

# Fidelity® Tax-Managed U.S. Equity Index Strategy\*

## COMPOSITE INFORMATION

Benchmark: S&P 500® Index<sup>4</sup>

Investment Universe:  
S&P 500 securities

Inception: 1/1/2011

Manager: Strategic  
Advisers, Inc.

## APPROACH

- Seeks to approximate the pretax return and risk characteristics of the S&P 500® Index.<sup>5</sup>
- Holds a subset of stocks from the index.
- Seeks to enhance after-tax returns through tax-sensitive investment management.
- Uses tax-sensitive strategies, including year-round tax-loss harvesting and deferred realization of short-term gains.

## FOR INVESTORS SEEKING

- Index-like returns with a subset of stocks from the S&P 500 Index
- A customized portfolio with individual stock ownership
- A reduction of the impact of taxes on their overall investment returns

## INVESTMENT RISK

- Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments.
- Tax-sensitive investing might not provide as high a return before consideration of potential federal income tax consequences as other strategies. Tax-sensitive investing can result in realized capital gains.

- The Fidelity® Tax-Managed U.S. Equity Index Strategy is designed for investors who are looking for growth and have concerns about taxes.
- The strategy seeks to pursue the long-term growth potential of U.S. large-cap stocks and to deliver enhanced after-tax returns through active tax management.<sup>1</sup>
- Your account can be managed to your tax situation and desire to exclude certain securities.

## Average Annual Total Returns % as of 9/30/2017\*

	Q3 2017	YTD	1 Year	3 Years	5 Years	Life
<b>Pretax Composite</b>						
Tax-Managed U.S. Equity Index Strategy (Gross of Fees)	4.51	14.29	18.69	10.70	14.11	13.01
Tax-Managed U.S. Equity Index Strategy (Net of Fees)	4.33	13.74	17.93	9.81	13.13	12.08
Pretax Benchmark Return (S&P 500® Index)	4.48	14.24	18.61	10.81	14.22	13.22
<b>After-Tax Composite</b>						
Tax-Managed U.S. Equity Index Strategy (Gross of Fees)	4.66	14.64	19.42	12.01	15.05	14.37
Tax-Managed U.S. Equity Index Strategy (Net of Fees)	4.48	14.06	18.62	11.07	14.02	13.39
After-Tax Composite Benchmark Return <sup>2</sup>	4.30	13.83	17.95	10.20	13.65	12.69

## Cumulative Total Returns

1/1/2011–9/30/2017\*



\*The composite returns represent the asset-weighted performance of the Tax-Managed U.S. Large Cap (TMLC) sleeve of client accounts in Fidelity® Personalized Portfolios and the asset-weighted performance of accounts in the Tax-Managed U.S. Equity Index (TMEI) Strategy. TMLC employs the same investment strategy as TMEI, which is offered outside Fidelity® Personalized Portfolios.

The net performance data is presented net of the advisory fee and SMA Manager fee, if applicable.<sup>3</sup> The TMLC assets that are included in the composite are generally subject to higher fees than TMEI accounts, which were included in the composite beginning 8/1/2015. For a complete fee schedule and more detailed explanation of how fees are calculated, please refer to the applicable Program Fundamentals and Client Agreement. The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your securities. Current performance may be higher or lower than the performance data quoted.

A client's underlying holdings may differ from those of other accounts in the composite.

Total returns are based on Strategic Advisers, Inc.'s composite, are historical, and include changes in share value and reinvestment of dividends, interest income, and capital gains, if any. Life returns are reported as of the inception date of the composite (1/1/2011). TMEI account performance was included in the composite starting 8/1/2015. Returns less than or equal to one year are cumulative. Composite performance (net of fees) is asset weighted while the pretax benchmark returns are not asset weighted. You cannot invest directly in an index. Securities indexes are not subject to fees and expenses typically associated with managed accounts or investment funds.

For additional information about how our composite returns are calculated, please see "About Our Composite Performance" on the last page. Fees are fully described in the Program Fundamentals and Client Agreement.

## ABOUT STRATEGIC ADVISERS, INC.

Strategic Advisers is a registered investment adviser and a Fidelity Investments company. For more than 25 years, Strategic Advisers has provided discretionary investment management services through Fidelity's retail, institutional, and intermediary distribution channels. Fidelity Investments is one of the world's largest providers of financial services. For more information about Fidelity Investments, visit [Fidelity.com](http://Fidelity.com).

The following information for the separately managed account (SMA) is based on data aggregated across all positions held in all accounts in the composite as of 9/30/2017.

- [Portfolio Statistics](#)
- [Top Ten Equity Holdings](#)
- [Sector Weight Information](#)

## Portfolio Statistics

The portfolio statistics provided below are indicative of the characteristics the portfolio manager considers when managing the strategy. They reflect the close correlation of the SMA to its benchmark, the S&P 500 Index. As your account will be tailored to your circumstances, the securities held in your account may differ materially from the composite information below.

As of 9/30/2017	SMA	S&P 500® Index
<b>Capitalization (\$Millions)</b>		
Weighted Average Market Cap	178,627	177,852
Weighted Median Market Cap	89,974	92,710
<b>Other Statistics</b>		
Beta	1.00	1.00
Dividend Yield	1.97	1.98
Price/Earnings Ratio	21.51	21.64
Historical 3-Year Earnings per Share Growth	9.86	9.23
Price/Book Ratio	3.23	3.18
Price/Sales Ratio	2.33	2.32
Long-Term Debt to Capitalization Ratio	40.16	39.96
Number of Securities	225 <sup>†</sup>	505

Source: FactSet and Fidelity Investments Information.

Portfolio statistics calculations do not reflect the impact of fees.

This information is provided to help you understand the overall composition of the portfolio composite. Because each client account may have only a subset of the securities held in all composite accounts and may hold securities in different weights, the overall portfolio characteristics of any one account may differ from the composite as a whole.

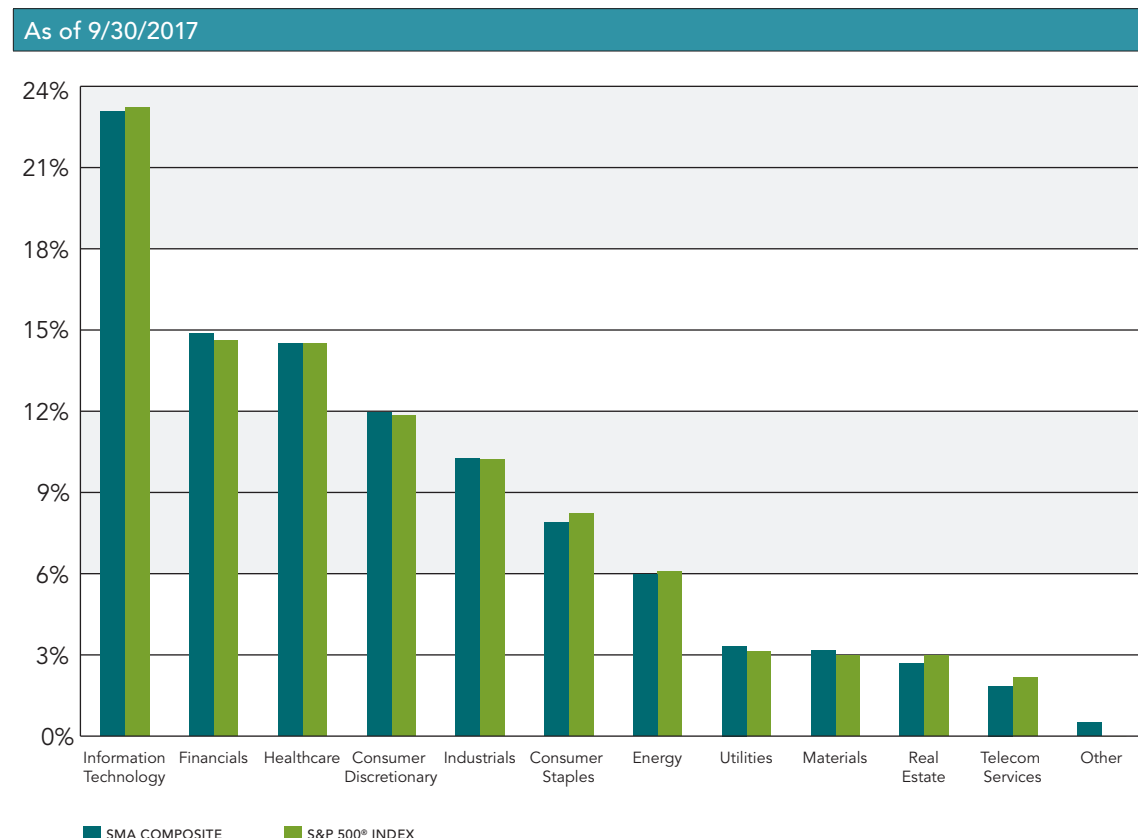
Please refer to the Definitions section on page 3 for the terms listed above.

<sup>†</sup>Average securities per SMA client account.

Top Ten Equity Holdings<sup>6</sup>

As of 9/30/2017	
SMA Composite	S&P 500
Apple Inc.	Apple Inc.
Microsoft Corporation	Microsoft Corporation
Facebook, Inc. Class A	Facebook, Inc. Class A
Amazon.com, Inc.	Amazon.com, Inc.
Johnson & Johnson	Berkshire Hathaway Inc. Class B
Berkshire Hathaway Inc. Class B	Johnson & Johnson
JPMorgan Chase & Company	Exxon Mobile Corporation
Alphabet Inc. Class A	JPMorgan Chase & Company
Alphabet Inc. Class C	Alphabet Inc. Class A
Chevron Corp.	Alphabet Inc. Class C
<b>Sum of Top Ten Holdings: 18.90%</b>	<b>Sum of Top Ten Holdings: 19.11%</b>

## Sector Weights



The sector weightings use the Global Industry Classification Standard (GICS), which is based on information provided by Standard & Poor's Financial Services LLC (S&P), an independent company not affiliated with Fidelity. Effective August 31, 2016, Standard & Poor's Finance Sector composition has changed. The existing Finance sector was split into two Sectors—Finance and Real Estate.

## DEFINITIONS

**Beta** is one measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of less (or more) than 1.0 indicates that the portfolio has fluctuated less (or more) than the benchmark index.

**Dividend Yield** refers to the annualized rate of return from dividends on a stock investment. It is calculated by dividing the annual dividends per share by the stock's purchase price. It does not take into account other forms of returns, such as those from capital gains.

**Price/Earnings (P/E) Ratio** refers to the price of a security at the close of the last day in the period divided by its last 12 months' reported primary earnings per share (EPS).

**Historical 3-Year Earnings per Share Growth** is calculated by taking a corporation's net income available for common stock divided by its number of shares of common stock outstanding over the previous three fiscal years.

**Price/Book (P/B) Ratio** refers to the price of a security at the close of the last day in the period divided by the latest quarter's book value per share. Book value is the value at which an asset is carried on a company's balance sheet.

**Price/Sales Ratio** is calculated by dividing a stock's current price by its revenue per share for the trailing 12 months.

**Long-Term Debt to Capitalization Ratio** is calculated by dividing a company's total long-term debt outstanding by the total capitalization of the company (all debt plus all equity).

## ABOUT OUR COMPOSITE PERFORMANCE

**Composite Description:** The composite returns represent the asset-weighted performance of the Tax-Managed U.S. Large Cap (TMLC) sleeve of client accounts in Fidelity® Personalized Portfolios and the asset-weighted performance of accounts in the Tax-Managed U.S. Equity Index (TMEI) Strategy. TMLC employs the same investment strategy as the TMEI, which is offered outside Fidelity® Personalized Portfolios. TMLC performance was included in the composite beginning January 1, 2011, shortly after the strategy became available to clients. TMEI performance was included as of August 1, 2015, shortly after it became available to clients. The TMLC assets that are included in the composite are generally subject to higher fees than TMEI accounts. For a complete fee schedule and more detailed explanation of how fees are calculated, please refer to the applicable Program Fundamentals and Client Agreement.

**Calculation of Pretax Composite Portfolio Returns.** Pretax Composite Portfolio returns represent the asset-weighted composite performance of the TMLC sleeve of applicable client accounts and the asset-weighted performance of accounts in the TMEI. As of January 1, 2011, the composite included all eligible, active Fidelity® Personalized Portfolios accounts that held the TMLC in amounts over \$5,000. After July 1, 2015, the composite includes all eligible, active TMLC accounts in amounts over \$50,000. After August 1, 2015, the composite includes all eligible, active TMEI accounts over \$50,000. Accounts must have at least one full month of returns to be included in the composite. Pretax Composite Portfolio returns are calculated using asset-weighted methodology which takes into account the differing size of accounts (i.e., considers larger and smaller accounts proportionally). Performance shown is net of the advisory fee and, if applicable, the SMA Manager fee. Individual client accounts will vary based on their individual tax and investment situations and, therefore, performance may be better or worse than the performance shown. Returns include changes in share price and reinvestment of dividends and capital gains, if any. Fees are fully described in the applicable Program Fundamentals and Client Agreement. Please read these materials before investing. Accounts subject to significant investment restrictions provided by clients are excluded from composites. In limited circumstances, additional accounts with nonstandard characteristics are excluded from composites. Accounts with a do-not-trade restriction are removed from the composite once the restriction has been on the account for sixty-five days. Accounts for which clients provided short-term and long-term tax rates of zero are also excluded from the composite. Non-fee-paying accounts may be included in composites. This may increase the overall composite performance with respect to the net-of-fees performance.

**S&P 500 Pretax Returns** reflect the return of the S&P 500 Index over the relevant period and do not indicate the actual performance results of a managed portfolio, past or future, nor do they reflect advisory fees. The returns assume reinvestment of dividends, interest income, and capital gains, if any.

**Calculation of After-Tax Composite Portfolio Returns.** After-Tax Composite Portfolio returns represent the asset-weighted composite performance of TMLC and TMEI accounts. As of January 1, 2011, the composite included all eligible, active Fidelity® Personalized Portfolios accounts that held the TMLC in amounts over \$5,000. After July 1, 2015, the composite includes all eligible, active TMLC accounts in amounts over \$50,000. After August 1, 2015, the composite includes all eligible, active TMEI accounts over \$50,000. Accounts must have at least one full month of returns to be included in the composite. Client account performance is asset weighted to demonstrate the investment management capabilities for accounts of all sizes. Individual client accounts will vary based on their individual tax and investment situations and, therefore, performance may be better or worse than the performance shown. Performance shown is net of the advisory fee and, if applicable, the SMA Manager fee. Individual client accounts will vary and performance may be more or less than the performance shown. Returns include changes in share price and reinvestment of dividends and capital gains, if any. Fees are fully described in the applicable Program Fundamentals and Client Agreement. Please read these materials before investing. Accounts subject to significant investment restrictions provided by clients are excluded from composites. In limited circumstances, additional accounts with nonstandard characteristics are excluded from composites. Accounts with a do-not-trade restriction are removed from the composite once the restriction has been on the account for sixty-five days. Accounts for which clients provided short-term and long-term tax rates of zero are also excluded from the composite. Non-fee-paying accounts may be included in composites. This may increase the overall composite performance with respect to the net-of-fees performance.

**Assumptions Underlying After-Tax Composite Portfolio Returns.** The following assumptions have been used as part of the After-Tax Composite Portfolio returns calculations: all distributions of qualified dividend income are assumed to meet the required holding period. In most cases, specific ID cost-basis methodology rather than average basis is applied when managing client accounts. Performance and rates of return are net of the advisory fee and, if applicable, the SMA Manager fee. Individual share price and returns will vary, and you may have a gain or loss when your shares are sold. Performance, whether reported on a pretax or after-tax basis, is computed on a cash basis only, so accrued dividends on equities are not included in the calculation. Monthly After-Tax Composite Portfolio returns are an asset-weighted composite of pretax, time-weighted returns adjusted for an estimate of federal tax impacts from trading, income, and cash flow activity. After-Tax Composite Portfolio returns are calculated by adjusting for actual transactions (sales, dividend earnings, etc.) that have taken place in the accounts, and by assuming that (i) each category of income is taxed at individual marginal rates in effect for the period in which the taxable transaction took place and is computed based on long-term capital gains rate and marginal income tax rate information provided by the client, and (ii) cost-basis and holding period information provided by the client is accurate. Cost-basis information provided in customer communications may not reflect all adjustments to such information that may be necessary due to events outside the control of, or unknown to, Fidelity (e.g., wash sales resulting from purchases and sales of securities in other non-managed accounts).

The after-tax returns used in the composite take into account the effect of federal income taxes only; taxes other than federal income taxes, such as state and local taxes; foreign taxes on non-U.S. investments; and estate, gift, and generation-skipping transfer taxes are not taken into account. Any realized short-term or long-term capital gain or loss retains its character in the after-tax calculation. The gain/loss for any account is applied in the month incurred and there is no carryforward. We assume that losses are used to offset gains realized outside the account in the same month, and we add the imputed tax benefit of such a net loss to that month's return for the purposes of calculating the composite. This can inflate the value of the losses to the extent that there are no items outside the account against which they can be applied. We assume that taxes are paid from outside the account. We assume that taxes are recognized in the month in which they are incurred. This may inflate the value of some short-term losses if they are offset by long-term gains in subsequent months. After-Tax Composite Portfolio returns do not take into account the tax consequences associated with income accrual, deductions with respect to debt obligations held in client accounts, or federal income tax limitations on capital losses. Any year-end adjustments for dividends with respect to classifications as qualified versus nonqualified are not taken into account. After-Tax Composite Portfolio returns may exceed pretax returns as a result of an imputed tax benefit received upon realization of tax losses. Withdrawals from client accounts during the performance period result in adjustments to take into account unrealized capital gains across all securities in any such account, as well as the actual capital gains realized on the securities. Changes in laws and regulations may have a material impact on pretax and/or after-tax investment results. Strategic Advisers, Inc., relies on information provided by clients in an effort to provide tax-sensitive investment management, and does not offer tax advice. Strategic Advisers, Inc., can make no guarantees as to the effectiveness of the tax-sensitive investment management techniques applied in seeking to reduce or minimize a client's overall tax liabilities or as to the tax results that may be generated by a given transaction. Consult your tax adviser for additional details.

<sup>1</sup>Strategic Advisers, Inc. (Strategic Advisers), applies tax-sensitive investment management techniques in the Fidelity® Tax-Managed U.S. Equity Index Strategy (including "tax-loss harvesting") at its discretion, solely with respect to determining when assets in a client's account should be bought or sold. As a discretionary investment manager, Strategic Advisers may elect to sell assets in an account at any time. A client may have a gain or loss when assets are sold. Strategic Advisers does not actively manage for alternative minimum taxes; state or local taxes; foreign taxes on non-U.S. investments; or estate, gift, or generation-skipping transfer taxes. Strategic Advisers relies on information provided by clients in an effort to provide tax-sensitive management and does not offer tax advice. Strategic Advisers can make no guarantees as to the effectiveness of the tax-sensitive management techniques applied in seeking to reduce or minimize a client's overall tax liabilities or as to the tax results that may be generated by a given transaction. Clients are responsible for all tax liabilities arising from transactions in their accounts, for the adequacy and accuracy of any positions taken on tax returns, for the actual filing of tax returns, and for the remittance of tax payments to taxing authorities.

<sup>2</sup>**The After-Tax Composite Benchmark Returns.** After-Tax Composite Benchmark returns represent an asset-weighted composite of clients' individual after-tax benchmark returns. The After-Tax Composite Benchmark is based on the returns of the Fidelity 500 Index Fund Premium Class (the "index fund"). As of June 14, 2016, this fund changed its name from Spartan 500 Index Fund—Advantage Class. Each client's after-tax benchmark is calculated based on his or her specific tax rate and situation, and uses the index fund as an investable alternative to market indexes in order to provide a benchmark that takes into account the associated tax consequences of this investable alternative. The after-tax benchmark returns implicitly take into account the net expense ratio of the index fund, because the index fund reports performance net of its expenses. The After-Tax Composite Benchmark assumes reinvestment of dividends and capital gains, if any, into the issuing fund. The after-tax benchmark calculation does not consider the potential tax impact of rebalancing the benchmark portfolio. On average, not considering rebalancing of the benchmark portfolio may result in after-tax benchmark returns being lower than if rebalancing was considered. The After-Tax Composite Benchmark return is calculated assuming the use of the "average basis" method for calculating the tax basis of mutual fund shares. Accounts subject to significant investment restrictions provided by clients are excluded from composites. In limited circumstances, additional accounts with nonstandard characteristics are excluded from composites. Accounts with a do-not-trade restriction are removed from the composite once the restriction has been on the account for sixty-five days. Accounts for which clients provided short-term and long-term tax rates of zero are also excluded from the composite. Non-fee-paying accounts may be included in composites. This may increase the overall composite performance with respect to the net-of-fees performance.

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. Federal and state laws and regulations are complex and are subject to change. Changes in such laws and regulations may have a material impact on pretax and/or after-tax investment results. Fidelity makes no warranties with regard to such information or results obtained by its use. Fidelity disclaims any liability arising out of your use of, or any tax position taken in reliance on, such information. Always consult an attorney or tax professional regarding your specific legal or tax situation.

<sup>3</sup>Unlike a mutual fund fee, whose management and operating expenses are deducted directly from the assets of the fund, investment management fees for separately managed accounts (SMAs) are paid directly from your account. As applicable, assets in the SMA are subject to the Fidelity® Personalized Portfolios advisory fee or the Fidelity® Tax-Managed U.S. Equity Index advisory fee. The assets in the TMLC sleeve of Fidelity® Personalized Portfolios accounts are also subject to a 0.30% SMA Manager fee. For a complete fee schedule and more detailed explanation of how fees are calculated, please refer to the applicable Program Fundamentals and Client Agreement.

<sup>4</sup>The S&P 500® Index is an unmanaged, market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance.

<sup>5</sup>The pretax net-of-fees performance of the Fidelity Tax-Managed U.S. Equity Index Strategy will generally not exceed the performance of the S&P 500 Index, which is not subject to fees.

<sup>6</sup>The Top Ten Equity Holdings represent the largest 10 holdings of the composite as a whole. Holdings are subject to change without notice, may not be representative of the composite's current or future investments, and are not intended as recommendations of individual securities. There is no guarantee that any of these holdings will be included in any particular account.

Performance of an index is not illustrative of any particular investment. It is not possible to invest directly in an index.

Fidelity Strategic Disciplines is a service of Strategic Advisers, Inc., a registered investment adviser and a Fidelity Investments company. Fidelity Strategic Disciplines includes the Breckinridge Intermediate Municipal Strategy, the Fidelity® Equity-Income Strategy, and the Fidelity® Tax-Managed U.S. Equity Index Strategy. Fidelity® Personalized Portfolios may be offered through Strategic Advisers, Inc., or Fidelity Personal Trust Company, FSB (PTC), a federal savings bank. Nondeposit investment products and trust services offered through PTC and its affiliates are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, are not obligations of any bank, and are subject to risk, including possible loss of principal. **These services provide discretionary money management for a fee.**

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