Strategic Advisers acts as sub-advisor to FPWA in providing discretionary investment management to certain clients, and assists FPWA in evaluating sub-advisors.
- FMRCo, a wholly owned subsidiary of FMR LLC, is a registered investment adviser under the Advisers Act. FMRCo provides investment management services, including to registered investment companies in the Fidelity group of funds and to clients of other affiliated and unaffiliated advisers. FMRCo acts as sub-advisor to FPWA in providing discretionary portfolio management to certain clients and provides model portfolio recommendations to Strategic Advisers in connection with Strategic Advisers’ provision of discretionary portfolio management to certain clients. Strategic Advisers pays FMRCo an administrative fee for handling the business affairs of the registered investment companies advised by Strategic Advisers. In addition, Strategic Advisers shares employees from time to time with FMRCo.
- Fidelity Institutional Wealth Adviser LLC (“FIWA”), a wholly owned subsidiary of FMR LLC, is a registered investment adviser under the Advisers Act. FIWA provides nondiscretionary investment management services and sponsors the Fidelity Managed Account Xchange program.
- FIAM LLC (“FIAM”), a wholly owned subsidiary of FIAM Holdings LLC, which in turn is wholly owned by FMR LLC, is a registered investment adviser under the Advisers Act, and is registered with the Central Bank of Ireland. FIAM provides investment management services, including to registered investment companies in the Fidelity group of funds, and to clients of other affiliated and unaffiliated advisers. Strategic Advisers has sub-advisory agreements with FIAM for certain registered investment companies advised by Strategic Advisers. Strategic Advisers provides model portfolio services to FIAM in connection with FIAM’s services to its institutional and intermediary clients and FIAM compensates Strategic Advisers for such services. In addition, Strategic Advisers shares employees from time to time with FIAM.
- FMR Investment Management (UK) Limited (“FMR UK”), an indirect, wholly owned subsidiary of FMRCo, is a registered investment adviser under the Advisers Act, has been authorized by the U.K. Financial Conduct Authority to provide investment advisory and asset management services, and is registered with the Central Bank of Ireland. FMR UK provides investment management services, including to registered investment companies in the Fidelity group of funds, and to clients of other affiliated and unaffiliated advisers. FIAM has sub-advisory agreements with FMR UK for certain registered investment companies advised by Strategic Advisers.
- Fidelity Management & Research (Japan) Limited (“FMR Japan”), a wholly owned subsidiary of FMRCo, is a registered investment adviser under the Advisers Act and has been authorized by the Japan Financial Services Agency (Kanto Local Finance Bureau) to provide investment advisory and discretionary investment management services. FMR Japan provides investment management services, including to registered investment companies in the Fidelity group of funds, and to clients of other affiliated and unaffiliated advisers. FIAM has sub-advisory agreements with FMR Japan for certain registered investment companies advised by Strategic Advisers.
- Fidelity Management & Research (Hong Kong) Limited (“FMR Hong Kong”), a wholly owned subsidiary of FMRCo, is a registered investment adviser under the Advisers Act and has been authorized by the Hong Kong Securities & Futures Commission to advise on securities and to provide asset management services. FMR Hong Kong provides investment management services, including to

registered investment companies in the Fidelity group of funds, and to clients of other affiliated and unaffiliated advisers. FIAM has sub-advisory agreements with FMR Hong Kong for certain registered investment companies advised by Strategic Advisers.

### **Broker-Dealers**

- Fidelity Distributors Company LLC ("FDC"), a wholly owned subsidiary of Fidelity Global Brokerage Group, Inc., which in turn is wholly owned by FMR LLC, is a registered broker-dealer under the Securities Exchange Act of 1934 (the "Exchange Act") and 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. Pursuant to a referral agreement and for compensation, FDC refers clients to FPWA.
- National Financial Services LLC ("NFS"), a wholly owned subsidiary of Fidelity Global Brokerage Group, Inc., which in turn is wholly owned by FMR LLC, is a registered broker-dealer under the Exchange Act and a registered investment adviser under the Advisers Act. NFS is a fully disclosed clearing broker-dealer that provides clearing, settlement and execution services for other broker-dealers, including its affiliate FBS. Fidelity Capital Markets ("FCM"), a division of NFS, provides trade executions for Fidelity affiliates and other clients. Additionally, FCM operates CrossStream®, an alternative trading system that allows orders submitted by its subscribers to be crossed against orders submitted by other subscribers. FCM charges a commission to both sides of each trade executed in CrossStream®. CrossStream is used to execute transactions for investment company and other Fidelity clients. NFS does not have any advisory clients, does not provide investment advice and does not receive compensation for investment advisory services. NFS provides transfer agent or subtransfer agent services and other custodial services to certain Fidelity clients.
- Luminex Trading & Analytics LLC ("LTA"), a registered broker-dealer and alternative trading system, operates an electronic execution utility (the "LTA ATS") that allows orders submitted by its subscribers to be crossed against orders submitted by other subscribers. FMR Sakura Holdings, Inc., a wholly owned subsidiary of FMR LLC, is the majority owner of LTA. LTA charges a commission to both sides of each trade executed in the LTA ATS. The LTA ATS is used to execute transactions for Fidelity affiliates' advisory clients. NFS serves as the clearing agent for transactions executed in the LTA ATS.
- FBS, a wholly owned subsidiary of Fidelity Global Brokerage Group, Inc., which in turn is wholly owned by FMR LLC, is a registered broker-dealer under the Exchange Act and provides brokerage products and services, including the sale of shares of registered investment companies in the Fidelity group of funds to individuals and institutions, including retirement plans administered by Fidelity affiliates. In addition, along with Fidelity Insurance Agency, Inc. ("FIA"), FBS distributes insurance products, including variable annuities, which are issued by Fidelity affiliates, Fidelity Investments Life Insurance Company ("FIL") and Empire Fidelity Investments Life Insurance Company® ("EFIL"). FBS provides shareholder services to certain of Fidelity's clients. FBS is the introducing broker for managed accounts offered by FPWA and places trades for execution with its affiliated clearing broker, NFS. Pursuant to a referral agreement and for compensation, FBS refers clients to FPWA.

### **Insurance Companies or Agencies**

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

## Banking Institutions

- Fidelity Management Trust Company ("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 nondiscretionary trustee and custodial services to employee benefit plans and individual retirement accounts through which individuals can invest in affiliated or unaffiliated registered investment companies. FMTC also provides discretionary investment management services to institutional clients.
- Fidelity Personal Trust Company, FSB ("FPTC"), 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 to its customers that include trustee or co-trustee services, custody, principal and income accounting, investment management services, and recordkeeping and administration.

## Limited Partnerships and Limited Liability Company Investments

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

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

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

- (i) Standards of general business conduct reflecting the investment advisers' fiduciary obligations
- (ii) Compliance with applicable federal securities laws
- (iii) Employees and their covered persons to move their covered accounts to FBS unless an exception has been granted
- (iv) Reporting and review of personal securities transactions and holdings for persons with access to certain nonpublic information
- (v) Prohibition of purchasing of securities in initial public offerings unless an exception has been approved
- (vi) Reporting of Code of Ethics violations
- (vii) Distribution of the Code of Ethics to all supervised persons, documented through acknowledgments of receipt

Core features of the Code of Ethics generally apply to all Fidelity employees. The Code of Ethics also imposes additional restrictions and reporting obligations on certain advisory personnel, research analysts, and portfolio managers, including (i) preclearing of transactions in covered securities; (ii) prohibiting investments in limited offerings without prior approval; (iii) reporting of transactions in covered securities on a quarterly basis; (iv) reporting of accounts and holdings of covered securities on an annual basis; and (v) disgorgement of profits from short-term transactions unless an exception has been approved. Violation of the Code of Ethics requirements can also result in the imposition of remedial action. The Code of Ethics will generally be supplemented by other relevant Fidelity policies, including the Policy on Inside Information, Rules for Broker-Dealer Employees, and other written policies and procedures adopted by Fidelity and Strategic Advisers. A copy of the Code of Ethics will be provided upon request.

Strategic Advisers and its related persons purchase or sell securities for themselves that they also recommend to clients. The potential 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 ensure that Fidelity personnel never place their personal interests ahead of Fidelity's clients in an attempt to benefit themselves or another party. The Code of Ethics and other Fidelity policies impose sanctions if these requirements are violated.

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

In addition, Fidelity has implemented a policy on Business Entertainment and Workplace Gifts intended to set standards for business entertainment and gifts, to help employees make sound decisions with respect to these activities, and to ensure that the interests of Strategic Advisers' clients come first. Similarly, to ensure compliance with applicable "pay to play" laws, Fidelity has adopted a Political Contributions and Activities policy that requires all employees to preclear any political contributions and activities.

## **BROKERAGE PRACTICES**

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### **Transactions in Program Accounts**

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

Strategic Advisers places ETP and individual security transactions for execution with NFS, through FCM, when Strategic Advisers reasonably believes that the quality of the execution of the transaction is comparable to what could be obtained through other qualified broker-dealers. NFS transmits orders received for execution through FCM to various exchanges or market centers based on a number of factors. These include the size of the order, trading characteristics of the security, favorable execution prices (including the opportunity for price improvement), access to reliable market data, availability of efficient automated transaction processing, and execution costs. Some market centers or broker-dealers execute

orders at prices superior to the publicly quoted market prices. Where Strategic Advisers directs the market center to which an order is routed, FBS or NFS will route the order to such market center in accordance with Strategic Advisers' instructions without regard to its general order routing practices. Neither FBS nor NFS receive any compensation in connection with directing equity trades for Program Accounts to market centers for execution, although FBS and/or NFS can receive consideration for directing orders for equity securities to certain market centers for non-Program Accounts.

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

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

### **Trade Aggregation and Allocation**

Strategic Advisers' policy is to treat each of its clients' accounts in a fair and equitable manner when allocating orders for the purchase and sale of securities. While Strategic Advisers is under no obligation to aggregate orders for Program Accounts, in general, Strategic Advisers will choose to aggregate trades of individual securities for Program Accounts with trades for other client accounts when, in Strategic Advisers' judgment, aggregation is in the best interest of all clients involved and it is operationally feasible to do so. Orders are aggregated to facilitate seeking best execution, to negotiate more favorable commission rates, or to allocate equitably among clients the effects of any market fluctuations that might have otherwise occurred had these orders been placed independently. The transactions are averaged as to price and allocated as to amount according to the purchase and sale orders actually placed for each client account. Strategic Advisers has adopted trade allocation policies for Program Account(s) and/or funds of funds managed by Strategic Advisers designed to achieve fairness and not to purposefully disadvantage comparable client accounts over time when allocating purchases and sales.

### **Cross Trades**

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

### **Account Transaction Information**

When Strategic Advisers trades in a Program Account, unless FPTC is acting as Trustee or Co-Trustee with respect to the Program Account, clients will receive a confirmation of such transaction from NFS, except with respect to automatic investments, automatic withdrawals, dividend reinvestments, and transactions that involve the core Fidelity money market fund where a client's account statement serves in lieu of a confirmation. Clients will receive monthly statements from NFS that will provide holdings and transaction

information, including trades, contributions, withdrawals, advisory fees, and estimated gain/loss and tax basis information. Monthly statements and confirmations are also available online at Fidelity.com and by enrolling in the electronic delivery program. Clients should carefully review all statements and other communications received from FBS and NFS. Clients will also receive a prospectus for any new mutual fund or ETP not previously held, unless the client has elected to have Strategic Advisers act as agent for the receipt of any non-Fidelity prospectuses. The routing details of a particular order will be provided upon request, and an explanation of order routing practices will be provided on an annual basis. In addition, from time to time, Fidelity will provide aggregated trade execution data to customers and prospective customers.

### **Soft Dollars**

Strategic Advisers does not have a soft dollar program.

### **Client-Directed Brokerage Activities**

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

## **REVIEW OF ACCOUNTS**

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### **Ongoing Review and Adjustments of Program Accounts**

Strategic Advisers monitors Program Account and their investments periodically. Market conditions and/or an upturn or downturn in a particular security will at times cause a “drift” in your investment portfolio away from the long-term risk level associated with the Program Account. Strategic Advisers can choose to rebalance a Program Account to bring it back in line with your selected asset allocation strategy. The number of times your Program Account is rebalanced will vary based on economic and market conditions, as well as changes in the attractiveness or appropriateness of specific funds or managers. Strategic Advisers can also modify the funds held in a Program Account to accommodate new fund allocations and fund closures. As described earlier in this brochure, we will invest all Program Account assets in certain Flex Funds.

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

- The weighting of a particular asset class, sector, or individual security that Strategic Advisers believes has too much or too little representation in a Program Account
- Changes in the fundamental attractiveness or appropriateness of a particular mutual fund
- Changes in a client’s Profile Information and any consequent changes to an associated investment strategy
- Deposit/withdrawal of cash or securities into/from a Program Account
- Accommodating mutual fund closures or limitations

Strategic Advisers’ investment management team will make decisions regarding reallocations within the model portfolio upon which the Program Account is invested. These decisions are based on the investment management team’s assessment of market and economic conditions and potential investment opportunities. Strategic Advisers will generally trade a Program Account when the model portfolio to which it is aligned is changed, subject to any restrictions you request. In determining whether a Program Account requires trading on a given day, Strategic Advisers relies on the prior night’s closing values of the securities held in a Program Account. In general, Strategic Advisers does not attempt to conduct intraday account evaluations, and Strategic Advisers does not generally attempt to time intraday price fluctuations in its decisions to buy or sell securities.

In certain instances, a “do-not-trade” restriction will be placed on a Program Account for reasons including, but not limited to, processing a trade correction, client request, or to comply with a court order. For the period when a do-not-trade restriction is on a Program Account, Strategic Advisers will suspend management of the Program Account and will not monitor the Program Account for potential buys and sells of securities. Additionally, in certain instances, deposits to a Program Account will not be invested and withdrawal requests will not be processed during a do-not-trade period. Strategic Advisers is not held responsible for any market loss experienced as a result of a do-not-trade restriction.

You also have periodic performance summaries or similar reports available to you that detail the performance of your Program Account and summarize the market activity during the quarter. Industry standards are applied when calculating performance information. FFWA also makes available Program Account performance information on a password-protected website. At least quarterly, we will send you an electronic reminder to notify us of any change in your financial situation or investment needs.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

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Strategic Advisers and its affiliates are compensated for providing services, including investment management, distribution, transfer agency, servicing, and custodial services, to certain Fidelity funds and non-Fidelity mutual funds, ETPs and other investments. These affiliates include FFWA, FMRCO and their affiliates as the investment adviser for the Fidelity funds; FDC as the underwriter of the Fidelity funds; and Fidelity Investments Institutional Operations Company, Inc. (“FIIOC”), as transfer agent for the Fidelity funds, servicing agent for non-Fidelity funds, and recordkeeper of certain workplace savings plans. Strategic Advisers’ affiliates also receive compensation and other benefits in connection with portfolio transactions effected on behalf of the Fidelity funds and non-Fidelity mutual funds, ETPs and other investments. FMRCO and its affiliates also obtain brokerage or research services, consistent with Section 28(e) of the Exchange Act, from broker-dealers in connection with the execution of the Fidelity funds’ portfolio security transactions.

FBS and NFS receive compensation for executing portfolio transactions and providing, among other things, clearance, settlement, custodial and other services to Fidelity funds and non-Fidelity mutual funds, ETPs and other investments, and NFS provides securities lending agent services to certain Fidelity funds for which it receives compensation. FBS, NFS and FIIOC also offer Fidelity’s mutual fund supermarket, the Fidelity FundsNetwork®, and provide shareholder and other services to participating mutual funds for which FBS, NFS, and FIIOC receive compensation.

The compensation described above that is retained by Strategic Advisers or its affiliates as a result of investments by Program Accounts in Fidelity funds and ETPs, and non Fidelity funds and ETPs, will be included in a credit amount, which can reduce the Programs’ advisory fee. However, to the extent that Strategic Advisers or its affiliates, including FBS, NFS or FIIOC retain compensation that is neither a direct result of, nor directly derived from, investments by the Program Accounts, such compensation is not included in the credit amount, does not reduce the advisory fee and will be retained by Strategic Advisers or its affiliates. Receipt of compensation in addition to the advisory fee creates a financial incentive for FFWA and its affiliates to select investments that will increase such compensation. Strategic Advisers seeks to address this financial conflict of interest through the application of a credit amount that will reduce the advisory fee, as applicable, and through personnel compensation arrangements (including those of Strategic Advisers’ investment professionals and the Fidelity representatives) that are not differentiated based on the investments or share classes selected for Program Accounts. Strategic Advisers and its affiliates have also implemented controls reasonably designed to prevent the receipt of compensation from affecting the nature of the advice provided to Program Accounts. As described herein, Program Account assets will be invested in certain Flex Funds. The Flex Funds are available only to certain fee-based accounts offered by Fidelity and compensation for management and expenses of Flex Funds is paid out of the fees charged by Fidelity fee-based accounts that include Flex Funds as underlying investments, including the Programs. FMRCO is compensated for its services out of such advisory fees. FMRCO receives

no fee from the Flex Funds for handling the business affairs of the funds and pays the expenses of each fund with limited exceptions.

See the FPWA Program Fundamentals for additional information.

Client referrals are provided by affiliated entities, including FBS, or other affiliates, pursuant to referral agreements where applicable. As noted in the FPWA Program Fundamentals under "Information about Representative Compensation," some Fidelity representatives receive economic incentives in addition to their normal compensation for distributing and supporting Program Accounts.

## **CUSTODY**

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Strategic Advisers does not maintain custody for the Programs' clients' assets in connection with the discretionary investment management services it provides to Program Accounts. To participate in either Program, clients must establish a Program Account with FBS, a registered broker-dealer and affiliate of Strategic Advisers. NFS, an affiliate of FBS, FPWA, and Strategic Advisers, has custody of your assets and will perform certain Program Account services, including the implementation of trading instructions, as well as custodial and related services. Certain personnel of FPWA, Strategic Advisers, FBS, and NFS share premises and have common supervision. You should carefully review all statements and other communications received from FBS and NFS.

## **INVESTMENT DISCRETION**

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

## **VOTING CLIENT SECURITIES**

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Strategic Advisers does not generally acquire authority for, or exercise, proxy voting on a client's behalf in connection with managing Program Accounts. Unless you direct us otherwise, you will receive proxy materials directly from the funds or NFS. Strategic Advisers will not advise you on the voting of proxies. You must exercise any proxy voting directly.

Notwithstanding the information above, at a future date, it is expected that you will be able to direct Strategic Advisers to act as agent to vote proxies on your behalf for Fidelity funds held in Program Accounts. Clients who make such a direction will be able to instruct Strategic Advisers to vote proxies of a Fidelity fund in the same proportion as the vote of all other holders of such Fidelity fund. Please note that, unlike general proxy votes, Strategic Advisers generally treats certain voluntary corporate actions as subject to the exercise of its discretion as an investment manager. Accordingly, Strategic Advisers will make decisions with respect to voluntary corporate actions directly as part of the investment management services it provides to Program Accounts. However, clients retain the right to make elections with respect to voluntary corporate actions if they so choose; if a client would like to make an election with respect to a security subject to a voluntary corporate action, the client will need to contact us to transfer the security out of the client's Program Account. You can obtain additional information by contacting a Fidelity representative.

## **FINANCIAL INFORMATION**

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Clients of the Programs do not pay Strategic Advisers for the services it provides under the Programs. Strategic Advisers does not solicit prepayment of client fees. There are no financial conditions that are reasonably likely to impair Strategic Advisers' ability to meet any of its contractual commitments to its clients.

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FOR MORE INFORMATION, PLEASE CALL US TOLL FREE AT

**800-823-0125**

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



**Keep in mind that investing involves risk. The value of your investment will fluctuate over time and you may gain or lose money. Diversification and asset allocation do not ensure a profit or guarantee against loss.**

S&P 500® Index: A market capitalization–weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance.

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

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