FIXED INCOME WEBINAR

Bonds, Bond Funds, and Bond ETFs

May 11, 2016

Beau Coash  Fixed Income Portfolio Manager
Lee Sterne  ETF Strategist
Roger Young  SVP, Fidelity Capital Markets

Host:
Richard Carter  VP, Fixed Income Products
Agenda

- Bond Market Context
- Individual Bonds
- Bond Mutual Funds
- Bond ETFs
- Summary & Next Steps
Bond Market Context

Beau Coash
Markets are Pricing in a Slower Pace of Hikes Than The Fed Articulated

Other Developed Markets have Lower Yields than US
A Shared Set of Demand Drivers

1. Global Agg. Yield
   1.55% ➞ 1.34%

2. Aging demographics

3. Regulatory policy / banks need for AAA

<table>
<thead>
<tr>
<th>Developed Countries</th>
<th>May 2015 10 Year Yield (%)</th>
<th>April 2016 10 Year Yield (%)</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switzerland</td>
<td>0.019</td>
<td>-0.412</td>
<td>-0.431</td>
</tr>
<tr>
<td>Japan</td>
<td>0.352</td>
<td>-0.100</td>
<td>-0.452</td>
</tr>
<tr>
<td>Germany</td>
<td>0.451</td>
<td>0.097</td>
<td>-0.354</td>
</tr>
<tr>
<td>Denmark</td>
<td>0.507</td>
<td>0.299</td>
<td>-0.208</td>
</tr>
<tr>
<td>Austria</td>
<td>0.556</td>
<td>0.303</td>
<td>-0.253</td>
</tr>
<tr>
<td>Netherlands</td>
<td>0.590</td>
<td>0.315</td>
<td>-0.275</td>
</tr>
<tr>
<td>Finland</td>
<td>0.483</td>
<td>0.370</td>
<td>-0.113</td>
</tr>
<tr>
<td>France</td>
<td>0.721</td>
<td>0.440</td>
<td>-0.281</td>
</tr>
<tr>
<td>Sweden</td>
<td>0.531</td>
<td>0.465</td>
<td>-0.066</td>
</tr>
<tr>
<td>Belgium</td>
<td>0.709</td>
<td>0.480</td>
<td>-0.229</td>
</tr>
<tr>
<td>Ireland</td>
<td>0.987</td>
<td>0.773</td>
<td>-0.214</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>1.516</td>
<td>1.163</td>
<td>-0.353</td>
</tr>
<tr>
<td>Norway</td>
<td>1.545</td>
<td>1.170</td>
<td>-0.375</td>
</tr>
<tr>
<td>Canada</td>
<td>1.698</td>
<td>1.206</td>
<td>-0.492</td>
</tr>
<tr>
<td>Italy</td>
<td>1.527</td>
<td>1.327</td>
<td>-0.200</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1.841</td>
<td>1.351</td>
<td>-0.490</td>
</tr>
<tr>
<td>Spain</td>
<td>1.494</td>
<td>1.533</td>
<td>0.039</td>
</tr>
<tr>
<td>Israel</td>
<td>1.510</td>
<td>1.709</td>
<td>0.199</td>
</tr>
<tr>
<td>United States</td>
<td>2.131</td>
<td>1.717</td>
<td>-0.414</td>
</tr>
</tbody>
</table>

U.S. rates are not low relative to other high-quality liquid markets

Source: *Bloomberg as of May 4, 2015 at 1:41pm. **Bloomberg as of April 8, 2016 10:00 AM. Global Agg Yield as of May 4, 2015 and April 7, 2016; Source, Barclays Live
Bond Returns vs. Interest Rates
(1940 – 2015)

Average Annual Return: 5.6%
Average Annual 10YR Yield: 5.3%

Source: Barclays and Bloomberg as of 12/31/2015.
Note: From 1940–1975, bond returns are based on Fidelity Investments “Synthetic Aggregate”=67% Intermediate Government Bonds, 33% Long-term Corporate Bonds. From 1975–2015, bond returns are based on Barclays U.S. Aggregate Bond Index.
Past performance is no guarantee of future results. It is not possible to invest directly in an index. Index performance is not meant to represent that of any Fidelity mutual fund.
See the Glossary at the end of this presentation for more information on any terms.
When Stocks Fall, Bonds Tend to Stabilize Portfolio Returns

Bond Returns in Years when Stocks Were Down, 1926–2015

Source: Morningstar EnCorr, Fidelity Investments (AART).
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 January 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 January 1926 through December 1975. Stock returns represented by the performance of the S&P 500 Index.

See the Glossary at the end of this presentation for more information on any terms.
Bonds Have Been Attractive on a Risk/Return Basis

EQUITY AND FIXED INCOME
Risk and Return Characteristics
January 1990–March 2016

<table>
<thead>
<tr>
<th>Annualized Total Return</th>
<th>Risk Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barclays US Aggregate Bond Index</td>
<td>S&amp;P 500 Index</td>
</tr>
<tr>
<td>6.39</td>
<td>9.58</td>
</tr>
<tr>
<td>3.63</td>
<td>14.56</td>
</tr>
</tbody>
</table>

Source: Fidelity Investments as of 03/31/2016.

Past performance is no guarantee of future results. Index performance is not meant to represent the performance of any Fidelity fund. You cannot invest directly in an index. Sharpe Ratio: Bonds are represented by the Barclays Aggregate Bond Index from January 1976 and by a composite of the IA SSBII Intermediate-Term Government Bond Index (67%) and the IA SSBII Long-Term Corporate Bond Index (33%) from January 1926 through December 1975. The Risk Free Proxy is represented by the IA SSBII 30 Day T-Bill Index.

See the Glossary at the end of this presentation for more information on any terms.
Individual Bonds
Roger Young
Bond Ownership Varies Across Bond Types

**US Treasuries Ownership ($15T)**
- **Individuals**: $2.21
- **Mutual Funds**: $1.21
- **Banks**: $1.28
- **Insurers**: $0.54
- **Monetary Auth**: $0.30
- **Foreign/Intl**: $2.46
- **State & Local**: $6.18
- **Pensions**: $0.68

**US Muni Bond Ownership ($3.7T)**
- **Individuals**: $1.51
- **Mutual Funds**: $1.08
- **Banks**: $0.52
- **Insurers**: $0.48
- **Other**: $0.13

**Growth in Recent Years**

<table>
<thead>
<tr>
<th>Bond Type</th>
<th>12/2006</th>
<th>3/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Treasuries</td>
<td>$4.3T</td>
<td>$15T</td>
</tr>
<tr>
<td>Municipals</td>
<td>$3.1T</td>
<td>$3.7T</td>
</tr>
<tr>
<td>Corporates</td>
<td>$4.8T</td>
<td>$8.2T</td>
</tr>
</tbody>
</table>

Source: SIFMA; Federal Reserve
Bond Sub-asset Classes have different Risk/Reward Characteristics

With individual bonds, YOU manage credit review and reinvestment

**Bond returns vary by Bond Sector**

**Considerations when investing in Bonds**

1. Assessing bond sectors and features
2. Assessing credit ratings
3. Assessing liquidity
4. Assessing diversification

Source: Barclays Capital, December 2015


Past performance is no guarantee of future results.
Using the Bond Yield Table on Fidelity.com

1. **Home > Research > Fixed Income**

2. **Fixed Income & Bonds**
   - Find Bonds & CDs
   - Research & Markets
   - Bond Tools
   - Service & Solutions
   - Understanding Bonds

3. **For illustrative purposes only**

   **Where can I learn more?**
   
   **Research > Fixed Income Bonds & CDs**
Using the Bond Details Pages
Researching the bond’s features and attributes

<table>
<thead>
<tr>
<th>Rating</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moody’s Rating</td>
<td></td>
</tr>
<tr>
<td>Rating</td>
<td></td>
</tr>
<tr>
<td>Watchlist</td>
<td></td>
</tr>
<tr>
<td>Underlying Rating</td>
<td></td>
</tr>
<tr>
<td>Insured Rating</td>
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</tr>
<tr>
<td>Enhanced Rating</td>
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</tr>
<tr>
<td>Obligor Rating</td>
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</tr>
<tr>
<td>S&amp;P Rating</td>
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</table>

<table>
<thead>
<tr>
<th>Material Events</th>
<th>Date</th>
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<tbody>
<tr>
<td>OTHER MATERIAL EVENT</td>
<td>01/08/2016 5:22 PM EST</td>
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<tr>
<td>OTHER MATERIAL EVENT</td>
<td>01/08/2016 5:22 PM EST</td>
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<tr>
<td>OTHER MATERIAL EVENT</td>
<td>11/24/2015 1:38 PM EST</td>
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<tr>
<td>OTHER MATERIAL EVENT</td>
<td>11/11/2015 10:54 AM EST</td>
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</tbody>
</table>

Source: Fidelity.com, April 2016

For illustrative purposes only
### Issuer-Specific Credit Reports

Understand why a bond has its rating and potential risks

#### LOS ANGELES CNTY CALIF MET TRANSN

<table>
<thead>
<tr>
<th>Details</th>
<th>Value</th>
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</thead>
<tbody>
<tr>
<td>CUSIP</td>
<td>54772AU3</td>
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<tr>
<td>Pay Frequency</td>
<td>SEMI-ANNUALLY</td>
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<tr>
<td>Coupon</td>
<td>5.000</td>
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<tr>
<td>Maturity Date</td>
<td>07/01/2020</td>
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<tr>
<td>Insurer</td>
<td>N/A</td>
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<tr>
<td>Obligor</td>
<td>-</td>
</tr>
<tr>
<td>Material Events</td>
<td>YES</td>
</tr>
<tr>
<td>EMMA</td>
<td>YES</td>
</tr>
<tr>
<td>Bond Type</td>
<td>Municipal</td>
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<tr>
<td>Interest Accrual Date</td>
<td>04/04/2011</td>
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</table>

#### Ratings

<table>
<thead>
<tr>
<th>Rating</th>
<th>Effective Date</th>
<th>Prior</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moody's Rating</td>
<td></td>
<td></td>
</tr>
<tr>
<td>S&amp;P Rating</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Latest Municipal Reports

**Summary:** Los Angeles County Metropolitan Transportation Authority, California; Sales Tax

**Rationale**

Standard & Poor's Ratings Services assigned its 'AAA' long-term rating to Los Angeles County Metropolitan Transportation Authority (LACMTA or the authority), Cal/E's Proposition A first-tier senior sales tax revenue refunding bonds, series 2016-A. At the same time, Standard & Poor's affirmed its 'AAA' rating and underlying rating (SPUR) on the authority's $1.14 billion parity bonds outstanding, secured by a first lien on Proposition A sales tax revenues. The outlook is stable.

The ratings reflect our view of:

- The breadth of the Los Angeles County economy, with a growing population of more than 10 million residents;
- Four years of pledged revenue increases, from fiscal 2011 to fiscal 2015, and an additional increase projected for fiscal 2016;
- Very strong, 4.1x coverage of annual maximum debt service (MADS) based on unaudited fiscal 2015 pledged Proposition A revenues; and
- Strong restrictions against additional parity bonds, including an effective 2.46x additional bond test (ABT) and an incentive not to issue additional debt to the fullest extent of the ABT so as to preserve revenues after payment of debt service to subsidize transit operations.

The authority will use the proceeds of the 2016-A bonds to refund and defease the outstanding variable-rate 2008-A1 bonds, 2009-A2 bonds, 2009-A3 bonds, and 2009-A4 bonds. Following this issuance, the authority will not have any variable-rate bonds outstanding. In addition, the trust agreement includes a springing amendment. The amendment will take effect and remove the reserve requirement for all new bonds issued since 40% of all first senior lien bonds outstanding are issued under the new reserve fund provision; based on current projections, management assumes that this will occur in four to five years. The reserve requirement will remain in place for currently outstanding bonds.

The authority's sales tax bonds are eligible to be rated above the sovereign because we believe the authority can maintain better credit characteristics than the U.S. in a stress scenario. Under our criteria "Ratings Above The"
Using Pricing Information to “See the Market”
Aggregated, live “Depth of Book” and historical trading prices

Source: Fidelity.com, April 2016

For illustrative purposes only
Understanding the Impact of Transaction Costs

Compare Fidelity’s $1 per bond with mark-up competitors

Don't overpay for bonds. See why it can be better to buy your bonds here.

To learn more about our competitive fees, contact a Fixed Income Specialist at 800-544-5372.

See how we stack up against the competition

<table>
<thead>
<tr>
<th></th>
<th>Morgan Stanley mark-up</th>
<th>Wells Fargo mark-up</th>
<th>TD Ameritrade mark-up</th>
<th>Merrill Lynch mark-up</th>
<th>Fidelity Concession</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Bonds</td>
<td>$23.28</td>
<td>$20.19</td>
<td>$14.04</td>
<td>$11.04</td>
<td>$1</td>
</tr>
<tr>
<td>Municipal Bonds</td>
<td>$12.50</td>
<td>$12.24</td>
<td>$11.85</td>
<td>$13.43</td>
<td>$1</td>
</tr>
<tr>
<td>Example Trade Costs</td>
<td>$275 - $510</td>
<td>$265 - $440</td>
<td>$260 - $305</td>
<td>$240 - $295</td>
<td>$22</td>
</tr>
</tbody>
</table>

Where can I learn more?

www.Fidelity.com/go/bond

Source: Fidelity.com, April 2016

For illustrative purposes only
Bond Market News and Reports
News and analysis from Fidelity and 3rd-parties

For illustrative purposes only
News, commentary, and research reports are from third-party sources unaffiliated with Fidelity. Fidelity does not endorse or adopt their content. Fidelity makes no guarantees that the information supplied is accurate, complete, or timely, and does not provide any warranties regarding results obtained from its use.
Key Advantages of Individual Bonds
Using Fidelity’s Proprietary Tools to Plan & Monitor

1. **Bonds mature** – plan for future expenses, real estate tax payment, college education, reinvestment

2. **Cash flow planning** - bond valuations may fluctuate but cash flow is consistent, barring an issuer default

3. **Research before you invest** - bond structure and pricing

4. **Strive to lower costs** – use Depth of Book. Compare Fidelity to firms with significant markups. New issue products no charge at Fidelity

5. **Monitor your holdings** - Fixed Income Analysis; Alerts on maturities, ratings changes

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Where can I learn more?

Research > **Fixed Income Bonds & CDs** > Bond Tools tab

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For illustrative purposes only

1) Fidelity makes certain new issue products available without a separate transaction fee. Fidelity Brokerage Services LLC and National Financial Services LLC receive compensation for participating in the offering as a selling group member or underwriter.
How do ETFs compare to mutual funds?

Lee Sterne
Bond Fund Market Landscape

Fixed Income Mutual Fund Growth

Assets
Flows

Source: Simfund as of 2/29/16

Ending Assets $3.1 T
Bond ETF Market Landscape

Fixed Income ETF Asset Growth

Source: Morningstar Direct 3/30/16

Ending Assets $354B
What is a Mutual Fund?

- **Investment Strategy Registered under the 1940 Act:**
  - Professionally Managed portfolio of securities
  - Can be either passively, enhanced or actively managed
  - Investors access directly from mutual fund provider

What is an Exchange-Traded Fund (ETF)??

- **An ETF is an evolution of the mutual fund which:**
  - Offers exposure to a certain segment(s) of the market
  - Can be either passively, enhanced or actively managed
  - Investors access through brokerage account
  - Investors buy or sell shares on Exchange at the market price
  - Market Price may differ from NAV
  - Shares are not individually redeemable with the ETF
  - Potentially more tax efficient

Where can I learn more on Fidelity.com?

Research > Learning Center > **ETFs and Mutual Funds: What to consider**
Things to know about TRADING ATTRIBUTES

**ETFs**
- Intra-day trading on exchange at market price which may be higher or lower than NAV
- Allows Limit, Stop and Conditional Orders
- Allows Shorting and Margin

**Mutual Funds**
- Most transact once a day at closing NAV
- No Limit, Stop or Conditional Orders
- No Shorting (Margin 30 days)

Where can I learn more on Fidelity.com?
Research > Learning Center > Understanding how mutual funds, ETFs, and stocks trade
# Things to know about COSTS

## ETFs
- Expense ratios
- Commissions (certain ETFs may be traded commission free)
- Bid-Ask spreads
- Premium/Discounts
- Tracking error

## Mutual Funds
- Expense ratios
- Transaction Fee (Load and no-load)
- May have redemption fees

---

Where can I learn more on Fidelity.com?

Research > ETFs > ETF / ETP Screener
Things to know about ACCESS, TRANSPARENCY & TAXES

<table>
<thead>
<tr>
<th>ETFs</th>
<th>Mutual Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Asset class specific, maturity focused</td>
<td>• Asset class specific, maturity focused and</td>
</tr>
<tr>
<td>and broad market</td>
<td>broad market</td>
</tr>
<tr>
<td>• Generally, daily transparency of all</td>
<td>• Holdings data usually at least 1 month old</td>
</tr>
<tr>
<td>holdings</td>
<td>• Less tax efficient structure, all shareholders</td>
</tr>
<tr>
<td>• Capital gains tend to be lower due to</td>
<td>bear tax burden</td>
</tr>
<tr>
<td>creation &amp; redemption feature</td>
<td></td>
</tr>
</tbody>
</table>

Where can I learn more on Fidelity.com?
Research > Learning Center > What’s in your ETF? Understanding ETF portfolio composition
Mutual Fund Research

Use the information available to learn more about an individual Mutual Fund or to compare to others.

Commonly used pages include:

- **Summary** – one-page summary with details on Category, expense ratios, ratings and objectives
- **Portfolio Composition** – view the Top 10 Holdings
- **Compare** – perform a side-by-side comparison of up to 5 different securities
ETF Research

- Learn about an individual ETF or compare to similar.
- Detailed Quote – Bid/Ask, Volume, and Yield
- Profile: Summary of Holdings, Performance and Structure
- Portfolio Composition – view the Top 10 Holdings
- Compare – side-by-side comparison of 5 similar ETFs

Images are for illustrative purposes only.
Mutual Fund Screener: Easy Search Tool

Build your own screen by identifying criteria that is important to you

Look for the Fidelity Fund Picks or No Transaction Fee Icons

Where can I learn more? Research > Learning Center > What are Bond Funds?

There when you need it - embedded education in the screener to help along the way.
ETF/ETP Screener: 2 Ways to Get Started

Build your own screen by identifying criteria that is important to you

Or select a theme that best describes the type of ETF you are looking for.

Just a click away from results!

Where can I learn more?
Research > Learning Center > Finding an ETF that’s right for you with Fidelity’s ETF/ETP Screener

There when you need it - embedded education in the screener to help along the way.
ETF/ETP Screener: Results

Read more about the theme to understand what is included as well as excluded.

Print, Download or Save your results

Commission-free icon

Images are for illustrative purposes only.
Free commission offer applies to online purchases of Fidelity ETFs and select iShares ETFs in a Fidelity brokerage account. Fidelity accounts may require minimum balances. The sale of ETFs is subject to an activity assessment fee (of between $0.01 to $0.03 per $1,000 of principal). iShares ETFs and Fidelity ETFs are subject to a short-term trading fee by Fidelity if held less than 30 days. For iShares ETFs, Fidelity receives compensation from the ETF sponsor and/or its affiliates in connection with an exclusive, long-term marketing program that includes promotion of iShares ETFs and inclusion of iShares funds in certain FBS platforms and investment programs. Additional information about the sources, amounts, and terms of compensation is described in the ETF’s prospectus and related documents. Fidelity may add or waive commissions on ETFs without prior notice. BlackRock and iShares are registered trademarks of BlackRock, Inc. and its affiliates. $7.95 commission applies to online U.S. equity trades in a Fidelity account with a minimum opening balance of $2,500 for Fidelity Brokerage Services LLC retail clients. Sell orders are subject to an activity assessment fee of between ($0.01 to $0.03 per $1,000 of principal). Other conditions may apply. See Fidelity.com/commissions for details.

ETFs are subject to market fluctuation and the risks of their underlying investments. ETFs are subject to management fees and other expenses. Unlike mutual funds, ETF shares are bought and sold at market price, which may be higher or lower than their NAV, and are not individually redeemed from the fund. Stock markets are volatile and can fluctuate significantly in response to company, industry, political, regulatory, market, or economic developments. Investing in stock involves risks, including the loss of principal.
Summary and Next Steps
Why Buy Bonds at Fidelity?

With industry-low fees, award-winning online tools, and dedicated support, it’s easy to see why Fidelity is ranked A+ in bond investing.¹

Industry-low fees
Enjoy pricing that beats markup-based bond brokers over 98% of the time.²
- Trade new issues for free.³
- Trade secondary bonds for just $1 per bond—a savings of $13 per bond compared to the industry average.²
- Purchase U.S. Treasuries online for free or for a flat rate of just $19.95 when placed with a representative.
- Pay a maximum concession of $250 for individual bond orders or just $50 for those maturing in a year or less.

Over 40,000 bonds and CDs
We offer one of the largest bond inventories available from a single brokerage firm.
- Choose from over 40,000 bonds and CDs, aggregated from hundreds of dealers around the country.
- Access a regular stream of new issue tax-exempt municipal offerings from various states - 44 different states in 2014.
- Select from over 100 FDIC insured new issue CDs, from a variety of banks with multiple maturities and competitive rates.⁴

Bond tools and resources
Our tools and educational resources can help you succeed as a fixed income investor.

Images are for illustrative purposes only.
### Awards & Recognition: Fixed Income

#### Morningstar

**Fixed-Income Manager of the Year Awards**
- **Nominee:** Franco Castagliuolo and Bill Irving
- **Nominees:** 2011 and 2014
- **Winner:** Fidelity Municipal Bond Team
- **Nominees:** 2003, 2002, 2008, and 2011

**Fixed-Income Manager of the Decade Awards**
- **Nominee:** Fidelity Municipal Bond Team
- **Nominees:** 2003, 2002, 2008, and 2011

**Fantastic 50, August 2015**
- **Nominee:** Fidelity Total Bond Fund

**Morningstar 4 & 5 Stars†**
- **34 Funds**

**Analyst Ratings:† 15 Gold / 7 Silver / 3 Bronze**
- California Municipal Income
- GNMA
- Government Income
- Intermediate Municipal Income
- Limited Term Municipal Income
- Municipal Income
- New York Municipal Income
- Tax-Free Bond
- Total Bond
- FA California Municipal Income
- FA Government Income
- FA Intermediate Municipal Income
- FA Limited Term Municipal Income
- FA New York Municipal Income
- FA Total Bond

**Funds**
- Intermediate Bond
- Investment Grade Bond
- Short Term Bond
- Strategic Income
- FA Investment Grade Bond
- FA Municipal Income
- FA Strategic Income
- Conservative Income Bond
- Spartan U.S. Bond Index
- Spartan U.S. Bond Index Advantage

### Lipper

**FUND AWARDS**

<table>
<thead>
<tr>
<th>Fund</th>
<th>3 Year</th>
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<tbody>
<tr>
<td>Fidelity Intermediate Government Income</td>
<td>Spartan Long-Term Treasury Bond Index</td>
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<tr>
<td>Spartan Short-Term Treasury Bond Index</td>
<td></td>
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<table>
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<tr>
<th>Fund</th>
<th>5 Year</th>
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<tr>
<td>Fidelity Intermediate Government Income</td>
<td>Spartan Short-Term Treasury Bond Index</td>
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</table>

<table>
<thead>
<tr>
<th>Fund</th>
<th>10 Year</th>
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<tbody>
<tr>
<td>Fidelity Intermediate Government Income</td>
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</table>

### Kiplinger

**25 Favorite No-Load Mutual Funds**
- **As of April 2016**
- **Fidelity Intermediate Muni Income**

**5 ETFs for 2015**
- **Fidelity Total Bond ETF**

**Best Fidelity Funds for Income Investors**
- **July 2015**
- **Fidelity Total Bond Fund**

### Money

**2014 Rated Money Fund Report Awards**
- **FA Intermediate Municipal Income**
- **FA Limited Term Municipal Income**
- **FA New York Municipal Income**
- **FA Total Bond Income**
- **FA Investment Grade Bond**
- **FA Municipal Income**
- **FA Strategic Income**
- **Conservative Income Bond**
- **Spartan U.S. Bond Index**
- **Spartan U.S. Bond Index Advantage**

### iMoney Net

**2014 Rated Money Fund Report Awards**
- **Fidelity Institutional Money Market Tax-Exempt CL I**
- **Highest Net Total Returns**
- **AAA-rated National Tax-Free Funds Category**

#### Fidelity

† As of 3/31/16.

*You could lose money by investing in a money market fund. Because the share price of the fund will fluctuate when you sell your shares they may be worth more or less than what you originally paid for them. The Fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the Fund’s liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Fidelity Investments and its affiliates, the fund’s sponsor, have no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time. The municipal market can be affected by adverse tax, legislative or political changes and the financial condition of the issuers of municipal securities. A portion of the dividends you receive may be subject to federal and state income taxes. Capital gains realized by the fund generally will be subject to taxation at each level. The fund may invest in municipal securities whose interest is subject to the federal alternative minimum tax.*
Your Next Steps

- Locating the Products on Fidelity.com
- More education and support services
- How to buy

**Individual Bonds**
Fidelity.com > Research > Fixed Income
https://fixedincome.fidelity.com/ftg/fi/FILanding

**Bond Mutual Funds**
Fidelity.com > Research > Mutual Funds
https://www.fidelity.com/fund-screener/research.shtml

**Bond ETFs**
Fidelity.com > Research > ETFs
ETF/ETP Screener
https://research2.fidelity.com/pi/etf-screener

For illustrative purposes only
Thank you!

- In general, the bond market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities). Fixed income securities also carry inflation risk, liquidity risk, call risk and credit and default risks for both issuers and counterparties. Any fixed-income security sold or redeemed prior to maturity may be subject to loss.

- Interest income earned from tax-exempt municipal securities generally is exempt from federal income tax, and may also be exempt from state and local income taxes if the investor is a resident in the state of issuance. A portion of the income received may be subject to federal and state income taxes, including the federal alternative minimum tax. In addition, investors may be subject to tax on amounts recognized in connection with the sale of municipal bonds, including capital gains and “market discount” taxed at ordinary income rates. “Market discount” arises when a bond is purchased on the secondary market for a price that is less than its stated redemption price by more than a statutory amount. Before making any investment, investors should review the official statement for the relevant offering for additional tax and other considerations.

- The tax information contained herein is general in nature, is provided for informational purposes only, and should not be construed as legal or tax advice. Fidelity does not provide legal or tax advice. Fidelity cannot guarantee that such information is accurate, complete, or timely. Laws of a particular state or laws that may be applicable to a particular situation may have an impact on the applicability, accuracy, or completeness of such information. Always consult an attorney or tax professional regarding your specific legal or tax situation.

- For secondary market fixed-income trades to which concessions apply, minimum charges for rep-assisted trades are $19.95. The maximum charge applied to a fixed-income trade is $250. The maximum charge will be reduced to $50 for securities with a maturity date of one year or less.

- Please note that concessions may impact the total cost of the transaction and the total, or "effective," yield of your investment. The offering broker may separately mark up or mark down the price of the security and may realize a trading profit or loss on the transaction.

- Past performance is no guarantee of future results.

- **Before investing in any mutual fund or exchange-traded fund, you should consider its investment objectives, risks, charges, and expenses. Contact Fidelity for a prospectus, an offering circular, or, if available, a summary prospectus containing this information. Read it carefully.**
Important Information


Not NCUA or NCUSIF insured. May lose value. No credit union guarantee.

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Established in 1988, the Morningstar Fund Manager of the Year award recognizes portfolio managers who demonstrate excellent investment skill and the courage to differ from the consensus to benefit investors. To qualify for the award, managers’ funds must have not only posted impressive returns for the year, but the managers also must have a record of delivering outstanding long-term performance and of aligning their interests with shareholders’. The Fund Manager of the Year award winners are chosen based on Morningstar’s proprietary research and in-depth evaluation by its fund analysts.

For the 2003 Fixed-Income Manager of the Year award, Morningstar evaluated 1,851 bond fund managers on long- and short-term returns, shareholder-friendly management style, and strength of conviction in investing decisions. From Fidelity’s muni fund lineup, Mark Sommer, Jamie Pagliocco, and Kevin Ramundo’s team was nominated for 2011 Morningstar Fixed-Income Manager of the Year. From Fidelity’s muni fund lineup, Christine Thompson, Mark Sommer, and Jamie Pagliocco’s team was nominated for 2008 Morningstar Fixed-Income Manager of the Year. To be nominated, managers’ funds must have not only posted impressive returns for the year, but the managers also must have a record of delivering outstanding long-term performance and aligning their interests with shareholders’. Effective 06/30/2010, Christine Thompson was appointed Bond Group Chief Investment Officer for FMRCo.

Kiplinger considers funds that do not levy a sales load and generally avoid funds with high ongoing fees. They favor funds with modest minimum initial investments. Kiplinger closely examines the track records of portfolio managers. Outstanding long-term performance is a given. They also pay attention to how those results were achieved. Consistency is important for Kiplinger, as is the link between returns and risk. Funds that have produced modest returns are perfectly acceptable for Kiplinger if they have taken below-average risks. One subpar year doesn’t disqualify a fund from consideration. Kiplinger asks portfolio managers directly to describe their strategies, styles and thought processes for buying and selling stocks or bonds.
Index Definitions

- Barclays Capital U.S. High Yield Index is a market value-weighted index that covers the universe of dollar-denominated, fixed-rate, non-investment grade debt.

- Barclays Capital U.S. Corporate Investment Grade Index is a market value-weighted index of investment-grade corporate fixed-rate debt issues with maturities of one year or more.

- Barclays Capital Municipal Bond Index is an unmanaged index that includes investment-grade, tax-exempt, and fixed-rate bonds with maturities greater than two years selected from issues larger than $75 million.

- Barclays Capital U.S. Aggregate Index is an unmanaged index that tracks domestic investment-grade bonds, including corporate, government, and mortgage-backed securities.

- Barclays Capital U.S. Treasury Index is a market value-weighted index of public obligations of the U.S. Treasury with maturities of one year or more.