

## **STRATEGIC ADVISERS LLC**

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This brochure provides information about the qualifications and business practices of Strategic Advisers LLC (“Strategic Advisers”), a Fidelity Investments company.

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

Please contact us at 1-800-544-3455 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 also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **SUMMARY OF MATERIAL CHANGES**

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 Strategic Advisers LLC Program Brochure from March 29, 2019, through March 27, 2020.

No material changes were made to the Strategic Advisers LLC brochure since March 29, 2019.

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## **ADVISORY BUSINESS**

Strategic Advisers LLC (“Strategic Advisers”) is a registered investment adviser and an indirect, wholly owned subsidiary of FMR LLC (collectively with Strategic Advisers and its affiliates, “Fidelity Investments,” “Fidelity,” “us” or “we”). FMR LLC is a Delaware limited liability company that, together with its affiliates and subsidiaries, is generally known to the public as Fidelity Investments. Strategic Advisers was formed in 1977.

Strategic Advisers provides a variety of investment management services including providing discretionary portfolio management services to retail and institutional clients and providing non-discretionary advisory services, including developing and maintaining asset allocation and portfolio modeling methodologies for use by its affiliates.

This brochure covers the following Strategic Advisers products / services: Fidelity® Charitable Gift Fund, Registered Investment Companies, Plan Design Services, and Management and Consulting services.

For additional information about the other services that Strategic Advisers provides, please see the relevant Form ADV Part 2A program brochures for those services.

### **Fidelity Investments® Charitable Gift Fund (“Charitable Gift Fund” or “CGF”)**

Strategic Advisers performs discretionary and non-discretionary investment management services for IRS-qualified charitable organizations, including the Charitable Gift Fund, by recommending affiliated and unaffiliated mutual funds for investment pools comprised of irrevocable contributions from individual and institutional donors. In this capacity, Strategic Advisers acts as adviser to the charitable organization and not as adviser to any donor to such organization.

### **Strategic Advisers Mutual Funds (collectively, the “Registered Investment Companies”)**

Strategic Advisers serves as adviser or sub-adviser to investment companies registered under the Investment Company Act of 1940 (“1940 Act”). Generally speaking, Strategic Advisers acts as adviser to funds that use both a multi-manager and fund-of-funds investment structure.

The fund-of-funds managed by Strategic Advisers primarily invest in a combination of underlying affiliated and non-affiliated equity, fixed-income, and short-term mutual funds, real estate investment trusts (“REITs”), exchange-traded funds (“ETFs”), and funds that have commodity exposure. The funds that use a multi-manager and a fund-of-funds investment structure are also permitted to invest directly in securities through one or more affiliated or unaffiliated sub-advisers. In general, the investment companies advised by Strategic Advisers are offered only to clients of Strategic Advisers that have granted Strategic Advisers or its affiliates discretionary authority to invest in a portfolio of mutual funds. To the extent permitted by its advisory contracts, Strategic Advisers is authorized to delegate investment discretion to affiliated or unaffiliated sub-advisers that manage all or a portion of the assets within a fund.

## **Plan Design Services**

Strategic Advisers provides discretionary and non-discretionary investment management services to Fidelity Management Trust Company (“FMTC”) as part of FMTC’s Fidelity Flex workplace savings plan fiduciary offering (“Fidelity Flex”). As part of these services, Strategic Advisers selects combinations of mutual funds managed by affiliates that are used as the eligible investment options for participants who are enrolled in a workplace savings plan that is enrolled in the Fidelity Flex program. Strategic Advisers develops and manages the line-up of available investments for these plans by selecting from among a limited universe of mutual funds managed by Fidelity Management and Research Company LLC and its affiliates that are offered without underlying fund expenses (“Fidelity Flex Funds”). Strategic Advisers provides this plan design service only for the Fidelity Flex program, and such services are not available to plans that are not enrolled in the Fidelity Flex program. Strategic Advisers does not provide any plan design or plan line up consultation services beyond those provided to Fidelity Flex plans. For additional information about the Fidelity Flex funds, please see the applicable prospectus for such funds.

## **Management and Consulting Services**

Management and consulting services offered by Strategic Advisers are designed to meet various investment needs of certain institutional clients and Strategic Advisers affiliates, and include the use of asset allocation, the delivery of model portfolios to affiliates, and risk modeling and portfolio analysis and oversight services. Strategic Advisers will enter into these arrangements from time to time, and the scope and duration of such services are negotiated separately for each engagement.

## **Assets under Management**

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**

### **Charitable Gift Fund**

Fees and terms for investment advisory services provided to charitable institutions, including the Charitable Gift Fund, are negotiated on a case-by-case basis and are generally based on assets under management or advisement. With respect to the Charitable Gift Fund, if such services are terminated during any period of time for which Strategic Advisers has or has not been compensated, the fee due to Strategic Advisers for such period shall be prorated to the date of termination. Strategic Advisers’ affiliate, National Charitable Services Corporation (“NCS”), a Fidelity Investments Company, will generally receive compensation for administrative and investment services provided to CGF under a separate Master Services Agreement. In the absence of any other arrangements, Strategic Advisers’ compensation for its discretionary and non-discretionary investment advisory services shall be paid to Strategic Advisers out of the aggregate NCS administrative services fee payable under the Master Services Agreement, pursuant to an arrangement between Strategic Advisers and NCS.

For CGF, the Charitable Gift Fund will pay the mutual fund expenses associated with the respective mutual fund(s) recommended or selected by Strategic Advisers as investments for the pools advised by Strategic Advisers. These are the standard expenses that all mutual fund shareholders pay. Details of a mutual fund's expenses can be found in its prospectus. These expenses are not separately itemized or billed; rather, the published returns of mutual funds are shown net of their expenses. The overall revenue received by affiliates of Strategic Advisers will vary based on the funds suggested or selected by Strategic Advisers; accordingly, Strategic Advisers has an economic incentive and a potential conflict of interest to suggest funds that pay more revenue to its affiliates. However, for the non-discretionary assets that Strategic Advisers oversees, the investments to be used are reviewed and approved by the board of trustees of CGF as part of the investment mandate for such non-discretionary pools prior to the inclusion of any such fund. In addition, for both non-discretionary assets overseen by Strategic Advisers and the discretionary assets that Strategic Advisers manages as part of CGF, the investment managers with responsibility for the investment recommendations and management of the assets and related portfolio management staff are compensated based on the performance of the underlying investments recommended or selected, and no portion of the compensation of these Strategic Advisers personnel is based on the percentage of affiliated funds used in CGF or the revenue that Strategic Advisers or its affiliates derive from the purchase of any underlying affiliated or unaffiliated fund by CGF. Furthermore, all investments used in both the discretionary and non-discretionary portfolios are reviewed with the CGF Board on a periodic basis.

### **Registered Investment Companies**

Generally speaking, for the Registered Investment Companies, Strategic Advisers receives a management fee based upon each fund's average net assets. For funds that employ sub-advisers, sub-advisory fees are paid by the funds, based upon contractual terms with such sub-advisers. In certain circumstances, Strategic Advisers either charges no management fee, or from time to time, will voluntarily or contractually agree to reimburse certain of its mutual fund clients for management fees and other expenses above a specified limit. Strategic Advisers retains 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 can be discontinued by Strategic Advisers at any time.

In the case of investment companies registered under the 1940 Act, the advisory contract with Strategic Advisers is subject to approval by the Board of Trustees for the relevant fund, including trustees who are not interested persons of each mutual fund (as defined in the 1940 Act, the "Independent Trustees"). Strategic Advisers' fees for providing these services are negotiated on an individual basis and vary significantly among funds. Fees charged to mutual fund clients are subject to negotiation prior to the initiation of Strategic Advisers' services. Compensation to Strategic Advisers is deducted from a registered investment company's assets and payable on a monthly basis in arrears or on such other terms as Strategic Advisers and the particular fund from time to time agree. 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 advanced written notice by any party to the agreement or by

the investment company concerned.

In addition to any management fee payable to Strategic Advisers and the fees payable to the transfer agent and pricing and bookkeeping agent, and the costs associated with securities lending, most funds in the Fidelity group of funds or classes thereof, as applicable, pay all of their 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 of prospectuses, statements of additional information, notices, and reports to shareholders; however, under the terms of Strategic Advisers' transfer agent agreement, the transfer agent bears these costs. Other expenses paid by a fund 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 that arise, including costs of any litigation to which the fund is a party, and any obligation the Fund has to indemnify its officers and Trustees with respect to litigation. For information regarding Strategic Advisers brokerage arrangements with respect to the Registered Investment Companies, please see the section entitled "Brokerage Practices."

## **Plan Design**

As compensation for its investment advisory services under the Fidelity Flex program, Strategic Advisers receives a portion of the Fidelity Flex program fee paid to FMTC by retirement plan sponsors. A single program fee for these services is negotiated on a case-by-case basis with clients of FMTC, and Strategic Advisers does not receive a separate fee from employee benefit plan sponsors or participants for its plan design services. A portion of the fee received from FMTC is also provided to Strategic Advisers to be paid to the advisers of the Fidelity Flex Funds, including Fidelity Management & Research Company ("FMRCo"), that are included in investment line-ups and to other affiliates of FMTC that provide services under the Fidelity Flex program. Strategic Advisers' rate of compensation under its arrangement with FMTC does not vary based on (1) the funds selected by Strategic Advisers to be included in the plan line-up or (2) any discretion Strategic Advisers exercises in connection with the management of any participant account through its Personalized Planning and Advice at Work managed account service that is offered to Fidelity Flex plans. For additional information about Personalized Planning and Advice at Work, please see Strategic Advisers' Form ADV Part 2A brochure applicable to that program.

## **Management and Consulting Services**

Fees and terms for asset management, model portfolio services, and risk modeling services to institutions are negotiated on a case-by-case basis and are generally based on assets under management. Fees and terms for the other management, consulting and non-discretionary services to institutional clients and affiliates will vary and are negotiated on a case-by-case basis.

In the case of certain of these services, including the delivery of model portfolio services to affiliates, Strategic Advisers will create model portfolios comprised of mutual funds and

exchange-traded products (“ETPs”), including exchange-traded funds (“ETFs”), sponsored and managed by affiliates of Strategic Advisers, and certain ETPs managed by unaffiliated investment advisers (each a “Fidelity Model Portfolio Fund” and together, the “Fidelity Model Portfolio Funds”). Strategic Advisers is compensated by its affiliates for the development and delivery of model portfolios in connection with the model portfolio services provided to such affiliates. The amount paid to Strategic Advisers and its employees under the services does not vary based on the Fidelity Model Portfolio Funds selected when constructing the model portfolios and the compensation arrangements for Strategic Advisers’ investment professionals do not vary based on the Fidelity Model Portfolio Funds selected for such model portfolios.

Use of the model portfolios will result in the payment of fees to the Fidelity Model Portfolio Funds as provided for in the prospectus to each such mutual fund or ETP, and the fees received from investment in the Fidelity Model Portfolio Funds will be shared by various affiliates of Strategic Advisers involved in distributing and advising both the Fidelity Model Portfolio Funds and the model portfolios. Each Fidelity Model Portfolio Fund incurs advisory, administrative, and custodial fees, as well as other fees and expenses that it pays out of the assets of each mutual fund or ETP, meaning such costs are indirectly borne by the shareholders of each applicable mutual fund or ETP. Within a given model portfolio, the cost to shareholders and benefits to Strategic Advisers’ affiliates across the Fidelity Model Portfolio Funds within that model portfolio will vary. As a result, Strategic Advisers has an indirect economic incentive when constructing the model portfolios to select Fidelity Model Portfolio Funds that pay additional revenue to its affiliates. Any conflicts associated with this potential incentive are mitigated as described above in “Advisory Business.”

The universe of Fidelity Model Portfolio Funds has been selected by Strategic Advisers’ affiliates for inclusion in the model portfolios. In selecting third party ETPs for inclusion in the model portfolios, Strategic Advisers will initially select among ETPs advised by BlackRock Investment Management, LLC (or one of its affiliates, collectively “BlackRock”), including iShares® ETFs, however, in the future, the model portfolios can also include ETPs managed by other third parties. For certain accounts custodied on Fidelity’s brokerage platform that elect to invest in model portfolios that include iShares ETFs, Fidelity receives compensation from the iShares ETF sponsor and/or its affiliates in connection with an exclusive, long-term marketing program that includes promotion of iShares ETFs. Additional information about the sources, amounts, and terms of compensation is described in the ETF’s prospectus and related documents. Fidelity is authorized to add or waive commissions on ETFs without prior notice. BlackRock and iShares are registered trademarks of BlackRock, Inc. and its affiliates.

The Fidelity Model Portfolio Funds in the model portfolios do not charge a load, sales charge, or commission. The mutual fund share classes for a given Fidelity Model Portfolio Fund to be used in such model portfolios are selected by Strategic Advisers’ affiliates based on various considerations including its clients’ share class preferences relative to expense ratios and revenue sharing opportunities, share classes used by other asset managers in competing model portfolios and revenue yield to such affiliates and other affiliates of Strategic Advisers. The share classes available for a given Fidelity Model Portfolio Fund in the model portfolios are limited to the share classes designated by such affiliates. Such affiliates do not always seek to offer mutual funds or share classes through the model portfolios that are necessarily the least expensive. Other affiliated funds have different fees and expenses, which are be lower than the



fees and expenses of the Fidelity Model Portfolio Funds and mutual fund share classes made available through the model portfolios. In some cases, the mutual fund share classes for a Fidelity Model Portfolio Fund have a lower cost share class available on a stand-alone basis for purchase outside of the model portfolios or are available to other types of investors. Strategic Advisers' affiliates are responsible for reviewing the mutual fund share classes used for the Fidelity Model Portfolio Funds periodically for general fit for their usage of such model portfolios.

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

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

## **TYPES OF CLIENTS**

### **Charitable Gift Fund**

Strategic Advisers provides discretionary and non-discretionary investment advice to the Charitable Gift Fund, an IRS-qualified charitable organization, by recommending affiliated and unaffiliated mutual funds for investment pools comprised of irrevocable contributions from individual and institutional donors.

### **Registered Investment Companies**

Strategic Advisers offers investment management services on listed equities, ETPs, mutual fund shares, bonds, derivatives or other securities in connection with its service as adviser to Registered Investment Companies.

### **Plan Design**

Strategic Advisers provides discretionary investment management services to FMTC by selecting the investment options that are made available to participants of certain employee benefit plans for which FMTC provides trustee and other fiduciary services under the Fidelity Flex program.

### **Management and Consulting Services**

Depending on the nature of the arrangement, services to institutional clients and affiliates, including management and consulting services, include investment recommendations that are based on that client's circumstances and investment mandate, as well as other forms of consulting agreements include asset allocation, model portfolio services, risk modeling and portfolio analysis and oversight services. In many cases, these management and consulting services, including the development and delivery of the model portfolios, are provided to affiliates of Strategic Advisers.

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

### **Charitable Gift Fund**

Through an Investment Management Agreement with CGF, Strategic Advisers renders discretionary and non-discretionary investment management advice to the Trustees of the Board of Trustees of CGF, subject to final determination by the respective Trustees, recommending Fidelity and non-Fidelity mutual funds it deems appropriate for use in a number of investment pools comprised of CGF assets derived from irrevocable and tax-deductible contributions from individual and institutional donors.

Strategic Advisers relies on both proprietary fundamental and quantitative fund research in managing or providing investment advice to its charitable clients' assets. Factors considered when investing in underlying funds include fund performance, a fund manager's experience and investment style, fund company infrastructure, and fund characteristics such as expense ratio, asset size, and portfolio turnover. With respect to those pools where Strategic Advisers provides discretionary investment management services, Strategic Advisers pursues a disciplined, benchmark-guided approach to portfolio construction, and monitors and adjusts allocations to underlying funds as necessary to attempt to control overall fund risk and pursue appropriate returns. With respect to investments made for CGF, the available investment universe for each sub-portfolio is determined by contract in conjunction with CGF.

Strategic Advisers has implemented certain oversight processes and controls designed to achieve an appropriate level of supervision of the selected funds' activities and reports out to the CGF Board on these processes/controls. While Strategic Advisers selects the underlying funds of the pools and has implemented a program to provide ongoing oversight of their activities, the funds' managers make the day-to-day investment decisions for the funds they manage.

With respect to the discretionary management services provided to CGF, Strategic Advisers will review the share classes offered by identified funds and seek to choose the appropriate share class that is available for purchase by CGF.

### **Registered Investment Companies**

In managing the Registered Investment Companies, Strategic Advisers is authorized to invest (depending upon the specific product or fund) a fund's assets in a combination of securities, including derivatives, (e.g., futures contracts), affiliated (e.g., Fidelity funds) and unaffiliated domestic and international equity funds, investment-grade, high yield and international fixed-income funds, short-term funds, alternative investment class funds, and ETFs and closed-end funds. In general, Strategic Advisers will evaluate the mutual funds available through Fidelity's mutual fund supermarket, the Fidelity FundsNetwork®, and make mutual fund investment determinations based on investment methodology. To the extent permitted by its advisory contracts, Strategic Advisers is authorized to delegate investment discretion to affiliated and unaffiliated sub-advisers for management of all or part of the portfolios.

*Multi-manager and fund-of-funds structures.* Strategic Advisers' multi-manager and fund-of-funds allow Strategic Advisers to choose from an expanded group of Fidelity and non-Fidelity

money managers, taking advantage of Fidelity's scale to provide the potential for improved pricing through the use of sub-advisers. The multi-manager fund-of-funds are structured so that Strategic Advisers can hire sub-advisers to manage subportfolios of individual securities, buy and sell mutual funds and ETFs, and hold all of these securities within one fund. A Strategic Advisers portfolio manager manages each multi-manager fund-of-funds by allocating the fund's assets between Fidelity and non-Fidelity sub-advisers, mutual funds, ETFs, money market funds, and derivatives.

In managing the funds that use a multi-manager and fund-of-funds investment structure, Strategic Advisers considers a variety of factors when determining how to allocate the respective funds' assets among sub-advisers, funds, and/or other securities, including, but not limited to, investment approach, portfolio characteristics, performance patterns in different market environments and the total assets of the fund.

While Strategic Advisers selects the sub-advisers and has implemented a program to provide ongoing oversight of their activities, the sub-advisers of the fund make the day-to-day investment decisions for the portions of the fund they manage. Strategic Advisers is authorized to allocate each fund's assets among any number of sub-advisers or underlying funds at any time. For more information on the investment strategies employed by the multi-manager and fund-of-funds, please see the prospectuses for those funds.

With respect to the discretionary management services provided to the Registered Investment Companies, Strategic Advisers will review the share classes offered by identified funds and seek to choose the share class that is appropriate for clients after the application of a credit amount that is applicable to clients in the Fidelity Wealth Services ("FWS") program. The crediting program reduces the advisory fees paid to Fidelity by the amount of compensation, if any, Strategic Advisers and its affiliates retain with respect to mutual funds that is derived as a direct result of investments by FWS accounts. For additional information and the fees and credits associated with the FWS program, please see the Form ADV Part 2A brochures applicable to that program.

## **Plan Design**

To develop investment line-ups for retirement plans in the Fidelity Flex program, Strategic Advisers considers a combination of quantitative and qualitative factors consistent with its existing investment philosophy and processes. Strategic Advisers will choose from among Fidelity-managed funds that are eligible to be included in the Plan Design service. When selecting active funds, Strategic Advisers may evaluate performance relative to peers, manager tenure and style alignment and volatility. Strategic Advisers will also seek to understand the investment process and key drivers of performance of a fund and will monitor portfolio, process and personnel changes. Passive funds can be evaluated based on the specific asset class and the underlying benchmark. Money market and short duration fixed income funds will be evaluated based on maintenance of credit and liquidity standards. Strategic Advisers will monitor each fund in the line-up through a combination of due diligence meetings, performance assessments, holdings-based and returns-based analysis and review of investment personnel or process changes. If Strategic Advisers determines that a fund does not fully meet all of its criteria, then remediation options will be considered. The final decision to replace a fund will be based on a holistic consideration of qualitative and quantitative factors.

## **Model Portfolios**

In connection with the model portfolio services that Strategic Advisers provides to its affiliates, the investment universe of Fidelity Model Portfolio Funds from which Strategic Advisers constructs the model portfolios is generally established by such affiliate. The model portfolios are portfolios designed to implement specified strategies and can be keyed to specified fixed income/equity allocations. The model portfolios' asset allocation options as further described below are limited to the Fidelity Model Portfolio Funds and will not incorporate direct interests in individual securities. As a result, asset allocations provided by the model portfolios are limited to allocations to the Fidelity Model Portfolio Funds and are constrained to the investment performance of the Fidelity Model Portfolio Funds. In certain cases, the model portfolios include an allocation to cash.

The Fidelity Model Portfolio Funds used in the model portfolios represent only a subset of all affiliated mutual funds, affiliated and ETPs and third party ETPs. The universe of Fidelity Model Portfolio Funds have been selected by Strategic Advisers' affiliates for inclusion in the model portfolios based on eligibility for the mutual funds or ETPs to be distributed as part of the model portfolio services provided by such affiliates to their clients, as well as other measures designed to be consistent with the model parameters around the asset allocation goals of the model, expenses, asset classes and the interests of its clients. Affiliates of Strategic Advisers manage mutual funds and ETPs that are substantially similar to the Fidelity Model Portfolio Funds but have different fees and expenses that are not available for investment through the model portfolio service.

Model portfolios are constructed by Strategic Advisers' portfolio management team using a systematic approach, in conjunction with a quantitative methodology, for selecting mutual funds and ETPs from the universe of Fidelity Model Portfolio Funds selected by Strategic Advisers' affiliates for inclusion in the model portfolios. When constructing certain model portfolios, Strategic Advisers uses an algorithmic approach to combine a set of investment options whose overall risk characteristics, when viewed as a portfolio, are designed to be similar to those of an appropriate asset allocation strategy for a particular risk profile. An important objective of this process is to enhance expected risk-adjusted returns while adhering to this set of risk constraints. These strategies utilize a series of long-term asset allocation benchmarks as a basis for portfolio construction; these benchmarks consist of weighted, market index benchmarks designed to represent an appropriate asset-class mix for a given investor profile, from conservative to aggressive growth. Using the outcome of the evaluation described above, the portfolio construction process identifies the model portfolio based upon the long-term asset allocation benchmarks for stock, bond, and/or short-term asset classes. For certain other model portfolios, Strategic Advisers uses an algorithmic approach to combine a set of investment options designed to maximize yield for a particular risk profile. As noted above, in selecting third party ETPs for inclusion in the model portfolios, Strategic Advisers will initially select among ETPs advised by BlackRock, including iShares® ETFs, however, in the future, the model portfolios could also include ETPs managed by other third parties.

## **Additional General Information**

When investing or suggesting Fidelity and non-Fidelity mutual funds or ETPs, Strategic Advisers will from time to time consult with the fund's investment manager to understand the manager's guidelines concerning general limitations, if any, on the aggregate percentage of fund shares that can be held under management by Strategic Advisers on behalf of all its clients. Specific percentage limitations do not exist, but funds are not required to accept investments and could 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 that Strategic Advisers could be limited in the amount they can invest in any particular fund. 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.

Due to regulatory and issuer-specific limits that apply to the ownership of securities of certain issuers, Strategic Advisers and its affiliates could limit investments in the securities of such issuers. Similar limitations could apply to futures and derivatives, such as options. In addition, Strategic Advisers and/or its affiliates can from time-to-time determine that, because 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 account level or in the aggregate across all accounts (or certain subsets of accounts) managed, sponsored, owned by, or otherwise attributable to, Strategic Advisers and its affiliates. For investment risk management and other purposes, Strategic Advisers and its affiliates also generally apply internal aggregate limits on the amount of a particular issuer's securities that can be owned by all such accounts. In connection with the foregoing limits and thresholds, Strategic Advisers can limit or exclude clients' investment in a particular issuer, future, derivative and/or other instrument (or limit the exercise of voting or other rights) and investment flexibility will be restricted. In addition, to the extent that client accounts already own securities that directly or indirectly contribute to such an ownership threshold being exceeded, Strategic Advisers could sell securities held in such accounts in order to bring account-level and/or aggregate ownership below the relevant threshold. In the event that any such sales result in realized losses for client accounts, those client accounts will bear such losses depending on the particular circumstances.

Certain employees of Strategic Advisers act as employees of FMR and FIAM LLC ("FIAM") with respect to the management of certain funds or accounts managed by FMR and FIAM.

## **MATERIAL INVESTMENT RISKS**

**Risk of loss.** The strategies presented above pose risks, and many factors affect each investment'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. 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 may magnify factors that affect performance. All strategies are ultimately affected by impacts to the individual issuers, such as changes in an issuer's credit quality, or changes in tax, regulatory, market or economic developments. Non-diversified funds and accounts that invest in a smaller number of individual issuers can be more sensitive to these changes. Nearly all investments or accounts are subject to volatility in non-U.S. markets, either through direct exposure or indirect effects on U.S. markets from events abroad, including fluctuations in foreign currency exchange rates and, in the case of less-developed markets, currency illiquidity. 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. Trading, settlement, and custodial practices (including those involving securities settlement where fund or account assets could be released prior to receipt of payment) in non-U.S. markets could be less developed than those in U.S. markets and could result in increased investment or valuation risks, increased counterparty exposure, or substantial delays (including those arising from failed trades or the insolvency of, or breach of duty by, a broker-dealer, securities depository, subcustodian, clearinghouse or other party). Additionally, investments 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 the international or emerging markets funds' exposure to a particular country or region) can be significantly impacted by events affecting those industries or markets.

Strategies that lead investment or accounts to invest in other funds bear all the risks inherent in the underlying funds in which those investments or accounts 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. Additionally, investments and accounts are subject to operational risks, which can include risks of loss arising from failures in internal processes, people, or systems, such as routine processing errors or major system failures, or from external events, such as exchange outages.

Ultimately, an investment's or account's share price and/or net asset value changes daily based on changes in market conditions, foreign currency exchange rates, and interest rates, and in response to other economic, political, or financial developments. An investment's or account's reaction to these events will be affected by the types of securities in which the mutual fund, ETP or account invests; the financial condition, industry and economic sector, and geographic location of an issuer; and the level of investment in the securities of that issuer. An investment in such securities involves risk of loss that clients of the mutual fund, ETP or account would, and should, be prepared to bear. When a shareholder sells or redeems shares in the mutual fund or ETP, the shares could 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 ETP. Similarly, an account owner could lose money due to a decline in the account's net asset value.

With respect to Strategic Advisers' mutual funds, more detailed information relating to the methods and strategies and their associated risk are set forth in that fund's or account's prospectus and registration statement filed with the SEC or other applicable offering document.

**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 arise from external or internal sources. Cyber attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information; corrupting data, equipment, or systems; or causing operational disruption. Cyber attacks can also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting 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 and systems are used by Strategic Advisers in support of its 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 clients 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, testing and monitoring 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 account individually, nor will we override the outcome of any algorithm with respect to any particular account.

Not all incidents arising from operational failures, including those resulting from the mistakes of third parties, will be compensable by Strategic Advisers to a client. 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 an account, Strategic Advisers or its affiliates will generally return the 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 an account, or inadvertent gains being reversed out of the account. Under certain circumstances, clients will not be reimbursed for errors where the loss is less than \$10 per account; in such cases, we have instituted procedures designed to prevent Fidelity from receiving economic benefits from limiting the correction of such errors. All errors requiring reimbursement to a Fidelity affiliated mutual fund of \$100,000 or more must be reported to the Compliance Committee (or other applicable Committee) of the fund's Board of Trustees at its next scheduled meeting.

Underlying investments recommended or purchased by Strategic Advisers are subject to the following material investment risks:

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

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

**Money Market.** An investor could lose money by investing in a money market fund. Although the money market seeks to preserve the value of an investment at \$1.00 per share, it cannot guarantee it will do so. An investment in a money market is not insured or guaranteed by the Federal Deposit Insurance Corporation 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 an investor 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 the 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.

**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 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.

**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 mutual funds and ETPs 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.

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

**Inflation-Protected Debt Securities.** The interest payments of inflation-protected debt securities are variable and usually rise with inflation and fall with deflation.

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

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

**Legislative and Regulatory Risk.** Investments 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, 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.

## **DISCIPLINARY INFORMATION**

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

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

Strategic Advisers is a wholly owned subsidiary of Fidelity Advisory Holdings LLC, which in turn is wholly owned by 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 the subsidiaries and affiliates of FMR LLC. In addition, the principal officers of Strategic Advisers serve as officers and/or employees of affiliated companies that are engaged in various aspects of the financial services industry.

Strategic Advisers is not registered as a broker-dealer, futures commission merchant, commodity pool operator, or commodity trading advisor, 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 registered broker-dealer.

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

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

- Fidelity Personal and Workplace Advisors LLC ("FPWA") a wholly owned subsidiary of Fidelity Advisory Holdings LLC, which in turn is wholly owned by FMR LLC, is a registered investment adviser under the Investment Advisers Act of 1940 (the "Advisers Act"). FPWA provides non-discretionary investment management services and serves as the sponsor to

investment advisory 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 non-discretionary 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”). FDC acts as principal underwriter of the registered investment companies in the Fidelity group of funds, and also markets those funds and other products advised by its affiliates to third-party financial intermediaries and certain institutional investors.
- National Financial Services LLC (“NFS”), a wholly owned subsidiary of Fidelity Global Brokerage Group, Inc., which in turn is wholly owned by FMR LLC, is a registered broker-dealer under the Exchange Act 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® (“EFILI”). 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.

### **Insurance Companies or Agencies**

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

### **Banking Institutions**

- Fidelity Management Trust Company (“FMTC”), a wholly owned subsidiary of FMR LLC, is a limited-purpose trust company organized and operating under the laws of the Commonwealth of Massachusetts that provides non-discretionary trustee and custodial services to employee benefit plans and individual retirement accounts through which individuals can invest in affiliated or unaffiliated registered investment companies. FMTC also provides discretionary investment management services to institutional clients.
- 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 can provide 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**

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 acknowledgements 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.

From time to time, Strategic Advisers and its related persons purchase or sell securities for themselves that they also recommend to clients. The conflicts of interest involved in such activities are contemplated in the Code of Ethics and other relevant Fidelity policies. In particular, the Code of Ethics and other Fidelity policies are designed to 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 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**

Strategic Advisers does not maintain a soft dollar program. Some Sub-Advisers to registered investment companies advised by Strategic Advisers use soft dollar or other commission sharing arrangements in connection with transactions effected for those funds. Strategic Advisers does not obtain products, research, or services in connection with directing brokerage business to any broker or dealer.

Strategic Advisers and its delegates are authorized to place portfolio transactions with affiliated registered broker-dealers or transfer agents. Strategic Advisers will arrange for the execution of transactions through those brokers or dealers if Strategic Advisers reasonably believes that the quality of the execution of the transaction is comparable to what could be obtained through other qualified brokers or dealers. In determining the ability of a broker or dealer to obtain best execution, Strategic Advisers will consider a number of factors, including the broker or dealer’s execution capabilities, reputation and access to the markets for the securities being traded.

Strategic Advisers and its affiliates can execute trading through an affiliated broker- dealer where the affiliated broker-dealer crosses the Strategic Advisers’ client’s trades with affiliated broker-dealer’s clients (agency cross transactions). Such transactions will be executed in accordance with Section 206(3) under the Advisers Act, requiring written consent, confirmations of transactions, annual reporting and procedures. In general, to comply with applicable law, Strategic Advisers will not conduct any brokerage transactions on a principal basis with any affiliate or affiliated broker-dealer.

## **Registered Investment Companies**

On behalf of its Registered Investment Companies, Strategic Advisers invests in a combination of Fidelity or non-Fidelity mutual funds, derivative securities (e.g. futures contracts), and ETFs. Trades for certain accounts are generally placed with FMR’s trading desk and then directed to unaffiliated executing brokers. The FMR trading desk can direct futures and ETF trades to FCM.

Strategic Advisers is authorized to place portfolio transactions with affiliated registered broker-dealers or transfer agents. In particular, Strategic Advisers is authorized to place trades with NFS. In determining the ability of a broker-dealer to obtain best execution, Strategic Advisers will consider a number of factors.

Strategic Advisers does not consider, in selecting or recommending broker-dealers, whether Strategic Advisers or a related person to Strategic Advisers receives client referrals from a broker-dealer or third party. Strategic Advisers and its affiliates are authorized to allocate brokerage transactions to brokers who are not affiliates of Strategic Advisers who have entered into arrangements with Strategic Advisers or its affiliates under which the broker, using predetermined methodology, rebates a portion of the compensation paid by the fund to offset that fund’s expenses, which is paid to Strategic Advisers or its affiliates. Not all brokers with whom the fund

trades have agreed to participate in brokerage commission recapture. Strategic Advisers expects that brokers from whom Strategic Advisers or its affiliates purchases research products and services with hard dollars are unlikely to participate in commission recapture.

Sub-advisers of the multi-manager and fund-of-funds structures are authorized to place portfolio transactions with Strategic Advisers' affiliated broker-dealers in accordance with regulatory guidelines.

Strategic Advisers and its affiliates have established allocation policies for their various accounts (including proprietary accounts) 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 Strategic Advisers 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 (including proprietary accounts) based on account net 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 Strategic Advisers and its affiliates' policies (i.e., special allocations) must be approved by senior trading and compliance personnel and documented.

Strategic Advisers 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. 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 could receive an increased allocation to achieve a more meaningful allocation, or the client could receive no allocation. Strategic Advisers and its affiliates' policies also provide for the execution of program trades notwithstanding the existence of active orders for individual securities on the trading desk, provided that consideration is given to whether the program trade might have a material effect on such other active orders.

Trade allocations can also be impacted by various regulatory requirements depending on where the trade is executed and what types of accounts are included in the trade. In such circumstances, some accounts will need to be prioritized over others when supply/demand is insufficient (e.g., client accounts receive priority of allocation over proprietary accounts). Sub-adviser orders placed for the purchase and sale of securities, including ETFs, will be subject to the individual sub-adviser's trade allocation policy.

Some sub-advisers use soft dollar or other commission sharing arrangements in connection with transactions effected for funds advised by Strategic Advisers. Sub- advisers could, pursuant to their policies and procedures, direct brokerage transactions of sub-advised funds to broker-dealers in exchange for research-related or brokerage- related goods or services, provided that such arrangements meet the requirements of Section 28(e) of the Exchange Act.



## **REVIEW OF ACCOUNTS**

### **Charitable Gift Fund**

For the institutional advisory services provided to CGF, including investment pools of CGF, Strategic Advisers' portfolio managers review each portfolio regularly, and make appropriate investment changes in CGF's pools or make recommendations to CGF as market conditions warrant. Investment pools are managed or advised in accordance with the governing investment management agreements. Portfolio managers typically manage a very limited number of institutional advisory or sub-advisory accounts. For CGF, the client's governing body (the CGF Board) is supplied periodic reports providing performance data, and among other items, information on changes to the composition of the underlying investments within the investment pools.

### **Registered Investment Companies**

Fund manager assignments are made based on a number of factors including the experience and seniority of the managers, the complexity of the funds, and similarities between funds assigned to a manager. Strategic Advisers and affiliates might organize investment activity on a group basis, with fund managers of similar funds forming these groups. The group establishes general policy and coordinated advice and recommendations for the funds within the groups. Managers review their fund(s) on a regular basis, with the group leader reviewing the funds periodically.

### **Plan Design and Management and Consulting Services**

Institutional Accounts for which Strategic Advisers provides management or consulting services and employee benefit plans for which Strategic Advisers selects available investment options are reviewed in a manner appropriate for such arrangements. Given the customized nature of such relationships, Strategic Advisers develops a management and oversight process for each such agreement to best fit the circumstances of the arrangement. With respect to the Fidelity Flex program, Strategic Advisers reviews the underlying funds on an ongoing basis, with periodic reporting to the FMTC board. With respect to Strategic Advisers model portfolio services, Strategic Advisers reviews the model portfolios on a periodic basis, making adjustments as necessary in alignment with the mandate for any such portfolios.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

Strategic Advisers and its affiliates are compensated for providing services, including for investment management, distribution, transfer agency, servicing, and custodial services, to certain Fidelity and non-Fidelity mutual funds, ETPs and other investments. These entities include Strategic Advisers; 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 and non-Fidelity mutual funds, ETPs and other investments. FMRCo and its

affiliates also obtain brokerage or research services, consistent with Section 28(e) of the Exchange Act, from broker-dealers in connection with the execution of the Fidelity funds' portfolio security transactions.

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

For certain accounts custodied on Fidelity's brokerage platform that elect to invest in the model portfolios that include iShares ETFs, Fidelity receives compensation from the iShares ETF sponsor and/or its affiliates in connection with an exclusive, long-term marketing program that includes promotion of iShares ETFs. Additional information about the sources, amounts, and terms of compensation is described in the ETF's prospectus and related documents. Fidelity is authorized to add or waive commissions on ETFs without prior notice. Strategic Advisers seeks to address any potential financial conflicts of interest 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 client accounts. Strategic Advisers and its affiliates have also implemented processes reasonably designed to prevent the receipt of compensation from affecting the nature of the advice provided to client accounts.

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

## **Plan Design**

As noted in the section entitled "Fees and Compensation", as compensation for its investment advisory services under the Fidelity Flex program, Strategic Advisers receives a portion of the program fee paid to FMTC by retirement plan sponsors.

## **CUSTODY**

Strategic Advisers generally does not maintain custody for Registered Investment Companies, its institutional clients' funds or securities in connection with CGF, or its management and consulting services.

In instances where Strategic Advisers has custody of client funds or securities, certain Strategic Advisers affiliated entities, including NFS, FBS or FIIOC, perform custodial or brokerage services for compensation with respect to client assets held. Clients receive statements from those entities providing custodial services and should review those reports carefully.

## **INVESTMENT DISCRETION**

### **Charitable Gift Fund and Registered Investment Companies**

Strategic Advisers' investment management services generally include 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. However, Strategic Advisers' discretionary authority is subject to certain limits, including the applicable investment objectives, policies and restrictions. These limitations are based on a variety of factors such as regulatory constraints as well as those imposed by the client and agreed on by Strategic Advisers in accordance with applicable laws. In addition, Strategic Advisers does not have investment discretion with respect to assets managed by sub-advisers.

In general, Strategic Advisers manages investments in Fidelity and non-Fidelity mutual funds on a discretionary basis. In the case of CGF, Strategic Advisers provides non-discretionary investment advice to certain portfolios based on its agreements. Strategic Advisers has discretionary authority to allocate client assets among various mutual funds, subject to certain product-specific conditions. There are currently no sales loads for accounts of advisory clients of the service. Fees include the services' basic account management fee for investments made through the services and any fees disclosed in each fund's prospectus.

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

When investing in Fidelity-managed funds, Strategic Advisers could from time to time consult with FMR, the investment manager of the Fidelity retail funds and Fidelity Advisor Funds, to understand FMR's guidelines concerning general limitations, if any, on the aggregate percentage of Fidelity mutual fund's shares that can be held under management by Strategic Advisers on behalf of all of its clients.

The multi-manager and fund-of-funds invest in mutual funds, individual securities, derivatives securities (e.g., futures contracts), ETFs, and other securities, including affiliated and unaffiliated sub-advisers. Strategic Advisers manages each multi-manager and fund-of-funds by allocating the fund's assets between Fidelity and/or non-Fidelity sub-advisers and mutual funds, ETFs, or other securities. While Strategic Advisers selects the sub-advisers and provides ongoing oversight of their activities, the sub-advisers of the fund make the day-to-day investment decisions for the portions of the fund they manage, and Strategic Advisers does not exercise investment discretion for this sub-advised portion of assets.

### **Plan Design**

When constructing combinations of investment options for employee benefit plans, Strategic Advisers exercises discretion by selecting from among those Fidelity funds that are eligible to be

included in the Fidelity Flex program. Strategic Advisers periodically reviews the investment line-ups available to employee benefit plans under the Fidelity Flex program and will, from time to time, modify a line-up by adding, removing or replacing certain funds.

### **Management and Consulting Services**

For its management and consulting services, Strategic Advisers' level of investment discretion is negotiated by contract with its institutional clients, and generally is customized to suit the particular arrangement. In general, Strategic Advisers does not exercise any discretion in connection with its provision of model portfolios services to institutional clients, including its affiliates.

### **VOTING CLIENT SECURITIES**

#### **CGF, Plan Design, and Management and Consulting Services**

With respect to CGF, Plan Design and Management and Consulting Services, Strategic Advisers generally does not acquire authority to vote or advise on the voting of proxies. Proxies are voted by clients in each of these services. Proxies are provided to clients by the relevant custodian or service provider.

### **Registered Investment Companies**

For the Registered Investment Companies, Strategic Advisers or its affiliates generally cast votes on behalf of client accounts by proxy at shareholder meetings of issuers in which Strategic Advisers or its affiliates invest clients' assets. The Board of Trustees of the Strategic Advisers Funds have established formal written proxy voting guidelines (the "Guidelines") that are designed to ensure that proxies on behalf of the Strategic Advisers Funds are voted in a manner consistent with the best interests of shareholders. Strategic Advisers 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.

Strategic Advisers or its affiliates vote on behalf of the Strategic Advisers Funds in accordance with the Guidelines that have been approved by the Board of Trustees of the Strategic Advisers Funds. The power to vote or direct the voting of shares owned directly by the Strategic Advisers Funds resides with each Fund's Board of Trustees, who have delegated to Strategic Advisers' or its affiliates' Investment Proxy Research Group (IPR) the authority to carry out the voting of shares owned by Strategic Advisers Funds in accordance with the Guidelines.

Except as set forth in the Guidelines, Strategic Advisers or its affiliates will generally vote on proposals based on an evaluation of a proposal's likelihood to enhance the long-term economic returns or profitability of the portfolio company or to maximize long-term shareholder value.

Strategic Advisers ensures proxies are voted with a long-term perspective in a manner intended to maximize shareholder value and without regard to any other Fidelity companies' relationships, business or otherwise, with that portfolio company. Strategic Advisers will generally only be authorized to vote proxies in connection with Fidelity funds (fund-of-funds) managed by Strategic Advisers.

The following Proxy Voting Guidelines were established by the Board of Trustees of Fidelity Rutland Square Trust II on behalf of each fund, after consultation with Strategic Advisers. (The guidelines are reviewed periodically by Strategic Advisers and its affiliates and by the Independent Trustees of each fund, and, accordingly, are subject to change.)

### General Principles

- A. The funds in the trust generally intend to vote shares of underlying funds using echo voting procedures (that is, in the same proportion as the holders of all other shares of the particular underlying fund).
- B. Any proposals not covered by paragraph A above or other special circumstances will be evaluated based on a proposal's likelihood to enhance the long-term economic returns or profitability of the company or to maximize long-term shareholder value.

When a Fidelity fund managed by Strategic Advisers invests in an underlying fund in reliance on any one of Sections 12(d)(1)(E), (F) or (G) of the 1940 Act, as amended, an exemptive order, or to the extent disclosed in the fund's registration statement, Strategic Advisers will use pass-through voting or "echo voting" procedures. Strategic Advisers has placed responsibility for voting underlying fund shares of Fidelity funds it manages with FMR, an affiliated investment adviser.

For proposals not covered by the Guidelines or that involve other special circumstances, Strategic Advisers evaluates them based on a proposal's likelihood to enhance the long-term economic returns or profitability of the company or to maximize long-term shareholder value.

To view a fund's proxy voting record for the most recent 12-month period ended June 30, if applicable, visit [www.fidelity.com/proxyvotingresults](http://www.fidelity.com/proxyvotingresults) or visit the SEC's web site at [www.sec.gov](http://www.sec.gov).

### Conflicts of Interest

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

IPR, which is part of Strategic Advisers or its affiliates' Investment Operations 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. Fidelity employees, including IPR, are instructed to avoid situations that could present even the appearance of a conflict. In the event of a conflict of interest, IPR employees, like other Fidelity employees, are required to follow the escalation process included in Fidelity's corporate policy on conflicts of interest.

#### Multi-Manager and Fund-of-Funds

Each fund has delegated to each sub-adviser the authority to vote proxies relating to the portfolio securities of the sub-advised funds in accordance with the respective sub-adviser's proxy voting policies and procedures. Each sub-adviser certifies to Strategic Advisers that proxy votes cast on behalf of the relevant sub-advised funds were voted in accordance with the sub-adviser's proxy voting policies and procedures. Strategic Advisers votes proxies on behalf of the Board relating to the securities not managed by a sub-adviser in the multi-manager and fund-of-funds.

#### **FINANCIAL INFORMATION**

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

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

Strategic Advisers is not registered with any state securities authority.

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

Strategic Advisers LLC is a registered investment adviser and a Fidelity Investments company. **Discretionary services provided for a fee.**

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