Commentary | Fourth Quarter 2020

Quarterly Market Update

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Uneven Global Recovery Amid Rising Policy Uncertainty

Abundant provision of liquidity from central banks and sustained progress on economic reopening underpinned a continued rally in riskier asset prices. Many major economies, including the U.S., entered the early-cycle phase of recovery, but uneven progress suggests momentum may remain dependent on the path of COVID-19 and additional policy support. Elevated uncertainty implies the potential for higher market volatility.

	MACRO	ASSET MARKETS
Q3 2020	• Global economy displayed sequential albeit jagged improvement.	• Additional gains for riskier asset prices, accompanied by higher volatility.
OUTLOOK	• Most major economies have exited recession, but activity levels remain well below normal. • Manufacturing continues to rebound more quickly than services, which remain restrained by elevated virus cases in some regions. • China's recovery is ahead of the world's. • U.S. early-cycle progress is persistent but uneven. • The historic monetary policy response remains supportive, but fiscal drag is a risk. • U.S. election outcomes will shape the fiscal outlook for 2021.	• Policy decisions are likely to have an increasingly large influence on asset returns. • The potential for elevated market volatility is high due to uncertainty about the virus, the economic outlook, and the elections and policy. • Potential shifts in long-term trends, including the possibility of a more inflationary backdrop, also loom. • Portfolio diversification remains as important as ever.

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

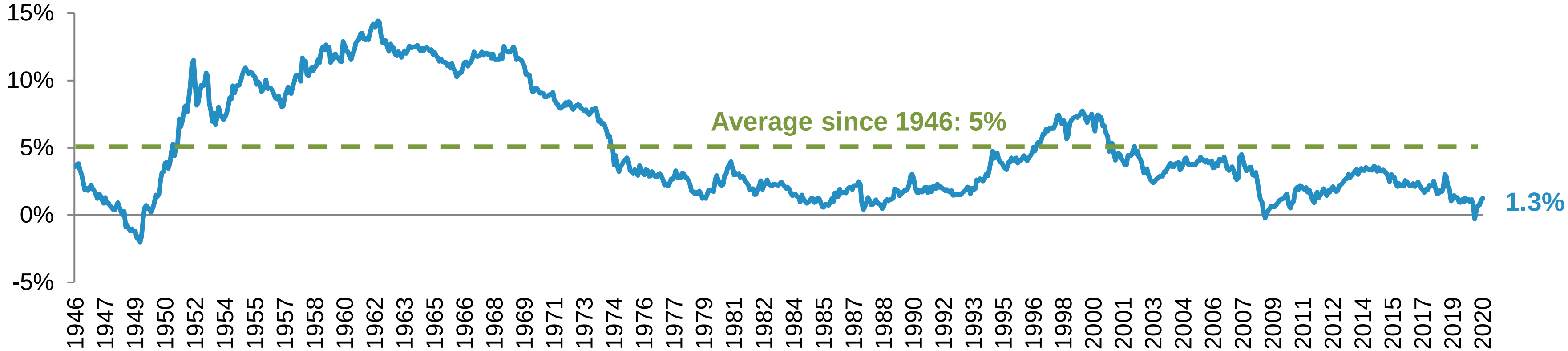
Riskier Assets Extended Their Rally

Global equities rebounded for the second quarter in a row, extending a broad-based recovery from steep Q1 declines. Commodities and riskier fixed income categories, including high-yield bonds, also posted solid returns amid extraordinary monetary support and continued economic progress. U.S. large cap stocks moved into positive territory for 2020, although gold and higher-quality bonds remain the leaders on a year-to-date basis.

	Q3 2020 (%)	YTD (%)		Q3 2020 (%)	YTD (%)
Non-U.S. Small Cap Stocks	10.3	-4.2	Non-U.S. Developed-Country Stocks	4.8	-7.1
Emerging-Market Stocks	9.6	-1.2	High Yield Bonds	4.7	-0.3
Commodities	9.1	-12.1	Emerging-Market Bonds	2.3	0.4
U.S. Large Cap Stocks	8.9	5.6	U.S. Corporate Bonds	1.5	6.4
U.S. Mid Cap Stocks	7.5	-2.3	Real Estate Stocks	1.4	-17.5
Gold	5.9	24.3	Long Government & Credit Bonds	1.2	14.2
U.S. Small Cap Stocks	4.9	-8.7	Investment-Grade Bonds	0.6	6.8

20-Year U.S. Stock Returns Minus IG Bond Returns since 1946

Annualized Return Difference (%)

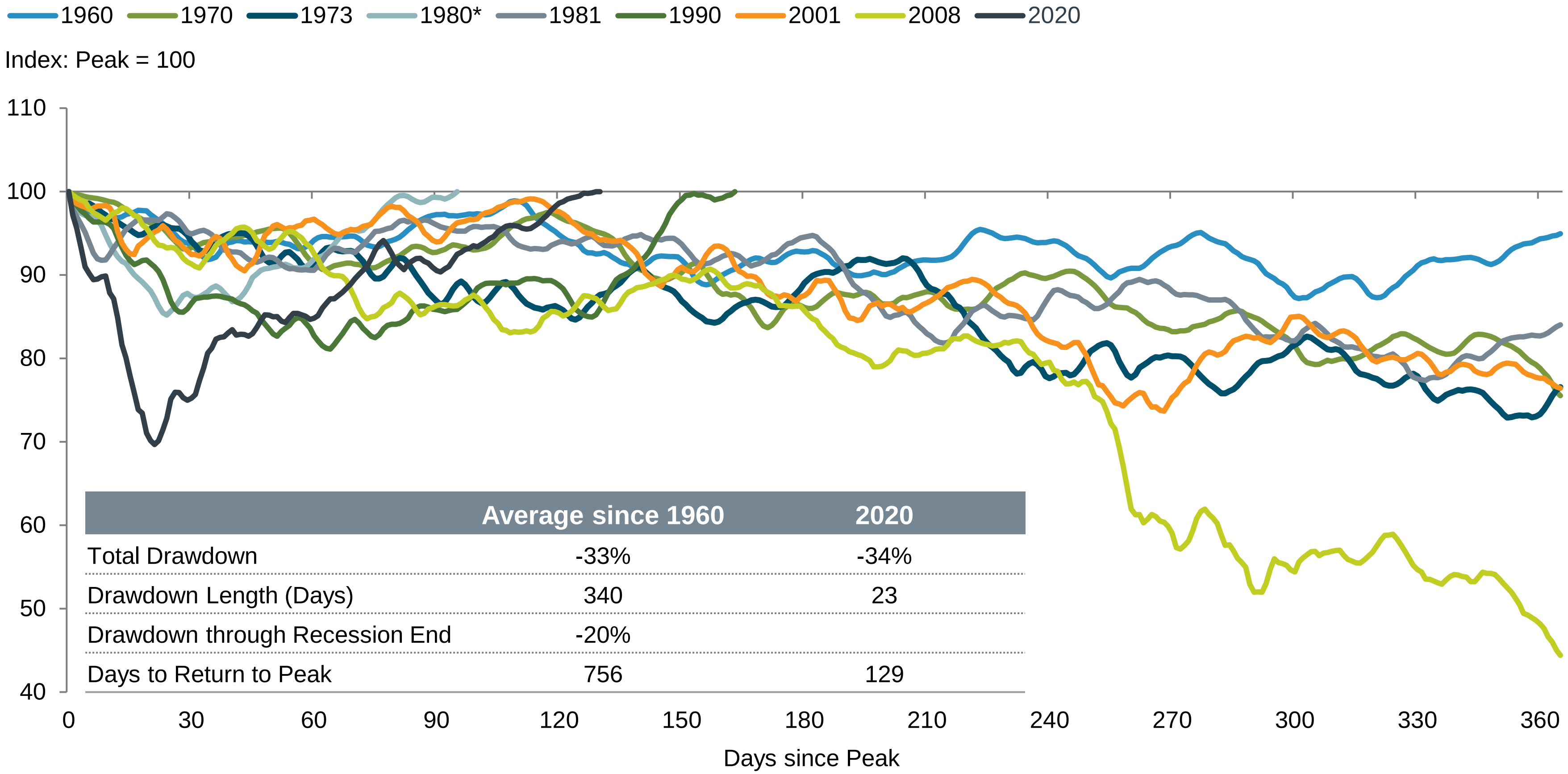


Past performance is no guarantee of future results. It is not possible to invest directly in an index. All indexes are unmanaged. See Appendix for important index information. Assets represented by: Commodities—Bloomberg Commodity Index; Emerging-Market Bonds—JP Morgan EMBI Global Index; Emerging-Market Stocks—MSCI EM Index; Gold—Gold Bullion, LBMA PM Fix; High-Yield Bonds—ICE BofA High Yield Bond Index; Investment-Grade Bonds—Bloomberg Barclays U.S. Aggregate Bond Index; Non-U.S. Developed-Country Stocks—MSCI EAFE Index; Non-U.S. Small Cap Stocks—MSCI EAFE Small Cap Index; Real Estate Stocks—FTSE NAREIT Equity Index; U.S. Corporate Bonds—Bloomberg Barclays U.S. Credit Index; U.S. Large Cap Stocks—S&P 500® index; U.S. Mid Cap Stocks—Russell Midcap® Index; U.S. Small Cap Stocks—Russell 2000® Index; Long Government & Credit Bonds—Bloomberg Barclays Long Government & Credit Index. Source: Bloomberg Finance L.P., Haver Analytics, Fidelity Investments Asset Allocation Research Team (AART), as of 9/30/20.

Fast-Moving Stock Prices: Too Much Too Soon?

U.S. stock prices have tended to peak before or during a recession, decline amid the recession, then bottom and stage a recovery sometime thereafter. Compared with other recessionary sell-offs in recent decades, 2020 marked the swiftest drop as well as the quickest, sharpest bounce-back to the prior peak. Stocks recovered so much ground in recession that they may have pulled forward gains typically earned during the early-cycle phase.

Stock Market Drawdowns during Recessions (1960–2020)



	Average since 1960	2020
Total Drawdown	-33%	-34%
Drawdown Length (Days)	340	23
Drawdown through Recession End	-20%	
Days to Return to Peak	756	129

* Since the 1973 peak is not regained until after the 1980 recession, the 1980 line starts at its near-term high on 2/20/1980. Index: S&P 500®. Lines represent a 5-day moving average, table uses daily values, and 1973 recession not included in average for return to peak.

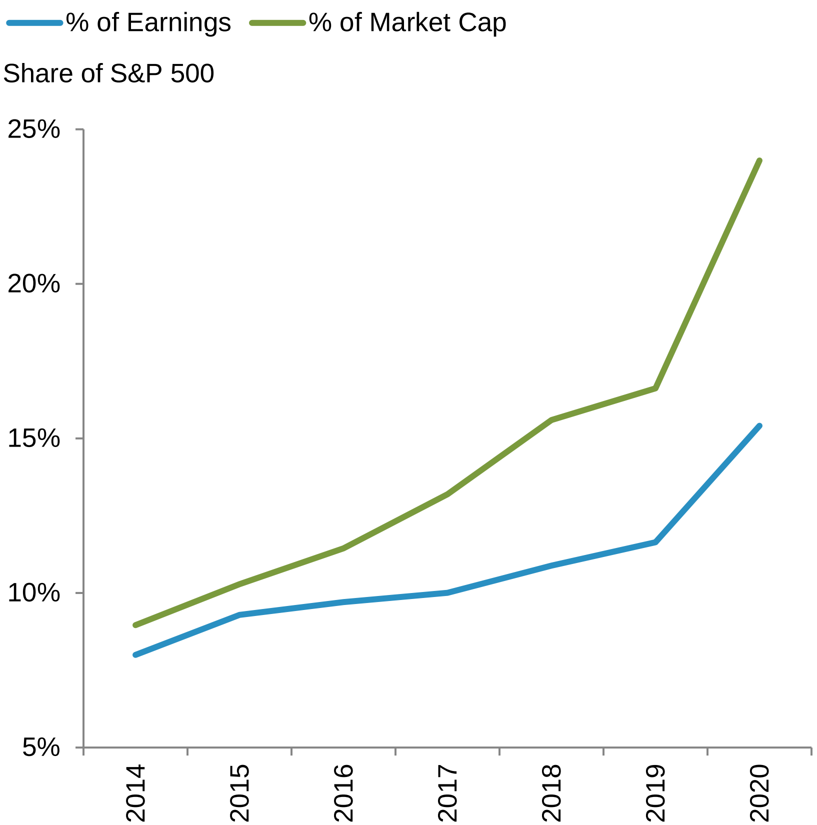
All indexes are unmanaged. You cannot invest directly in an index. **Past performance is no guarantee of future results**.

Source: Standard & Poor's, Bloomberg Finance L.P., Fidelity Investments (AART), as of 8/27/20.

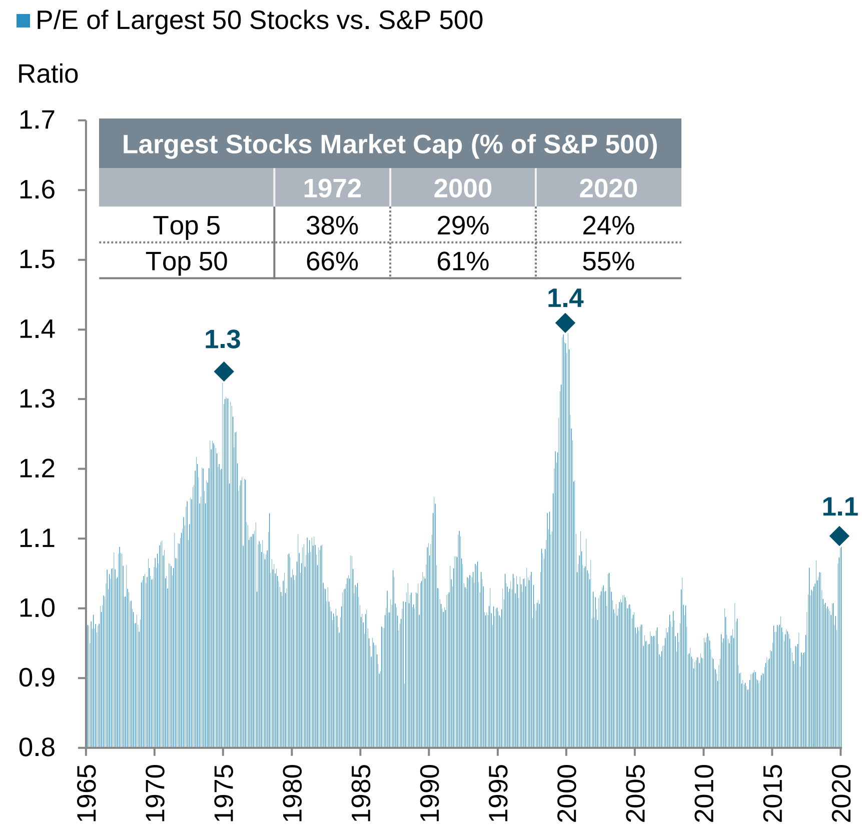
Highly Concentrated U.S. Stock Trends

Large cap growth stocks continued the narrow-breadth trend of the largest companies outperforming the rest of the market. The five biggest companies, all technology-oriented, boosted their share of overall profits during 2020, but their even stronger price gains imply they have become relatively more expensive. Mega cap stock valuations and weights remain less extreme than prior periods of high concentration in 2000 and in the 1970s.

FAAMG* Share of Market



Stock Market Valuation and Concentration



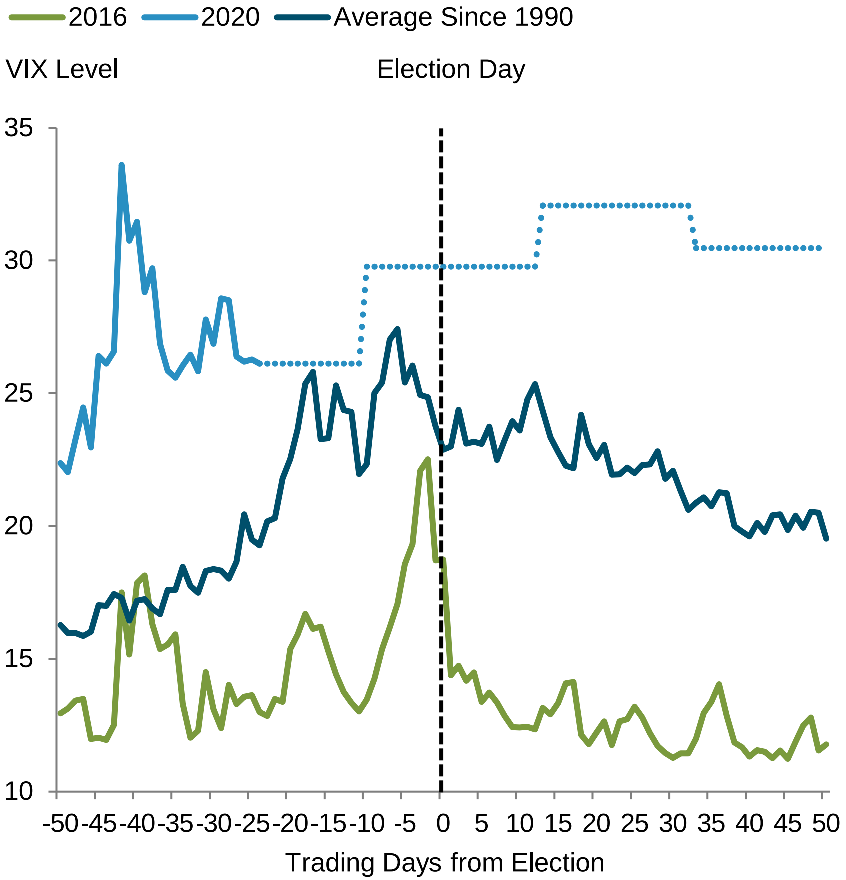
Largest Stocks Market Cap (% of S&P 500)			
	1972	2000	2020
Top 5	38%	29%	24%
Top 50	66%	61%	55%

LEFT: * FAAMG: Facebook, Apple, Amazon, Microsoft, Google (Alphabet A&C shares). Source: Bloomberg Financial, Fidelity Investments (AART), as of 9/30/20. **RIGHT:** Source: Bloomberg Financial LP, Factset, Haver Analytics, Fidelity Investments (AART), as of 9/30/20.

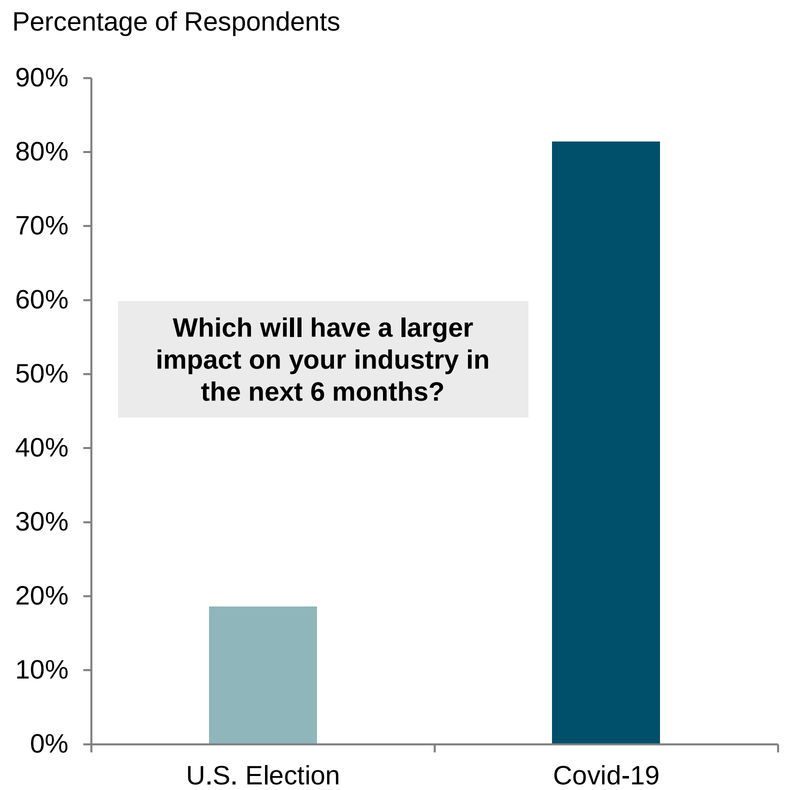
Election Volatility May Lie Ahead, but Other Things Matter

Historically, stock market volatility rises ahead of a U.S. presidential election and declines thereafter. Futures markets are pricing in higher volatility for the rest of 2020, as prolonged uncertainty is possible given slower vote counting and potential legal disputes. Fidelity's fundamental analysts, however, believe the trajectory of COVID-19 will have a greater impact on their companies over the next six months than will the election.

Equity Volatility Around Elections



Fidelity Company Analyst Survey



LEFT: VIX: Chicago Board Options Exchange Volatility Index®. Data for the 2020 line after 9/30/20 derives from VIX futures contracts until the next contract date; the rest of the 2020 line and all others show historical VIX levels. Source: Bloomberg Finance L.P., Fidelity Investments Asset Allocation Research Team (AART), as of 9/30/20. **RIGHT:** Source: Fidelity Investments Asset Allocation Research Team (AART), as of 9/30/20.

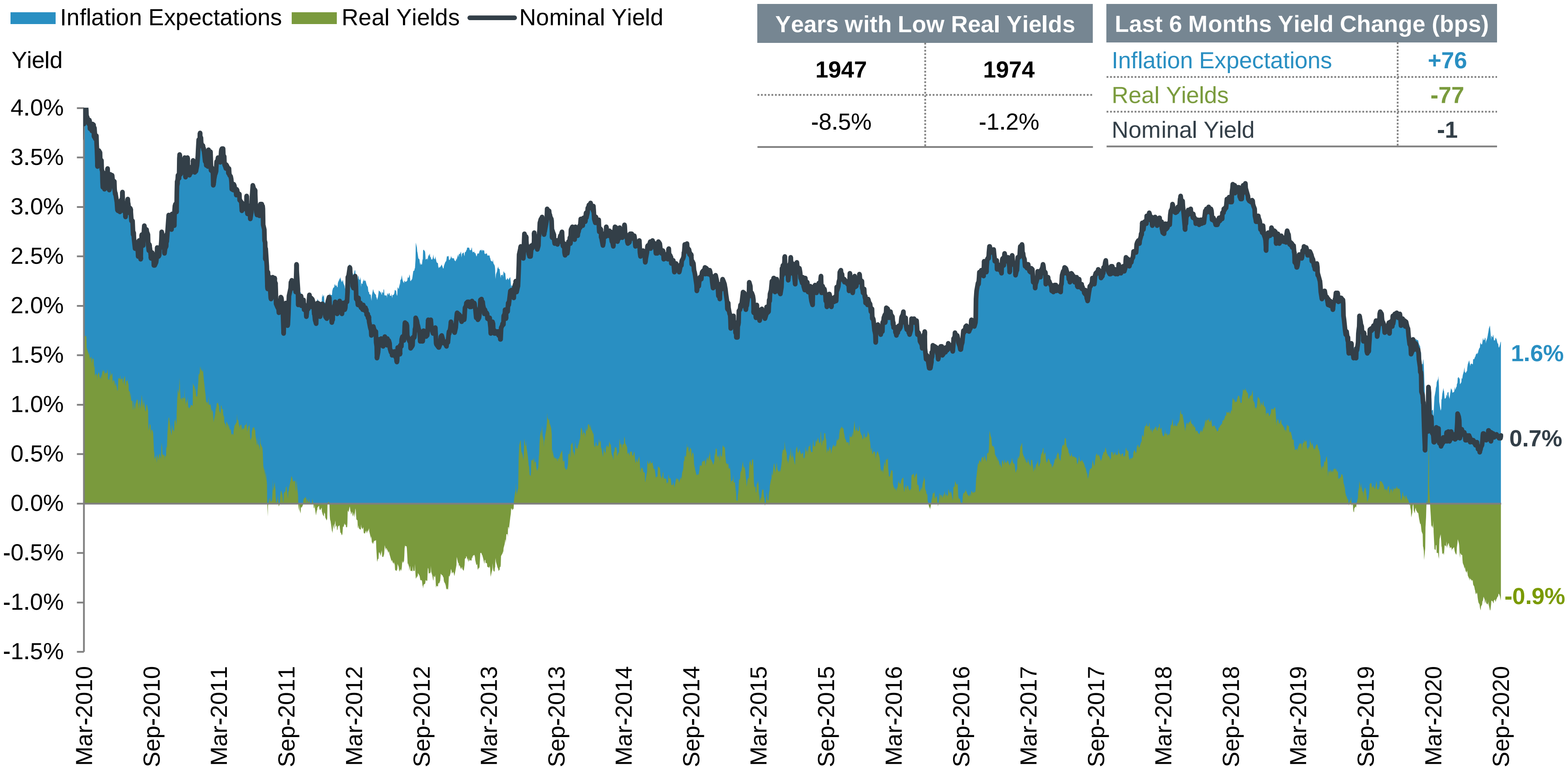
Real Yields Deeply Negative, Inflation Expectations Recover

U.S. 10-year Treasury yields remained near record lows, held stable by weak economic activity, quantitative easing, and a global low-yield environment. The real cost of borrowing fell deeper into the negative during Q3, due to a rise in inflation expectations from depressed levels. The most negative real yields in U.S. history occurred during periods of monetary accommodation and higher inflation in the late 1940s and the mid-1970s.

10-Year U.S. Government Bond Yields

Years with Low Real Yields	
1947	**1974**
-8.5%	-1.2%

Last 6 Months Yield Change (bps)	
Inflation Expectations	**+76**
Real Yields	**-77**
Nominal Yield	**-1**



 Source: Bloomberg Finance L.P., Fidelity Investments (AART), as of 9/30/20.

Global Business Cycle in the Recovery Phase

After a historically sharp and short-lived recession during the spring, most major economies are now in early-cycle recovery. China remains somewhat ahead of the rest of the world due largely to its faster reopening. In the United States and Europe, both consumer and business confidence continued to improve, although activity levels remain below normal, progress is uneven, and virus cases remain elevated.

Business Cycle Framework

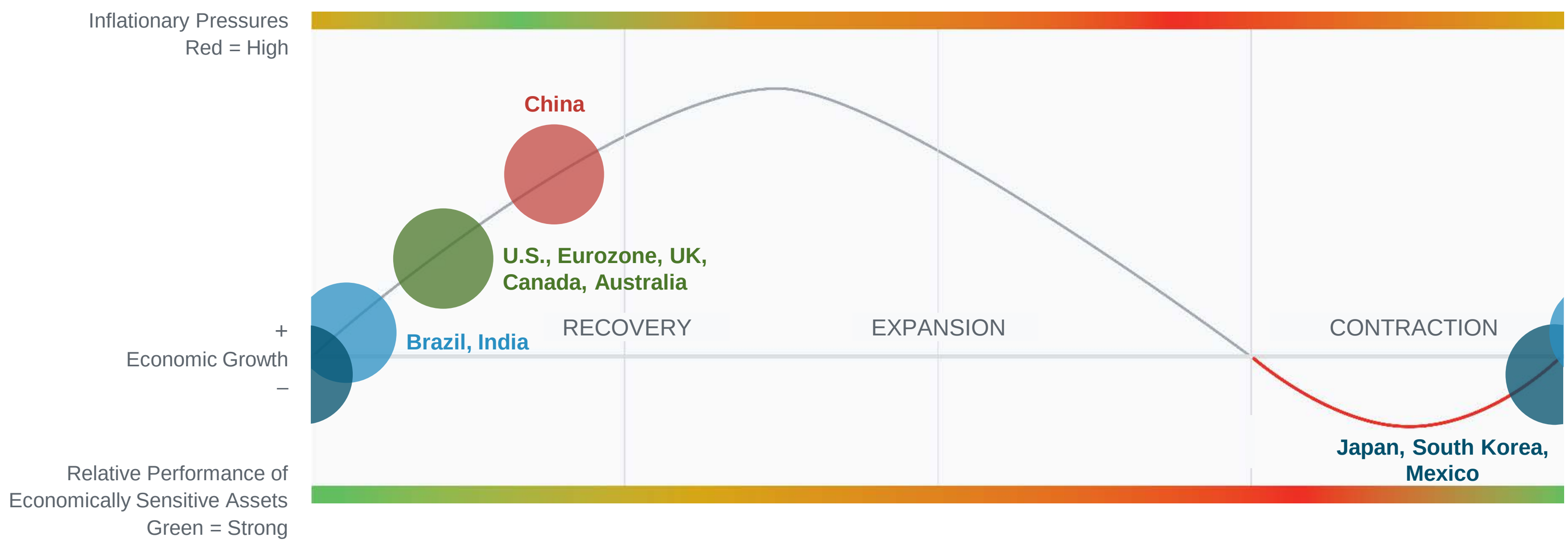
Cycle Phases

EARLY
- Activity rebounds (GDP, IP, employment, incomes)
- Credit begins to grow
- Profits grow rapidly
- Policy still stimulative
- Inventories low; sales improve

MID
- Growth peaking
- Credit growth strong
- Profit growth peaks
- Policy neutral
- Inventories, sales grow; equilibrium reached

LATE
- Growth moderating
- Credit tightens
- Earnings under pressure
- Policy contractionary
- Inventories grow, sales growth falls

RECESSION
- Falling activity
- Credit dries up
- Profits decline
- Policy eases
- Inventories, sales fall

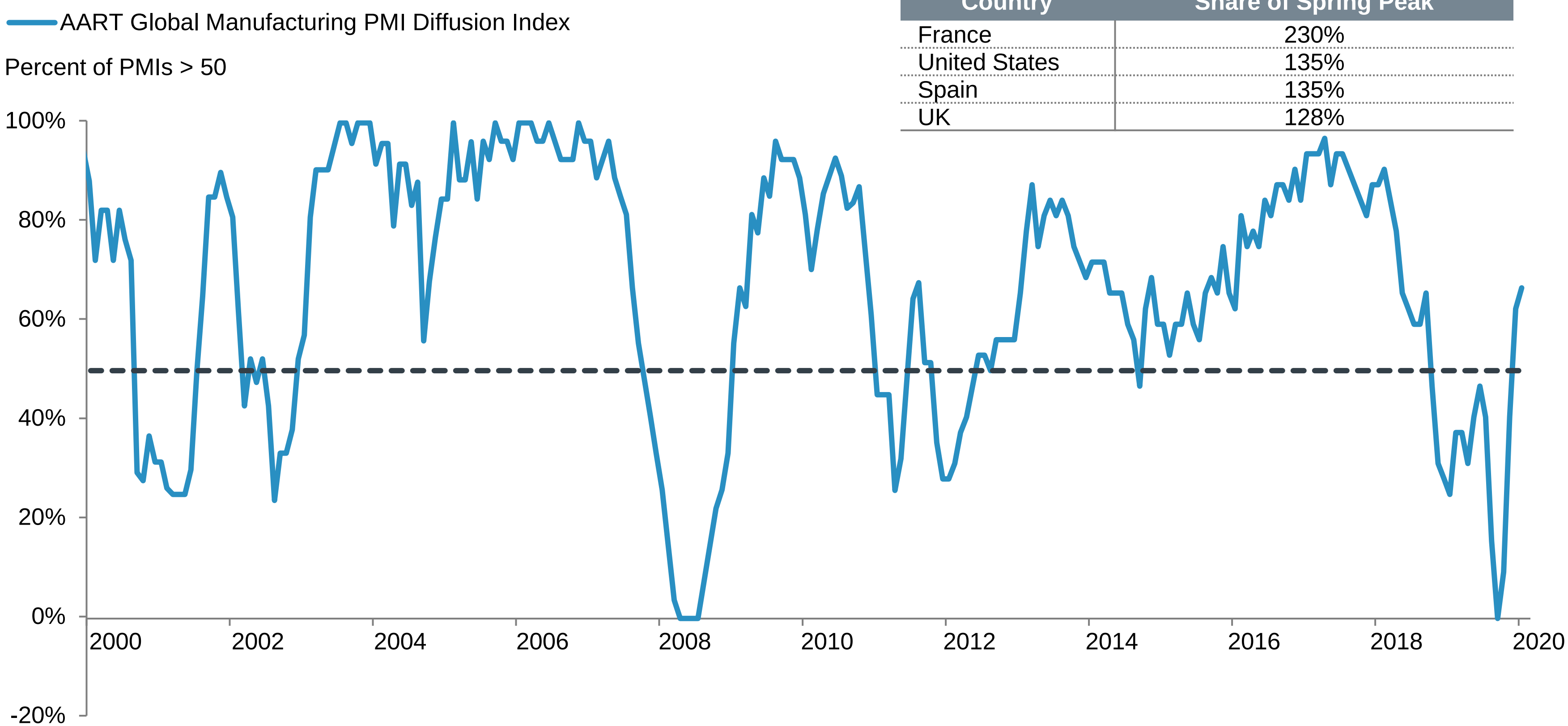


Note: The diagram above is a hypothetical illustration of the business cycle. There is not always a chronological, linear progression among the phases of the business cycle, and there have been cycles when the economy has skipped a phase or retraced an earlier one. Source: Fidelity Investments (AART), as of 9/30/20.

Synchronized Global Rebound in Manufacturing

Purchasing manager surveys point to a widespread, V-shaped rebound in global manufacturing. Atypically, services-industry activity has been slower to recover, due largely to the effects of the pandemic. The acceleration in newly reported COVID-19 cases in some regions, such as Europe, may further slow the recovery, but policymakers appear willing to provide support and unlikely to reimpose draconian lockdowns.

Global Manufacturing



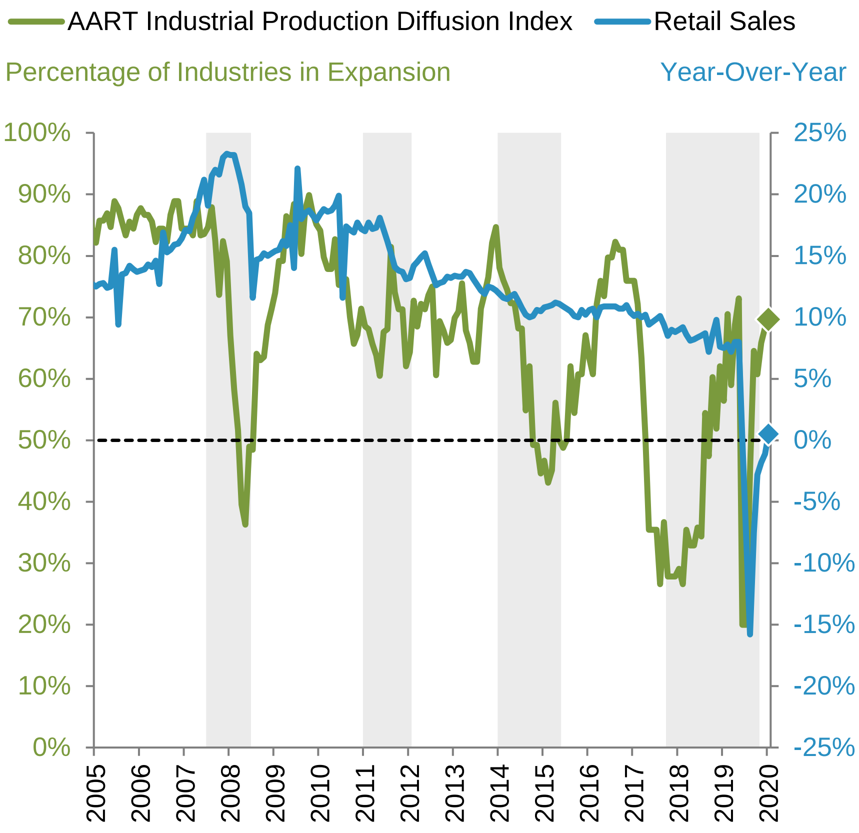
Country	New COVID-19 Cases as a Share of Spring Peak
France	230%
United States	135%
Spain	135%
UK	128%

CHART: PMI: Purchasing Managers Index. There are currently 32 total countries included in the diffusion index. Source: ISM, Markit, China National Bureau of Statistics, Haver Analytics, Fidelity Investments (AART), as of 8/31/20. **TABLE:** Seven day moving average of newly reported daily COVID-19 Cases. Spring peak is defined as the maximum number of cases reported in a single day before June 2020. Source: WHO, DXY, NHC, BNO, Bloomberg Finance, L.P., Fidelity Investments (AART), as of 9/30/20.

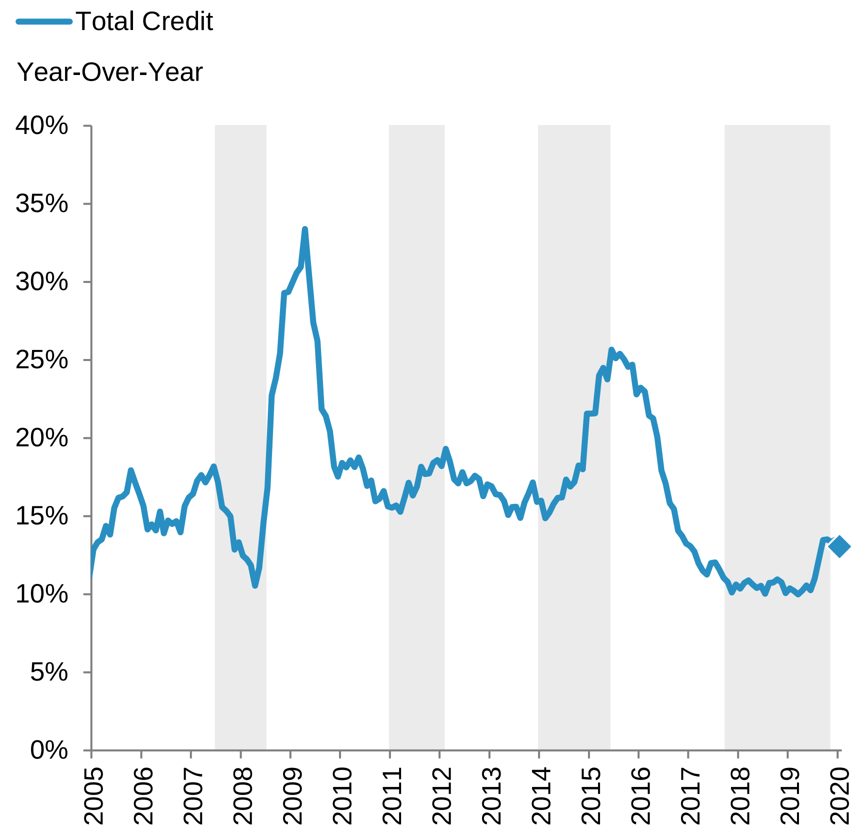
China's Recovery Ongoing but Consumption Still Lagging

Fiscal policy continues to support China's industrial-led recovery, whereas consumption growth is improving more slowly. Monetary policy has been shifting toward a more neutral stance and credit growth is no longer accelerating. China has managed an impressive recovery following the COVID-19 shock, but the pace of improvement may moderate as the recovery matures.

China Industrial Production and Retail Sales



China Credit Growth

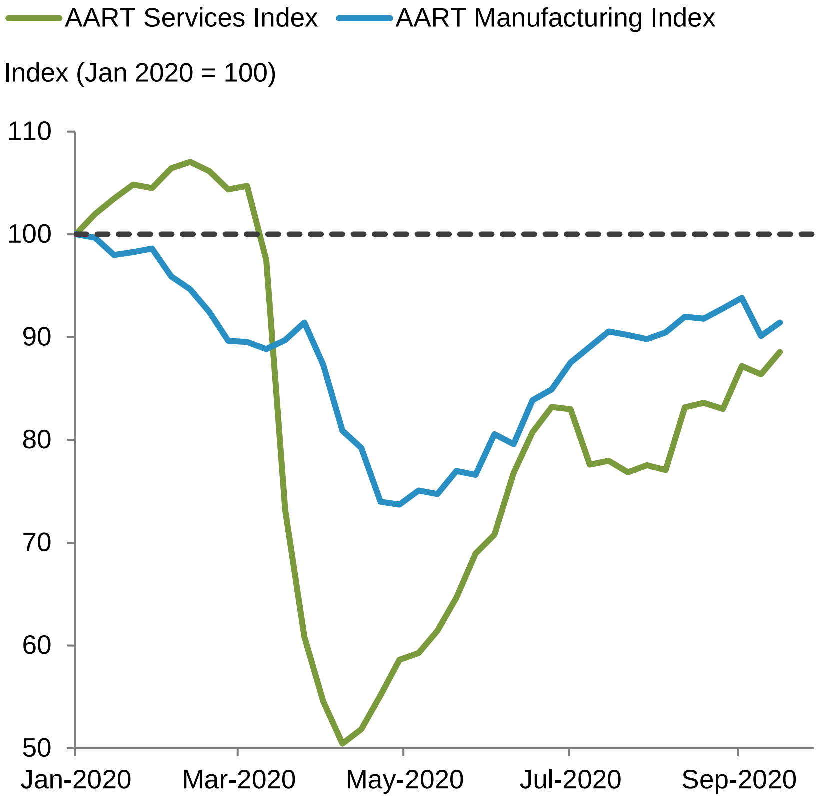


Grey bars represent China growth recessions as defined by AART. The end of the 2018 growth recession is an estimate and undergoing verification. **LEFT**: AART Industrial Production Diffusion Index is a proprietary index based on industrial production data. Source: People's Bank of China, Haver Analytics Fidelity Investments (AART), as of 8/31/20. Source: Markit, Haver Analytics, Fidelity Investments (AART). **RIGHT**: Source: China National Bureau of Statistics, Haver Analytics, Fidelity Investments (AART), as of 8/31/20.

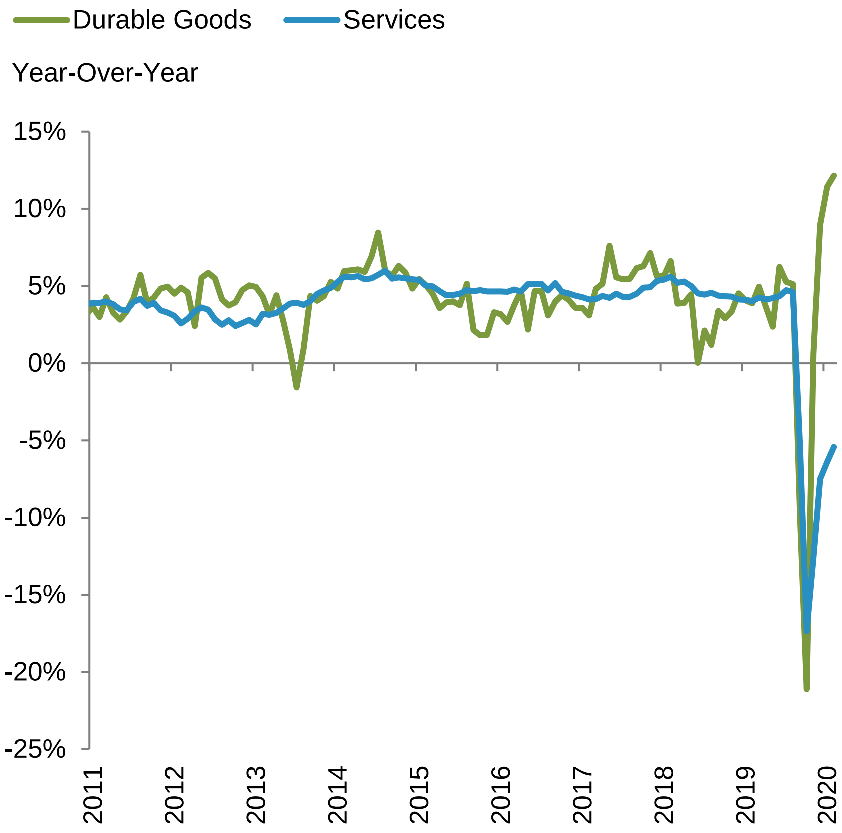
U.S. Consumer Durables Spending Provides Bright Spot

U.S. manufacturing activity dropped less and recovered more compared with services industries, boosted by a sharp rebound in durable goods consumption. The virus has driven a shift from consumer spending on travel and other services toward the purchase of goods, and the housing market has benefited from low interest rates and increased demand. Services-industry activity has improved but still faces reopening challenges.

U.S. High-Frequency Economic Indicators



U.S. Personal Consumption Expenditures

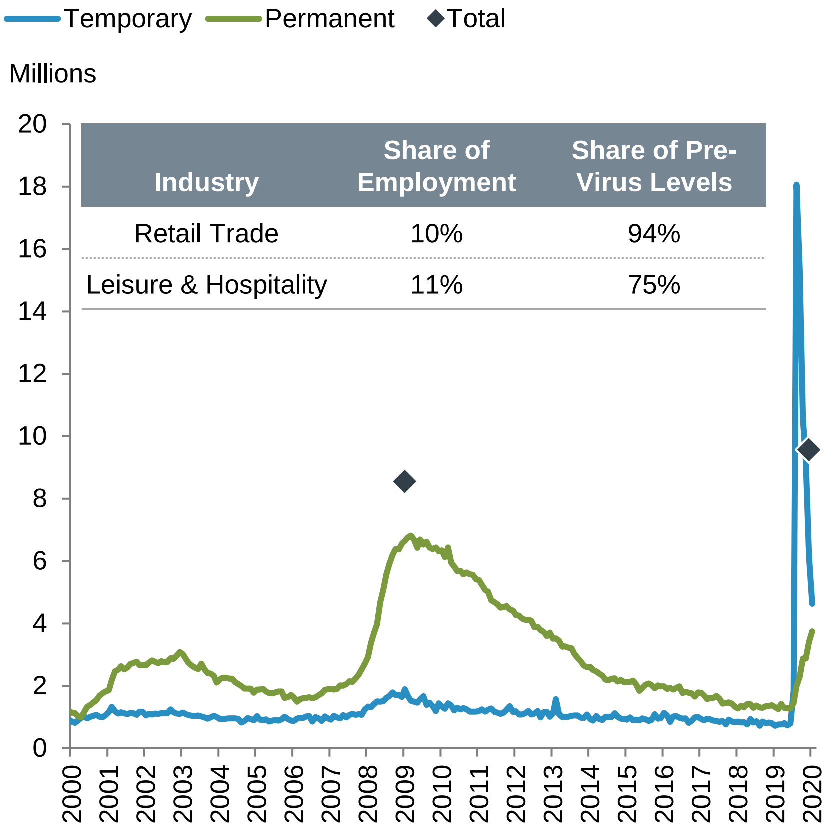


LEFT: AART Services Index and Manufacturing Index are proprietary indexes based on high-frequency data from multiple and variable sources. Source: Haver Analytics, Fidelity Investments (AART), as of 9/18/20. **RIGHT:** Source: National Bureau of Economic Analysis, Bloomberg Finance, L.P., Fidelity Investments (AART), as of 8/31/20.

Labor Markets, Small Businesses Digging Out of Big Hole

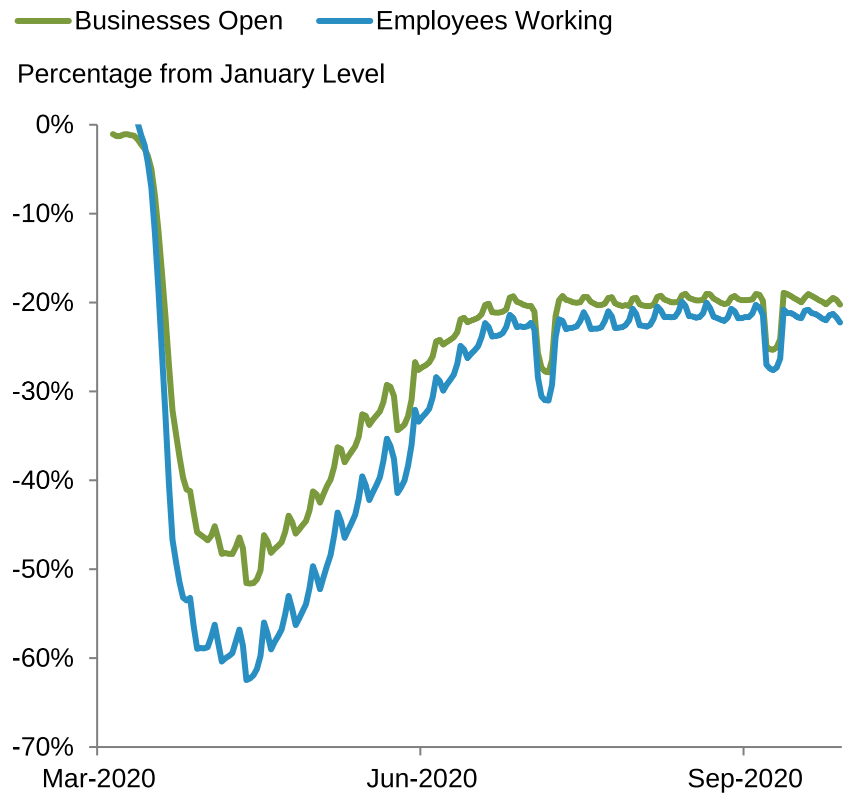
Employment conditions continued to improve as temporary job losses were regained, but permanent layoffs are on the rise and unemployment remains high overall. So long as the pandemic limits reopening, there may be a ceiling to job and activity gains for industries hit hardest by virus-related restrictions. The recovery in the number of small businesses and their employees has lost momentum and remains 20% below January levels.

U.S. Job Losses



Industry	Share of Employment	Share of Pre-Virus Levels
Retail Trade	10%	94%
Leisure & Hospitality	11%	75%

Small Business Activity

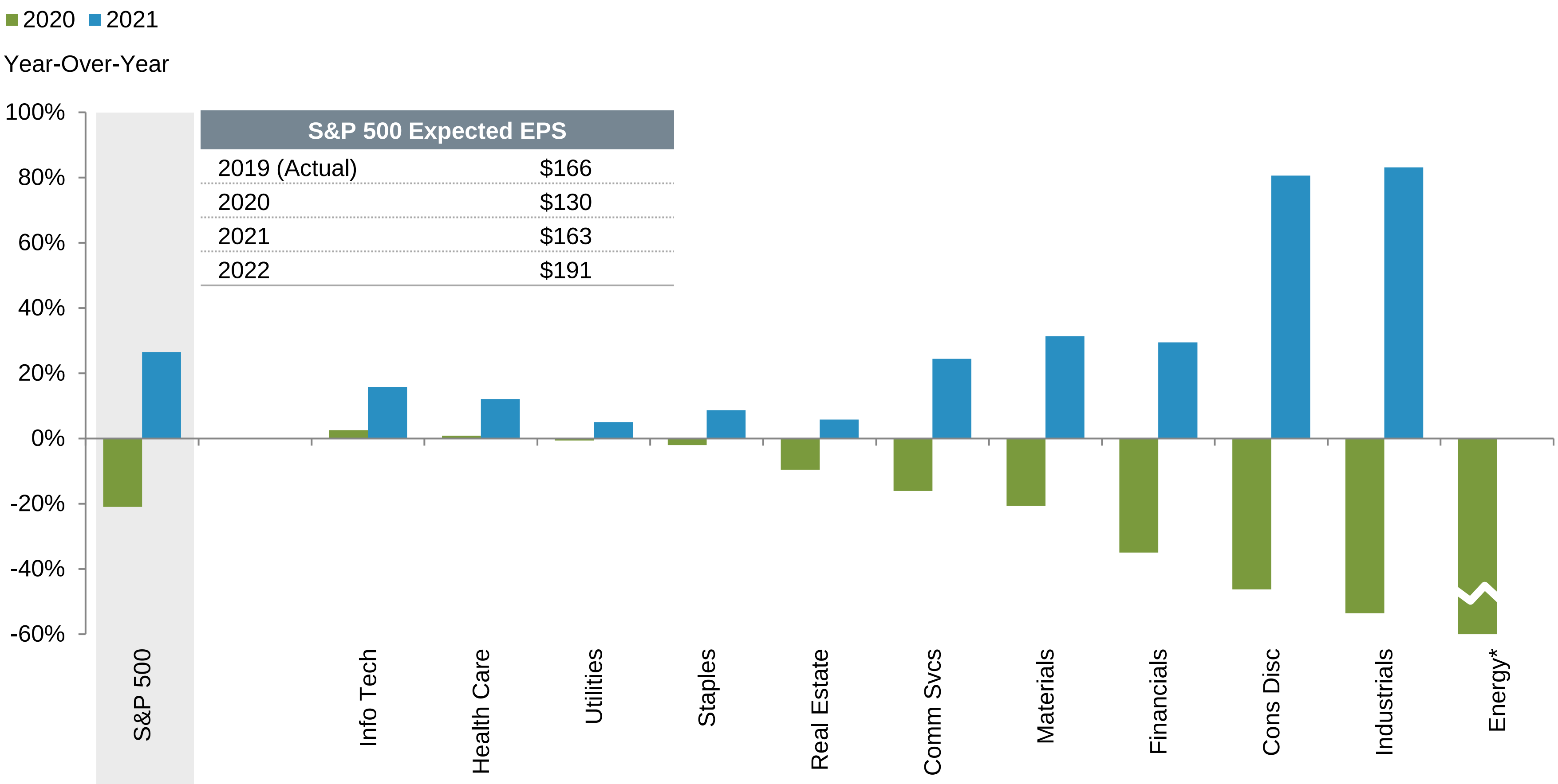


LEFT: BLS: U.S. Bureau of Labor Statistics. The BLS defines those on temporary layoff as: people who have been given a date to return to work or who expect to return to work within six months. Permanent job losers are people whose employment ended involuntarily. The share of employment is calculated as the share of industry-level payrolls as a share of December 2019 total private payrolls. Source: BLS, Haver Analytics, Fidelity Investments (AART), as of 9/30/20. **RIGHT:** Five-day moving average. The baseline is the average for that day of the week for the period 1/4/20–1/31/20. Source: Homebase, Fidelity Investments (AART), as of 9/28/20.

Market Expects a Sharp Earnings Recovery

After a steep decline in earnings, investors expect profits in some of the hardest-hit sectors to rebound sharply next year and for the overall market to reclaim its pre-pandemic earnings levels by the end of 2021. If earnings meet expectations, it would result in a significantly faster recovery versus past recessions. The tech sector has provided ballast to market profitability, maintaining positive earnings expectations for 2020.

Market Expectations for Earnings Growth by Sector



S&P 500 Expected EPS	
2019 (Actual)	$166
2020	$130
2021	$163
2022	$191

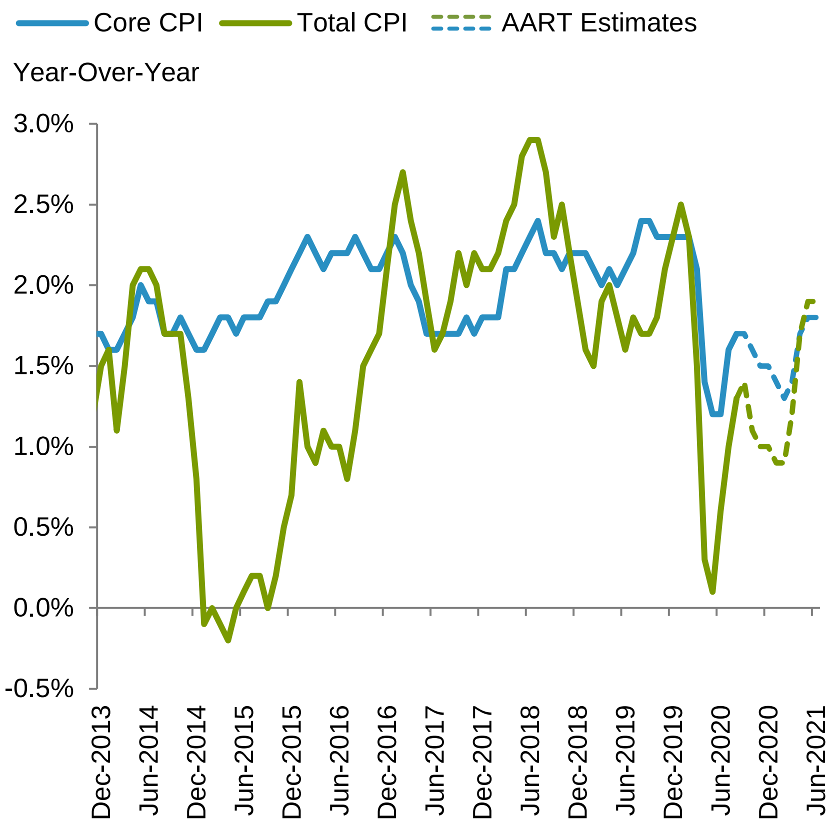
* Energy is expected to have negative earnings in 2020 which makes growth numbers non-numeric. EPS: Earnings per share.

 Past performance is no guarantee of future results. Source: Bloomberg Finance L.P., Fidelity Investments (AART), as of 9/25/20.

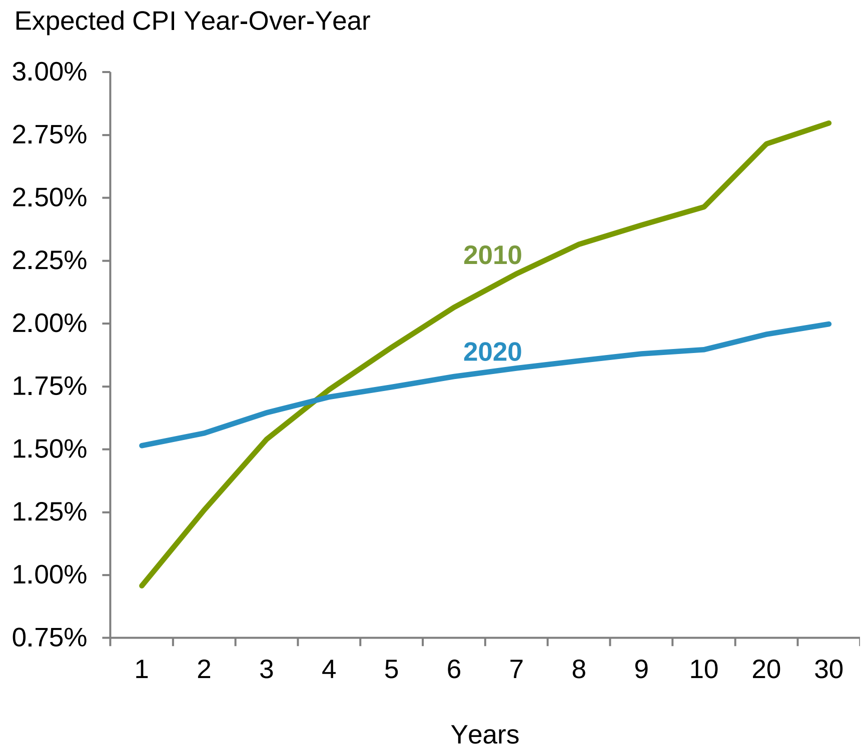
Inflation to Hold Steady in Near Term; Risks in Long Term

After falling sharply during the first half of 2020, consumer inflation bounced back in Q3. We expect inflation to remain range-bound amid an uneven recovery and significant labor-market slack. Over the long term, inflation risks may be higher than anticipated. Expected 30-year annualized CPI is less than 2%, a stark contrast from a decade ago when the market expected monetary accommodation to eventually lead to higher inflation.

U.S. Inflation



U.S. Inflation Expectations

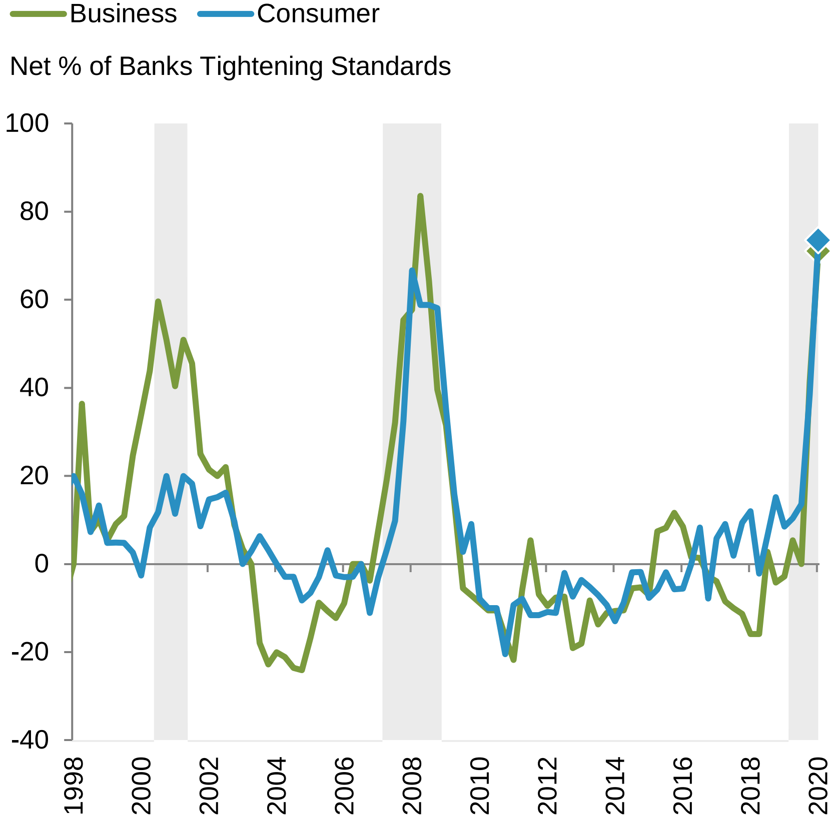


LEFT: CPI: Consumer Price Index. Core CPI excludes Food and Energy. Source: Bureau of Labor Statistics, Haver Analytics, Fidelity Investments (AART), as of 8/31/20. **RIGHT:** Inflation curves derived from Inflation swaps. Source: Bloomberg Financial, Fidelity Investments (AART), as of 9/30/20.

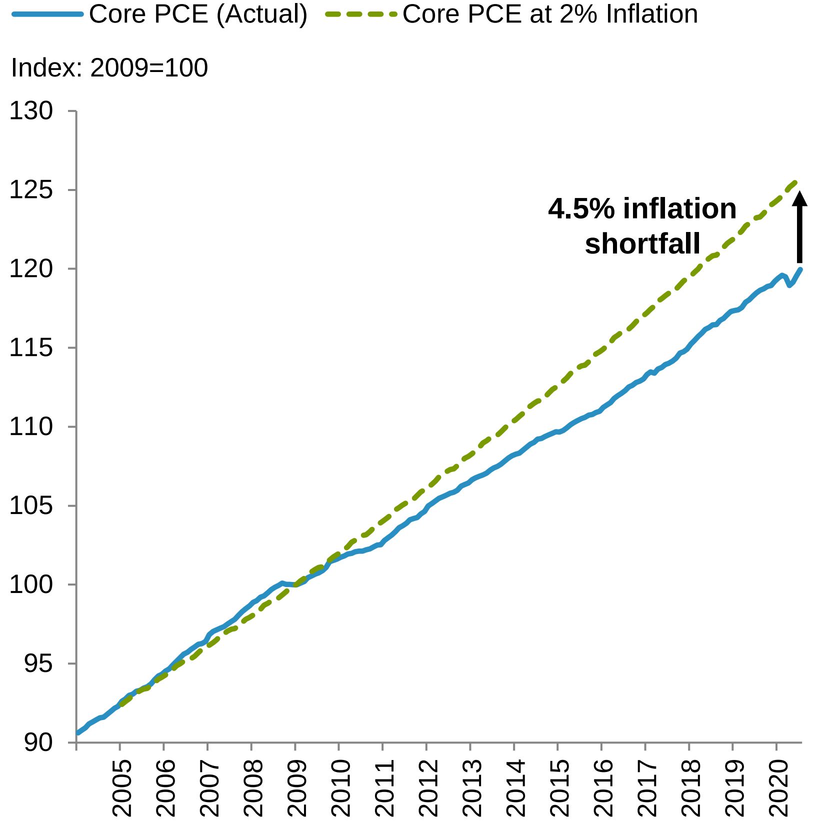
Expect Fed to Remain Easy, Though Policy Has Its Limits

Banks' lending standards tightened during Q3 despite the Federal Reserve's extremely accommodative policies, highlighting the limits of monetary stimulus on the real economy. The Fed amended its framework toward an average inflation targeting (AIT) approach, where higher inflation is tolerated to make up for past misses. AIT reinforces the notion that extraordinary accommodation will continue well into the recovery.

Bank Lending Standards



Average Inflation Targeting

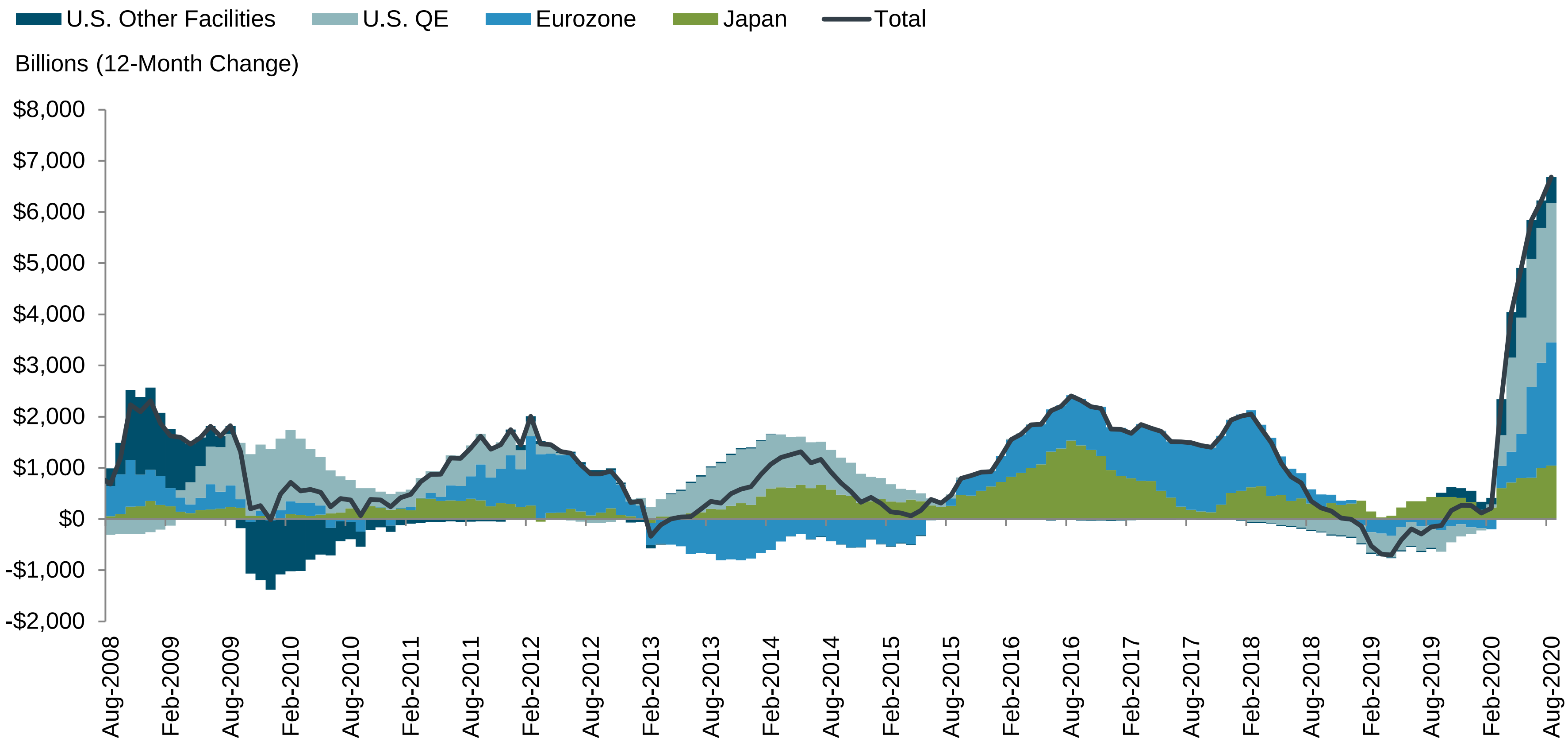


LEFT: Business includes commercial and industrial loans. Consumer represents credit card standards. Source: Bureau of Labor Statistics, Haver Analytics, Fidelity Investments (AART), as of 9/30/20. **RIGHT**: PCE: Personal Consumption Expenditures Price Index. Source: Bureau of Labor Statistics, Haver Analytics, Fidelity Investments (AART), as of 8/31/20.

Liquidity Injections Exceed Prior Episodes of Easing

Since March, global central banks have injected more than $6 trillion of liquidity into financial markets. Most of the easing came in the form of QE, helping support asset prices. The Fed's creation of extraordinary facilities such as the Main Street Lending Program and Corporate Credit Facility restored calm in the financial markets, but the total use of these facilities has been less than $100 billion, with limited impact on the real economy.

Central Bank Balance Sheets

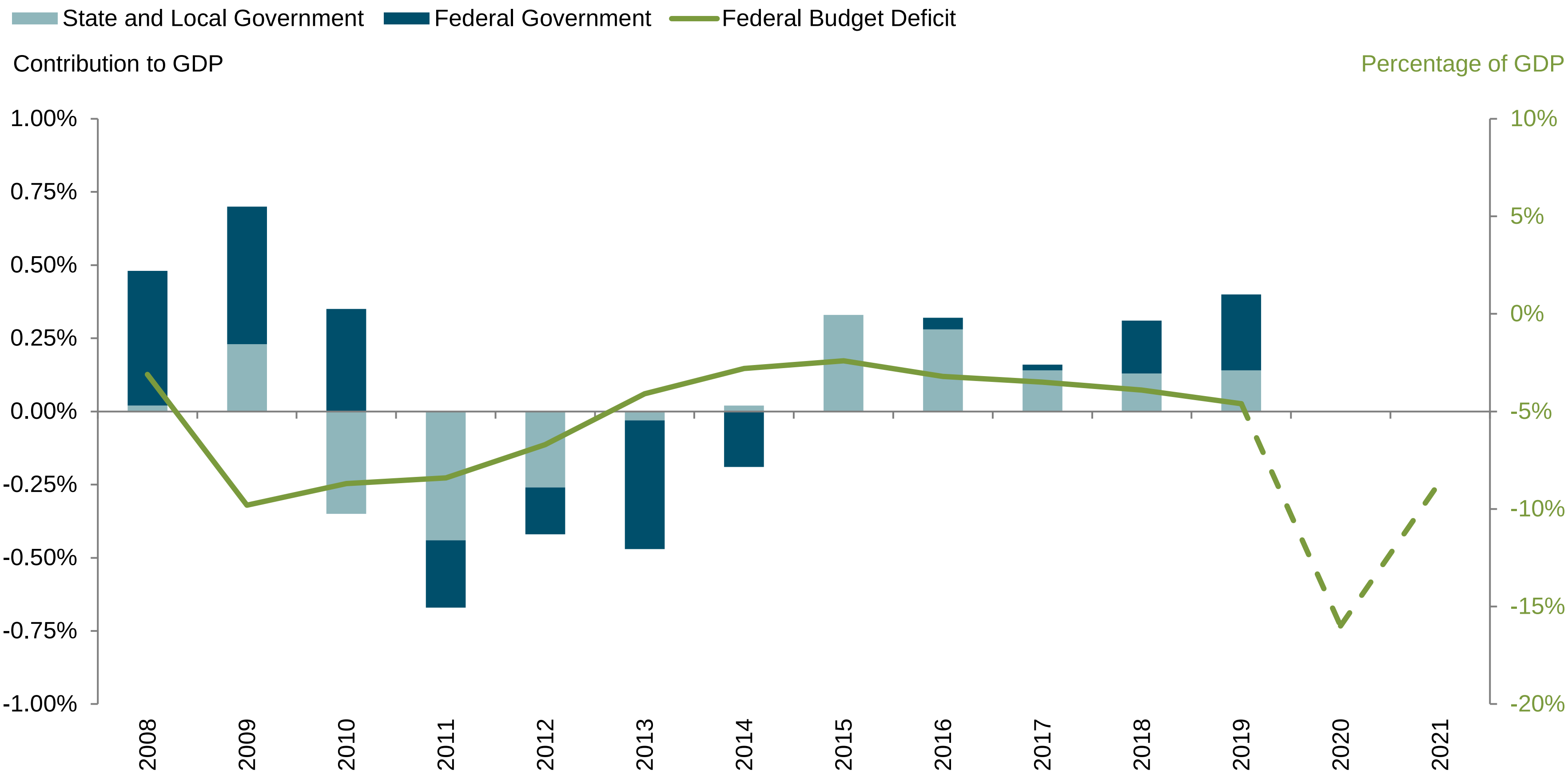


QE: Quantitative Easing. Source: Federal Reserve, Bank of Japan, European Central Bank, Haver Analytics, Fidelity Investments (AART), as of 8/31/20.

U.S. Elections: Fiscal Drag May Be a Risk in 2021

The $3 trillion of fiscal stimulus in the first half of 2020 provided crucial support to the economy. With the 2020 fiscal deficit at roughly 16% of GDP, a divided-government election result may lead to an uncertain outlook for 2021 fiscal policy. Amid severe budget shortfalls among state and local governments, ongoing federal support may be needed to avoid a significant fiscal drag on the economy similar to the post-GFC expansion.

U.S. Federal Fiscal Deficit and Government Impact on GDP

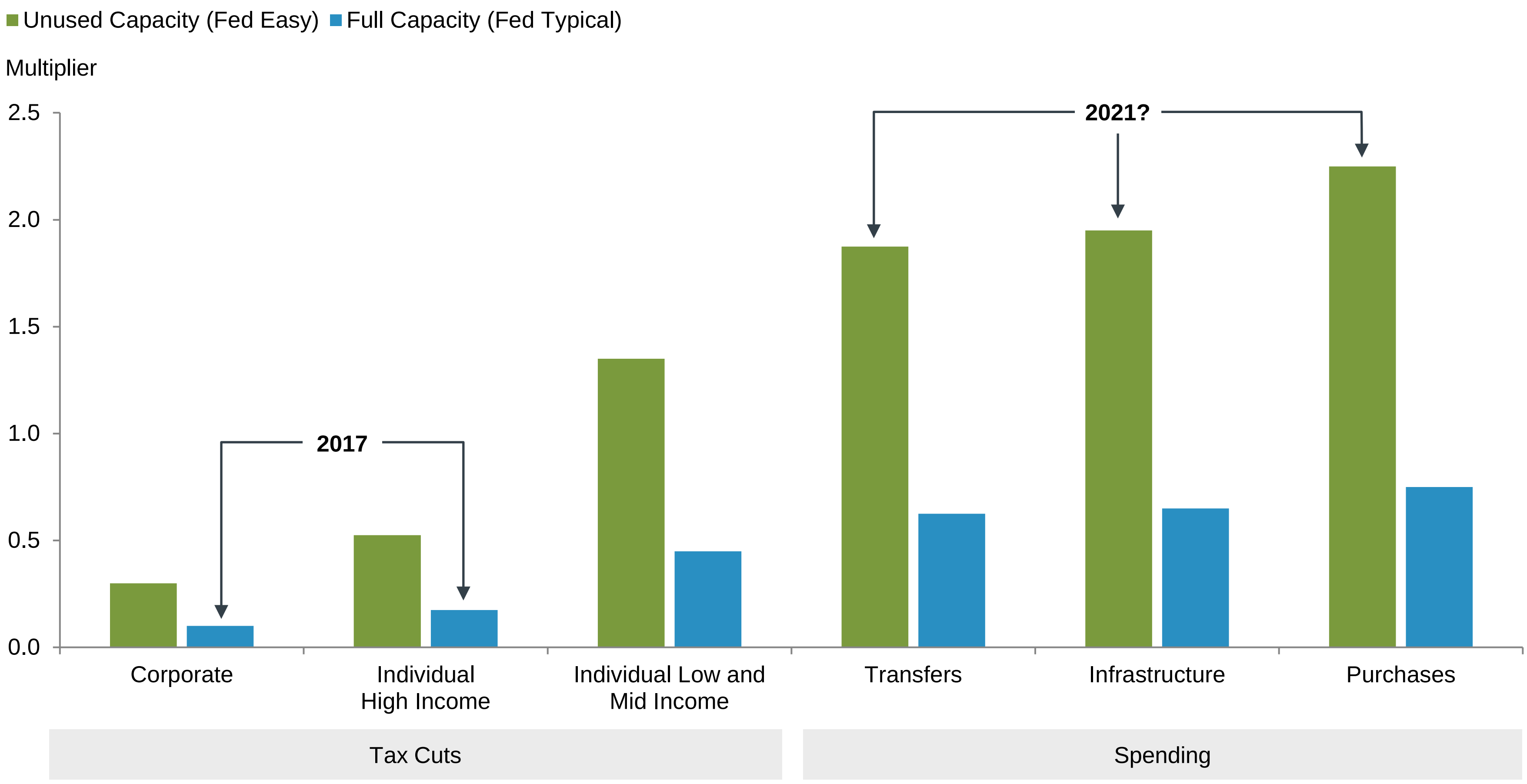


GFC: The great financial crisis of 2007–2008. GDP: Gross domestic product. Source: Congressional Budge Office (CBO), Bureau of Economic Analysis, Haver Analytics, Fidelity Investments (AART); as of 9/30/20. 2020 and 2021 Budget Deficits are CBO projections.

Elections: High-Multiplier Spending Possible in 2021

If the Democrats sweep the White House and both houses of Congress, presumably they would be more inclined to raise government spending in 2021. Fiscal multipliers, which estimate how much economic activity is generated by fiscal easing, tend to be stronger when associated with spending, a weak economy, and easy monetary policy. Such policies may include higher corporate taxes and prove more inflationary.

Fiscal Multipliers by Policy Category and Economic Conditions



 Source: Federal Reserve, Bank of Japan, European Central Bank, Haver Analytics, Fidelity Investments (ARAT), as of 8/31/20.

Outlook: Market Assessment

Fidelity's Business Cycle Board, composed of portfolio managers responsible for a variety of global asset allocation strategies, believes that the U.S. economy is in the process of emerging from a brief but sharp recession. Board members hold a wide range of views, but they emphasize the need for a disciplined investment strategy and see opportunities in various asset classes.

Business Cycle

U.S. continues to recover from recession

COVID shock continues to exert significant uncertainty on the global economic recovery

Risks

Policy actions are playing a larger role in driving financial market performance than in past cycles

The timing and amount of continuing fiscal support is unclear

Asset Allocation Implications

Emphasize focus on diversified and disciplined investment strategies

Federal Reserve's shifting policy framework may impact inter-asset class correlations

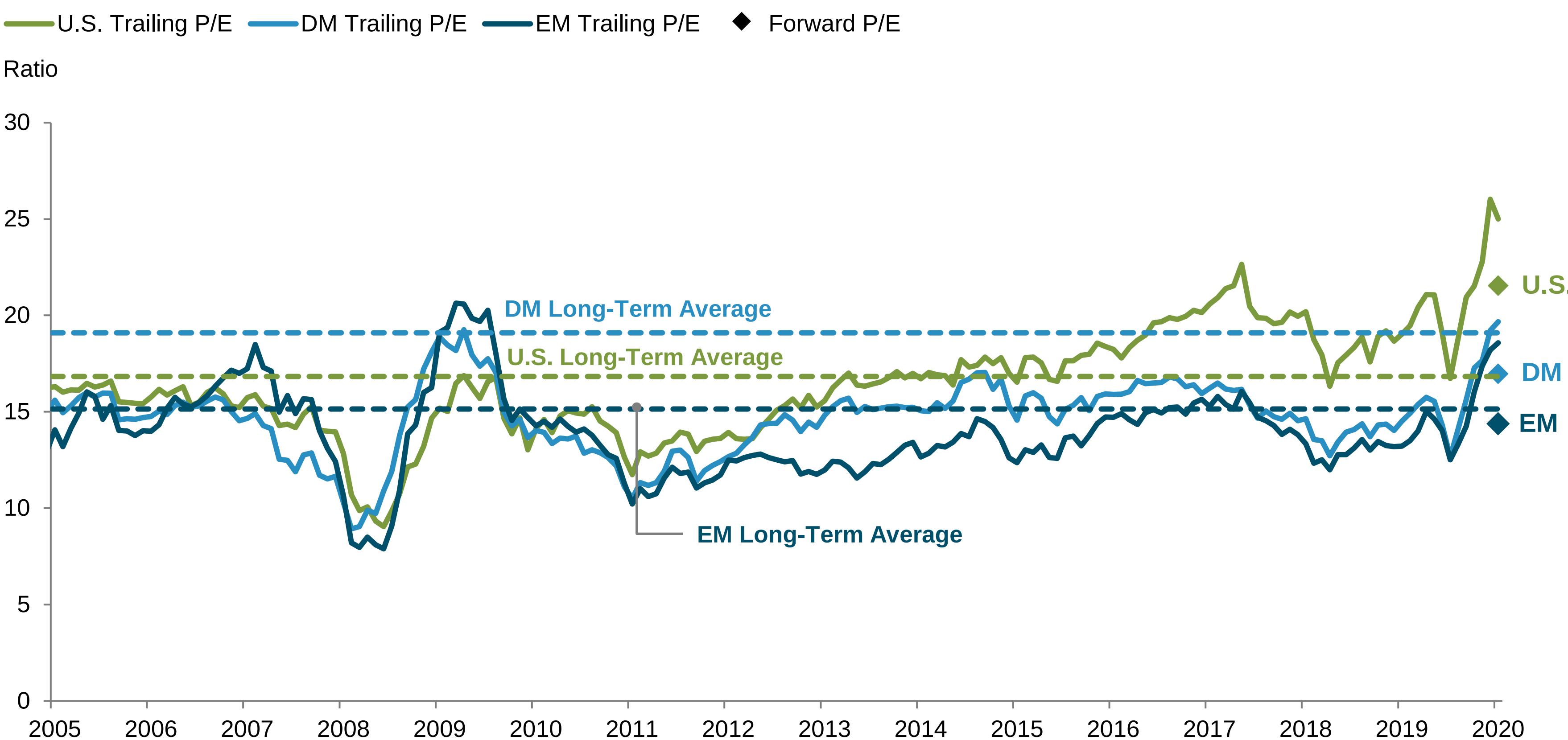
Opportunities include non-U.S. assets, U.S. small cap and value equities, TIPS, gold, and high-yield bonds

 For illustrative purposes only. Diversification does not ensure a profit or guarantee against a loss. Source: Fidelity Investments (AART), as of 9/30/20.

Equity Valuations Reach Decade Highs

The rally in stock prices and decline in earnings drove global equity valuations to decade highs. The rise in price-to-earnings (P/E) ratios was broad-based across regions, with all categories finishing the quarter above their long-term historical averages. U.S. forward P/E ratios remain elevated, but developed-market and emerging-market equity forward valuations have fallen below their long-term averages.

Global Stock Market P/E Ratios



DM: Non-U.S. Developed Markets. EM: Emerging Markets. Past performance is no guarantee of future results. It is not possible to invest directly in an index. All indexes are unmanaged. See Appendix for important index information. Price-to-earnings ratio (P/E): stock price divided by earnings per share. Also known as the multiple, P/E gives investors an idea of how much they are paying for a company's earnings power. Long-term average P/E for Emerging Markets includes data for 1988–2017; for Non-U.S. Developed Markets, 1973–2016; for the United States, 1926–2017. Indexes: DM—MSCI EAFE Index; EM—MSCI EM Index; United States—S&P 500. Source: Bloomberg Finance L.P., Fidelity Investments (AART), as of 9/30/20.

Business-Cycle Approach to Equity Sectors

A disciplined business-cycle approach to sector allocation seeks to generate active returns by favoring industries that may benefit from cyclical trends. Economically sensitive sectors historically have performed better in the early- and mid-cycle phases of an economic expansion. Meanwhile, companies in defensive sectors with relatively more stable earnings growth have tended to outperform in weaker environments.

Business-Cycle Approach to Sectors

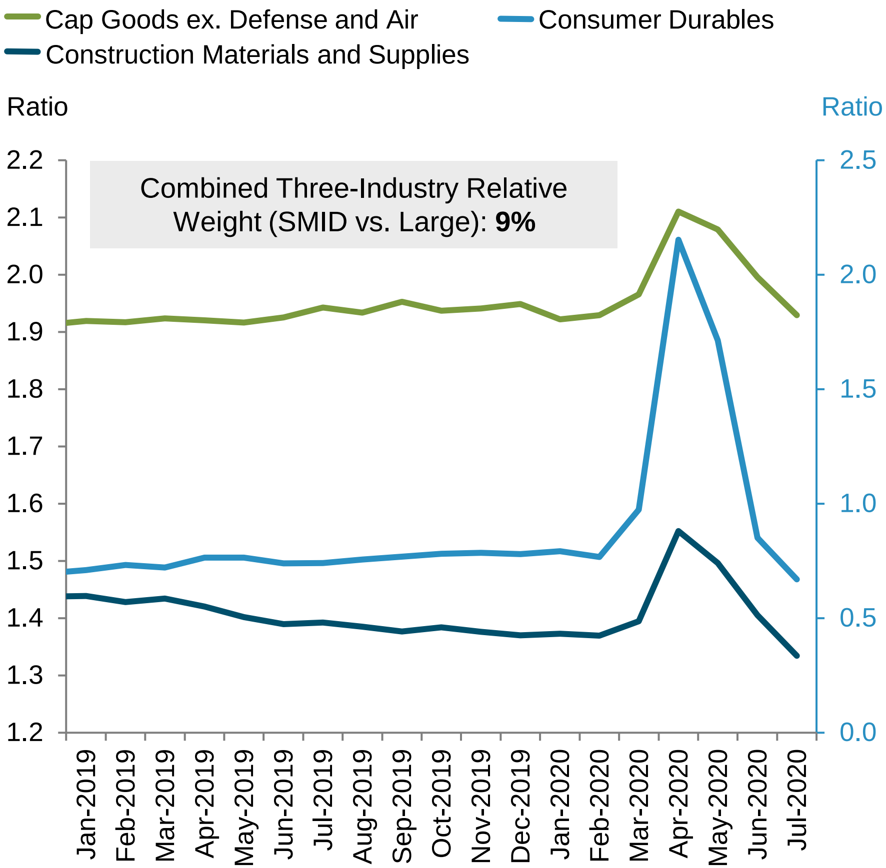
Sector	EARLY CYCLE Rebounds	MID CYCLE Peaks	LATE CYCLE Moderates	RECESSION Contracts
Financials	+			
Real Estate	++			--
Consumer Discretionary	++	-	--	
Information Technology	+	+	--	--
Industrials	++			--
Materials	+	--	+	
Consumer Staples			++	++
Health Care	--		++	++
Energy	--		++	
Communication Services		+		-
Utilities	--	-	+	++
	Economically sensitive sectors may tend to outperform, while more defensive sectors have tended to underperform.	Making marginal portfolio allocation changes to manage drawdown risk with sectors may enhance risk-adjusted returns during this cycle.	Defensive and inflation-resistant sectors tend to perform better, while more cyclical sectors underperform.	Since performance is generally negative in recessions, investors should focus on the most defensive, historically stable sectors.

Past performance is no guarantee of future results. Sectors as defined by GICS. White line is a theoretical representation of the business cycle as it moves through early, mid, late, and recession phases. Green and red shaded portions above respectively represent over- or underperformance relative to the broader market; unshaded (white) portions suggest no clear pattern of over- or underperformance. Double +/– signs indicate that the sector is showing a consistent signal across all three metrics: full-phase average performance, median monthly difference, and cycle hit rate. A single +/– indicates a mixed or less consistent signal. Return data from 1962 to 2020. Source: Fidelity Investments (AART), as of 9/30/20.

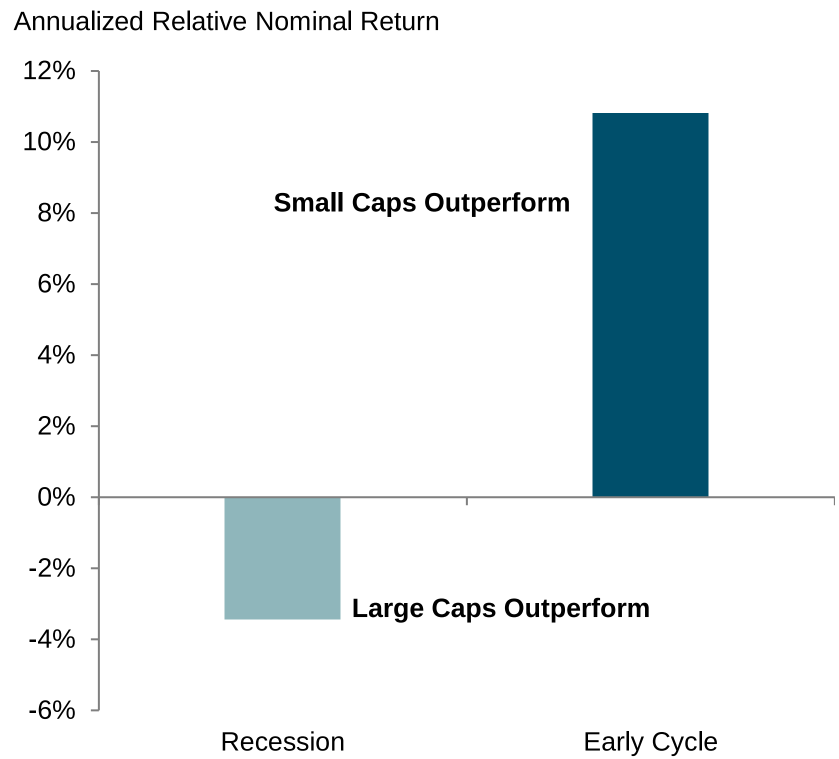
Small Caps Supported by Early-Cycle Trends

Capital goods, construction materials, and consumer durables have enjoyed strong recoveries, allowing them to work down their inventory-to-shipment ratios back to pre-recession levels. These industry groups have a greater representation among small and mid cap stocks compared with large caps. Historically, small cap equity prices have dropped more during recession but outperformed large caps during the early-cycle phase.

U.S. Durable Goods Inventory To Shipment



Small vs. Large Cap Cycle Returns (1950–2019)

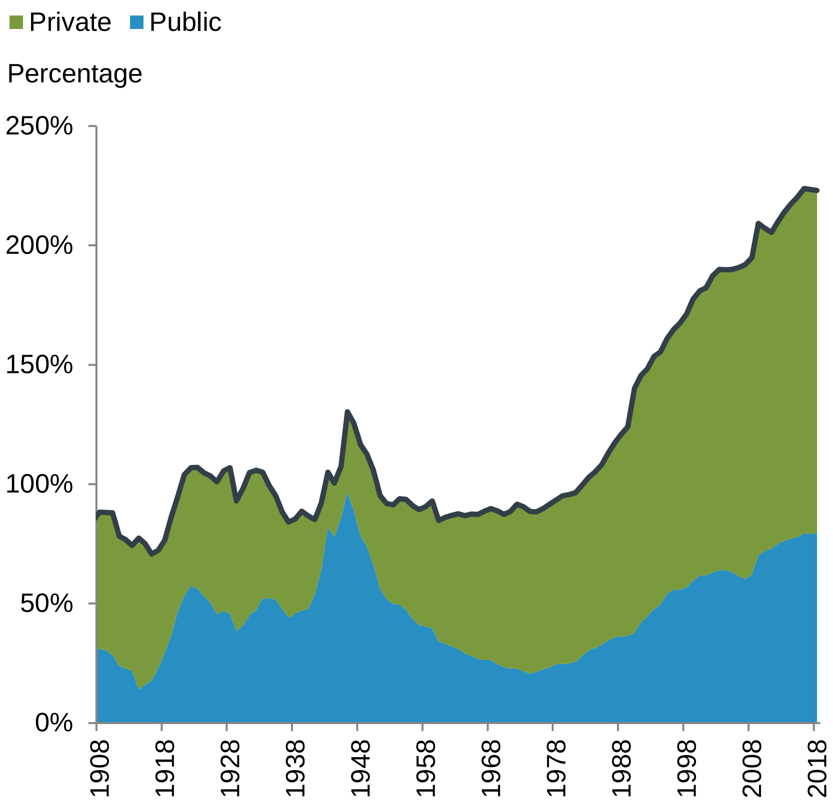


LEFT: SMID: Fidelity Small-Mid Factor ETF, Large: Russell 1000. Source: Census Bureau, Haver Analytics, Fidelity Investments Asset Allocation Research Team (AART), as of 9/30/20. **RIGHT:** Past performance is no guarantee of future results. You cannot invest directly in an index. Asset class total returns are represented by indexes from the following sources: Fidelity Investments, Ibbotson Associates, MSCI, Barclays, and Russell. Source: Fidelity Investments proprietary analysis of historical asset classes of 9/30/20.

Rising Debt: Will Policy Response Be Inflationary?

The dramatic worldwide rise in public and private debt in recent decades is a reflection of monetary and fiscal policymakers' proclivity to use low interest rates and government support in an attempt to boost growth rates. While technology and other factors have kept inflation in check, we believe greater policy experimentation and "peak globalization" trends will eventually cause long-term inflation to rise faster than expected.

Global Debt as a Share of GDP



Possible Secular Impact on Inflation

Secular Factors	Possible Developments	Risks to Inflation
Policy	Fed targets higher inflation	↑
	More stimulative fiscal policy	↑
Aging Demographics	Elderly people:	
	• Spend less (reducing demand)	↓
	• Work less (reducing supply)	↑
Peak Globalization	More expensive goods/labor	↑
Technological Progress	More robots, Amazon effect	↓

LEFT: Source: Bank of International Settlements, International Monetary Fund, Maddison Project, Fidelity Investments (AART), and the Jordà-Schularick-Taylor Macrohistory Database, compiled by Oscar Jordà, Moritz Schularick, and Alan M. Taylor. Accessed through www.macrohistory.net, as of 12/31/18. **RIGHT:** Source: Fidelity Investments (AART), as of 3/31/20.

Appendix: Important Information

Information presented herein is for discussion and illustrative purposes only and is not a recommendation or an offer or solicitation to buy or sell any securities. Views expressed are as of the date indicated, based on the information available at that time, and may change based on market and other conditions. Unless otherwise noted, the opinions provided are those of the authors and not necessarily those of Fidelity Investments or its affiliates. Fidelity does not assume any duty to update any of the information.

Information provided in this document is for informational and educational purposes only. To the extent any investment information in this material is deemed to be a recommendation, it is not meant to be impartial investment advice or advice in a fiduciary capacity and is not intended to be used as a primary basis for you or your client's investment decisions. Fidelity and its representatives may have a conflict of interest in the products or services mentioned in this material because they have a financial interest in them, and receive compensation, directly or indirectly, in connection with the management, distribution, and/or servicing of these products or services, including Fidelity funds, certain third-party funds and products, and certain investment services.

Investment decisions should be based on an individual's own goals, time horizon, and tolerance for risk. Nothing in this content should be considered to be legal or tax advice, and you are encouraged to consult your own lawyer, accountant, or other advisor before making any financial decision. These materials are provided for informational purposes only and should not be used or construed as a recommendation of any security, sector, or investment strategy.

Fidelity does not provide legal or tax advice and the information provided herein is general in nature and should not be considered legal or tax advice. Consult with an attorney or a tax professional regarding your specific legal or tax situation.

Past performance and dividend rates are historical and do not guarantee future results.

Investing involves risk, including risk of loss.

Diversification does not ensure a profit or guarantee against loss.

Index or benchmark performance presented in this document does not reflect the deduction of advisory fees, transaction charges, and other expenses, which would reduce performance.

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

Although bonds generally present less short-term risk and volatility than stocks, bonds do contain interest rate risk (as interest rates rise, bond prices usually fall, and vice versa) and the risk of default, or the risk that an issuer will be unable to make income or principal payments.

Additionally, bonds and short-term investments entail greater inflation risk—or the risk that the return of an investment will not keep up with increases in the prices of goods and services—than stocks. Increases in real interest rates can cause the price of inflation-protected debt securities to decrease.

Stock markets, especially non-U.S. markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets. The securities of smaller, less well-known companies can be more volatile than those of larger companies.

Growth stocks can perform differently from the market as a whole and from other types of stocks, and can be more volatile than other types of stocks. Value stocks can perform differently from other types of stocks and can continue to be undervalued by the market for long periods of time.

Lower-quality debt securities generally offer higher yields but also involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. Any fixed income security sold or redeemed prior to maturity may be subject to loss.

Floating rate loans generally are subject to restrictions on resale, and sometimes trade infrequently in the secondary market; as a result, they may be more difficult to value, buy, or sell. A floating rate loan may not be fully collateralized and therefore may decline significantly in value.

The municipal market can be affected by adverse tax, legislative, or political changes, and by the financial condition of the issuers of municipal securities. Interest income generated by municipal bonds is generally expected to be exempt from federal income taxes and, if the bonds are held by an investor resident in the state of issuance, from state and local income taxes. Such interest income may be subject to federal and/or state alternative minimum taxes. Investing in municipal bonds for the purpose of generating tax-exempt income may not be appropriate for investors in all tax brackets. Generally, tax-exempt municipal securities are not appropriate holdings for tax-advantaged accounts such as IRAs and 401(k)s.

The commodities industry can be significantly affected by commodity prices, world events, import controls, worldwide competition, government regulations, and economic conditions.

The gold industry can be significantly affected by international monetary and political developments, such as currency devaluations or revaluations, central bank movements, economic and social conditions within a country, trade imbalances, or trade or currency restrictions between countries.

Changes in real estate values or economic downturns can have a significant negative effect on issuers in the real estate industry.

Leverage can magnify the impact that adverse issuer, political, regulatory, market, or economic developments have on a company. In the event of bankruptcy, a company's creditors take precedence over the company's stockholders.

Appendix: Important Information

Market Indexes

Index returns on slide 25 represented by: Growth—Russell 3000® Growth Index; Large Caps—S&P 500® index; Mid Caps—Russell Midcap® Index; Value—Russell 3000® Value Index; Small Caps—Russell 2000® Index; ACWI ex USA—MSCI ACWI (All Country World Index) ex USA Index; EAFE Small Cap—MSCI EAFE Small Cap Index; Japan—MSCI Japan Index; Canada—MSCI Canada Index; EAFE—MSCI EAFE (Europe, Australasia, Far East) Index; Europe—MSCI Europe Index; EM Asia—MSCI Emerging Markets Asia Index; Emerging Markets (EM)—MSCI EM Index; EMEA (Europe, Middle East, and Africa)—MSCI EM EMEA Index; ; Latin America—MSCI EM Latin America Index; Commodities—Bloomberg Commodity Index; Gold—Gold Bullion Price, LBMA PM Fix; High Yield—ICE BofA U.S. High Yield Index; Leveraged Loan—S&P/LSTA Leveraged Loan Index; TIPS (Treasury Inflation-Protected Securities)—Bloomberg Barclays U.S. TIPS Index; EM Debt (Emerging-Market Debt)—JP Morgan EMBI Global Index; CMBS (Commercial Mortgage-Backed Securities)—Bloomberg Barclays Investment-Grade CMBS Index; Credit—Bloomberg Barclays U.S. Credit Bond Index; Municipal—Bloomberg Barclays Municipal Bond Index; Long Government & Credit (Investment-Grade)—Bloomberg Barclays Long Government & Credit Index; ABS (Asset-Backed Securities)—Bloomberg Barclays ABS Index; Aggregate—Bloomberg Barclays U.S. Aggregate Bond Index; Agency—Bloomberg Barclays U.S. Agency Index; Treasuries—Bloomberg Barclays U.S. Treasury Index; MBS (Mortgage-Backed Securities)—Bloomberg Barclays MBS Index; Momentum—Fidelity U.S. Momentum Factor Index TR; Low Volatility—Fidelity U.S. Low Volatility Factor Index; Quality—Fidelity U.S. Quality Factor Index; Value—Fidelity U.S. Value Factor Index; Size—Fidelity Small-Mid Factor Index; Yield—Fidelity High Dividend Index.

Bloomberg Barclays U.S. Aggregate Bond is a broad-based, market value-weighted benchmark that measures the performance of the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market. **Bloomberg Barclays U.S. Credit Bond Index** is a market value-weighted index of investment-grade corporate fixed-rate debt issues with maturities of one year or more. **Bloomberg Barclays U.S. Corporate High Yield Bond Index** is a market value-weighted index covering the universe of dollar-denominated, fixed-rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets are excluded.

Bloomberg Barclays U.S. Treasury Bond Index is a market value-weighted index of public obligations of the U.S. Treasury with maturities of one year or more. **Bloomberg Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L)** is a market value-weighted index that measures the performance of inflation-protected securities issued by the U.S. Treasury. **Bloomberg Barclays Long U.S. Government Credit Index** includes all publicly issued U.S. government and corporate securities that have a remaining maturity of 10 or more years, are rated investment-grade, and have $250 million or more of outstanding face value. **Bloomberg Barclays U.S. Agency Bond Index** is a market value-weighted index of U.S. Agency government and investment-grade corporate fixed-rate debt issues. **Bloomberg Barclays Municipal Bond Index** is a market value-weighted index of investment-grade municipal bonds with maturities of one year or more.

Bloomberg Barclays U.S. MBS Index is a market value-weighted index of fixed-rate securities that represent interests in pools of mortgage loans, including balloon mortgages, with original terms of 15 and 30 years that are issued by the Government National Mortgage Association (GNMA), the Federal National Mortgage Association (FNMA), and the Federal Home Loan Mortgage Corp. (FHLMC).

Bloomberg Barclays CMBS Index is designed to mirror commercial mortgage-backed securities of investment-grade quality (Baa3/BBB-/BBB- or above) using Moody's, S&P, and Fitch, respectively, with maturities of at least one year. **Bloomberg Barclays ABS Index** is a market value-weighted index that covers fixed-rate asset-backed securities with average lives greater than or equal to one year and that are part of a public deal; the index covers the following collateral types: credit cards, autos, home equity loans, stranded-cost utility (rate-reduction bonds), and manufactured housing.

Bloomberg Commodity Index measures the performance of the commodities market. It consists of exchange traded futures contracts on physical commodities that are weighted to account for the economic significance and market liquidity of each commodity.

Dow Jones U.S. Total Stock Market IndexSM is a full market capitalization-weighted index of all equity securities of U.S.-headquartered companies with readily available price data.

Fidelity U.S. Low Volatility Factor Index is designed to reflect the performance of stocks of large and mid-capitalization U.S. companies with lower volatility than the broader market. **Fidelity U.S. Value Factor Index** is designed to reflect the performance of stocks of large and mid-capitalization U.S. companies that have attractive valuations. **Fidelity U.S. Quality Factor Index** is designed to reflect the performance of stocks of large and mid-capitalization U.S. companies with a higher quality profile than the broader market. **Fidelity Small-Mid Factor Index** is designed to reflect the performance of stocks of small and mid-capitalization U.S. companies with attractive valuations, high quality profiles, positive momentum signals, and lower volatility than the broader market. **Fidelity U.S. Momentum Factor Index** is designed to reflect the performance of stocks of large and mid-capitalization U.S. companies that exhibit positive momentum signals. **Fidelity High Dividend Index** is designed to reflect the performance of stocks of large and mid-capitalization dividend-paying companies that are expected to continue to pay and grow their dividends.

FTSE® National Association of Real Estate Investment Trusts (NAREIT®) All REITs Index is a market capitalization-weighted index that is designed to measure the performance of all tax-qualified REITs listed on the NYSE, the American Stock Exchange, or the NASDAQ National Market List. **FTSE® NAREIT® Equity REIT** Index is an unmanaged market value-weighted index based on the last closing price of the month for tax-qualified REITs listed on the New York Stock Exchange (NYSE). **FTSE NAREIT All Equity Total Return Index** is a market capitalization–weighted index that is designed to measure the performance of tax-qualified real estate investment trusts (REITs) listed on the New York Stock Exchange, the NYSE MKT LLC, or the NASDAQ National Market List.

ICE BofA U.S. High Yield Index is a market capitalization-weighted index of U.S. dollar-denominated, below-investment-grade corporate debt publicly issued in the U.S. market.

JPM® EMBI Global Index, and its country sub-indexes, tracks total returns for the U.S. dollar-denominated debt instruments issued by emerging-market sovereign and quasi-sovereign entities, such as Brady bonds, loans, and Eurobonds.

MSCI All Country World Index (ACWI) is a market capitalization-weighted index designed to measure the investable equity market performance for global investors of developed and emerging markets. **MSCI ACWI (All Country World Index) ex USA Index** is a market capitalization-weighted index designed to measure the investable equity market performance for global investors of large and mid cap stocks in developed and emerging markets, excluding the United States.

Fidelity INVESTMENTS®

Appendix: Important Information

Market Indexes (continued)

MSCI Emerging Markets (EM) Index is a market capitalization-weighted index designed to measure the investable equity market performance for global investors in emerging markets. **MSCI EM Asia Index** is a market capitalization-weighted index designed to measure equity market performance of EM countries of Asia. **MSCI EM Europe, Middle East, and Africa (EMEA) Index** is a market capitalization-weighted index designed to measure the investable equity market performance for global investors in the EM countries of Europe, the Middle East, and Africa. **MSCI EM Latin America Index** is a market capitalization-weighted index designed to measure the investable equity market performance for global investors in Latin America.

MSCI Europe, Australasia, Far East Index (EAFE) is a market capitalization-weighted index designed to measure the investable equity market performance for global investors in developed markets, excluding the U.S. and Canada. **MSCI EAFE Small Cap Index** is a market capitalization-weighted index designed to measure the investable equity market performance of small cap stocks for global investors in developed markets, excluding the U.S. and Canada.

MSCI Europe Index is a market capitalization-weighted index that is designed to measure the investable equity market performance for global investors of the developed markets in Europe. **MSCI Canada Index** is a market capitalization-weighted index designed to measure equity market performance in Canada. **MSCI Japan Index** is a market capitalization-weighted index designed to measure equity market performance in Japan.

Russell 1000® Index is a market capitalization-weighted index designed to measure the performance of the large-cap segment of the U.S. equity market. **Russell 1000 Growth Index** is a market-capitalization-weighted index designed to measure the performance of the large-cap growth segment of the U.S. equity market. It includes those Russell 1000 Index companies with higher price-to-book ratios and higher forecasted growth rates. **Russell 1000 Value Index** is a market-capitalization-weighted index designed to measure the performance of the large-cap value segment of the U.S. equity market. It includes those Russell 1000 Index companies with lower price-to-book ratios and lower expected growth rates.

Russell 2000® Index is a market capitalization-weighted index designed to measure the performance of the small cap segment of the U.S. equity market. It includes approximately 2,000 of the smallest securities in the Russell 3000 Index.

Russell 3000® Index is a market capitalization-weighted index designed to measure the performance of the 3,000 largest companies in the U.S. equity market. **Russell 3000 Growth Index** is a market capitalization-weighted index designed to measure the performance of the broad growth segment of the U.S. equity market. It includes those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth rates. **Russell 3000 Value Index** is a market capitalization-weighted index designed to measure the performance of the small to mid cap value segment of the U.S. equity market. It includes those Russell 3000 Index companies with lower price-to-book ratios and lower forecasted growth rates. **Russell Midcap® Index** is a market capitalization-weighted index designed to measure the performance of the mid cap segment of the U.S. equity market. It contains approximately 800 of the smallest securities in the Russell 1000 Index.

S&P 500® is a market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance. S&P 500 is a registered service mark of The McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates.

Sectors and **Industries** are defined by Global Industry Classification Standards (GICS®), except where noted otherwise. **S&P 500 sectors** are defined as follows: Consumer Discretionary—companies that tend to be the most sensitive to economic cycles. Consumer Staples—companies whose businesses are less sensitive to economic cycles. Energy—companies whose businesses are dominated by either of the following activities: the construction or provision of oil rigs, drilling equipment, and other energy-related services and equipment, including seismic data collection; or the exploration, production, marketing, refining, and/or transportation of oil and gas products, coal, and consumable fuels. Financials—companies involved in activities such as banking, consumer finance, investment banking and brokerage, asset management, insurance and investments, and mortgage real estate investment trusts (REITs). Health Care—companies in two main industry groups: health care equipment suppliers, manufacturers, and providers of health care services; and companies involved in research, development, production, and marketing of pharmaceuticals and biotechnology products. Industrials—companies that manufacture and distribute capital goods, provide commercial services and supplies, or provide transportation services. Information Technology—companies in technology software and services and technology hardware and equipment. Materials—companies that engage in a wide range of commodity-related manufacturing. Real Estate—companies in real estate development, operations, and related services, as well as equity REITs. Communication Services—companies that facilitate communication and offer related content through various media; it includes media companies moved from Consumer Discretionary and internet services companies moved from Information Technology. Utilities—companies considered electric, gas, or water utilities, or that operate as independent producers and/or distributors of power.

Standard & Poor's/Loan Syndications and Trading Association (S&P/LSTA) Leveraged Performing Loan Index is a market value-weighted index designed to represent the performance of U.S. dollar-denominated institutional leveraged performing loan portfolios (excluding loans in payment default) using current market weightings, spreads, and interest payments.

Appendix: Important Information

Other Indexes

Consumer Price Index (CPI) is a monthly inflation indicator that measures the change in the cost of a fixed basket of products and services, including housing, electricity, food, and transportation.

VIX® is the Chicago Board Options Exchange Volatility Index®, a weighted average of prices on S&P 500 options with a constant maturity of 30 days to expiration. It is designed to measure the market's expectation of near-term stock market volatility.

ICE BofA MOVE (Merrill Option Volatility Estimate) Index is a measure of U.S. interest rate volatility that tracks the movement in U.S. Treasury yield volatility implied by current prices of one-month over-the-counter options on 2-year, 5-year, 10-year and 30-year Treasuries.

Definitions

Correlation coefficient measures the interdependencies of two random variables that range in value from −1 to +1, indicating perfect negative correlation at −1, absence of correlation at 0, and perfect positive correlation at +1.

Price-to-Earnings (P/E) ratio is the ratio of a company's current share price to its current earnings, typically trailing 12-months earnings per share. A Forward P/E calculation will typically use an average of analysts' published estimates of earnings for the next 12 months in the denominator.

The Chartered Financial Analyst® (CFA®) designation is offered by CFA Institute. To obtain the CFA charter, candidates must pass three exams demonstrating their competence, integrity, and extensive knowledge in accounting, ethical and professional standards, economics, portfolio management, and security analysis, and must also have at least four years of qualifying work experience, among other requirements.

Fidelity Institutional℠ provides investment products through Fidelity Distributors Company LLC; clearing, custody, or other brokerage services through National Financial Services LLC or Fidelity Brokerage Services LLC (Members NYSE, SIPC); and institutional advisory services through Fidelity Institutional Wealth Adviser LLC.

Personal and workplace investment products are provided by Fidelity Brokerage Services LLC, Member NYSE, SIPC.

Institutional asset management is provided by FIAM LLC and Fidelity Institutional Asset Management Trust Company..

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