Fourth Quarter 2013 | QUARTERLY MARKET UPDATE

Fidelity INVESTMENTS

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This report is a product of Fidelity's Asset Allocation Research Team (AART) with contributions from throughout Fidelity's asset management organization. AART conducts economic, fundamental, and quantitative research to develop asset allocation recommendations for Fidelity's portfolio managers and investment teams. AART is responsible for analyzing and synthesizing investment perspectives across Fidelity's asset management unit to generate insights on macroeconomic and financial market trends and their implications for asset allocation.

Market Summary

Market Overview: Policy Softening, Range-Bound Outlook

During Q3, both the Federal Reserve (Fed) and policymakers in China backed away from previous signals of tightening, helping to stabilize global interest rates. Modest cyclical improvements globally underpinned a broad rally in equities, though the outlook appears range-bound amid slow growth and high policy uncertainty.

	Q3 2013 BACKDROP	OUTLOOK
TRENDS	• Modestly improving global economy – Better cyclical trends in developed markets (Europe early-cycle; U.S. mid) – Stabilization in China; many emerging markets struggling to gain traction • Reversal of policy-tightening postures by Fed, China • Stimulative monetary policies, low inflationary pressures	• Global business cycle provides stable backdrop for economically sensitive assets • Mixed outlook for emerging markets (EMs) • Policymakers remain reluctant to rein in accommodation near term
IMPLICATIONS	• Rally in most asset prices, led by global equities • Global interest-rate backdrop stabilizes; balanced risks amid slow growth • Unsure path toward tightening underscores ongoing elevated policy uncertainty	• Range-bound expectations for economy and many markets – Favor equities, particularly in places such as Europe with better cyclical outlook – More balanced view of bonds – Potential volatility due to policy risks, but greater fundamental dispersion may provide active opportunities

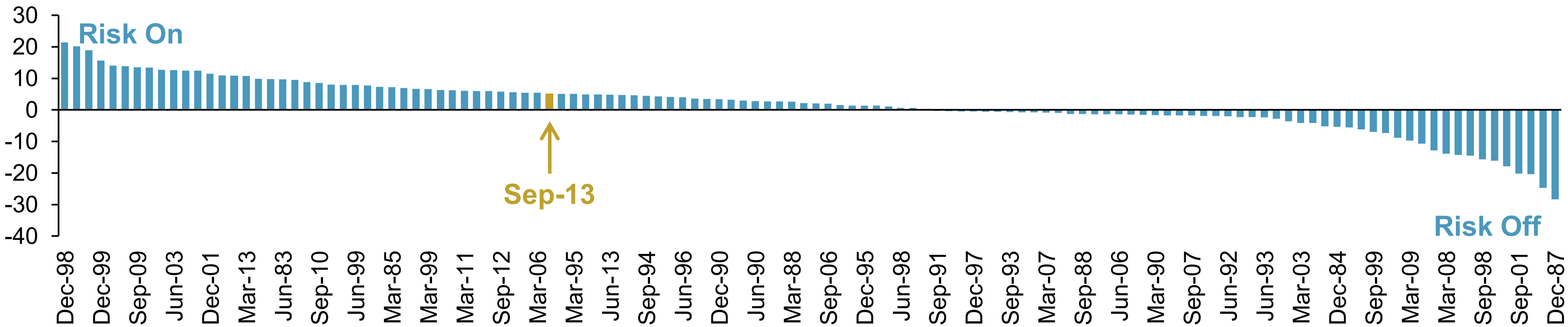
Asset Market Performance: Broad-Based Gains

Global equities rallied, led by non-U.S. developed-country markets, which benefited from cyclical economic improvement and low valuations. Most bond categories reversed into positive territory after the Fed's surprise move to extend quantitative easing (QE) at its current level. The U.S. risk meter in Q3 was in the top one-third of all quarters over the past 30 years.

	Q3 2013 (%)	YTD (%)		Q3 2013 (%)	YTD (%)
Non-U.S. Small-Cap Stocks	15.6	22.4	High Yield Bonds	2.3	3.8
Non-U.S. Developed-Country Stocks	11.6	16.6	Commodities	2.1	-8.6
Gold	11.3	-20.0	Emerging-Market Bonds	0.9	-7.4
U.S. Small-Cap Stocks	10.2	27.7	U.S. Corporate Bonds	0.7	-2.9
U.S. Mid-Cap Stocks	7.7	24.3	Investment-Grade Bonds	0.6	-1.9
Emerging-Market Stocks	5.9	-4.1	U.S. Treasury Bonds	0.1	-2.0
U.S. Large-Cap Stocks	5.2	19.8	Real Estate Stocks	-2.6	3.0

Risk Meter: U.S. Large-Cap Stock minus Treasury Bond Returns, 1983–2013

Quarterly Return Difference (%)



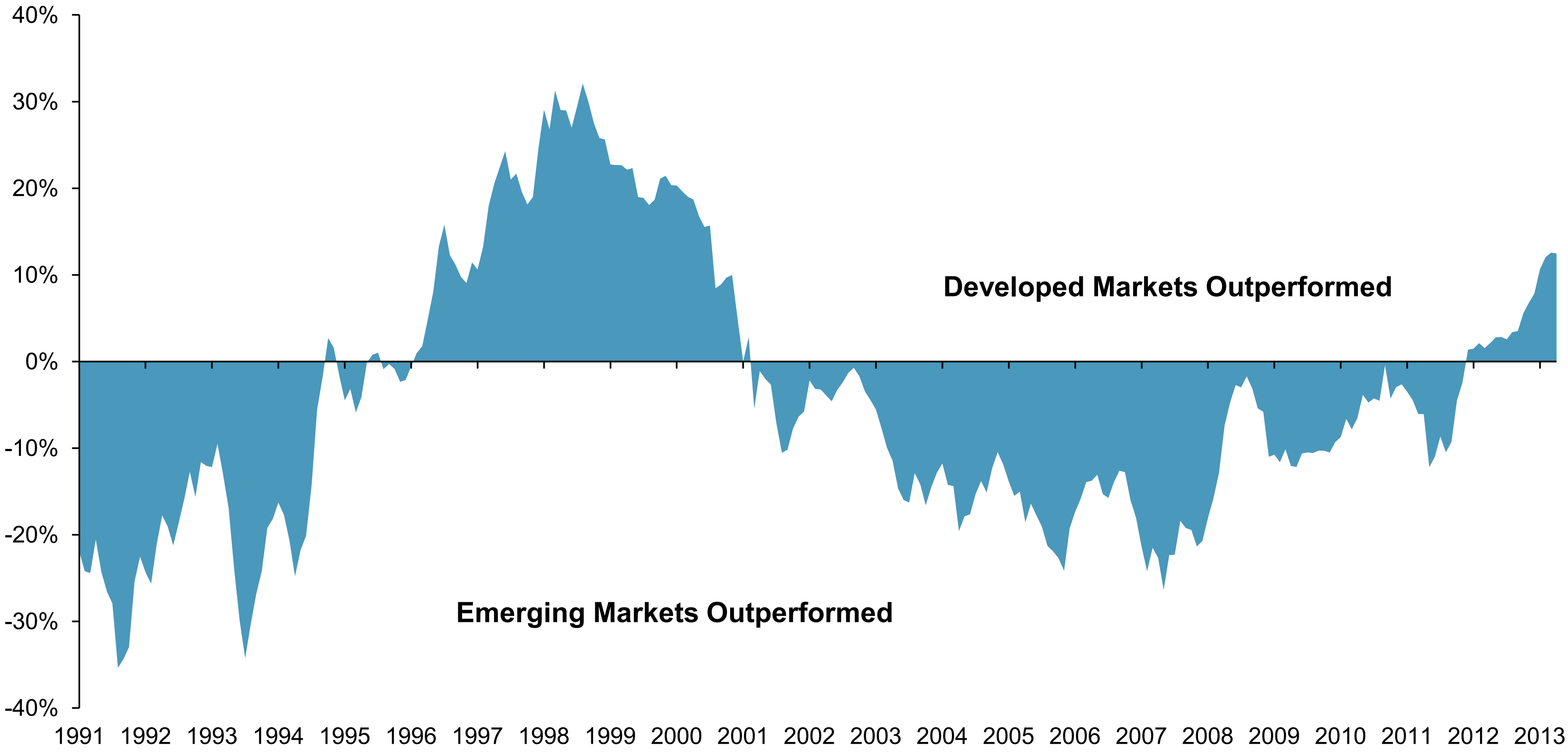
Past performance is no guarantee of future results. You cannot invest directly in an index. See appendix for important index information. Assets represented by: Commodities – DJ-UBS Commodity Index; Emerging-Market Bonds – JP Morgan EMBIG+ Index; Emerging-Market Stocks – MSCI EM Index; Gold – Gold Bullion, LBMA PM Fix; High Yield Bonds – Bank of America Merrill Lynch (BofA ML) High Yield Bond Index; Investment-Grade Bonds – 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 – NAREIT Equity Only Index; U.S. Corporate Bonds – Barclays 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; U.S. Treasury Bonds – Barclays U.S. Treasury Index. Source: FactSet, Wall Street Journal, Haver Analytics, Fidelity Investments (AART) as of 9/30/13.

Shift in Equity Performance toward Developed Markets

Equities in developed markets have been outperforming those in emerging markets on a sustained basis for the first time in more than 10 years. Emerging economies in general have transitioned to a slower pace of growth, while a broad trend of incremental cyclical improvement in advanced economies has helped stocks generate more favorable returns.

Developed vs. Emerging Markets: Three-Year Relative Performance

Rolling 36-month Annualized Relative Returns

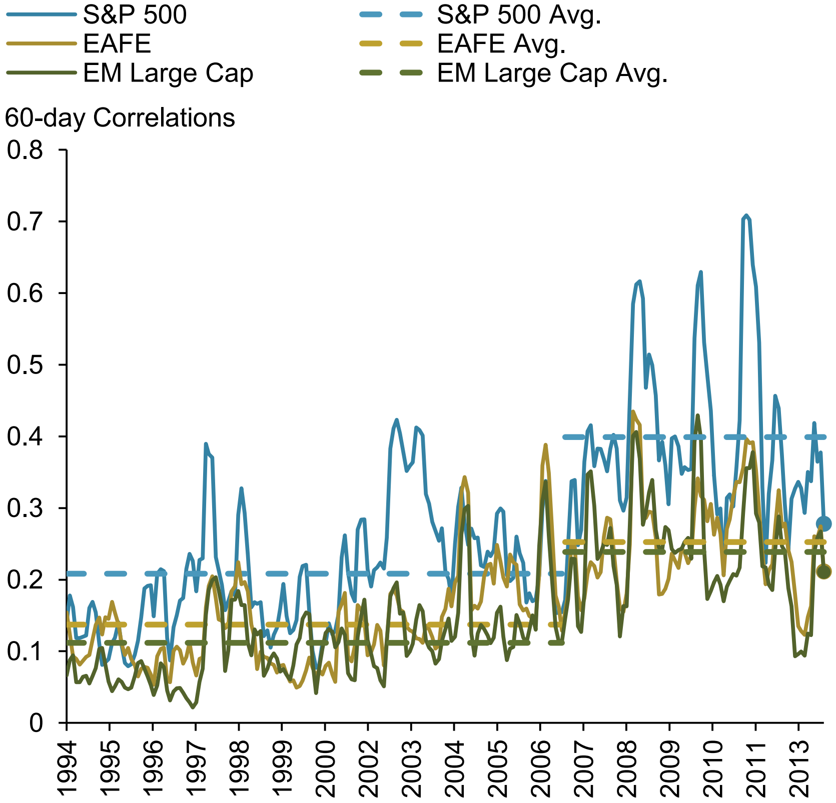


Past performance is no guarantee of future results. Developed Markets represented by the MSCI World Index. Emerging Markets represented by the MSCI EM Index. Source: FactSet, Fidelity Investments (AART) through 9/30/13.

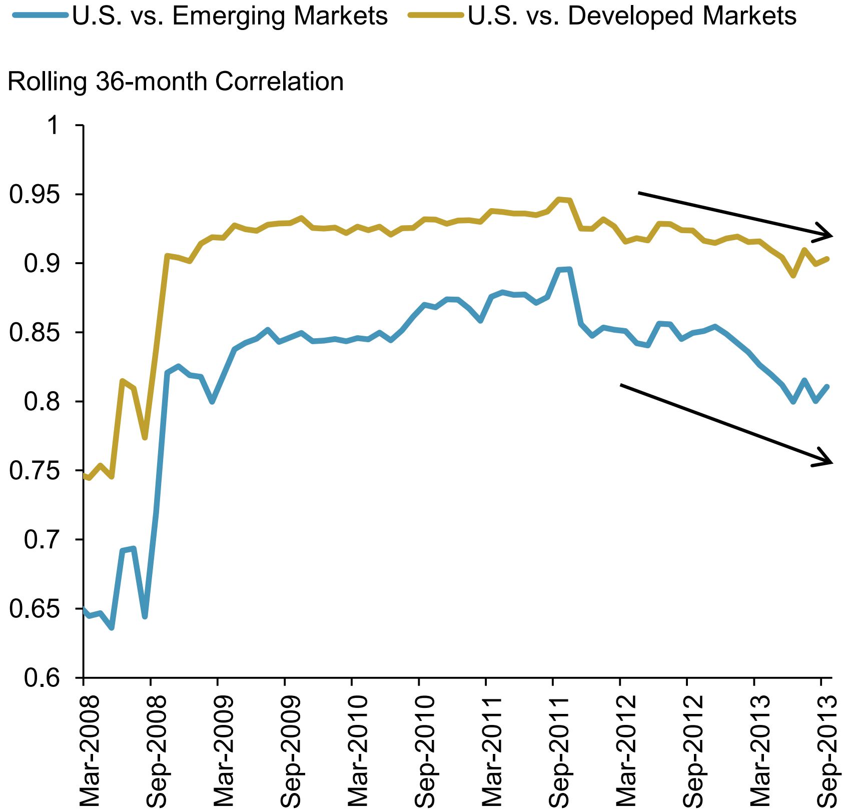
Lower Q3 Correlations Point to Greater Active Opportunities

Intra-stock performance correlations declined for both U.S. and non-U.S. equities, with short-term U.S. correlations falling to the low end of the past few years' elevated range. Three-year correlations between U.S. and non-U.S. stocks declined to their lowest levels since early 2009, signaling greater potential for active security selection and asset allocation.

Equity Market Index Intra-Stock Correlations



Correlations: U.S. vs. Developed & Emerging Markets



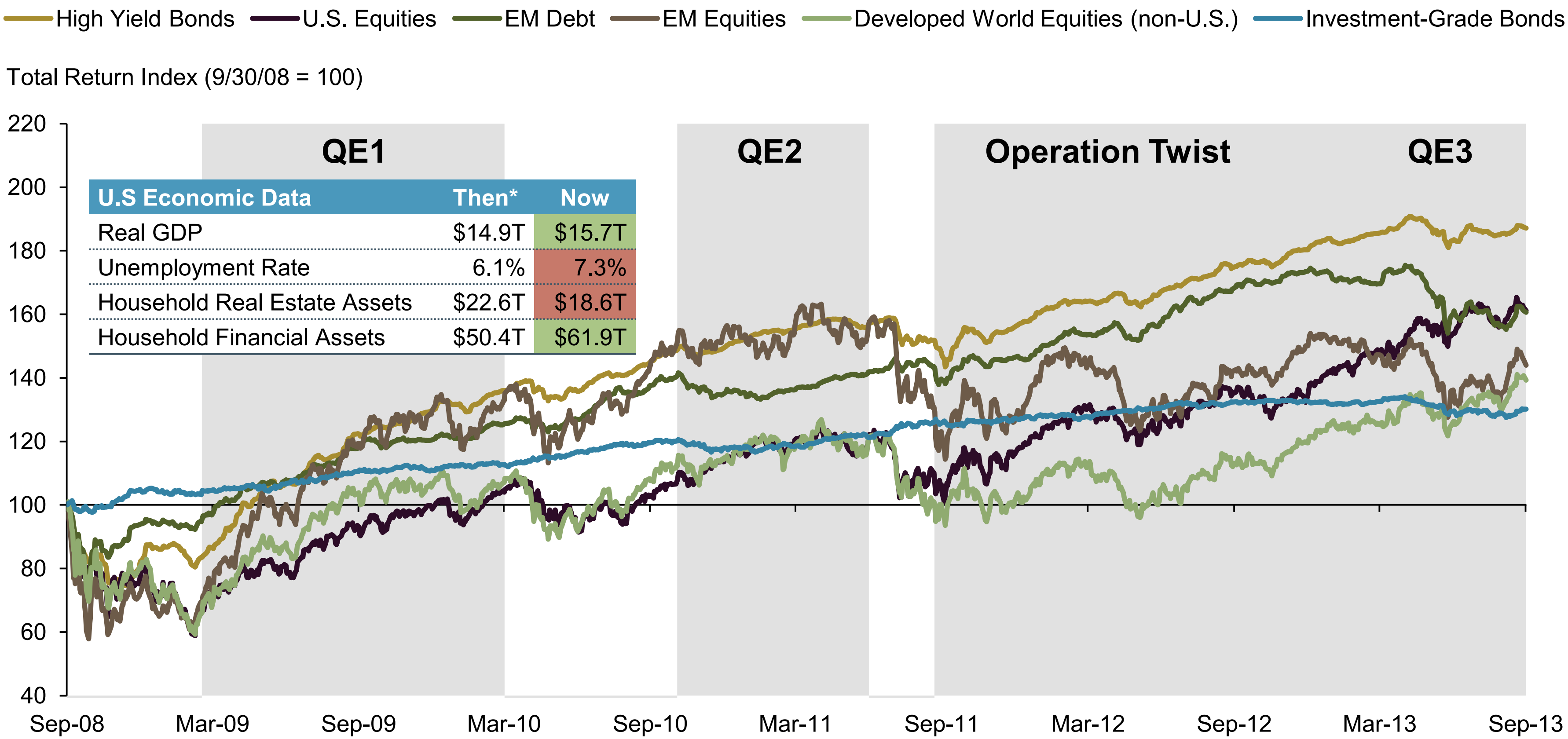
Past performance is no guarantee of future results. Correlation coefficient measures the interdependencies of two random variables.**LEFT:** EM Large Cap represented by MSCI Emerging Market Large Cap Index. Source: Fidelity Investments (AART) as of 9/30/13. **RIGHT:** Stock markets represented by: U.S. – S&P 500 Index; Developed Markets – MSCI World ex USA Index; Emerging Markets – MSCI Emerging Markets Index. Source: FactSet, Fidelity Investments (AART) through 9/30/13.

Theme:
Five Years After Crisis:
Monetary Stimulus vs. Growth

Five Years Later: Assets Recovered, Economy Mixed

Policymakers face a backdrop of recovered financial asset prices but a slow pace of economic repair, which has left some conditions worse than pre-crisis levels. The Fed appears unsure about the sustainability of U.S. economic expansion, leaving considerable uncertainty regarding how it will balance stimulating growth with normalizing policies.

Five-Year Asset Performance, 2008–2013



U.S Economic Data	Then*	Now
Real GDP	$14.9T	$15.7T
Unemployment Rate	6.1%	7.3%
Household Real Estate Assets	$22.6T	$18.6T
Household Financial Assets	$50.4T	$61.9T

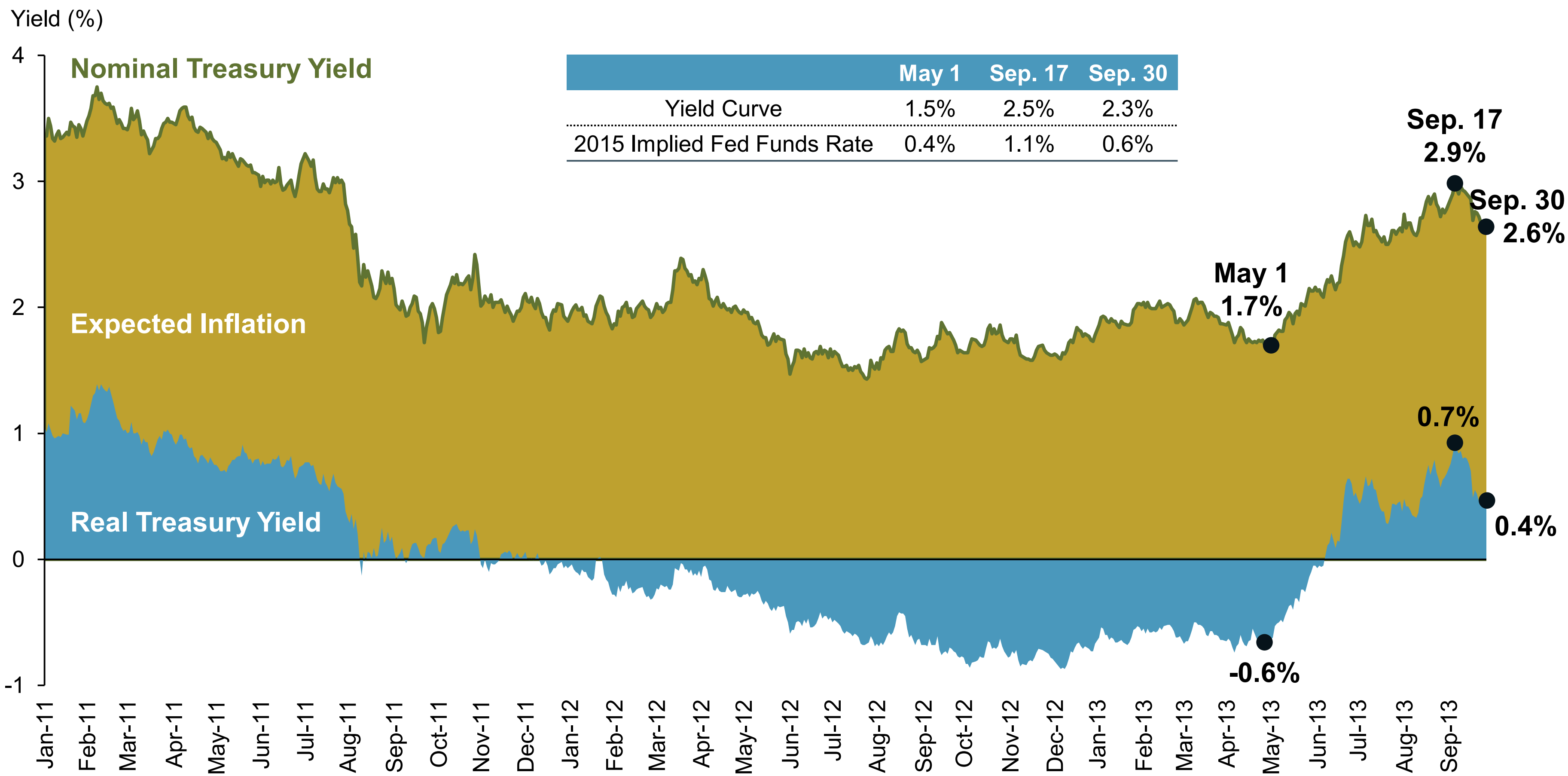
* "Then" represents figures from Q3 2008 peak, except Household Real Estate Assets, which represents Q1 2006 peak. Past performance is no guarantee of future results. You cannot invest directly in an index. See appendix for important index information. Real GDP = inflation-adjusted gross domestic product. Assets represented by: Developed World Equities (non-U.S.) – MSCI EAFE Index; EM Debt – JP Morgan EMBIG+ Index; EM Equities – MSCI EM Index; High Yield Bonds – Bank of America Merrill Lynch (BofA ML) High Yield Bond Index; Investment-Grade Bonds – Barclays U.S. Aggregate Bond Index; U.S. Equities – S&P 500 Index. Source: Bloomberg Finance, L.P., Federal Reserve Flow of Funds, Haver Analytics, Fidelity Investments (AART) as of 9/30/13.

Interest Rates Settle as More Balanced Risks Perceived

Bond yields dropped after the Fed's surprise September 17 announcement postponing a pullback on QE, moderating the upward pressure on yields that had dominated in the months previous. However, the steeper yield curve and higher Fed funds rate expectations indicate that investors still believe the Fed is closer to paring back stimulus than during the spring.

10-Year Nominal and Real Treasury Yields and Inflation Expectations

	May 1	Sep. 17	Sep. 30
Yield Curve	1.5%	2.5%	2.3%
2015 Implied Fed Funds Rate	0.4%	1.1%	0.6%



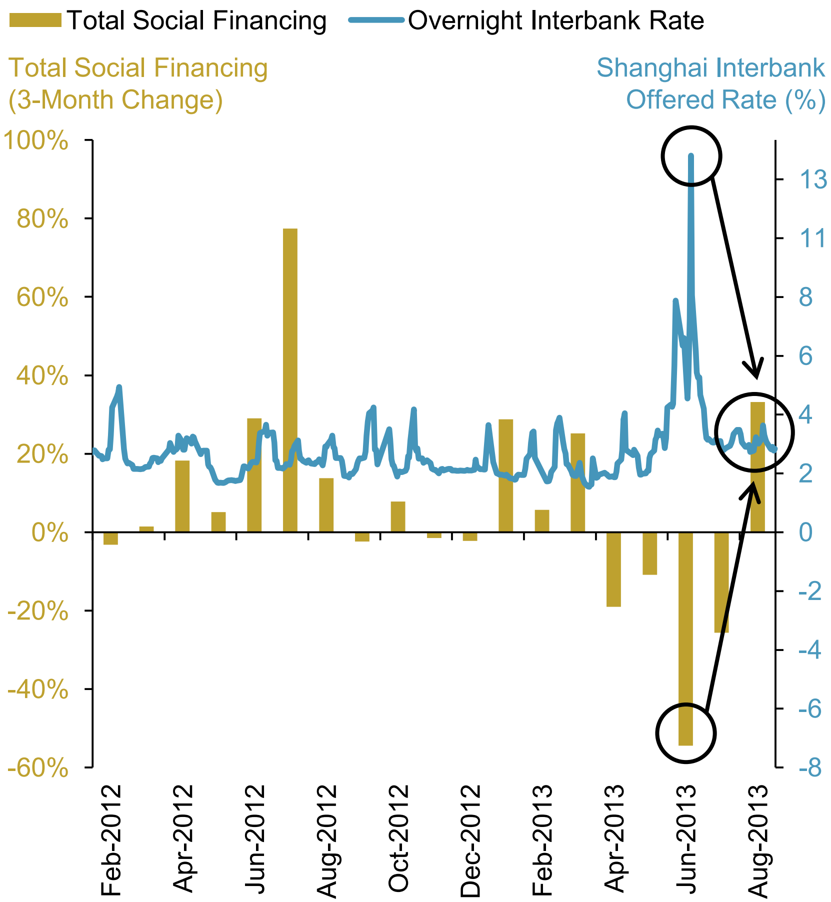
Real Treasury yield represented by the constant maturity 10-Year Treasury Inflation-Protected Security. Nominal yield represented by the constant maturity 10-Year Treasury Bond. Expected inflation calculated as the difference between the nominal and real yields. Yield curve calculated as the difference between the nominal 10-Year Treasury Bond and the nominal 2-Year Treasury Bond. 2015 implied Fed funds rate based on the December 2015 futures contract. Source: Bloomberg Finance, L.P., Federal Reserve Board, Haver Analytics, Fidelity Investments (AART) through 9/30/13.

Fidelity INVESTMENTS

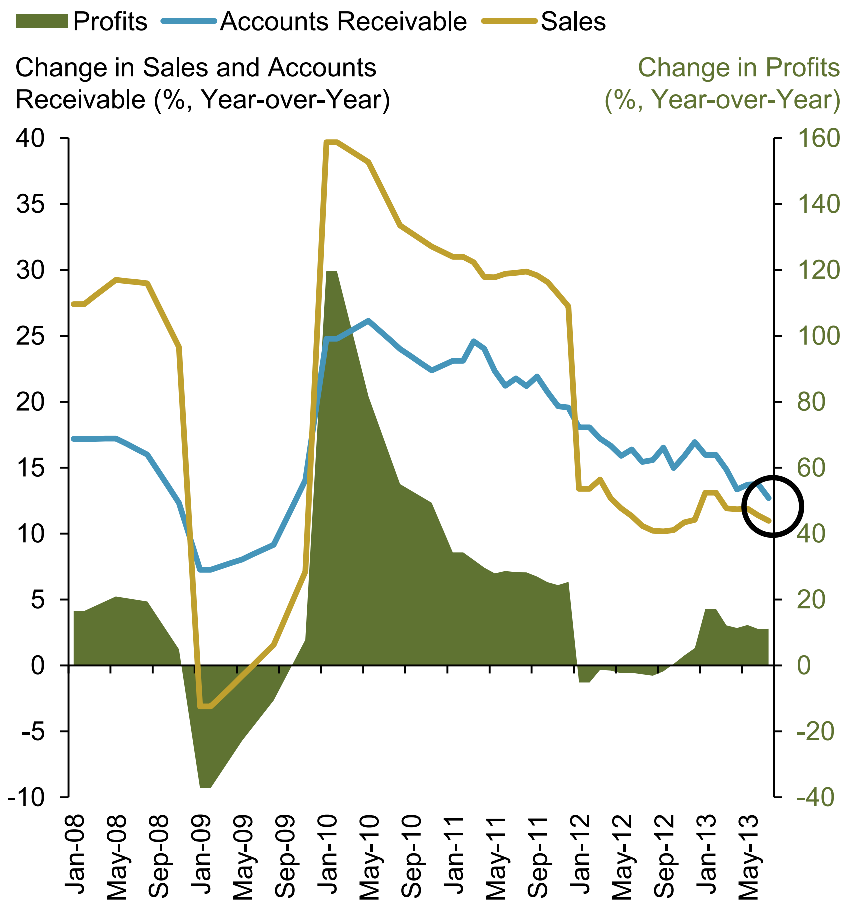
China Eases Credit Crunch amid Weak Corporate Backdrop

After June interbank lending rates soared to record levels, Chinese authorities appeared to step back from efforts to curtail shadow financing, and total credit creation rose to its fastest three-month pace in more than a year. Corporations continued to grow receivables faster than sales, suggesting continued easy credit conditions may be essential to maintain profits.

China Credit Conditions



China Corporate Results

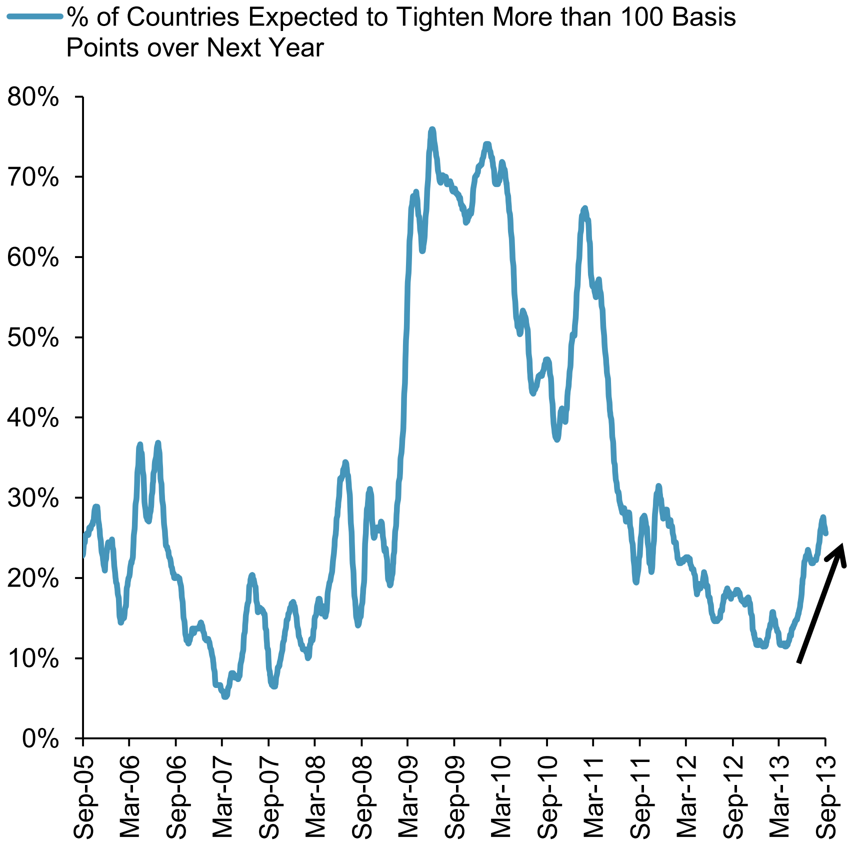


LEFT: Source: China National Interbank Funding Center, Haver Analytics, Fidelity Investments (AART) through 9/24/13.
RIGHT: Data for Chinese industrial enterprises. Source: China National Bureau of Statistics, Fidelity Investments (AART) through 7/31/13.

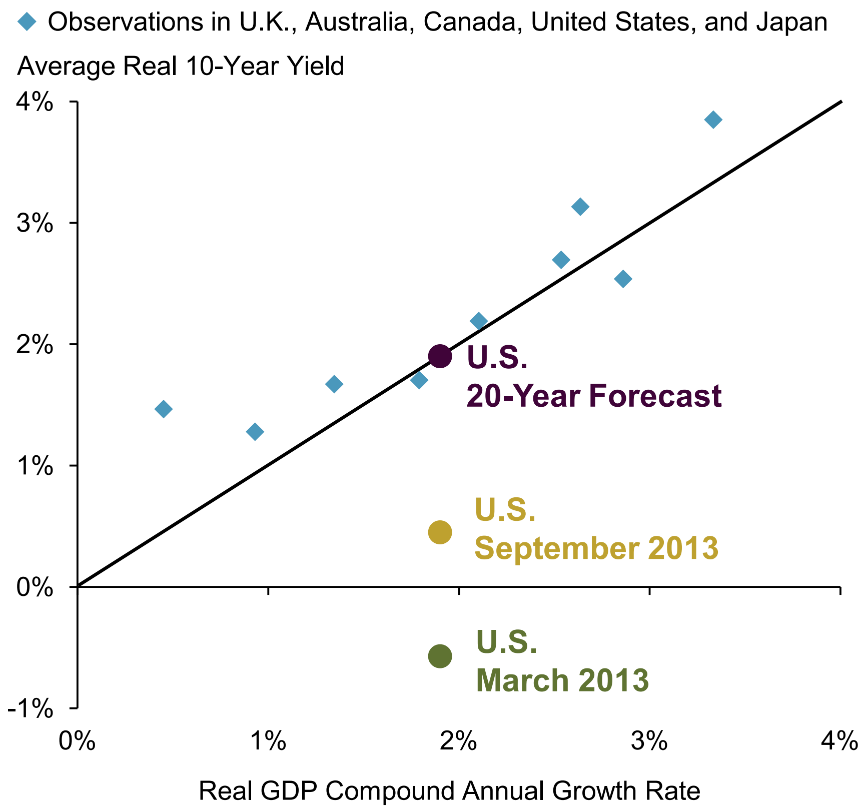
Mixed Global Outlook for Interest Rates

Although some policymakers stepped back from tightening stances, expectations grew that certain emerging-market countries—including Brazil and India—have stepped up the pace of rate hikes. The U.S. rate outlook became more balanced in the near term, and over time bond yields may re-converge with the pace of GDP growth.

Emerging Market Rate Expectations



Real Yields and Real GDP Growth for Major Economies, 1985–2013



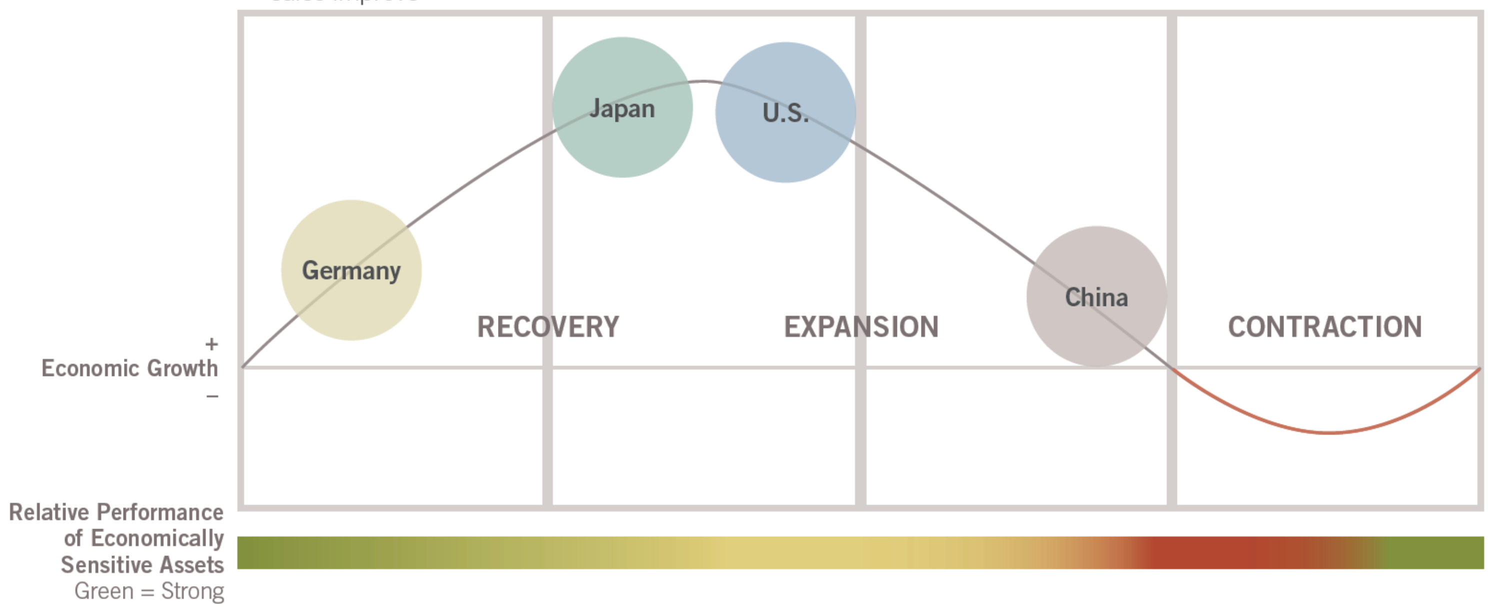
Real = inflation-adjusted. GDP = gross domestic product. Rate expectations derived from government security yields traded on the market. **LEFT:** Source: Country statistical organizations, Haver Analytics, Bloomberg Finance, L.P., Fidelity Investments (AART) through 9/30/13. **RIGHT:** Average real 10-year yield and real GDP compound annual growth rates are calculated since the inception dates of inflation-adjusted government securities for the following countries: United Kingdom (Jan. 1985), Australia (Jun. 1985), Canada (Nov. 1991), United States (Apr. 1998), and Japan (Apr. 2004). Average yields and GDP growth rates also calculated for the common time period: Apr. 2004 through Jun. 2013. Source: Country statistical organizations, Haver Analytics, Fidelity Investments (AART) through 9/30/13.

Economy/Macro Backdrop

Global Business Cycle in a Trend of Modest Improvement

The global economy continues to indicate a steady upward trend despite the relatively slow pace of overall growth. Most of the world's developed economies—including Europe, the U.S., and Japan—remain in the more favorable early-cycle or mid-cycle phases. Despite late-cycle dynamics, China's outlook has stabilized.

EARLY	MID	LATE	RECESSION
• Activity rebounds (GDP, IP, employment, incomes) • Credit begins to grow • Profits grow rapidly • Policy still stimulative • Inventories low; sales improve	• Growth peaking • Credit growth strong • Profit growth peaks • Policy neutral • Inventories, sales grow; equilibrium reached	• Growth moderating • Credit tightens • Earnings under pressure • Policy contractionary • Inventories grow; sales growth falls	• Falling activity • Credit dries up • Profits decline • Policy eases • Inventories, sales fall

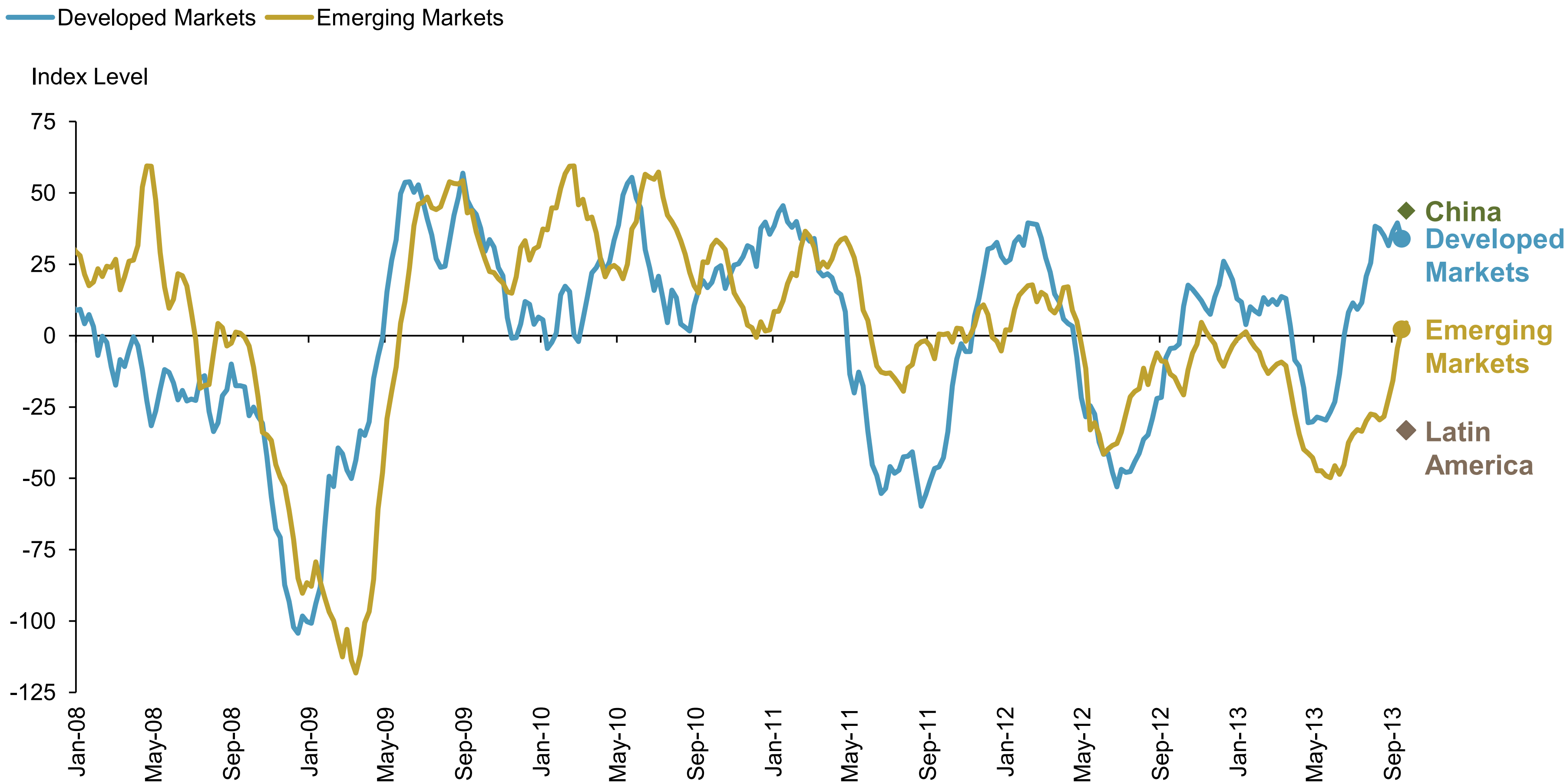


For developed economies, we use the classic definition of recession, involving an outright contraction in economic activity. For developing economies, such as China, we have adopted a "growth cycle" definition because they tend to exhibit strong trend performance driven by rapid factor accumulation and increases in productivity, and deviation from trend tends to matter most for asset returns. Source: Fidelity Investments (AART) through 9/30/13.

Economic Data for Most Regions Beat Expectations

As the outlook for global economic growth has continued to improve, many recent economic data releases have exceeded expectations. The outlook for emerging markets overall has improved on the back of renewed growth in developed markets and stabilization in China, but certain countries, and regions such as Latin America, continue to disappoint.

Citigroup Economic Surprise Index

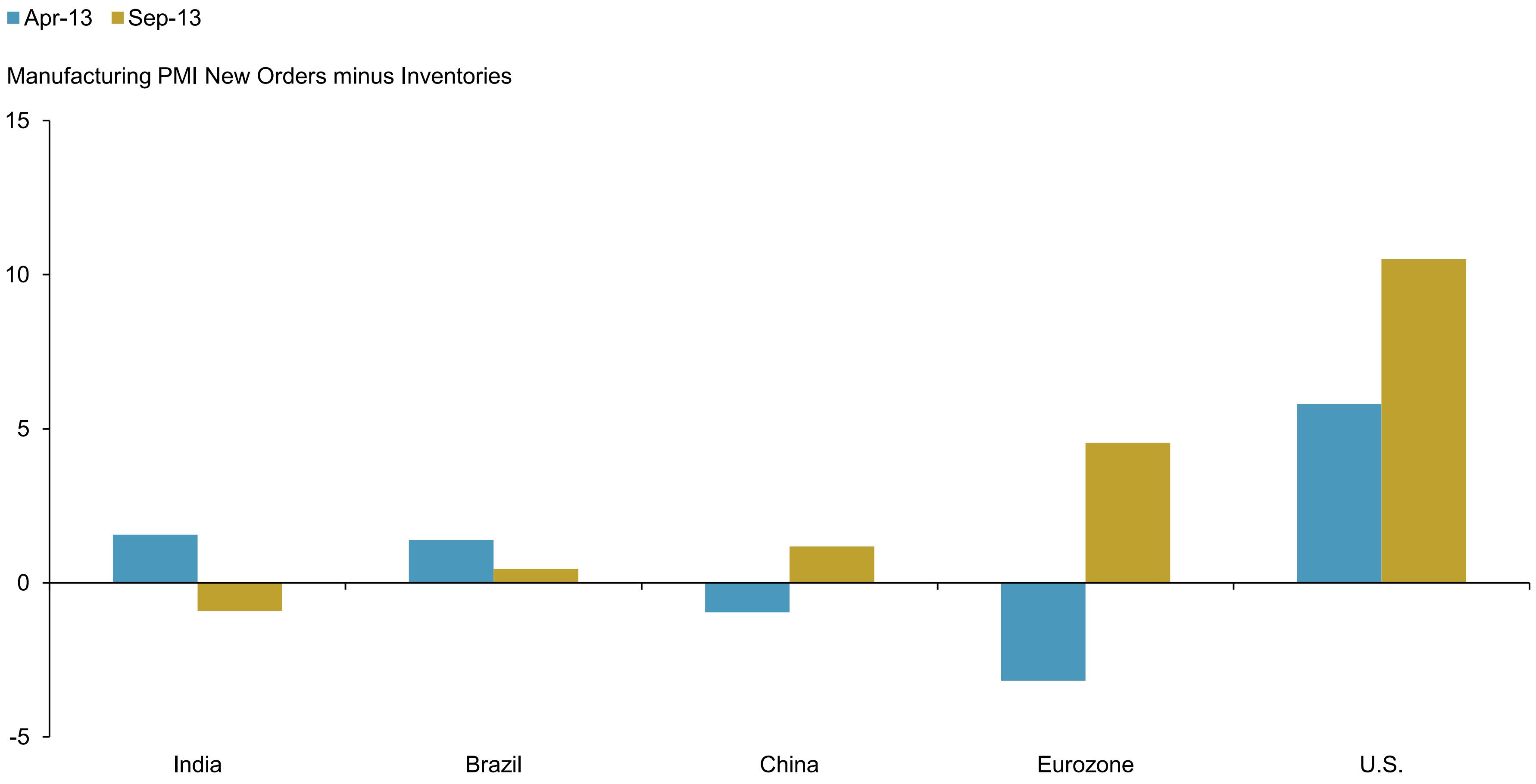


Developed markets represented by the Group of Ten (G10) countries. See appendix for full definition. Source: Citigroup, Haver Analytics, Fidelity Investments (AART) through 9/30/13.

Global Manufacturing Pickup Led by Developed Markets

Improvements in the manufacturing bullwhip suggest that manufacturing activity and outlook has brightened in developed economies, particularly Europe. Although some emerging markets continue to struggle, an increase in manufacturing has bolstered global trade and contributed to stabilization in China and other Asian exporters.

Manufacturing Bullwhips: New Orders minus Inventories of Select Major Economies

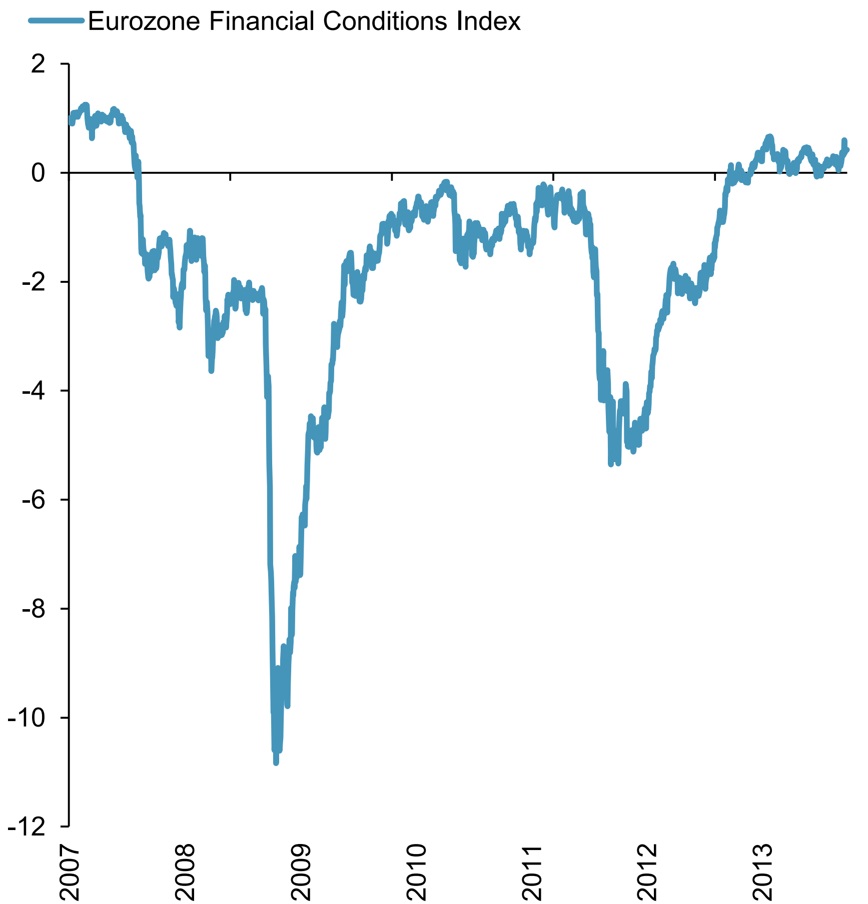


Source: Markit, Institute for Supply Management, HSBC, Haver Analytics, Fidelity Investments (AART) through 9/30/13.

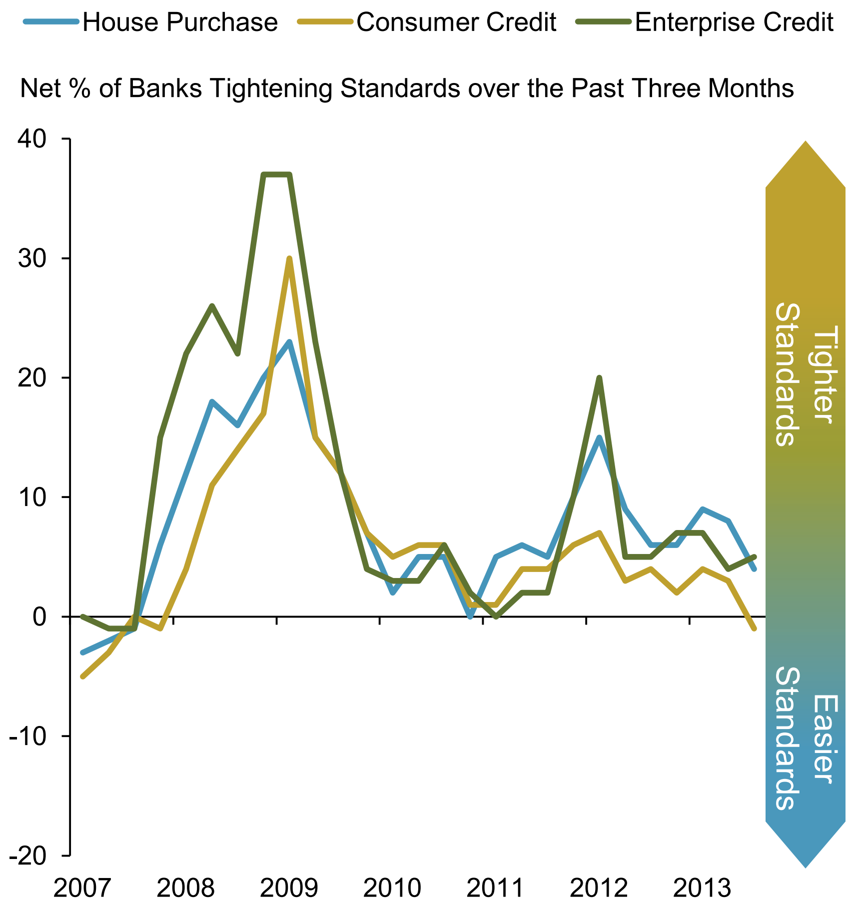
European Economies in Early-Cycle Recovery

Financial conditions in eurozone economies have remained stable, as sovereign borrowing rates have continued to narrow and equity markets have rallied. Bank lending standards for housing and businesses remain tight and provide a headwind to the recovery, but lending conditions have been improving and consumer credit standards have eased.

Eurozone Financial Conditions



Eurozone Bank Credit Standards

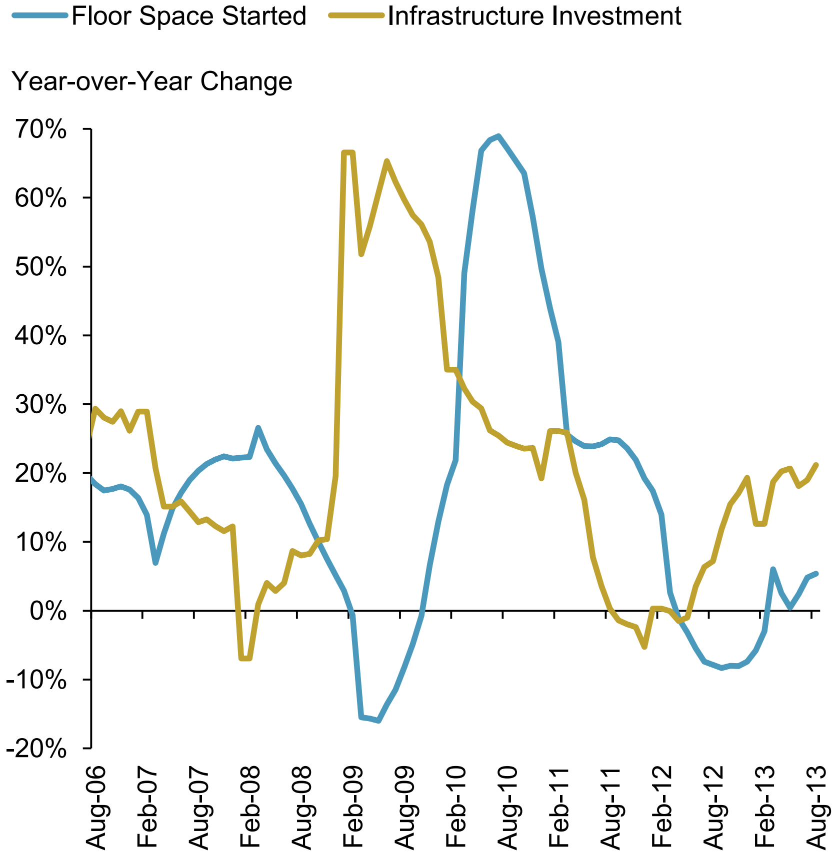


LEFT: Source: Bloomberg Finance, L.P., Fidelity Investments (AART) through 9/30/13.
RIGHT: Source: European Central Bank, Haver Analytics, Fidelity Investments (AART) through 9/30/13.

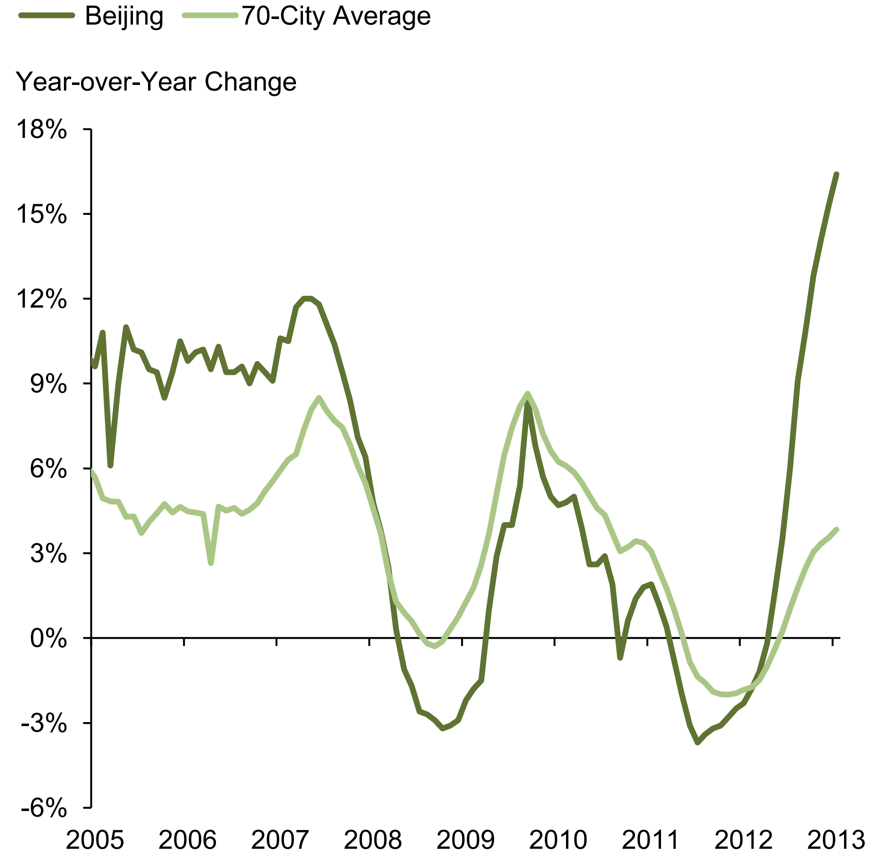
China Stabilizes amid Real Estate and Infrastructure Activity

China's recent economic stabilization has been led by property-market activity and state-led infrastructure investment. Increased fiscal spending and credit utilization have broadly improved sentiment, contributing to higher real estate prices but doing little to rebalance the economy toward increased consumer-led growth.

China Residential and Infrastructure Construction



China Residential Property Prices



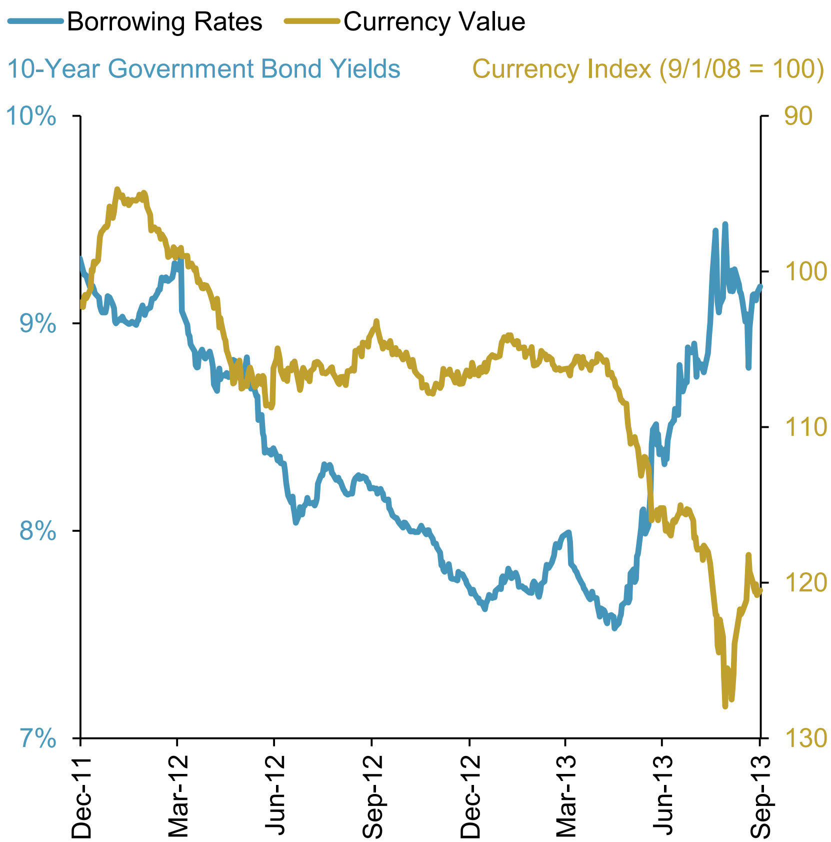
LEFT: Source: China National Bureau of Statistics, Haver Analytics, Fidelity Investments (AART) through 8/31/13.
RIGHT: Source: China National Bureau of Statistics, Haver Analytics, Fidelity Investments (AART) through 8/31/13.

Stagflation Pressures in Some Emerging-Market Countries

Rising global interest rates in recent months led to capital outflows from many emerging markets—particularly those with large current account deficits—causing currency depreciation and higher borrowing costs. With weaker currencies spurring inflationary pressures, these countries face difficult stagflationary conditions, though less volatility in global rates may help.

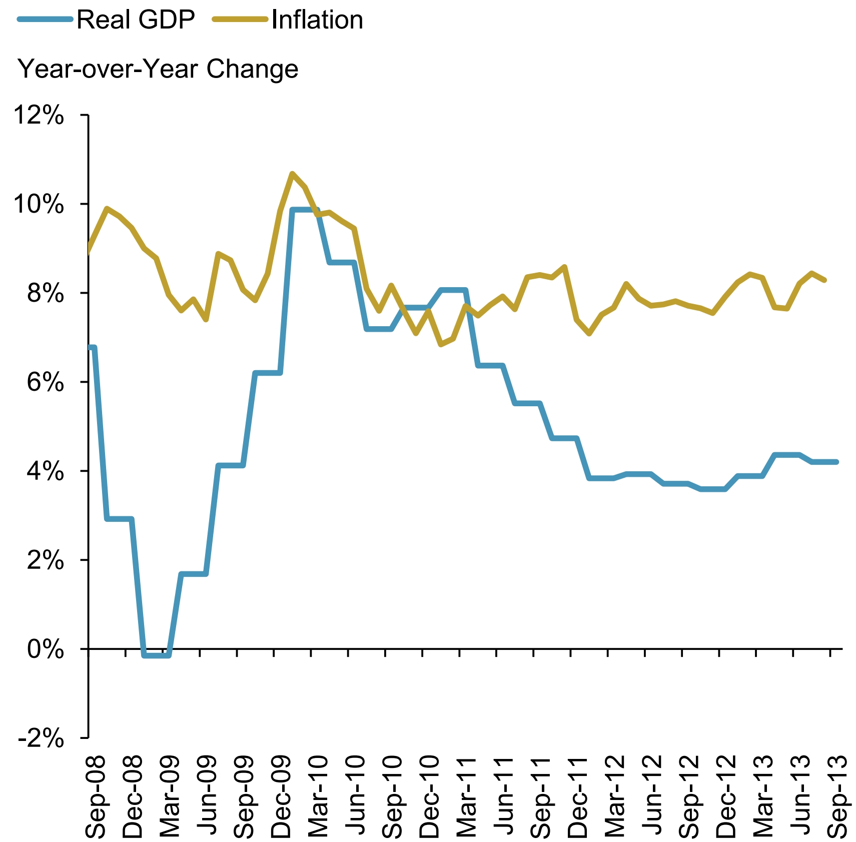
Borrowing Rates and Currencies

Brazil, India, Indonesia, Turkey, South Africa



Growth and Inflation

Brazil, India, Indonesia, Turkey, South Africa

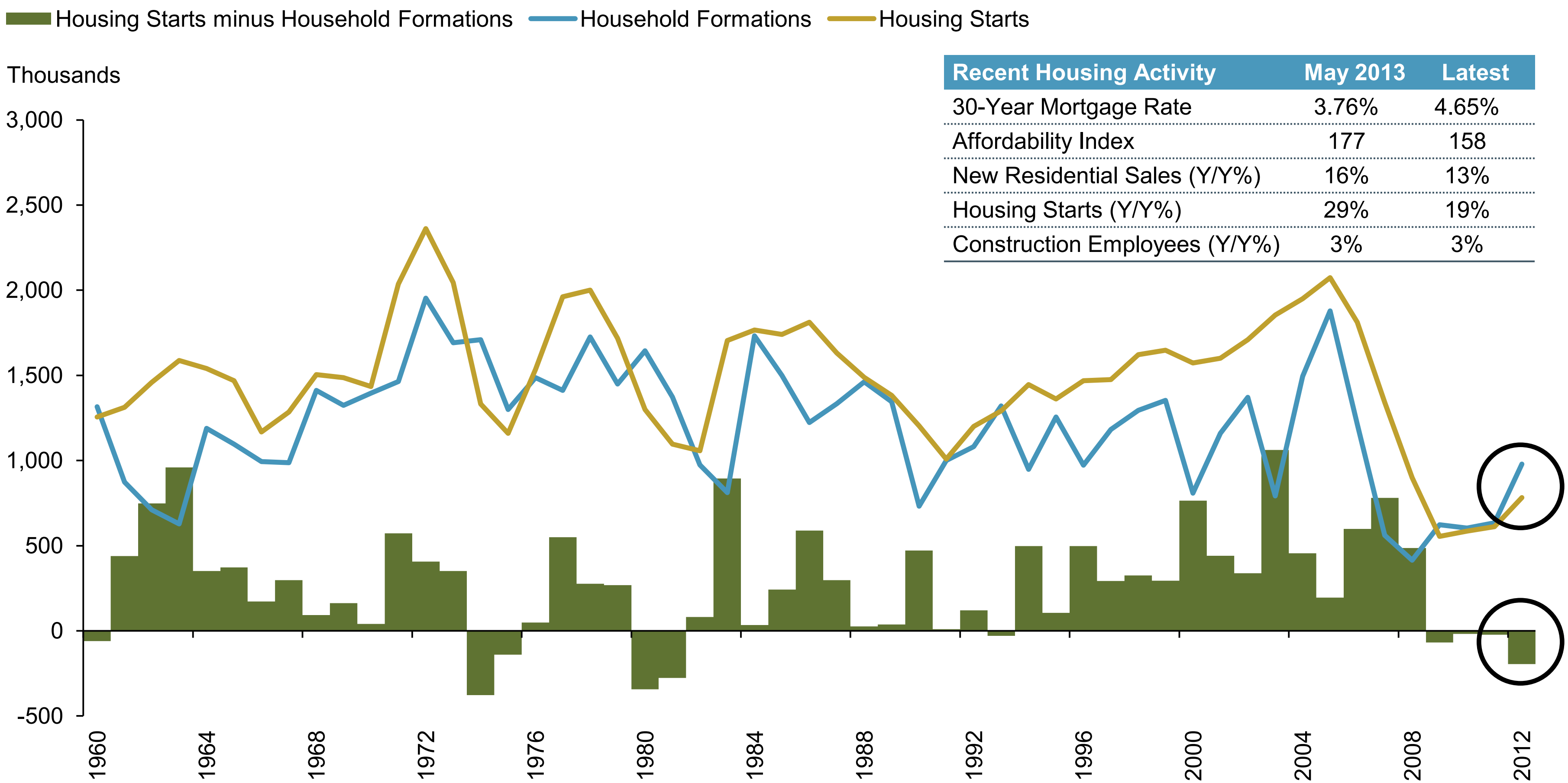


All data uses GDP-weighted averages of five EM countries including Brazil, India, Indonesia, Turkey, and South Africa, as of 2012 GDP levels. Borrowing rates are 10-year local currency government bond yields. **LEFT:** Source: Bloomberg Finance, L.P., Fidelity Investments (AART) through 9/30/13. **RIGHT:** Real GDP = inflation-adjusted gross domestic product. Inflation data through 8/31/2013, GDP data through 6/30/2013, GDP consensus estimate through 9/30/2013. Source: Haver Analytics, Fidelity Investments (AART).

U.S. Mid-Cycle Expansion Still Supported by Housing

The rapid rise in home prices and in mortgage rates has cooled housing activity in recent months. While the pace of price gains may moderate going forward, tight supply-demand fundamentals—household formations have outpaced housing starts for four consecutive years—and still-high housing affordability suggest the housing expansion is likely to continue.

New Household Formations and Housing Starts



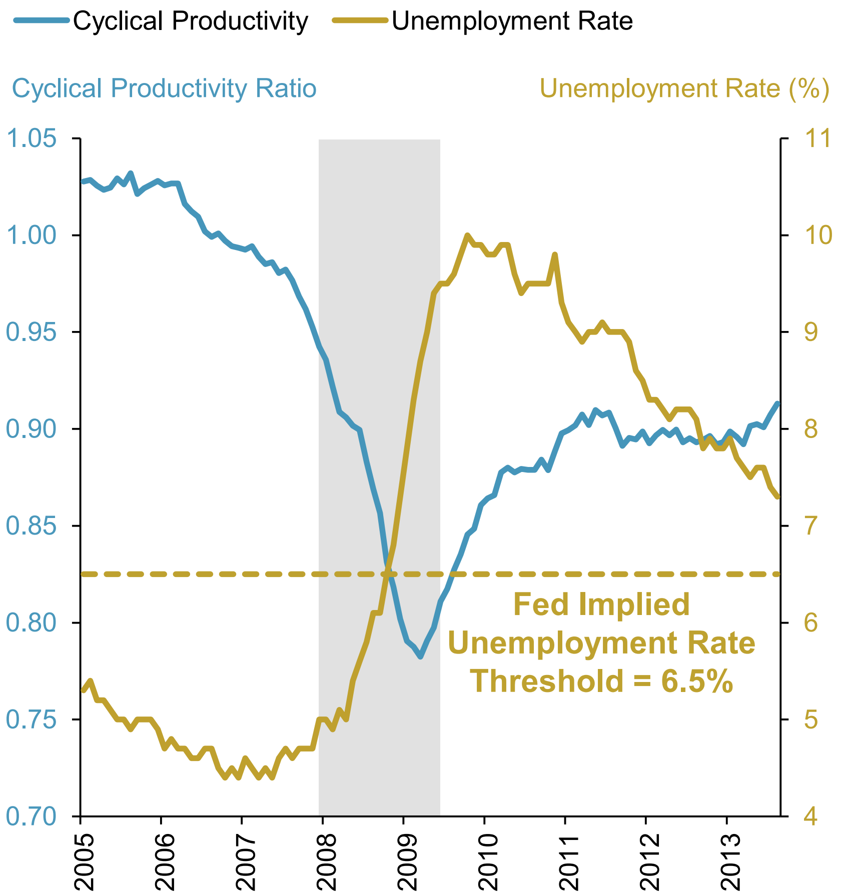
Recent Housing Activity	May 2013	Latest
30-Year Mortgage Rate	3.76%	4.65%
Affordability Index	177	158
New Residential Sales (Y/Y%)	16%	13%
Housing Starts (Y/Y%)	29%	19%
Construction Employees (Y/Y%)	3%	3%

CHART: Source: Census Bureau, Haver Analytics, Fidelity Investments (AART) through 12/31/12. **TABLE:** Y/Y% = year-over-year percent change. See appendix for index definition. Source: Census Bureau, National Association of Realtors, Federal Housing Finance Agency, Bureau of Labor Statistics, Haver Analytics, Fidelity Investments (AART) through 9/30/13.

Late-Cycle Risks to U.S. Expansion Remain Low

The U.S. economy has been in a slow mid-cycle expansion for more than three years, with few signs of late-cycle pressures: labor markets remain relatively slack, cyclical productivity continues to rise and boost corporate profit margins, inventory levels remain lean, and credit availability is easing amid accommodative Fed policies.

Cyclical Productivity and Unemployment



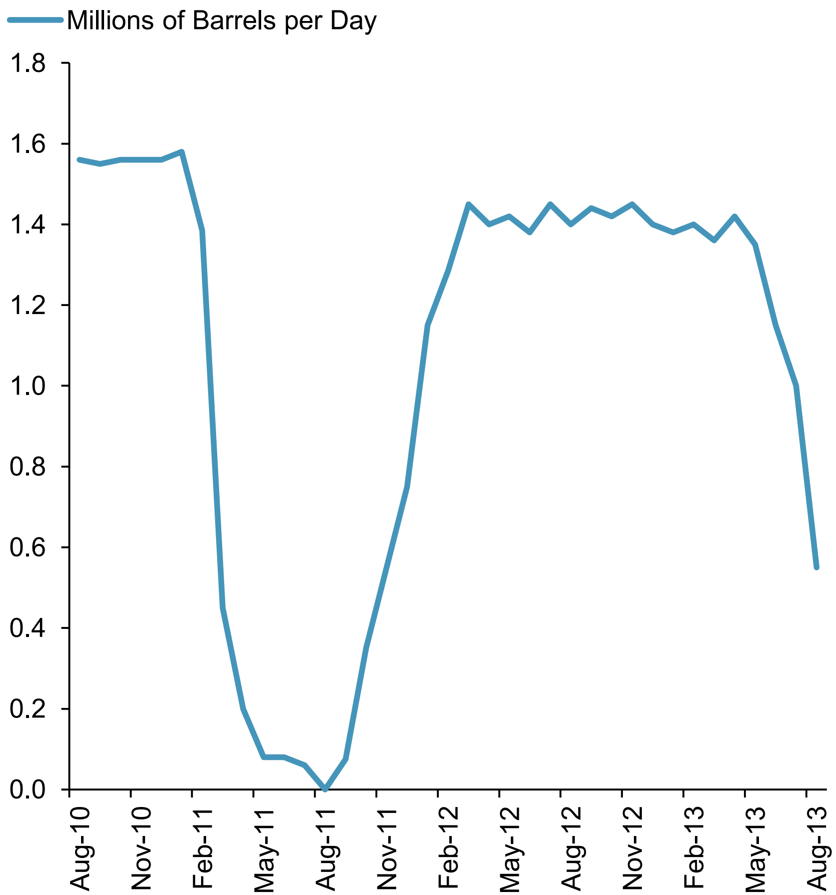
Manufacturing Inventories

Shaded areas are U.S. Recessions, as defined by the National Bureau of Economic Research. **LEFT:** Cyclical productivity is a proprietary index comparing aggregate hours worked to a set of economic indicators. Source: Bureau of Labor Statistics, Haver Analytics, Fidelity Investments (AART) as of 9/30/13. **RIGHT:** Source: Census Bureau, Haver Analytics, Fidelity Investments (AART) as of 9/30/13.

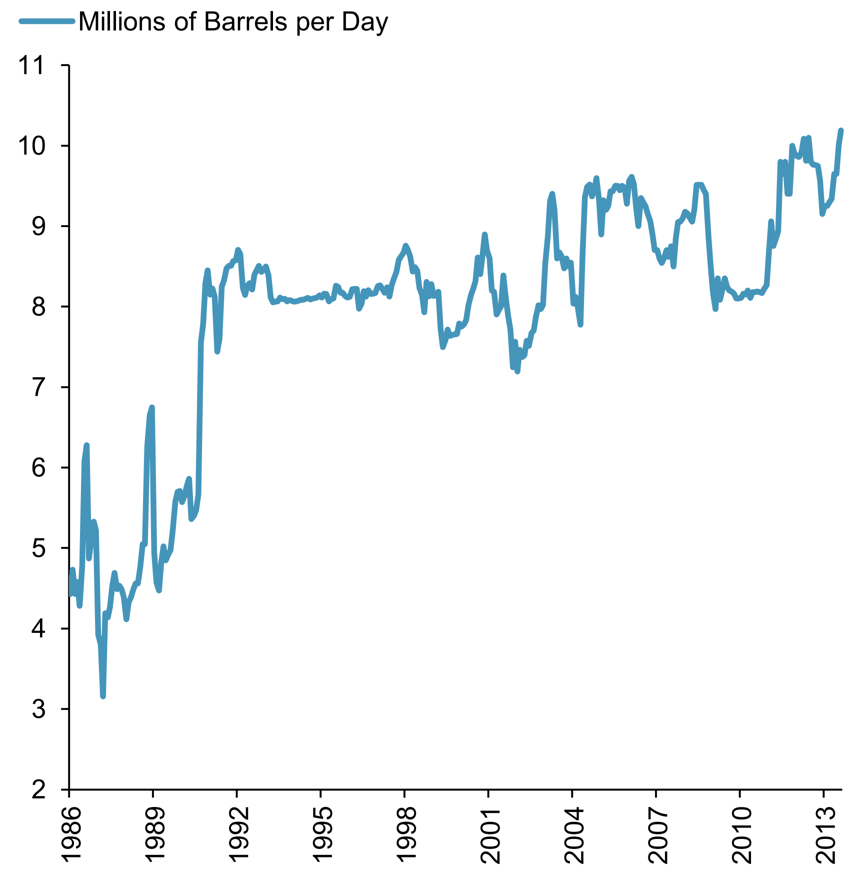
Upside Risks to Oil Prices May Be Underappreciated

Disruptions in Nigeria, Iran, Iraq, and Libya have reduced OPEC oil output by nearly 1.5 million barrels per day over the past year. Saudi Arabia has boosted production to its fastest pace in 30 years, suggesting effective OPEC spare capacity may be tighter than usual, making oil markets more susceptible to additional supply shocks and geopolitical risk.

Libya Crude Production



Saudi Arabia Crude Production

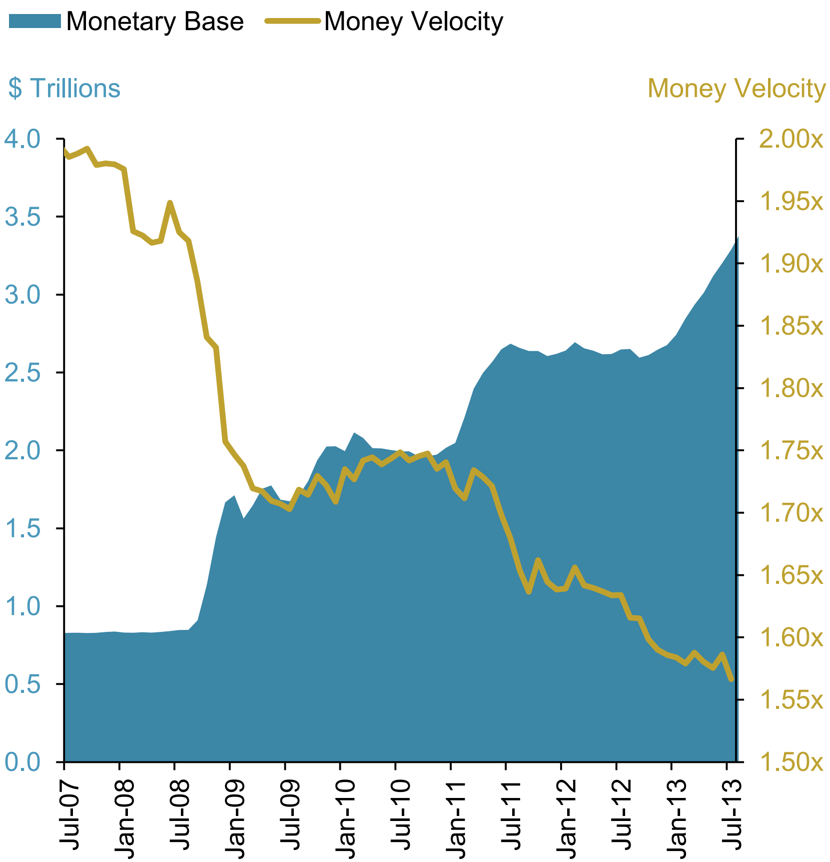


OPEC = Organization of the Petroleum Exporting Countries. Effective OPEC capacity is the sum of the estimated readily available capacity of Saudi Arabia, Kuwait, and the United Arab Emirates, which are the only OPEC countries that have restrained available production in the past.
Source (text and charts): International Energy Agency, Fidelity Investments (AART) as of 8/31/13.

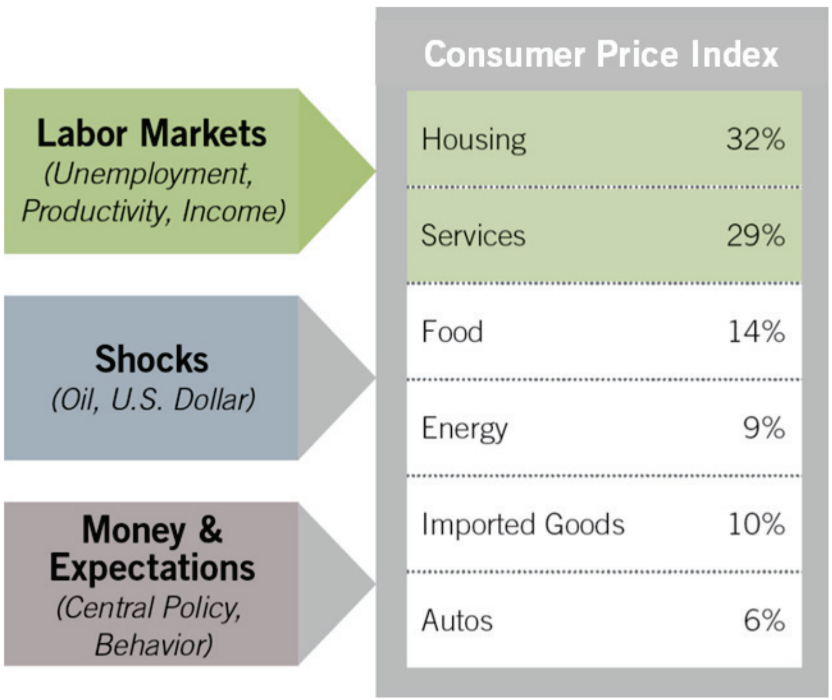
U.S. Inflation Risks Remain Subdued

Most of the dramatic increase in the monetary base has been held as excess bank reserves, not lent out. The drop in the velocity of money has effectively blunted the ability of the Fed's balance sheet expansion to create inflation. Weak employment and low income growth have capped inflation in housing and services, the two largest components of the CPI.

U.S. Monetary Base and Velocity



Key Drivers of Inflation

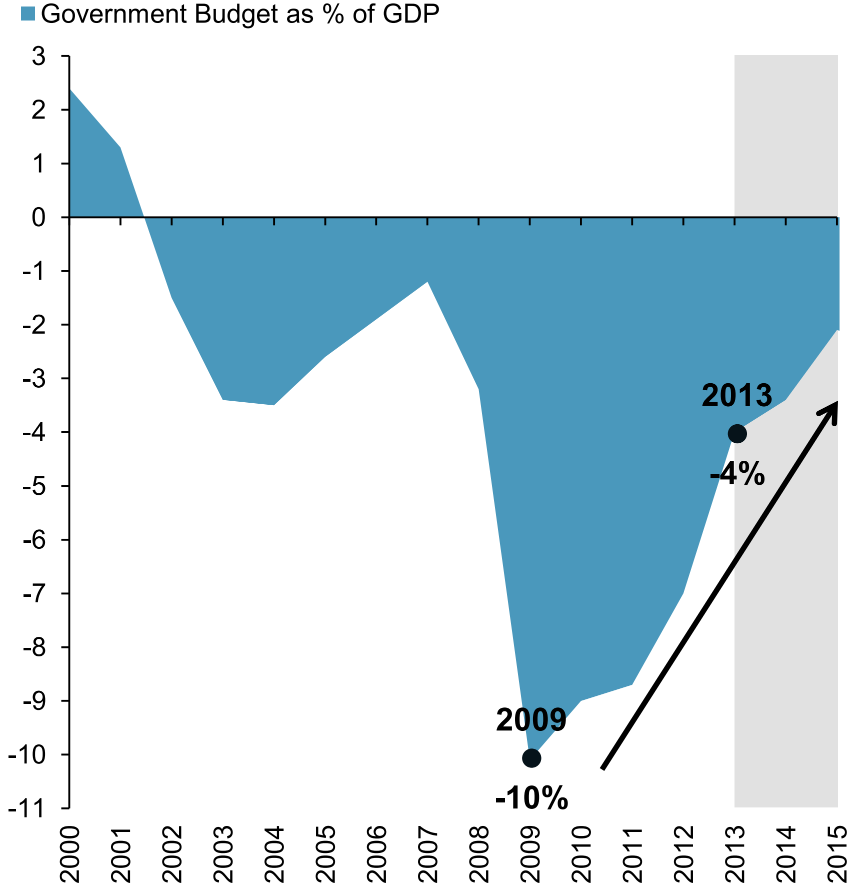


CPI = Consumer Price Index. **LEFT:** Money velocity = GDP/M2. GDP = Gross domestic product. M2 = money supply measure including currency, demand deposits, checking deposits, savings accounts, money market accounts, certificates of deposit. Monetary base = currency plus reserves in the banking sources. Source: Federal Reserve Board, Haver Analytics, Fidelity Investments (AART) through 7/31/13. **RIGHT:** Source: Bureau of Labor Statistics, Haver Analytics, Fidelity Investments (AART) as of 8/31/13.

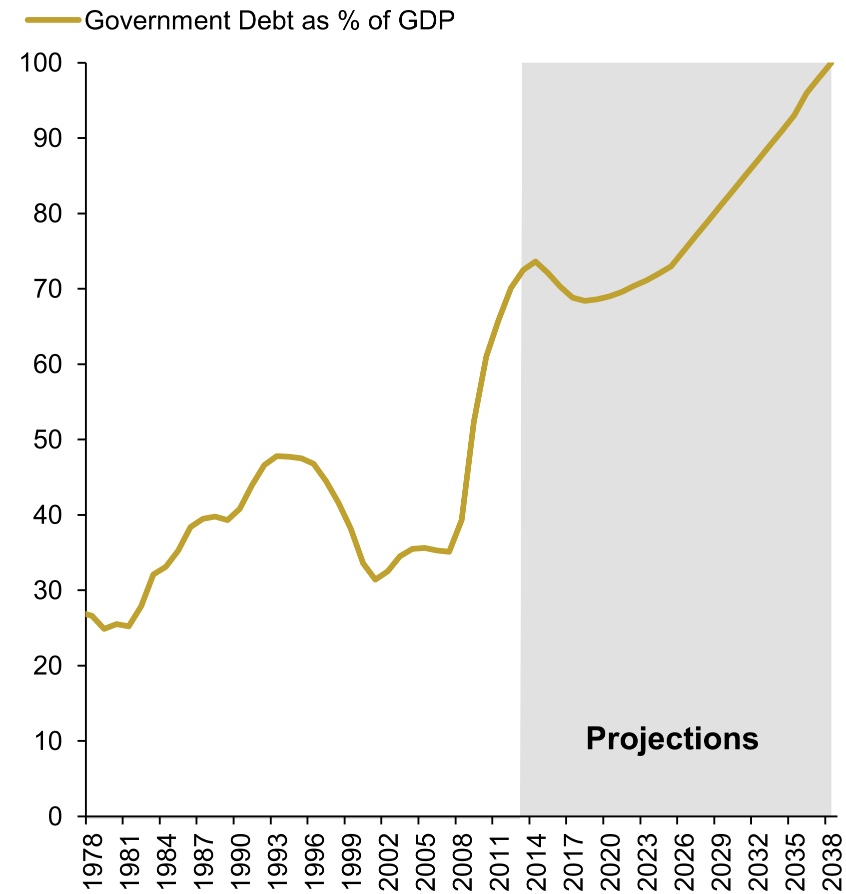
Near-term Fiscal Outlook Improved, Long-term Untenable

Following fiscal consolidation measures over the past two years, the government budget deficit is projected to continue shrinking through 2015. However, projections of rising entitlement expenditures during the coming decades anticipate U.S. debt growing over the next 25 years to levels last seen during World War II.

U.S. Fiscal Deficit



U.S. Government Debt



Shaded areas represent Congressional Budget Office estimates. **LEFT:** Source: Congressional Budget Office, Haver Analytics, Fidelity Investments (AART) as of 5/14/13. **RIGHT:** Source: Congressional Budget Office, Haver Analytics, Fidelity Investments (AART) as of 5/14/13.

Outlook: Market Assessment

According to Fidelity's Business Cycle Board, composed of portfolio managers responsible for a variety of asset allocation strategies across Fidelity's asset management unit, the U.S. and several non-U.S. developed economies are improving cyclically, the near-term outlook for China and some developing economies has improved, and policy risks remain.

U.S. expansion resilient though maturing with only moderate growth	Fed's near-term intentions less clear, but monetary policy to remain easy	Tentative signs of global recovery boost export sector outlook

Opportunities:

- Firmer outlook among developing economies
  - Greater differentiation among emerging markets, but more stable China and global rates help improvement

Risks:

- Fiscal and structural challenges
  - The need for greater structural reforms in cyclically positive developed countries remains, including addressing fiscal issues in the U.S. and Japan

Potential Asset Allocation Implications:

- Global business cycle generally supportive of equities
- Outlook more balanced with regard to global interest rates, bonds

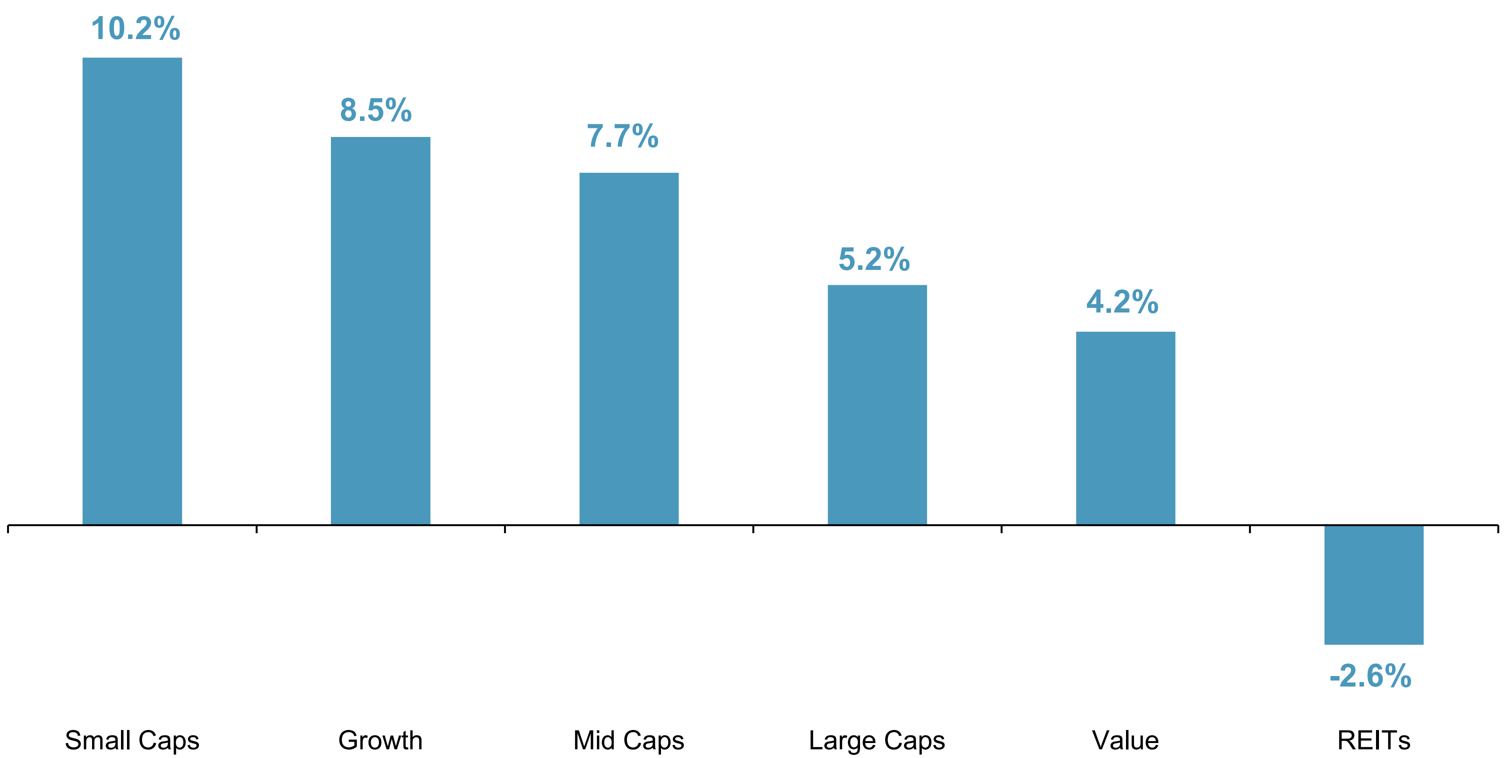
Source: Market Assessment Statement of Global Asset Allocation's Business Cycle Board, Fidelity Investments as of 9/30/13.

U.S. Equity Markets

Most U.S. Equity Categories Gained, REITs Lost Ground

Returns on U.S. equities accelerated from the second quarter, adding to robust year-to-date gains. Small caps, growth, and mid caps led amid solid fundamentals and assurances of continued QE. REITs were once again the sole decliner, as their high dividend yields faced ongoing competition from increased bond yields.

Q3 2013 Total Return



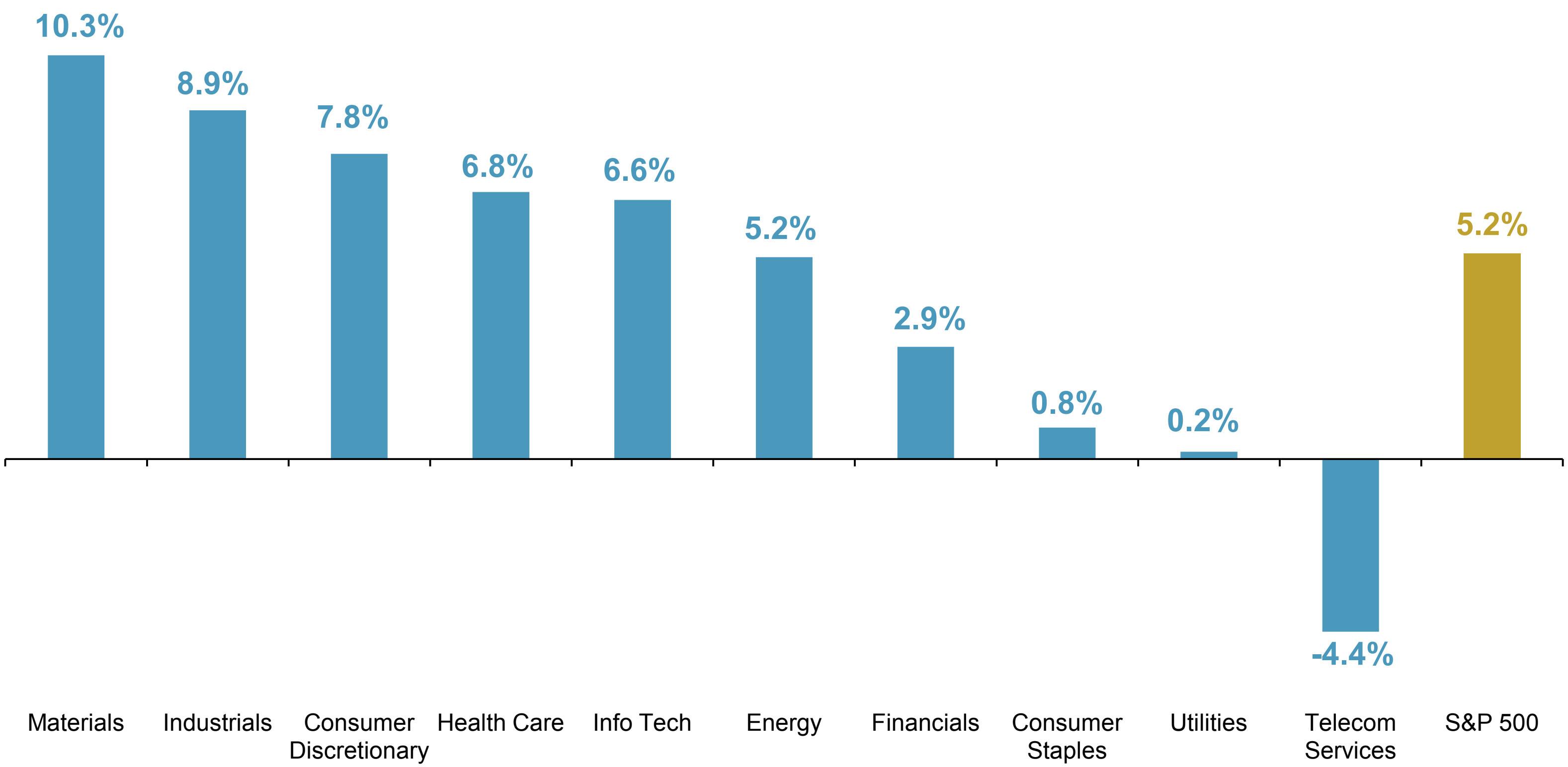
	Small Caps	Growth	Mid Caps	Large Caps	Value	REITs
Year-to-Date	27.7%	21.8%	24.3%	19.8%	20.7%	3.0%

Past performance is no guarantee of future results. You cannot invest directly in an index. All indices are unmanaged. Please see appendix for important index information. Equity market returns represented by: Growth – Russell 3000 Growth Index; Large Caps – S&P 500 Index; Mid Caps – Russell Midcap Index; REITs (Real Estate Investment Trusts) – NAREIT Equity Only Index; Small Caps – Russell 2000 Index; Value – Russell 3000 Value Index. Source: FactSet, Fidelity Investments (AART) as of 9/30/13.

Global, Cyclical Sectors Improved; Defensives Trailed

With China' s economy stabilizing and the global outlook improving, the materials and industrials sectors led broad-based gains. More economically sensitive sectors generally registered larger returns, while defensive, dividend-heavy sectors continued to underperform.

Q3 2013 Total Return



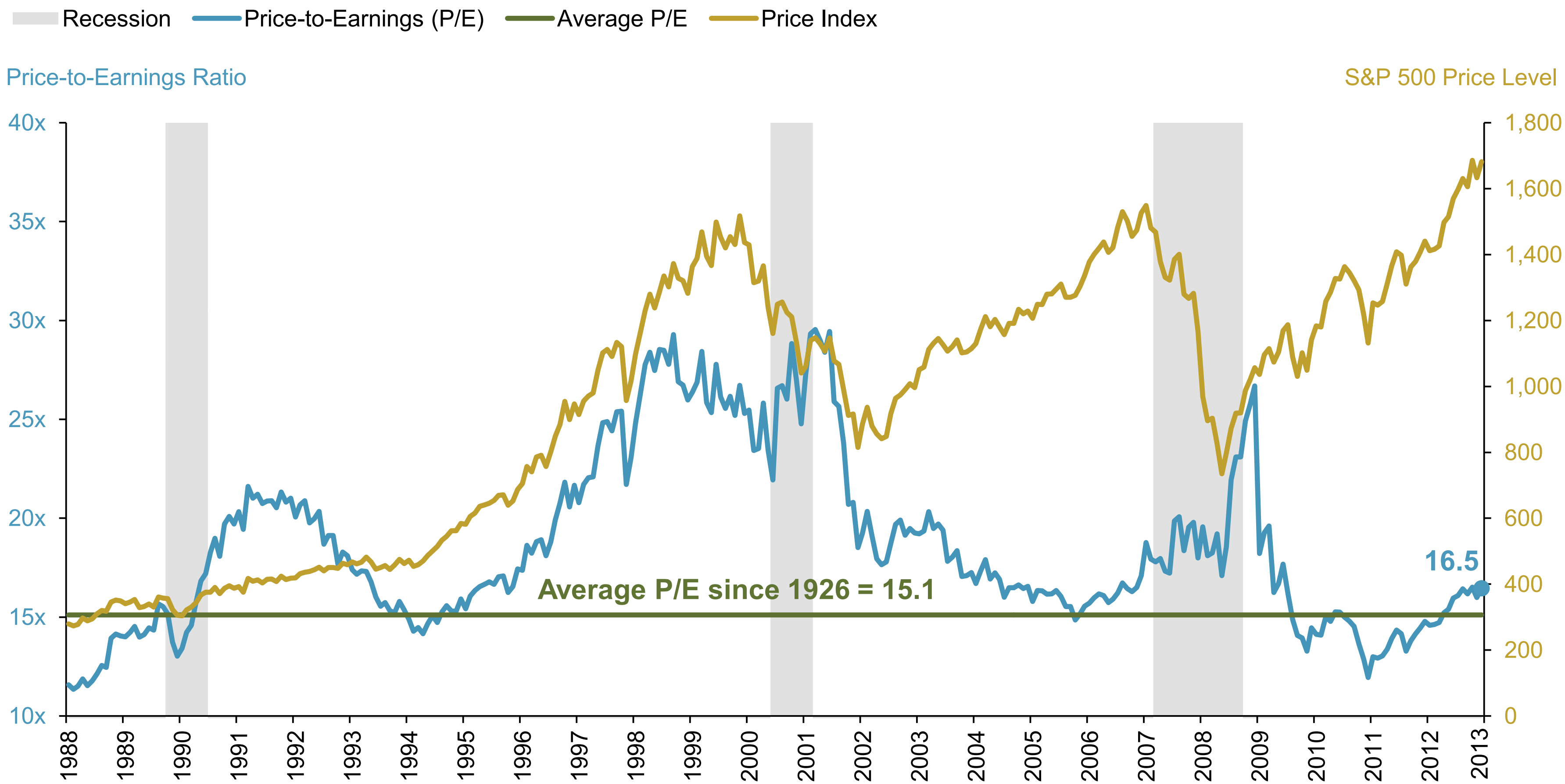
	Materials	Industrials	Consumer Discretionary	Health Care	Info Tech	Energy	Financials	Consumer Staples	Utilities	Telecom Services	S&P 500
Year-to-Date	13.5%	23.9%	29.1%	28.5%	13.4%	15.4%	22.9%	16.1%	10.1%	5.7%	19.8%

Past performance is no guarantee of future results. You cannot invest directly in an index. All indices are unmanaged. Please see appendix for important index information. Sector investing involves risk. Because of its narrow focus, sector investing may be more volatile than investing in more diversified baskets of securities. Sector returns represented by S&P 500 sectors. Source: FactSet, Fidelity Investments (AART) as of 9/30/13.

Current Valuations Suggest Decent Return Expectations

Price-to-earnings ratios have been flat from last quarter, as gradual improvement in corporate profitability has driven market gains. Current valuations are near the long-term average, which suggests average intermediate-term return expectations. While most stock indexes are back near all-time highs, the market's valuation has compressed since the 2001 peak.

S&P 500 Price and Valuation

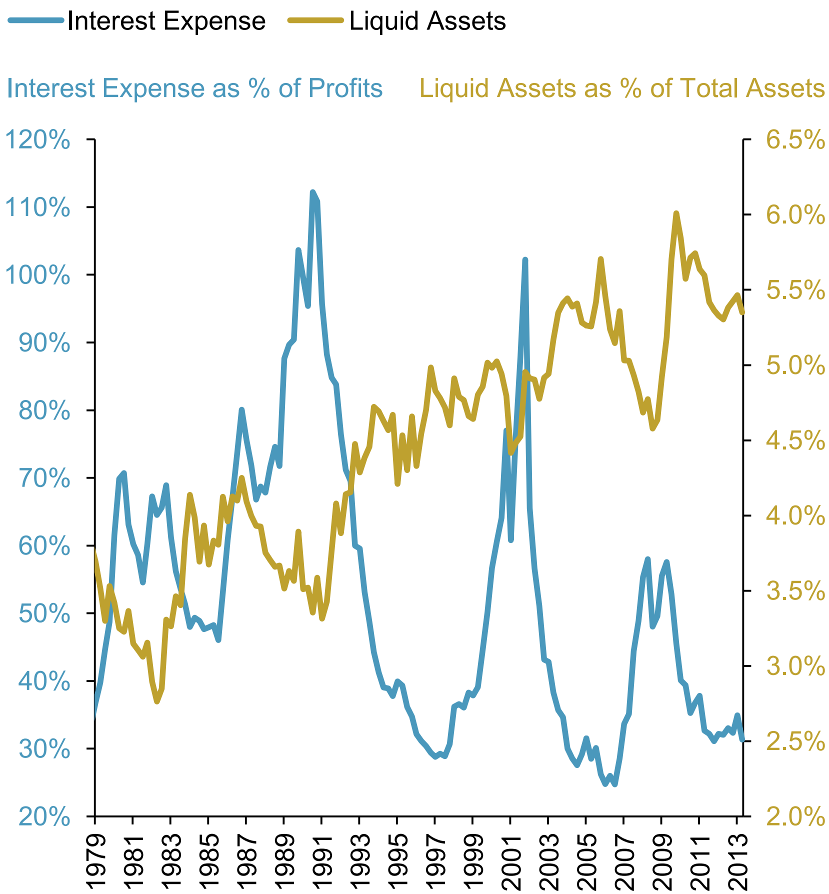


Past performance is no guarantee of future results. It is not possible to invest directly in an index. All indices are unmanaged. Please see appendix for important index information. Shaded areas are U.S. Recessions, as defined by the National Bureau of Economic Research. Source: Standard & Poor's, Robert Shiller, Haver Analytics, Fidelity Investments (AART) through 9/30/13.

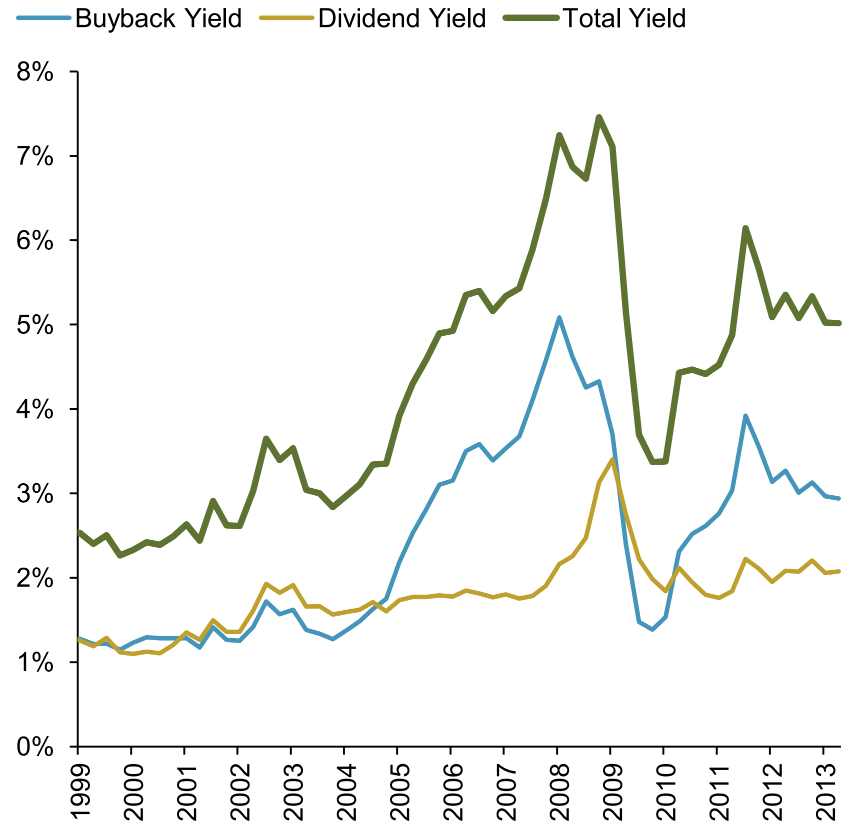
Healthy Balance Sheets Enable Focus on Investor Returns

Low interest rates and strong profitability have allowed U.S. corporations to reduce interest expense, shore up balance sheets, and accumulate liquid assets. Companies have used high cash balances to return capital to shareholders as both dividends and share buybacks, boosting the total yield to investors.

Corporate Cash and Interest Expense



S&P 500 Dividend, Buyback, and Total Yields

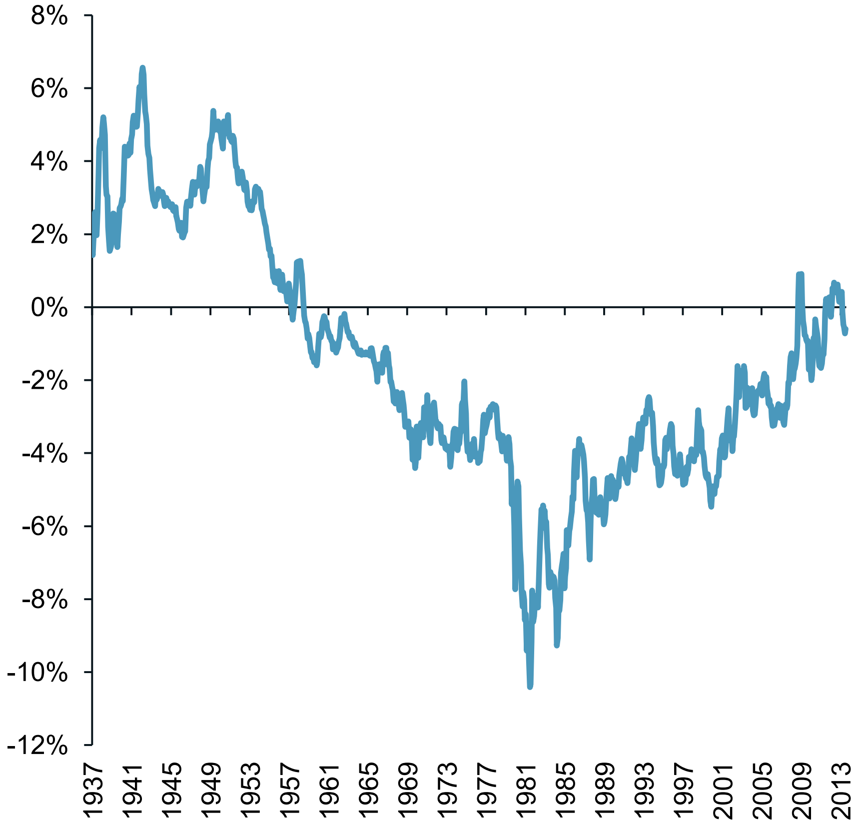


LEFT: Interest expense for all nonfinancial U.S. firms as defined by the Bureau of Economic Analysis. Corporate cash = liquid assets as defined by the Federal Reserve Board. Source: Bureau of Economic Analysis, Haver Analytics, Fidelity Investments (AART) as of 6/30/13. **RIGHT:** Buyback and dividend yields are 12-month sums divided by S&P 500 market capitalization. Past performance and dividend rates are historical and do not guarantee future results. Source: Standard & Poor's, Fidelity Investments (AART) through 6/30/13.

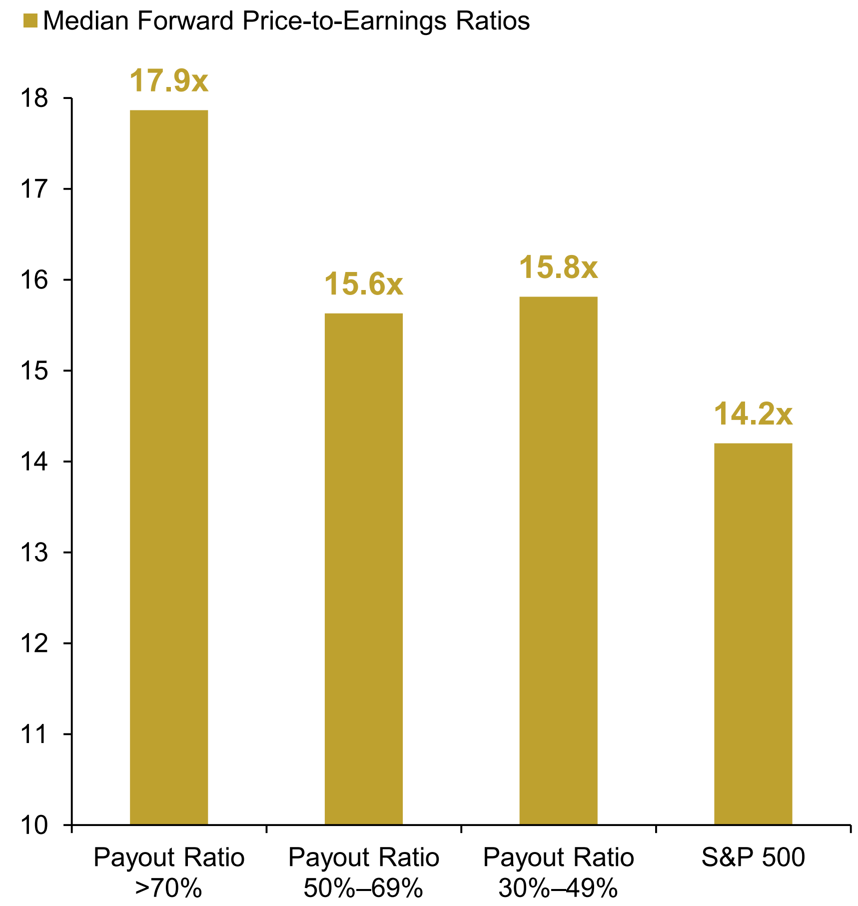
Opportunities for Equity Income as Market Revalues Dividends

Despite some volatility in bond yields during the quarter, equity dividend yields remained high relative to bond yields when compared to the past 50 years. Reflecting a possible long-term shift in investor preferences, stocks with higher payout ratios have enjoyed higher valuations as the market has paid a premium for the potential stability of distributed earnings.

S&P 500 Dividend Yield minus 10-Year Treasury Yield



S&P 500 Valuations

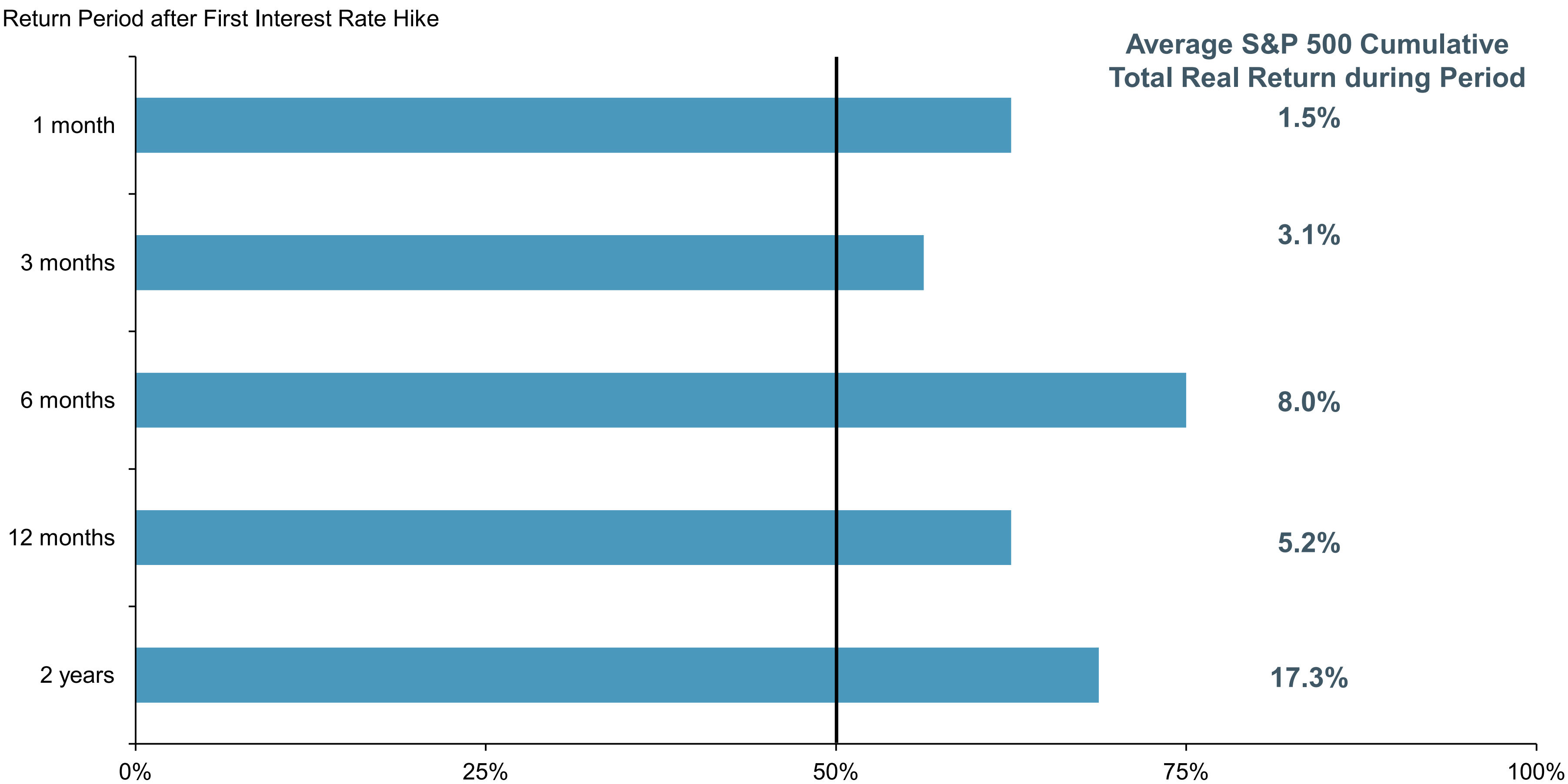


Past performance and dividend rates are historical and do not guarantee future results. **LEFT:** Source: Standard & Poor's, Federal Reserve Board, Haver Analytics, Fidelity Investments (AART) through 8/31/13. **RIGHT:** Payout ratio = dividend paid out over the year divided by earnings over the year. Source: FactSet, Fidelity Investments (AART) as of 9/30/13.

Federal Reserve Tightening Not Necessarily Bad for Equities

While Fed tightening cycles have often led to increased volatility in equity markets, more often than not stocks have experienced positive real (inflation-adjusted) returns following the Fed's first rate hike. Even if the Fed moves to taper its QE program, monetary tightening by itself does not necessarily indicate negative stock market performance.

Frequency of S&P 500 Positive Real Returns after Initial Fed Tightening, 1922–2013



Past performance is no guarantee of future results. Real = inflation-adjusted. Performance as measured from the Fed's first interest rate hike includes 16 tightening cycles from 1922 to 2004. Source: Haver Analytics, Fidelity Investments (AART) as of 9/30/13.

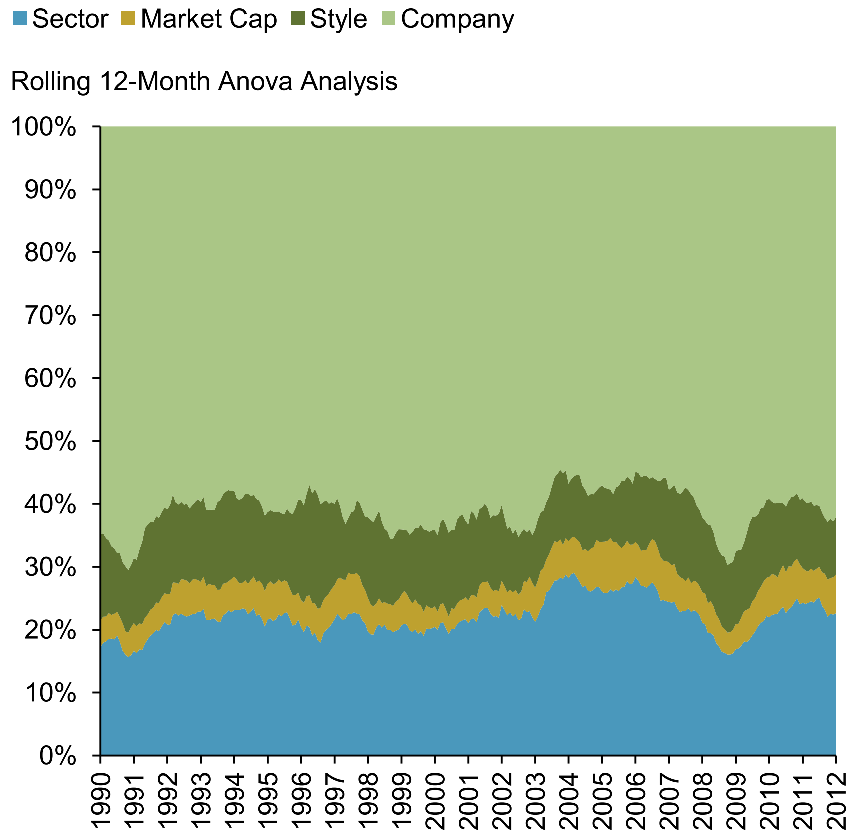
Equity Sectors: Building Blocks for Portfolio Construction

A disciplined business cycle approach to sector allocation can produce active returns, even though historically, the least pronounced relative performance patterns have occurred in the mid-cycle. Quantitative analysis of past stock market returns shows that sector exposure is a significant factor for explaining differences in performance between individual stocks.

Business Cycle Approach to Sectors

Sector	Early	Mid	Late	Recession
Financials	+			
Consumer Discretionary	+		–	–
Technology	+	+	–	–
Industrials	+	+		–
Materials	+	–	+	
Consumer Staples			+	+
Health Care			+	+
Energy	–		+	
Telecom	–			+
Utilities	–	–	+	+

Average Source of Return for Stocks in Russell 3000



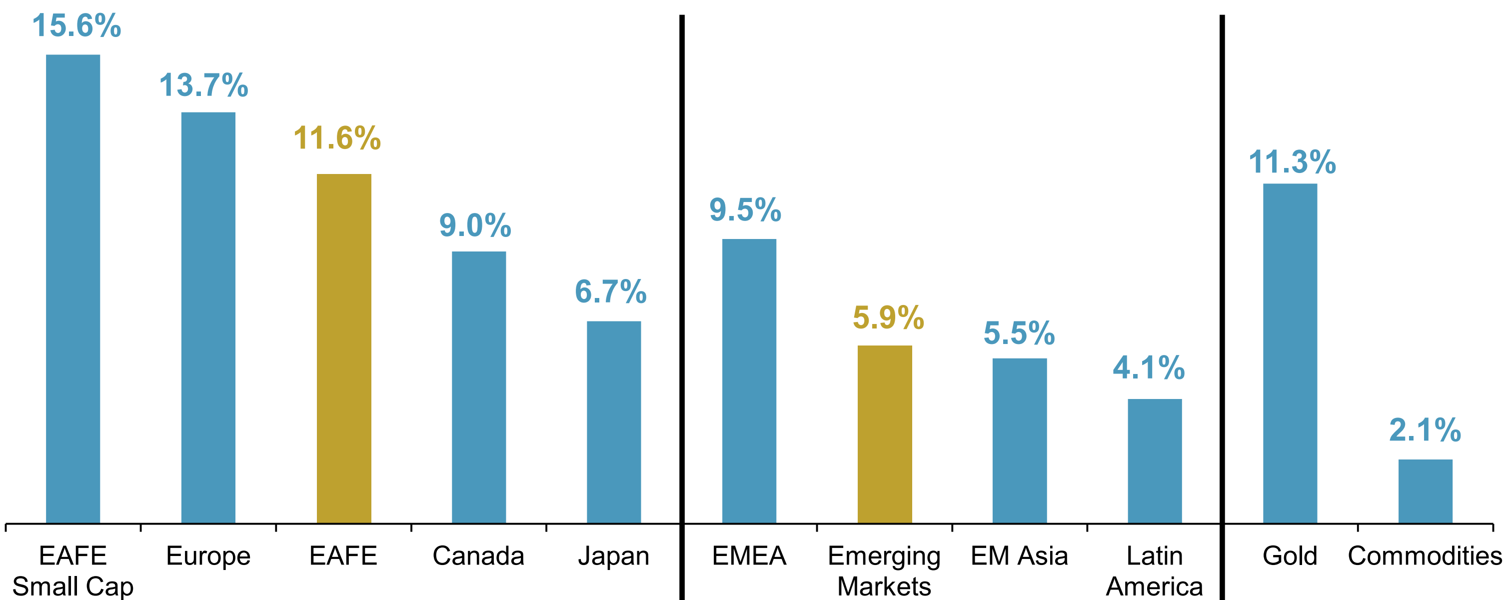
Past performance is no guarantee of future results. Sectors as defined by GICS. **LEFT:** Green portions suggest a historical pattern of outperformance, red portions suggest underperformance, and unshaded portions indicate no clear pattern of out- or underperformance vs. broader market, as represented by the top 3,000 U.S. stocks by market capitalization. Analysis includes performance for 1962 to 2010. Source: *The Business Cycle Approach to Sector Investing,* Fidelity Investments (AART) as of May 2012. **RIGHT:** Anova = analysis of variation. Source: FactSet, Fidelity Investments (AART) as of 12/31/12.

International Equity Markets & Global Assets

Developed Non-U.S. Equity Markets Led Broad-based Rally

Strong returns in Europe spearheaded widespread gains across non-U.S. developed-country equity markets. Emerging markets rose also, recouping some year-to-date losses. Non-U.S. developed markets generally benefited from currencies rising against the weakening U.S. dollar. Gold bounced back from a steep Q2 drop, and commodities made modest gains.

Q3 2013 Total Return



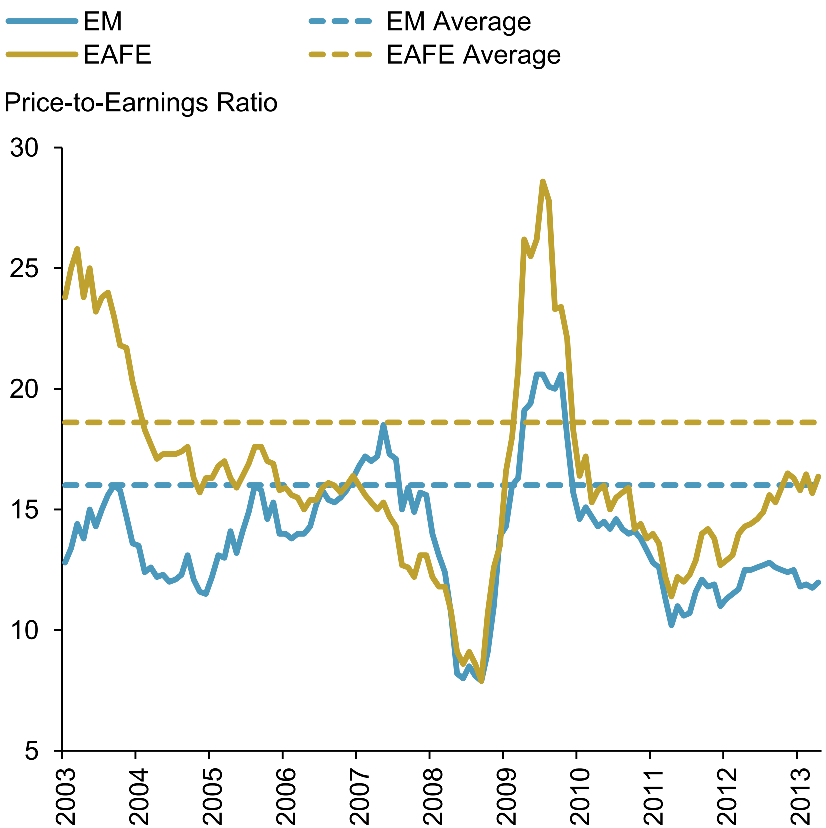
	EAFE Small Cap	Europe	EAFE	Canada	Japan	EMEA	Emerging Markets	EM Asia	Latin America	Gold	Commodities
Q3 Local Currency	11.6%	8.2%	7.5%	6.2%	5.4%	9.3%	5.8%	5.1%	4.7%	N/A	N/A
Year-to-Date USD	22.4%	16.7%	16.6%	2.2%	24.5%	-4.9%	-4.1%	-1.3%	-11.1%	-20.0%	-8.6%
	Developed-Market Equities					Emerging-Market Equities				Commodities	

All returns are gross in U.S. dollars unless otherwise noted. Past performance is no guarantee of future results. You cannot invest directly in an index. All indices are unmanaged. Please see appendix for important index information. Index returns represented by: Canada – MSCI Canada Index; Commodities – S&P GSCI Commodities Index; EAFE – MSCI Europe, Australasia, Far East Index; EAFE Small Cap – MSCI EAFE Small Cap Index; EM Asia – MSCI Emerging Markets Asia Index; EMEA (Europe, Middle East, & Africa) – MSCI EM EMEA Index; Emerging Markets (EM) – MSCI EM Index; Europe – MSCI Europe Index; Gold – Gold Bullion Price, LBMA PM Fix; Japan – MSCI Japan Index; Latin America – MSCI EM Latin America Index. Source: FactSet, Fidelity Investments (AART) as of 9/30/13.

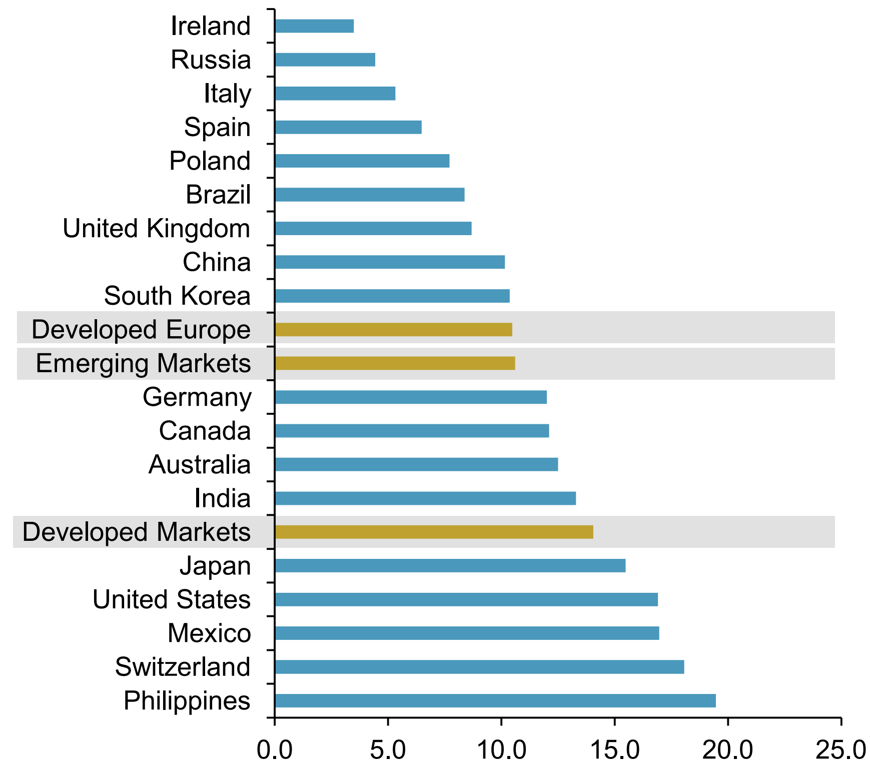
Non-U.S. Equity Valuations Still Relatively Inexpensive

Trailing 12-month P/E multiples held steady below long-term averages in both developed and emerging non-U.S. equity markets. Using peak earnings over the past five years to calculate a cyclical P/E, non-U.S. markets—particularly developed Europe and many emerging markets—are relatively inexpensive.

Trailing 12-Month P/E Ratios



Cyclical P/Es: Price-to-Five-Year Peak Earnings

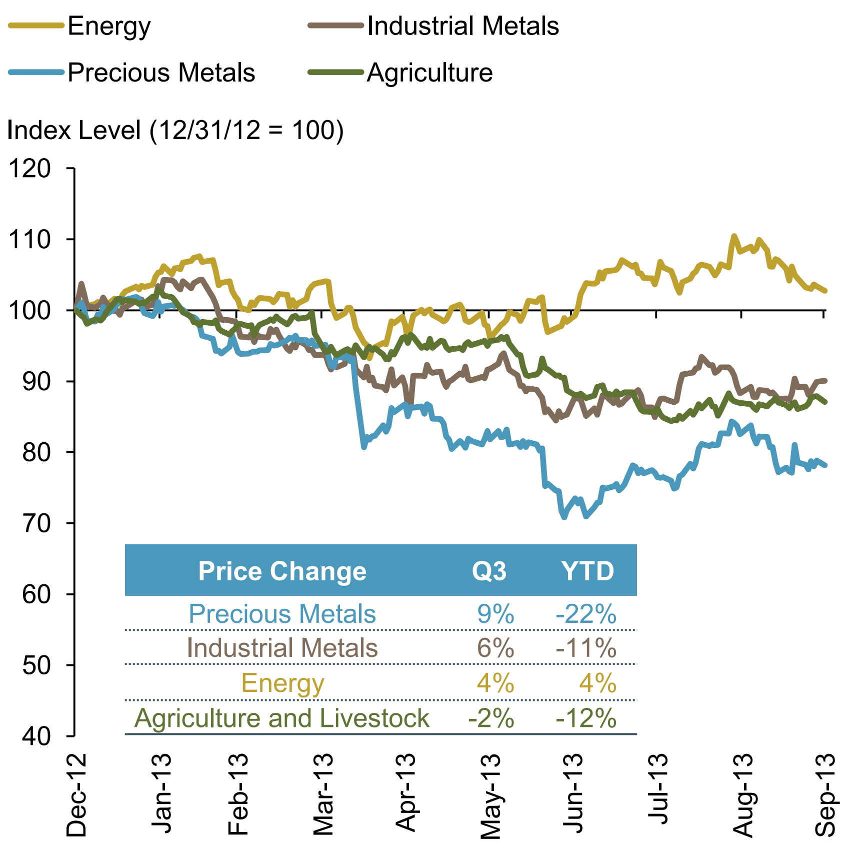


Past performance is no guarantee of future results. You cannot invest directly in an index. All indices are unmanaged. Please see appendix for important index information. Price-to-earnings (P/E) ratio (or multiple) = stock price divided by earnings per share, which indicates how much investors are paying for a company's earnings power. **LEFT:** Long-term average P/E for emerging markets includes MSCI EM Index data for 1988 to 2013. Long-term average P/E for non-U.S. developed markets includes MSCI EAFE Index data for 1978 to 2013. Source: FactSet, Fidelity Investments (AART) as of 9/30/13. **RIGHT:** Five-year peak earnings are adjusted for inflation. Source: FactSet, country statistical organizations, Haver Analytics, Fidelity Investments (AART) as of 9/30/13.

Commodity Prices Stabilized, Outlook Improved

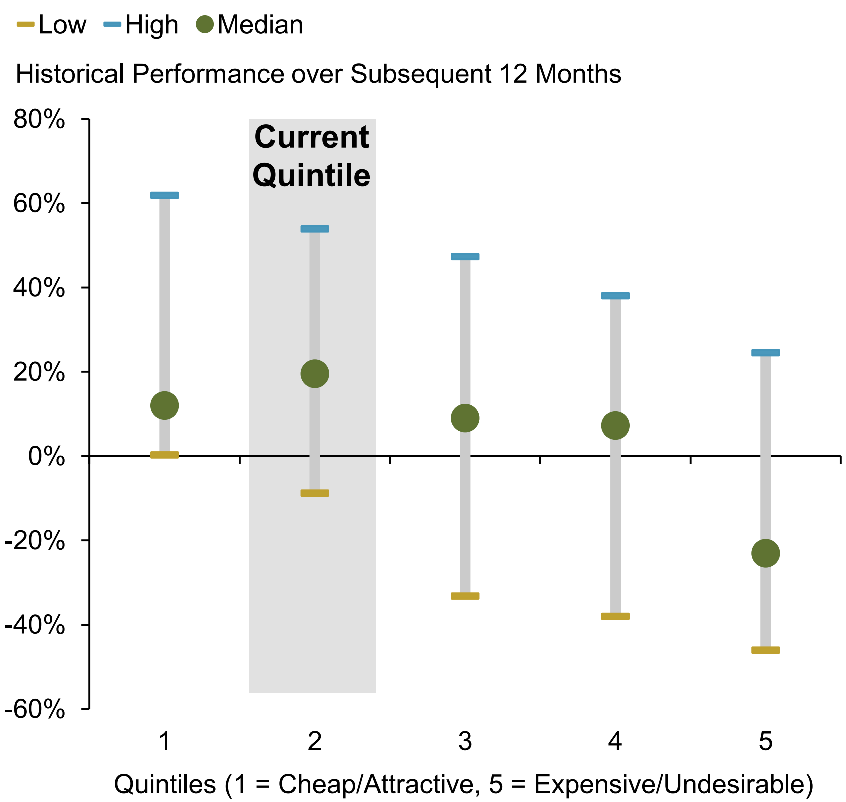
Lackluster global demand, rising real interest rates, and disinflationary trends have weighed on commodity prices in 2013. However, prices stabilized during the third quarter amid the uptick in global growth, and lower marginal costs and tightening supply-demand conditions have moved our commodity model to a more positive short-term outlook.

Commodity Performance



Price Change	Q3	YTD
Precious Metals	9%	-22%
Industrial Metals	6%	-11%
Energy	4%	4%
Agriculture and Livestock	-2%	-12%

Commodity Composite Model and Subsequent Commodity Performance



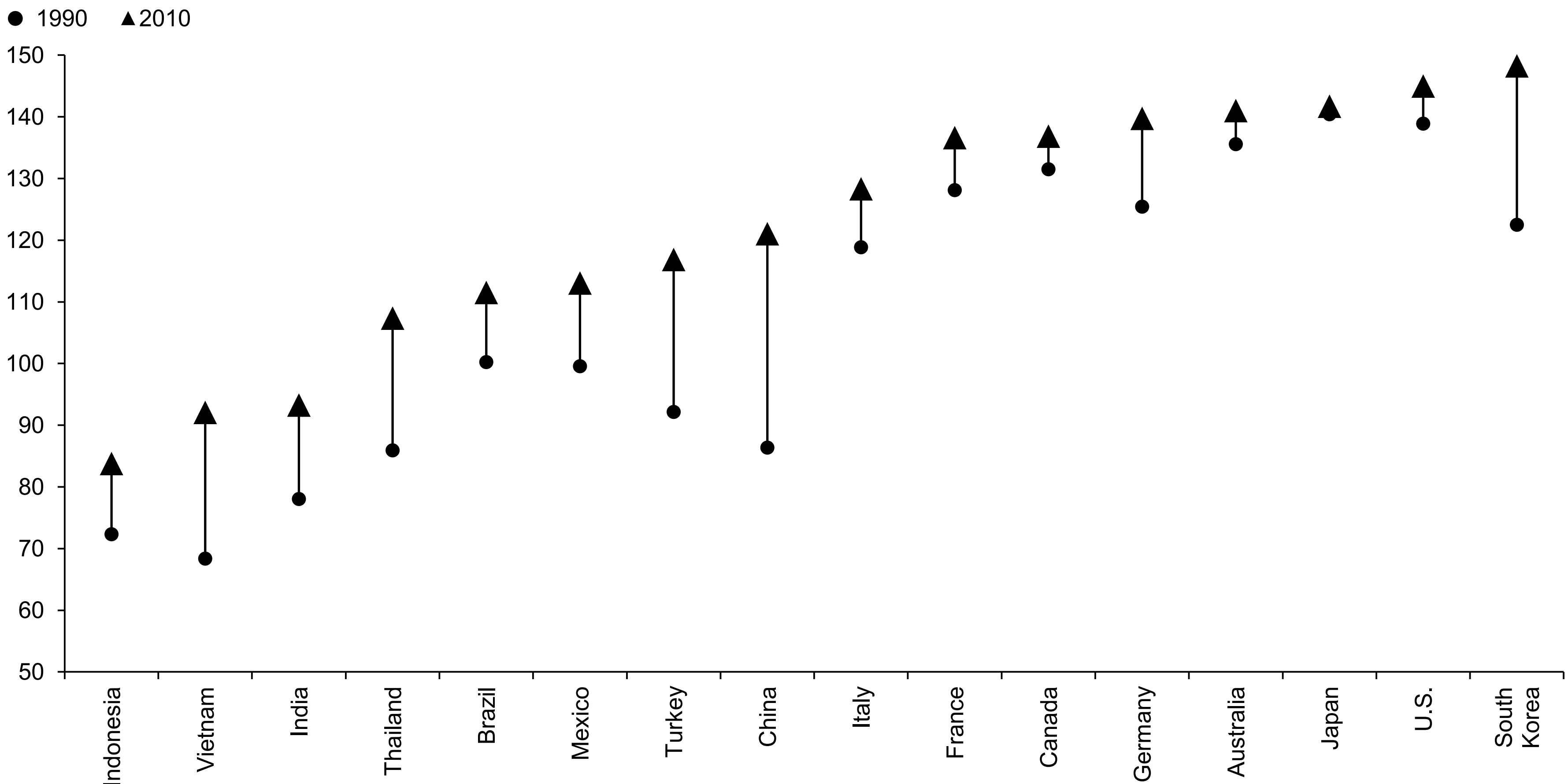
Past performance is no guarantee of future results. You cannot invest directly in an index. All indices are unmanaged. Please see appendix for important index information. **LEFT:** Standard & Poor's Goldman Sachs Commodity Sub-Indices. Source: Standard & Poor's, Haver Analytics, Fidelity Investments (AART) through 9/30/13. **RIGHT:** The Commodity Composite Model is a weighted proprietary index created using macroeconomic, fundamental, and valuation metrics. The chart shows the range of historical performance, as represented by the DJ-UBS Commodity Index, observed in the 12 months subsequent to model readings in each quintile. Source: Bloomberg Finance, L.P., Fidelity Investments (AART) as of 9/30/13.

Fidelity INVESTMENTS

Human Capital: Key Driver of Secular Productivity

Greater human capital may lead to higher long-term productivity rates, as education and scientific advancement may help drive future innovation. Human capital accumulation may boost global growth in the future, as our human capital index shows that advanced economies have maintained high human capital while emerging markets have made the biggest gains.

Human Capital Index



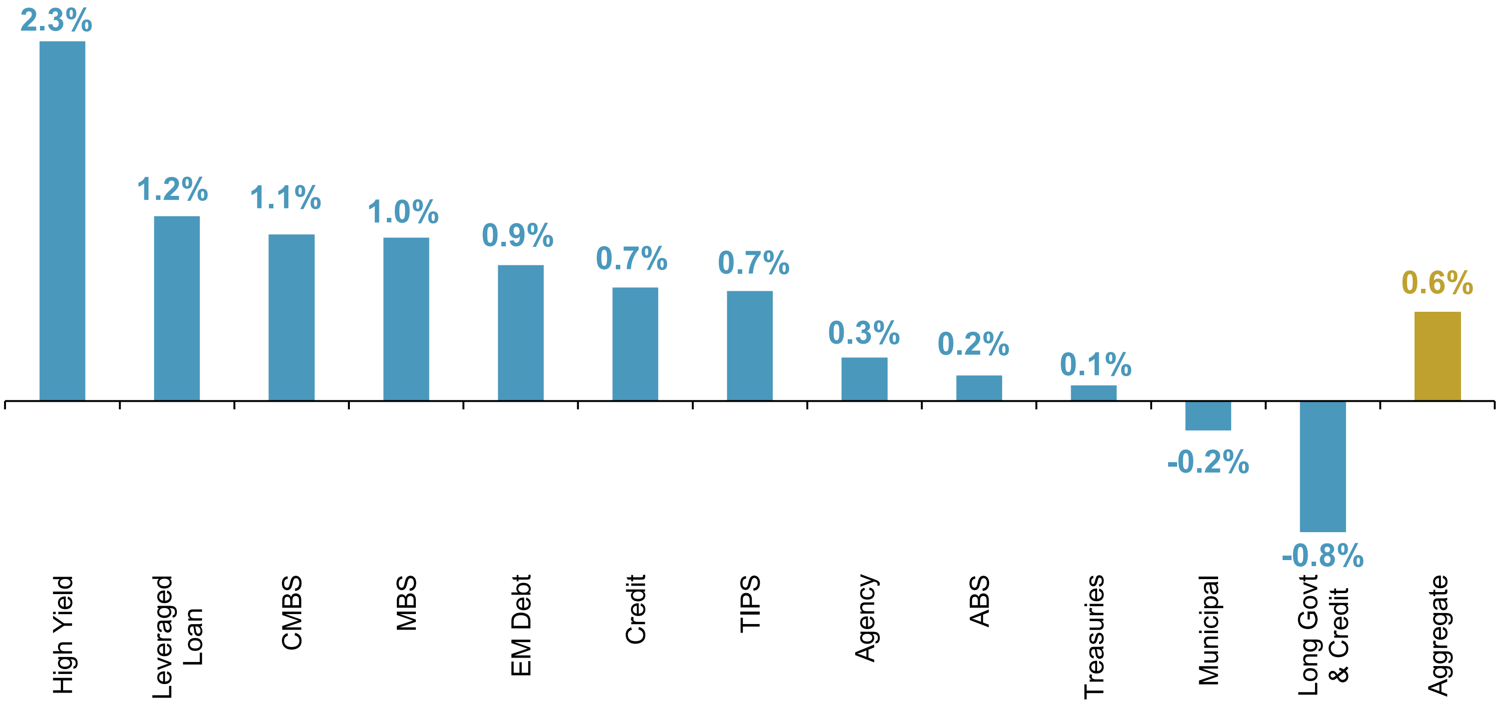
The Human Capital Index is a proprietary indicator incorporating measures of educational and scientific achievement as key drivers of future innovation and adoption of new technologies. Source: United Nations, Fidelity Investments (AART) as of 1/31/13.

Fixed Income Markets

Bonds Reverse from Sell-off in Second Quarter

Most bond categories showed positive returns as interest rates stabilized. Credit-sensitive classes such as high yield corporate bonds and leveraged loans led the way, boosted by steady economic data and the Fed's continuation of QE at current levels. Long-term bonds fell as long-term yields rose, while TIPS signaled a modest increase in inflation expectations.

Q3 2013 Total Return



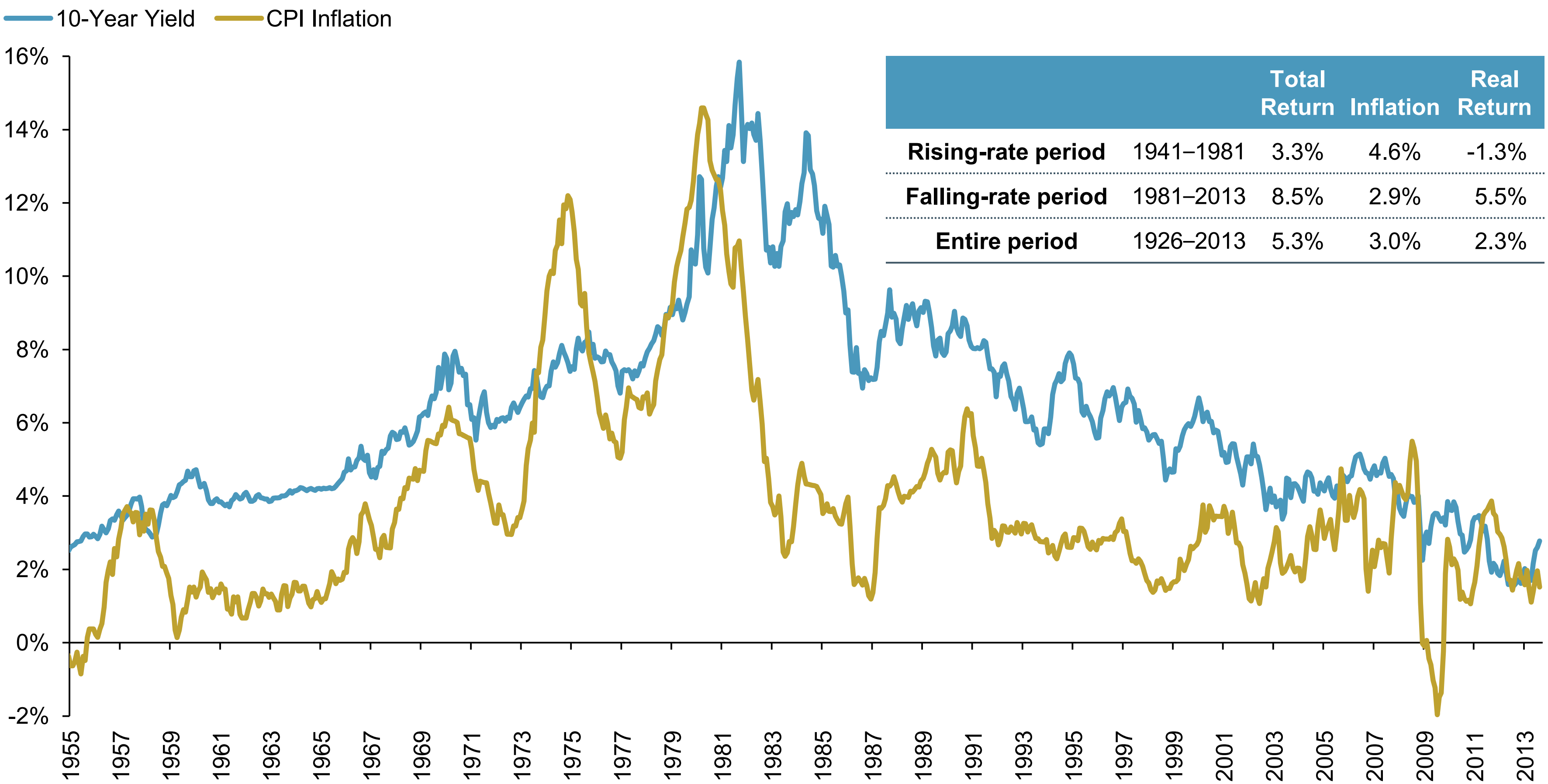
Year-to-Date	High Yield	Leveraged Loan	CMBS	MBS	EM Debt	Credit	TIPS	Agency	ABS	Treasuries	Municipal	Long Govt & Credit	Aggregate
Year-to-Date	3.8%	0.0%	-0.4%	-1.0%	-7.4%	-2.9%	-6.7%	-1.2%	-0.6%	-2.0%	-2.9%	-8.7%	-1.9%

Past performance is no guarantee of future results. You cannot invest directly in an index. Please see appendix for important index information. All indices are unmanaged. Index returns represented by: ABS (Asset-Backed Securities) – Barclays ABS Index; Agency – Barclays U.S. Agency Index; Aggregate – Barclays U.S. Aggregate Bond Index; CMBS (Commercial Mortgage-Backed Securities) – Barclays Investment-Grade CMBS Index; EM Debt (Emerging-Market Debt) – JP Morgan EMBI Global Index; High Yield – BofA ML U.S. High Yield Index; Leveraged Loan – S&P/LSTA Leveraged Loan Index; Long Government & Credit (Investment-Grade) – Barclays Long Government & Credit Index; MBS (Mortgage-Backed Securities) – Barclays MBS Index; Municipal – Barclays Municipal Bond Index; Credit – Barclays Credit Bond Index; TIPS (Treasury Inflation-Protected Securities) – Barclays U.S. TIPS Index; Treasuries – Barclays U.S. Treasury Index. Source: FactSet, Fidelity Investments (AART) as of 9/30/13.

Bond Investors Face a Challenging Environment

High-quality bonds consistently produced positive real returns during the past three decades. With nominal interest rates near historical lows, however, Treasury yields have recently been in line with current rates of inflation, which may create a challenging environment for bond investors to achieve positive real (inflation-adjusted) returns.

10-Year Treasury Yield and Inflation



		Total Return	Inflation	Real Return
Rising-rate period	1941–1981	3.3%	4.6%	-1.3%
Falling-rate period	1981–2013	8.5%	2.9%	5.5%
Entire period	1926–2013	5.3%	3.0%	2.3%

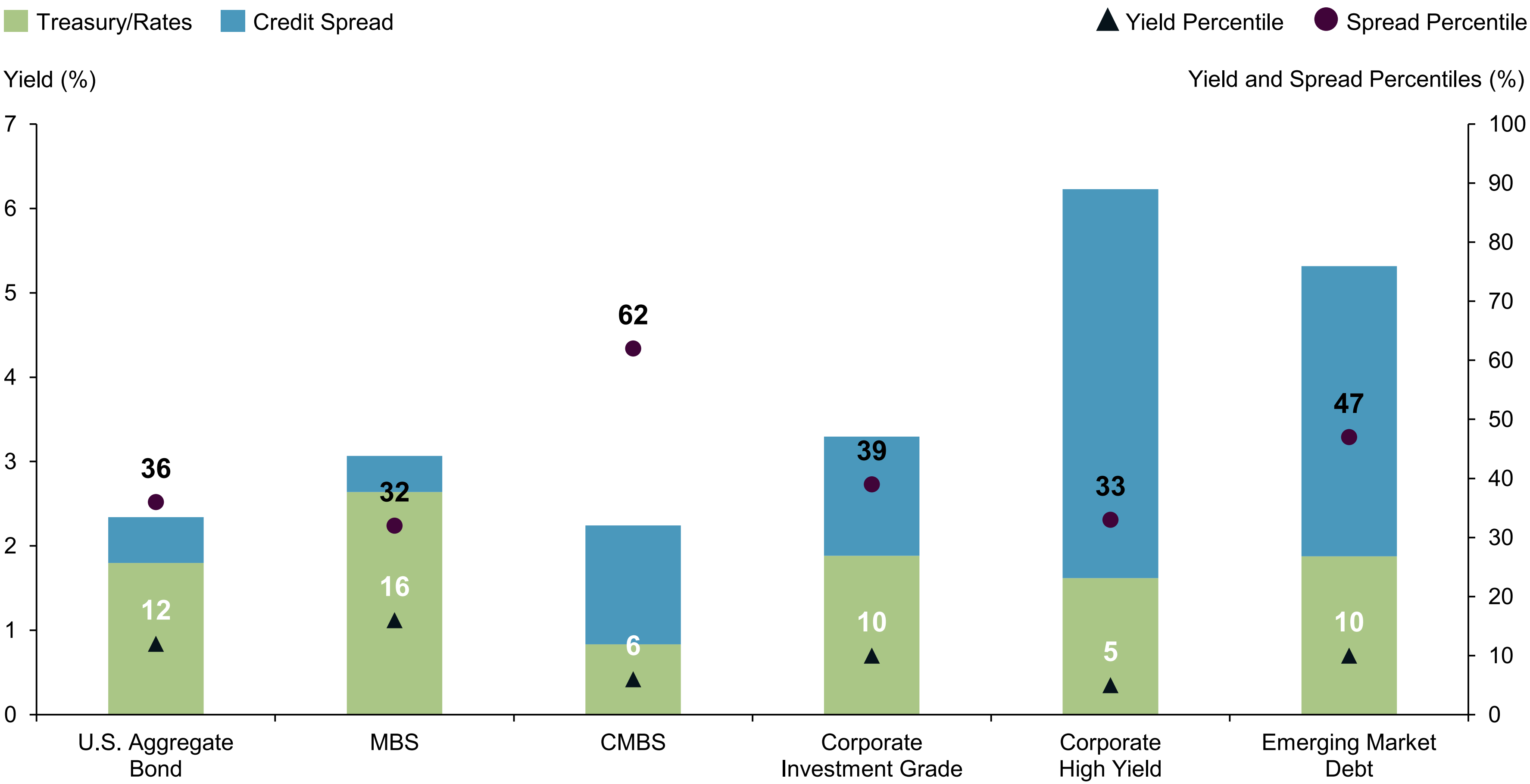
Fidelity INVESTMENTS

CPI = Consumer Price Index. Past performance is no guarantee of future results. Total returns represented by IA SBBI U.S. Intermediate-Term Government Bond Index. Real returns are adjusted by rates of inflation; differences are due to rounding. Source: U.S. Treasury, Federal Reserve Board, Haver Analytics, Morningstar EnCorr, Fidelity Investments (AART) as of 8/31/13. Inflation data through 8/31/13.

Bond Yields Still Relatively Low, Credit Spreads Mixed

Yields held steady while credit spreads tightened modestly, with most categories falling further below historical average spreads. Volatility leveled out by the quarter's end, as the Fed's announcement of unchanged QE stabilized interest rates. Mortgage-backed securities saw the greatest spread compression due to expected ongoing Fed purchases.

Fixed Income Yields and Spreads



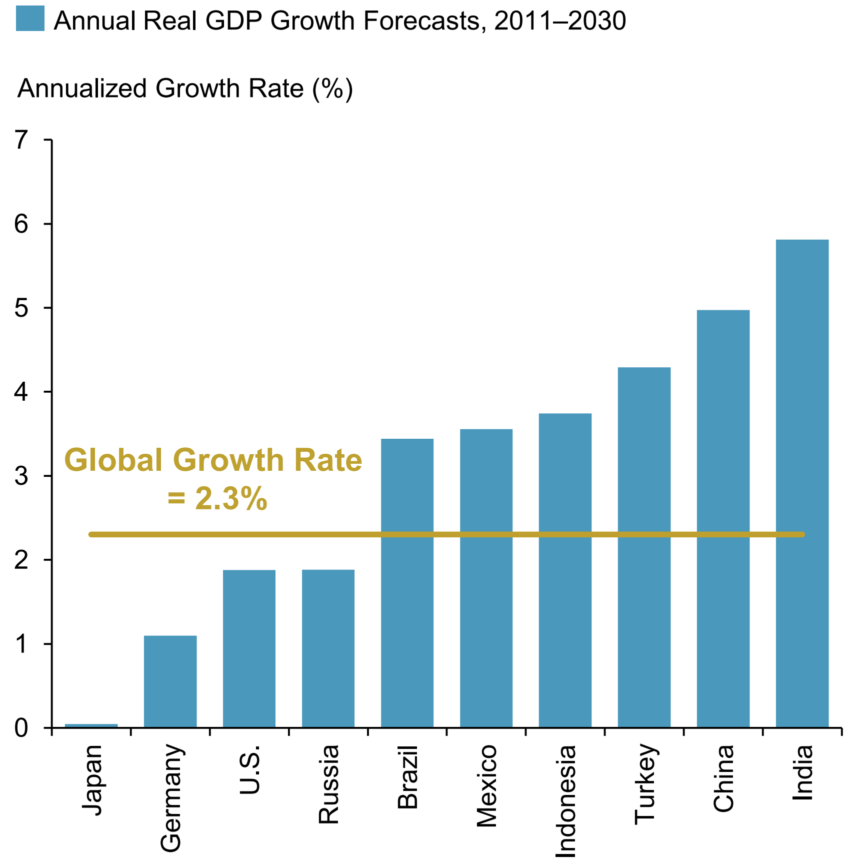
Past performance is no guarantee of future results. It is not possible to invest directly in an index. All indices are unmanaged. Percentile ranks of yields and spreads based on historical period from 2000 to 2013. MBS = Mortgage-Backed Securities; CMBS = Commercial Mortgage-Backed Securities. All categories represented by respective Barclays bond indices. Please see appendix for important index information. Source: Barclays as of 9/30/13.

Emerging-Market Debt Relatively Inexpensive after Sell-off

The sell-off in EM corporate debt since the Fed brought forward QE tapering expectations in May has left the market at its cheapest level in a decade when compared to credit-equivalent U.S. corporate debt yields. Our long-term outlook for global GDP projects developing economies to continue generating higher growth rates than advanced economies.

Emerging-Market Debt Relative Valuation

Economic Growth Outlook

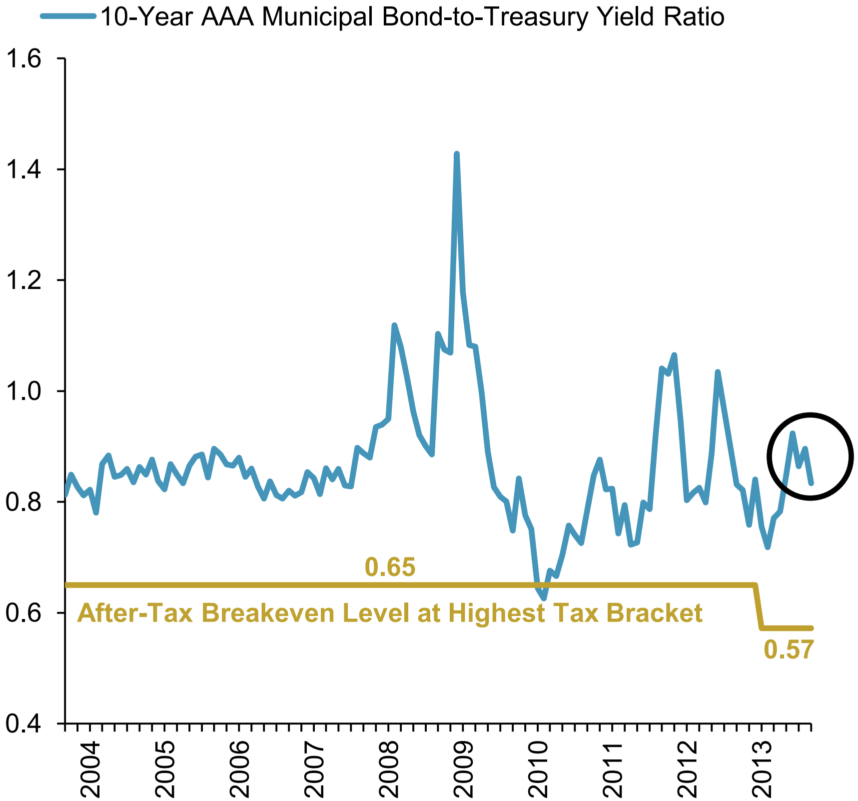


LEFT: Past performance is no guarantee of future results. EM debt yield is the weighted average of JP Morgan's EMBI Global High Yield Sovereign Index and EMBI Investment Grade Sovereign Yield Index. Blended U.S. corporate yield is a weighted average of Bank of America's Corporate Index and High Yield Corporate Index. Weights are adjusted annually to reflect the gradual increase in investment-grade debt's share of total emerging market debt. Source: Bloomberg Finance, L.P., Fidelity Investments (AART) as of 9/30/13. **RIGHT:** Real GDP = inflation-adjusted gross domestic product. Source: Fidelity Investments (AART) as of 12/31/12.

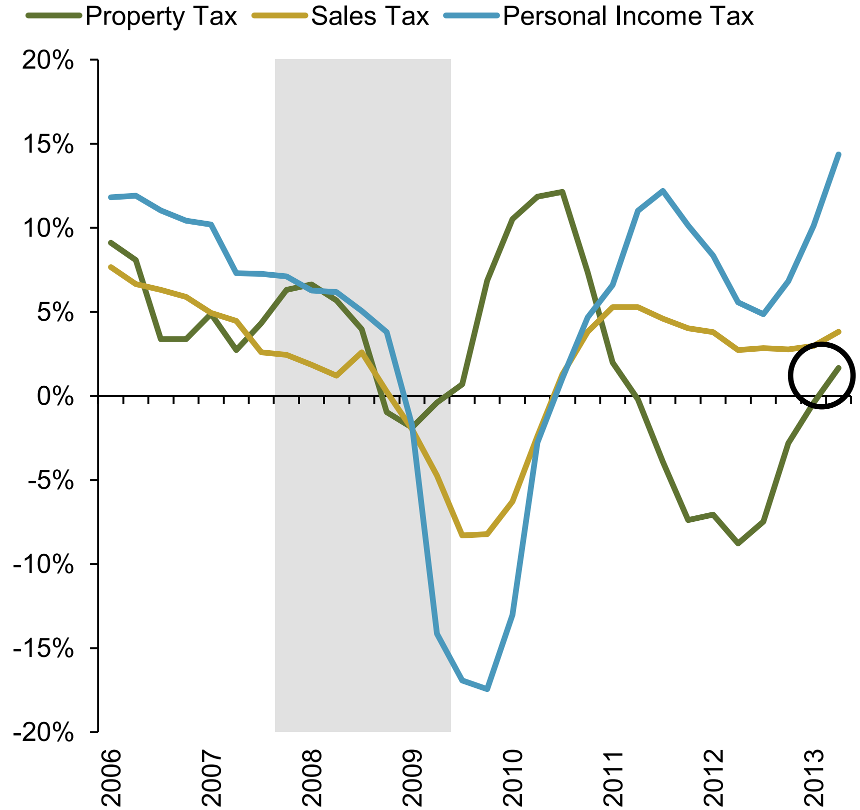
Muni Valuations Still Favorable, Fundamentals Improved

Although fiscal challenges still exist for many municipalities, state revenues have improved for 14 straight quarters, and the recent uptick in property tax revenues is a positive sign for localities. Highly rated municipal bonds may still offer better tax-equivalent yields than comparable Treasuries, despite the sell-off in Treasuries earlier this year.

AAA Municipal Bond-to-Treasury Ratio



State and Local Tax Revenue Growth

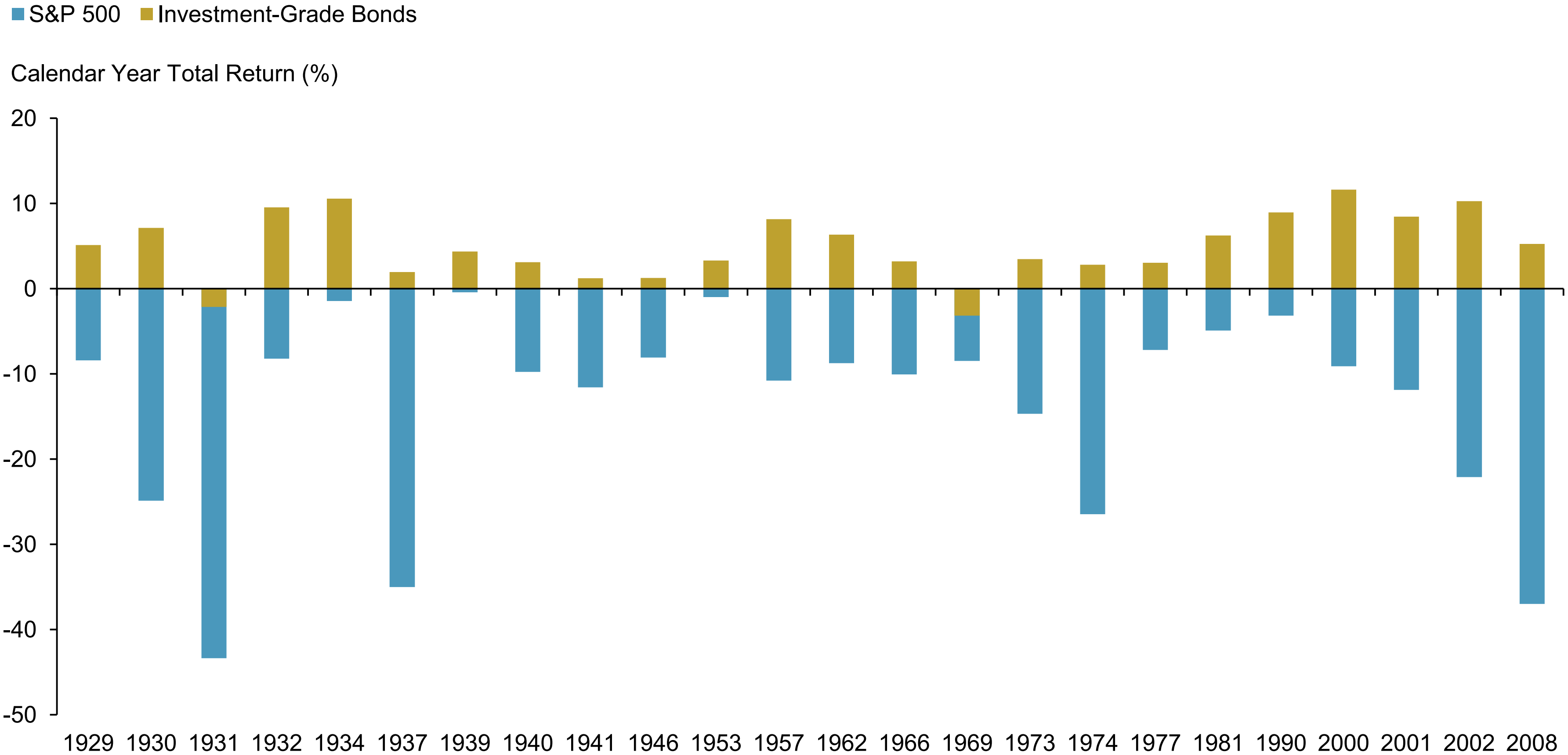


LEFT: Past performance is no guarantee of future results. 2004-2012 after-tax breakeven level at highest tax bracket calculated using top federal income tax rate (35%). 2013 after-tax breakeven level at highest tax bracket uses top federal income tax rate for 2013 (39.6%) and Medicare contribution tax (3.8%). Source: Federal Reserve Board, Barclays, Fidelity Investments (AART) as of 9/30/13. **RIGHT:** Shaded areas are U.S. recessions, as defined by the National Bureau of Economic Research. Chart represents four-quarter average of quarterly year-over-year percentage change. Data not adjusted for legislative changes. Personal income tax and sales tax represent state portion only, while property tax reflects state and local components. Source: U.S. Census Bureau, Quarterly Summary of State and Local Tax Revenue, Fidelity Investments (AART) as of 9/30/13.

When Stocks Fall, Bonds Tend to Stabilize Portfolio Returns

Stock prices have fallen in 24 of the past 86 calendar years. Investment-grade bonds performed better than equities in each of those years, and in 22 of the 24 years, bond returns were outright positive. Investment-grade bonds' low correlation with equities may provide important diversification benefits to a portfolio, especially when equities perform poorly.

Bond Returns in Years when Stocks Were Down, 1926–2012



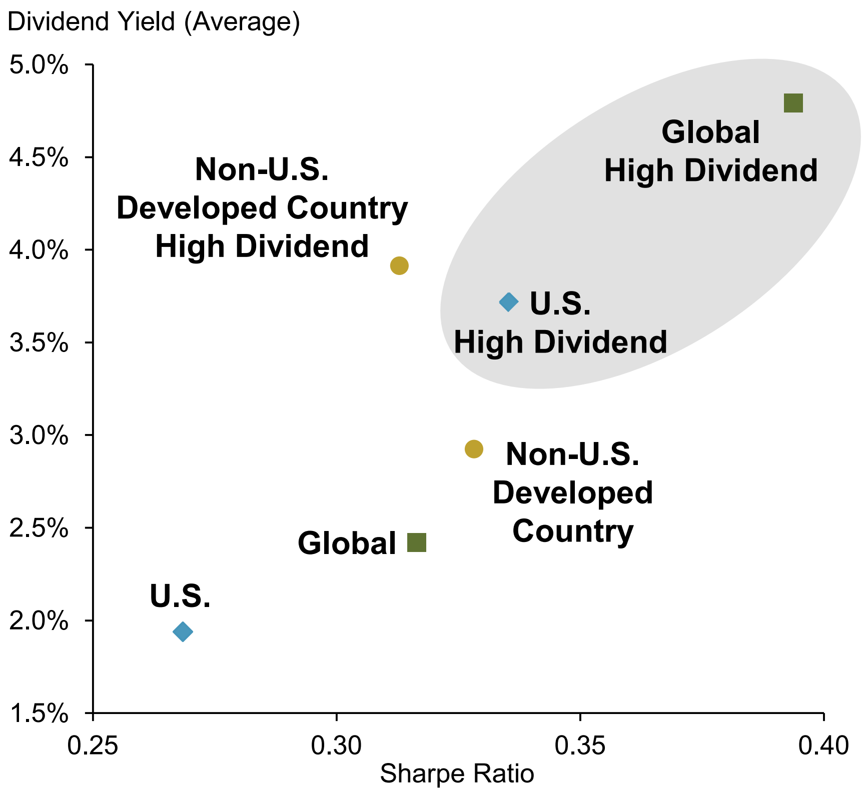
Past performance is no guarantee of future results. Diversification does not ensure a profit or guarantee against loss. Bond returns represented by the performance of the Barclays Aggregate Bond Index from Jan. 1976 and by a composite of the IA SBBI U.S. Intermediate-Term Government Bond Index (67%) and the IA SBBI U.S. Long-Term Corporate Bond Index (33%) from Jan. 1926 through Dec. 1975. Stock returns represented by the performance of the S&P 500 Index. Source: Morningstar EnCorr, Fidelity Investments (AART) as of 9/30/13.

Asset Allocation Themes

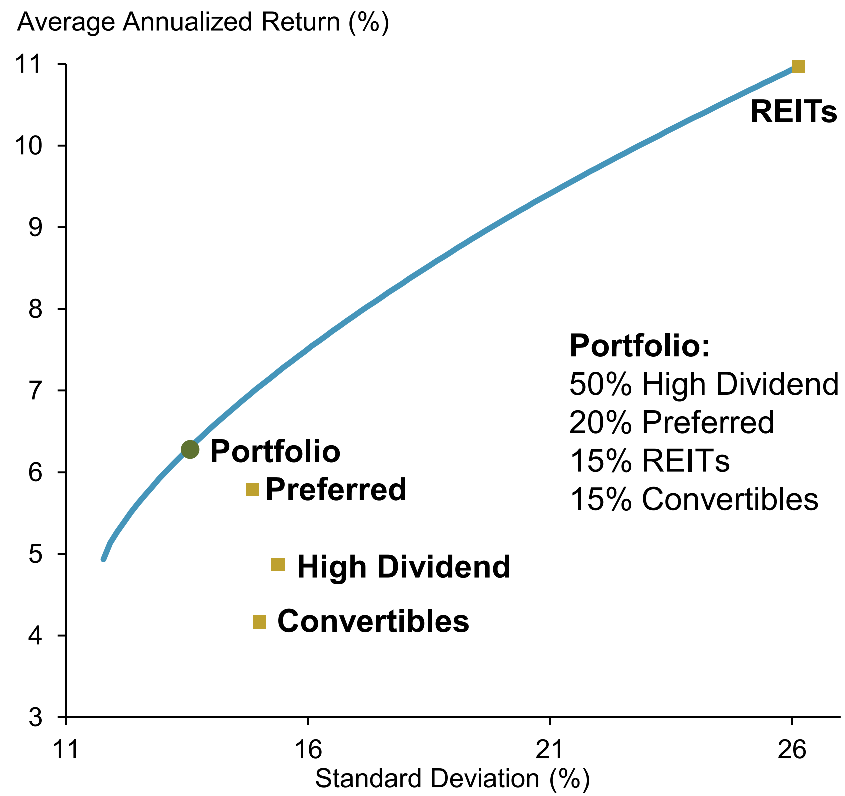
Non-Bond Opportunities to Diversify Income Sources

U.S. and non-U.S. high dividend-paying stocks have delivered better risk-adjusted returns and higher average dividend yields than other equity categories. Combining various non-bond sources of income may create diversification benefits by lowering the entire portfolio's potential volatility and raising its expected risk-adjusted return profile.

Dividend Yield and Sharpe Ratio, 2001–2012



Efficient Frontier, 1999–2013



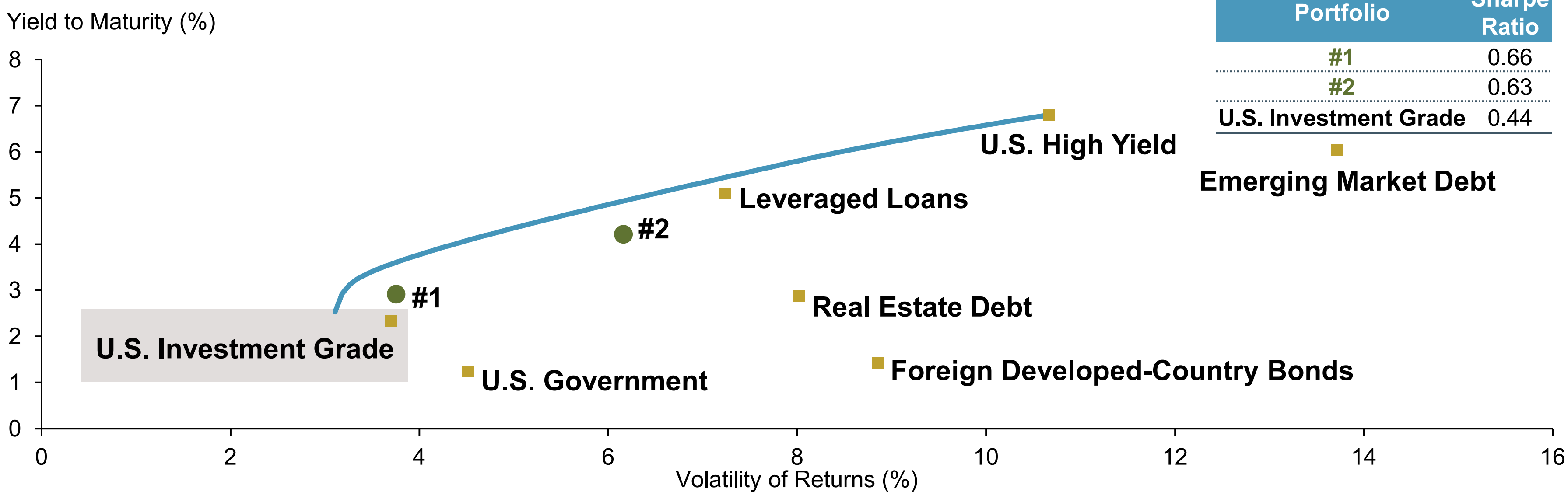
Past performance is no guarantee of future results. Diversification does not ensure a profit or guarantee against a loss. **LEFT:** High dividend stocks are subsets of their respective indices containing securities with greater-than-average dividend yields and reasonable dividend-per-share growth and dividend payouts. Index returns represented by: Global – MSCI All-Country World Index; Non-U.S. Developed-Country – MSCI EAFE Index; U.S. – MSCI USA Index. Source: Morningstar EnCorr, Fidelity Investments (AART) as of 12/31/12. **RIGHT:** Efficient frontier represents optimal risk-return combinations of four assets. Index returns represented by: Convertibles – BofA ML All U.S. Convertibles Index; High Dividend – MSCI USA High Dividend Index; Preferred – BofA ML U.S. Fixed Rate Preferred Securities Index; REITs (Real Estate Investment Trusts) – FTSE NAREIT Equity REIT Index. Portfolio allocation is 50% High Dividend Stocks, 20% Preferred Stocks, 15% REITs, and 15% Convertibles. Source: Morningstar EnCorr, Fidelity Investments (AART) as of 9/30/13.

Fidelity INVESTMENTS

Allocating to Fixed Income: A Multisector Approach

With yields on high-quality U.S. bonds near historical lows, diversifying across a broad spectrum of fixed income sectors may significantly improve a portfolio's Sharpe ratio, or risk-adjusted return. Investing in a variety of sectors may also provide opportunities to diversify across risk characteristics, which could enhance inflation resistance or geographic variation.

Efficient Frontier Using Yield to Maturity, 1998–2013



Portfolio	Sharpe Ratio
#1	0.66
#2	0.63
U.S. Investment Grade	0.44

Portfolio	Description
#1	**High-quality portfolio with limited risk** 80% U.S. Investment Grade 5% U.S. High Yield 5% U.S. Real Estate Debt 5% Leveraged Loans 5% Emerging Market

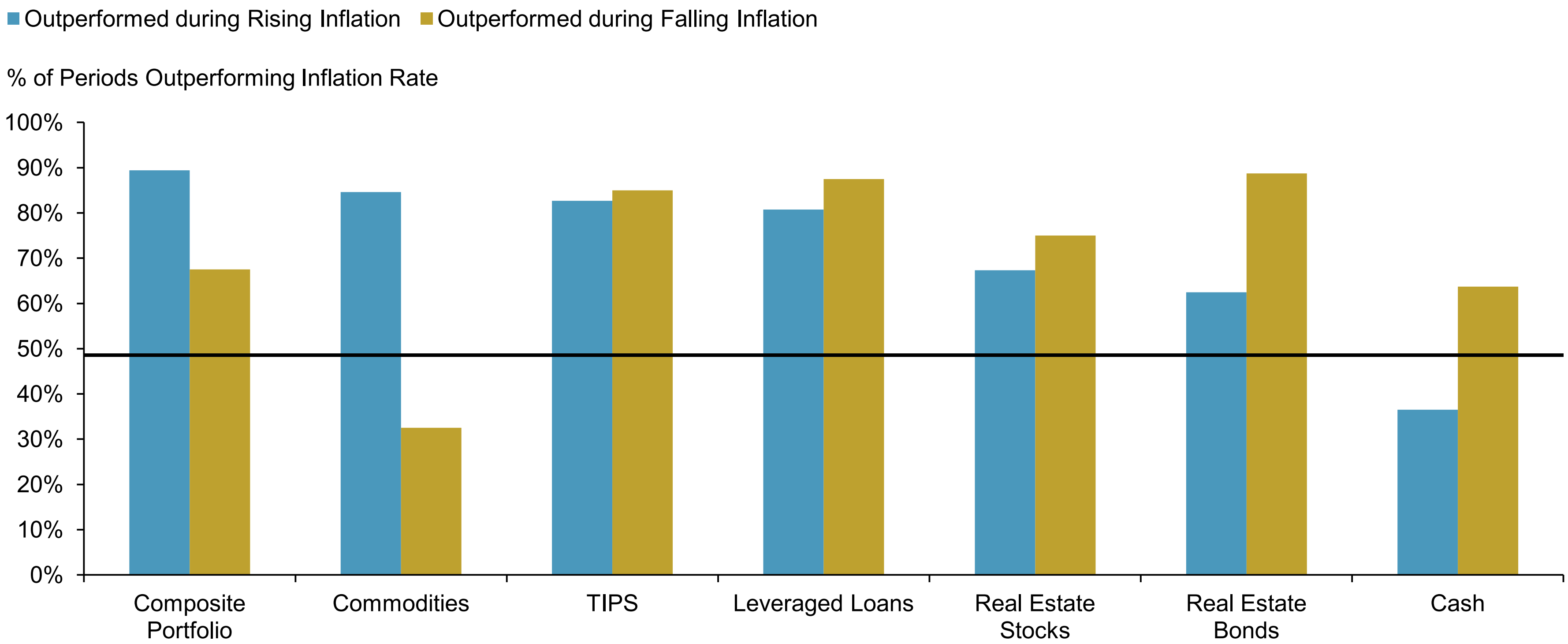
Portfolio	Description
#2	**Mix of high yield, government, and foreign** 40% U.S. High Yield 30% U.S. Government 15% Foreign Developed 15% Emerging Market

Efficient frontier represents optimal risk-return combinations of seven assets. Yield to maturity = rate of return for investor who holds bond to maturity. Volatility is represented by standard deviation. Please see appendix for important definitions and index information. Past performance is no guarantee of future results. Diversification does not ensure a profit or guarantee against a loss. You cannot invest directly in an index. Index returns represented by: Emerging Market Debt – JP Morgan (JPM) EMBIG Composite Index; Foreign Developed-Country Bonds – Citigroup G-7 non-USD Bond Index; Leveraged Loans – S&P/LSTA Performing Loan Index; Real Estate Debt – 50% Barclays CMBS Index and 50% BofA ML Corporate Real Estate Index; U.S. Government – Barclays U.S. Government Index; U.S. High Yield – BofA ML High Yield Index; U.S. Investment Grade – Barclays U.S. Aggregate Bond Index. Source: FactSet, Bloomberg Finance, L.P., Morningstar EnCorr, Fidelity Investments (AART) as of 9/30/13.

Real Return: Managing Inflation Risk Still Matters

Investments with hard-asset or income-adjusting characteristics have historically offered inflation resistance, particularly when investors needed it the most—as inflation increased. Combining assets into a diversified real-return composite increased the frequency of outpacing inflation on the rise, a difficult task for cash in today's low-rate environment.

Frequency of Outperforming Inflation, 1998–2013



Overall Rate of Outperformance	Composite Portfolio	Commodities	TIPS	Leveraged Loans	Real Estate Stocks	Real Estate Bonds	Cash
	80%	62%	84%	84%	71%	74%	48%

Past performance is no guarantee of future results. Diversification does not ensure a profit or guarantee against loss. You cannot invest directly in an index. Please see appendix for important index information. Inflation rate = year-over-year change in the consumer price index. Asset classes represented by: Cash – IA SBBI U.S. 30 Day Treasury Bill Index; Commodities – Dow Jones-UBS Commodities Index; Composite portfolio – 30% TIPS, 25% leveraged loans, 25% commodities, 10% real estate equity, 10% real estate income; Leveraged Loans – S&P/LSTA Leveraged Performing Loan Index; Real Estate Stocks – Dow Jones U.S. Select Real Estate Securities Index; Real Estate Bonds – BofA ML U.S. Corporate Real Estate Index; TIPS (Treasury Inflation Protected Securities) – Barclays U.S. TIPS Index. Source: Morningstar EnCorr, Fidelity Investments (AART) as of 8/31/13.

Bonds Historically Less Volatile Even amid Rising Rates

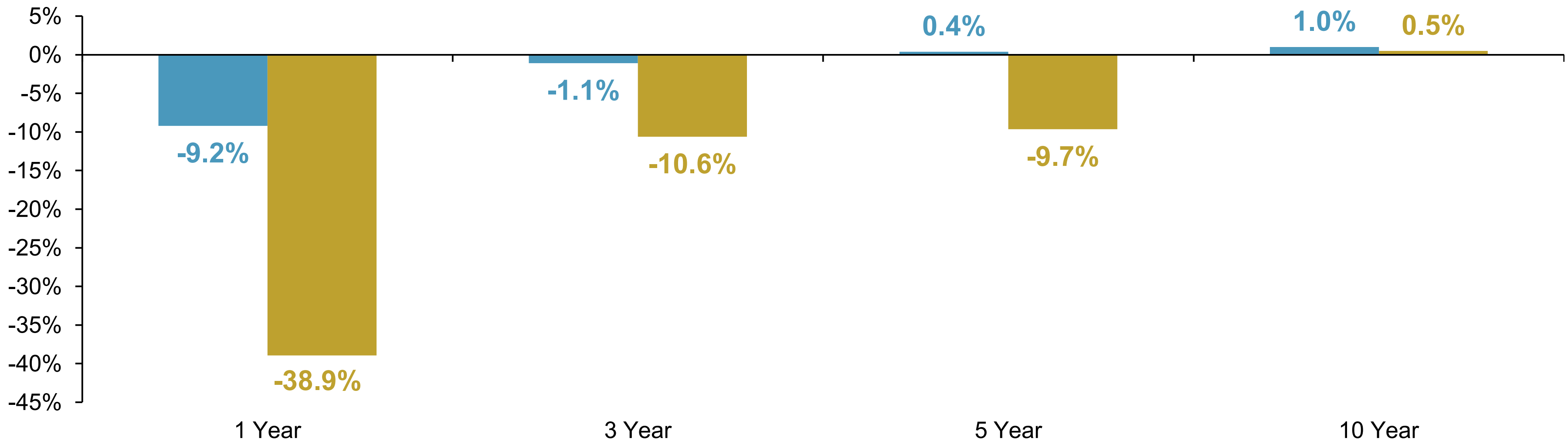
Historically, investment-grade bonds—the bond category most sensitive to interest rates—offered more downside protection than U.S. equities, even when rates were rising. During the 40-year bond bear market from 1941 to 1981, yields rose from 2% to 16%, yet bonds had less severe episodes of losses and lower frequencies of negative returns over all holding periods.

Worst Total Returns over Various Holding Periods, 1941–1981

Period of Rising Rates	
	10-Year Treasury Yield
1941	2%
1981	16%

Investment-Grade Bonds · Equities

Annualized Total Return



Percentage of Holding Periods with Negative Returns				
	1 Year	3 Year	5 Year	10 Year
Bonds	18%	3%	0%	0%
Stocks	25%	8%	5%	0%

Past performance is no guarantee of future results. You cannot invest directly in an index. See appendix for important index information. Based on rolling monthly holding periods. Bond returns represented by the performance of a composite of the IA SBBI U.S. Intermediate-Term Government Bond Index (67%) and the IA SBBI U.S. Long-Term Corporate Bond Index (33%) from Jan. 1941 through Dec. 1975, and by the Barclays Aggregate Bond Index from Jan. 1976 through Dec. 1981. Stocks represented by the S&P 500 Index. Source: Morningstar EnCorr, Fidelity Investments (AART) as of 9/30/13.

Fidelity INVESTMENTS

Performance Rotations Underscore Need for Diversification

The performance of different assets has fluctuated widely from year to year, and the magnitude of returns can vary significantly among asset classes in any given year—even among asset classes that are moving in the same direction. A simple portfolio allocation with 60% in U.S. equities and 40% in U.S. bonds illustrates the potential benefits of diversification.

Periodic Table of Returns

1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013*
75%	17%	38%	35%	35%	35%	66%	32%	14%	26%	56%	32%	35%	35%	40%	5%	79%	28%	8%	20%	28%
33%	8%	37%	23%	33%	29%	34%	26%	8%	10%	47%	26%	21%	33%	16%	-20%	58%	27%	8%	19%	22%
20%	3%	37%	23%	29%	21%	27%	12%	5%	4%	39%	21%	14%	27%	12%	-26%	37%	19%	4%	18%	21%
19%	2%	30%	22%	24%	20%	24%	8%	2%	-2%	37%	18%	12%	22%	11%	-34%	32%	18%	4%	18%	20%
19%	1%	28%	22%	22%	14%	21%	-1%	-2%	-6%	31%	17%	7%	18%	7%	-36%	28%	17%	2%	16%	17%
17%	0%	20%	16%	20%	9%	21%	-3%	-4%	-9%	31%	11%	5%	16%	6%	-36%	27%	16%	2%	16%	11%
10%	-1%	18%	15%	13%	3%	12%	-5%	-4%	-15%	29%	11%	5%	12%	5%	-37%	26%	15%	0%	16%	4%
10%	-2%	15%	11%	10%	-3%	7%	-9%	-12%	-16%	28%	9%	5%	11%	2%	-38%	20%	15%	-4%	15%	3%
10%	-2%	15%	6%	2%	-18%	3%	-14%	-20%	-20%	24%	8%	4%	9%	-1%	-38%	19%	12%	-12%	11%	-2%
4%	-3%	12%	6%	-3%	-25%	-1%	-22%	-20%	-22%	19%	7%	3%	4%	-2%	-43%	18%	8%	-13%	4%	-4%
-1%	-7%	-5%	4%	-12%	-27%	-5%	-31%	-21%	-28%	4%	4%	2%	2%	-16%	-53%	6%	7%	-18%	-1%	-9%

Legend
Small Cap Stocks
Growth Stocks
Value Stocks
Large Cap Stocks
Foreign-Developed Country Stocks
60% Large Cap 40% IG Bonds
High-Yield Bonds
Real Estate Stocks
Investment-Grade Bonds
Emerging-Market Stocks
Commodities

*Through 9/30/13. Past performance is no guarantee of future results. Diversification/asset allocation does not ensure a profit or guarantee against a loss. Asset classes represented by: Commodities – DJ-UBS Commodity Index; Emerging-Market – MSCI Emerging Markets Index; Foreign-Developed Country – MSCI EAFE Index; Growth – Russell 3000 Growth Index; High Yield – Bank of America Merrill Lynch U.S. High Yield Index; Investment-Grade – Barclays U.S. Aggregate Bond Index; Large Cap – S&P 500 Index; Real Estate – NAREIT Equity-Only Index; Small Cap – Russell 2000 Index; Value – Russell 3000 Value Index. Source: Ibbotson Associates, Standard & Poor's, Haver Analytics, Fidelity Investments (AART) as of 9/30/13.

Fidelity INVESTMENTS

Appendix: Important Information

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. Investment decisions should be based on an individual's own goals, time horizon, and tolerance for risk.

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 a loss.

All indices are unmanaged, and performance of the indices includes reinvestment of dividends and interest income and, unless otherwise noted, is not illustrative of any particular investment. An investment cannot be made in any 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.

Appendix: Important Information

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.

MSCI® Europe, Australasia, Far East Index (EAFE) is an unmanaged market capitalization-weighted index designed to represent the performance of developed stock markets outside the United States and Canada. MSCI Emerging Markets (EM) Index is a market capitalization-weighted index of over 850 stocks traded in 22 world markets. MSCI EM Europe, Middle East, and Africa (EMEA) Index is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in the emerging-market countries of Europe, the Middle East, and Africa; it consists of the following 10 emerging-market country indices: Czech Republic, Hungary, Poland, Russia, Turkey, Israel, Jordan, Egypt, Morocco, and South Africa. MSCI EM Latin America Index is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in Latin America; it consists of the following six emerging-market country indices: Argentina, Brazil, Chile, Colombia, Mexico, and Peru. MSCI EM Asia Index is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in the following countries: China, India, Indonesia, Korea, Malaysia, Philippines, Taiwan, and Thailand. MSCI All Country (AC) Europe Index is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of Europe; it consists of the following developed and emerging-market country indices: Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Russia, Spain, Sweden, Switzerland, Turkey, and United Kingdom. MSCI EM Large Cap Index is composed of those securities in the MSCI EM Index that are defined as large-capitalization stocks.

MSCI Europe Index is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in the following countries: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom. MSCI Japan Index is an unmanaged index that reflects the common stock prices of the index companies translated into U.S. dollars, assuming reinvestment of all dividends paid by the index stocks net of any applicable non-U.S. taxes. MSCI Canada Index is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in Canada. MSCI Brazil Index is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in Brazil. MSCI Ireland Index is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in Ireland. MSCI Russia Index is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in Russia. MSCI Italy Index is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in Italy. MSCI Spain Index is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in Spain. MSCI Poland Index is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in Poland. MSCI United Kingdom Index is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in the UK. MSCI China Index is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in China. MSCI Korea Index is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in Korea. MSCI Germany Index is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in Germany. MSCI Australia Index is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in Australia. MSCI India Index is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in India. MSCI Mexico Index is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in Mexico. MSCI Switzerland Index is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in Switzerland. MSCI Philippines Index is a free float-adjusted, market capitalization-weighted index designed to measure equity market performance in Philippines.

MSCI EAFE Small Cap Index currently consists of the following 21 developed-market countries: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and United Kingdom. This index aims to capture 40% of the full market capitalization of the eligible small-cap universe of companies in each country by industry. This is a range of 200–1500 billion USD. MSCI then free-float adjusts the included companies.

MSCI All Country World Index (ACWI) is a free float-adjusted, market capitalization-weighted index designed to measure the equity market performance of developed and emerging markets. The countries included in the index are: Australia, Austria, Belgium, Brazil, Canada, Chile, China, Colombia, Czech Republic, Denmark, Egypt, Finland, France, Germany, Greece, Hong Kong, Hungary, India, Indonesia, Ireland, Israel, Italy, Japan, Korea, Malaysia, Mexico, Morocco, Netherlands, New Zealand, Norway, Peru, Philippines, Poland, Portugal, Russia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United States, United Kingdom. MSCI World Index is a free float-adjusted, market capitalization-weighted index designed to measure the equity market performance of developed markets. MSCI World ex USA Index is a free float-adjusted, market capitalization-weighted index designed to measure the equity market performance of developed markets excluding the United States. MSCI USA Index is a free float-adjusted, market capitalization-weighted index designed to measure the equity market performance of the United States. MSCI USA High Dividend Index is an unmanaged index that tracks the performance of U.S. high-dividend-yield equities; it consists of those securities in the MSCI USA Index that have a higher-than-average dividend yield, a track record of consistent dividend payments, and the capacity to sustain future dividend payments.

Appendix: Important Information

JPM® EMBI Global Index, and its country sub-indices, tracks total returns for traded external debt instruments issued by emerging-market sovereign and quasi-sovereign entities. JPM® EMBI Global Investment Grade Index, and its country sub-indices, tracks total returns for traded external debt instruments issued by emerging-market sovereign and quasi-sovereign entities rated investment grade. JPM® EMBI Global Investment Grade Index, and its country sub-indices, tracks total returns for traded external debt instruments issued by emerging-market sovereign and quasi-sovereign entities rated speculative grade.

S&P 500®, a market capitalization-weighted index of common stocks, is a registered service mark of The McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates.

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 real estate, including 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 whose businesses manufacture and distribute capital goods, provide commercial services and supplies, or provide transportation services. Information Technology – companies in technology software & services and technology hardware & equipment. Materials – companies that are engaged in a wide range of commodity-related manufacturing. Telecommunication Services – companies that provide communications services primarily through fixed-line, cellular, wireless, high bandwidth, and/or fiber-optic cable networks. Utilities – companies considered electric, gas, or water utilities, or companies that operate as independent producers and/or distributors of power.

Sectors and industries defined by Global Industry Classification Standards (GICS®).

Barclays® U.S. Treasury Index is designed to cover public obligations of the U.S. Treasury with a remaining maturity of one year or more. Barclays U.S. Aggregate Bond Index is an unmanaged, market value-weighted performance benchmark for investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year. Barclays U.S. Credit Bond Index is designed to cover publicly issued U.S. corporate and specified non-U.S. debentures and secured notes that meet the specified maturity, liquidity, and quality requirements; bonds must be SEC-registered to qualify. Barclays U.S. Agency Index is designed to cover publicly issued debt of U.S. government agencies, quasi-federal corporations, and corporate or non-U.S. debt guaranteed by the U.S. Government. 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. Barclays MBS Index covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid ARMs) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). Barclays U.S. Municipal Bond Index covers the U.S. dollar-denominated, long-term tax-exempt bond market with four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds. Barclays U.S. TIPS Index is an unmanaged market index made up of U.S. Treasury Inflation-Protected Securities. 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. 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. Barclays® U.S. Government Index is designed to cover public obligations of the U.S. Government with a remaining maturity of one year or more. The Barclays U.S. Corporate High Yield Bond Index is a market value-weighted index which covers the U.S. non-investment grade fixed-rate debt market. Barclays Emerging Market Bond Index is an unmanaged index that tracks total returns for external-currency-denominated debt instruments of the emerging markets.

Russell 2000® Index is a market capitalization-weighted index of smaller company stocks. Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 26% of the total market capitalization of the Russell 1000 Index. Russell 3000® Index is constructed to provide a comprehensive, unbiased, and stable barometer of the broad market and is completely reconstituted annually to ensure new and growing equities are reflected. Russell 3000 Growth Index is an unmanaged index that measures the performance of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. Russell 3000 Value Index is an unmanaged index that measures the performance of those Russell 3000 Index companies with lower price-to-book ratios and lower forecasted growth values

The IA SBBI U.S. Intermediate-Term Government Bond Index is an unweighted index that measures the performance of five-year maturity U.S. Treasury bonds. Each year, a one-bond portfolio containing the shortest non-callable bond having a maturity of not less than five years is constructed. IA SBBI U.S. Long-Term Corporate Bond Index is a custom index designed to measure the performance of long-term U.S. corporate bonds. The IA SBBI U.S. 30-Day Treasury Bill Index is an unweighted index that measures the performance of 30-day maturity U.S. Treasury bills.

Appendix: Important Information

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.

Bank of America Merrill Lynch (BofA ML) U.S. Fixed Rate Preferred Securities Index is an unmanaged index that tracks the performance of fixed-rate preferred securities publicly issued in the U.S. domestic market. BofA ML All U.S. Convertibles Index is an unmanaged index that tracks the performance of all U.S. convertible securities. BofA ML High Yield Bond Index is an unmanaged index that tracks the performance of below-investment-grade, U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. BofA ML Corporate Real Estate Index, a subset of BofA Merrill Lynch U.S. Corporate Index, is a market capitalization-weighted index of U.S. dollar-denominated investment-grade corporate debt publicly issued in the U.S. domestic market by real estate issuers. Qualifying securities must have an investment-grade rating (based on an average of Moody's, S&P, and Fitch). In addition, qualifying securities must have at least one year remaining to final maturity, a fixed coupon schedule, and a minimum amount outstanding of $250 million.

Dow Jones U.S. Select Real Estate Securities Index is a float-adjusted, market capitalization-weighted index of publicly traded real estate securities, such as real estate investment trusts (REITs) and real estate operating companies (REOCs).

FTSE National Association of Real Estate Investment Trusts (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 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.

Citigroup Non-USD Group-of-Seven (G7) Index is designed to measure the unhedged performance of the government bond markets of the G7 excluding the U.S., which are Japan, Germany, France, United Kingdom, Italy, and Canada. Issues included in the index have fixed-rate coupons and maturities of one year or more.

The Citigroup Economic Surprise Indices (CESI) are objective and quantitative measures of economic news. They are defined as weighted historical standard deviations (measure of variation from mean) of data surprises (actual releases vs. Bloomberg survey median). A positive CESI suggests that economic releases have on balance beaten consensus. G10 countries include: Belgium, Canada, France, Germany, Italy, Japan, Netherlands, Sweden, Switzerland, United Kingdom, United States.

S&P GSCI Commodities Index is a world production-weighted index composed of 24 widely traded commodities. All sub-indices of the S&P GSCI™ sub-indices (Energy, Industrial Metals, Precious Metals, and Agriculture and Livestock) follow the same rules regarding world production weights, methodology for rolling, and other functional characteristics.

Dow Jones-UBS 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.

The Bloomberg Eurozone Financial Conditions Index combines yield spreads and indices from Euro-area Money Markets, Equity Markets, and Bond Markets into a normalized index. The values of this index are Z-scores, which represent the number of standard deviations that current financial conditions lie above or below the average of the January 1999-June 2008 period.

A Purchasing Managers' Index (PMI) is a survey of purchasing managers in a certain economic sector. A PMI over 50 represents expansion of the sector compared to the previous month, while a reading under 50 represents a contraction, and a reading of 50 indicates no change. The Institute for Supply Management (ISM) reports U.S. PMIs. Markit compiles non-U.S. PMIs.

Cyclical Productivity is a proprietary index comparing aggregate hours worked to a set of economic indicators.

The Human Capital Index is a proprietary indicator incorporating measures of educational and scientific achievement as key drivers of future innovation and adoption of new technologies.

Standard deviation shows how much variation there is from the average (mean or expected value). A low standard deviation indicates that the data points tend to be very close to the mean, whereas a high standard deviation indicates that the data points are spread out over a large range of values. A higher standard deviation represents greater relative risk.

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.

Sharpe ratio compares portfolio returns above the risk-free rate relative to overall portfolio volatility. A higher Sharpe ratio implies better risk-adjusted returns.

Appendix: Important Information

Payout ratio is the dividend paid out over the year divided by the earnings over the year. A low payout ratio indicates dividend growth potential, while a high payout ratio indicates less cash to increase dividends.

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

A basis point is equal to 0.01%; therefore 100 basis points is equal to 1%.

The efficient frontier is at the core of modern portfolio theory. It represents those portfolios with the highest expected return given a level of risk.

Yield to maturity is the rate of return anticipated on a bond if it is held until the maturity date.

The National Association of REALTORS® Housing Affordability Index is based on the relationship between median home price, median family income and average mortgage interest rate.

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