

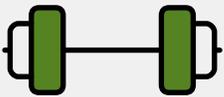
How the SEC's Best Interest Rule Benefits Investors

Fidelity exists to strengthen and secure our clients' financial well-being and we are always focused on their best interest. On June 30, the Securities and Exchange Commission's Regulation Best Interest (Reg BI) became effective. This significant rule raises the industry standard and strengthens investor protections.



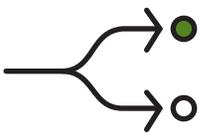
Puts Customers First

Fidelity is committed to putting the interests of our customers first. Reg BI is consistent with this commitment because it **obligates brokers to act in the best interest of the retail customer** without placing the "financial or other interest of the broker-dealer" ahead of the interest of the retail customer.



Raises the Bar for the Industry

Reg BI contains a series of obligations for brokers that clearly strengthen and enhance existing investor protections. The rule **requires brokers to disclose all material facts relating to conflicts of interest associated with a recommendation**, such as a conflict associated with how a broker is compensated, and the fees and costs the customer may pay related to a security. In addition, the SEC strengthened existing broker standards by **requiring brokers to consider the costs of a security and the reasonably available alternatives**.



Preserves Customer Choice

The SEC's standard is designed to **strengthen retail customer protections, but preserve the ability of customers to choose** the type of relationship and products that meet the needs of the retail customer. The retail customer is free to choose a relationship with a broker—brokers provide transaction-based services and are paid on a commission basis—or an adviser—advisers provide ongoing financial planning and account monitoring and are paid a fee based on the amount of customer assets managed.



Strengthens & Aligns Rules

By strengthening brokerage rules, the SEC has created better alignment between the rules that apply to brokers and advisers. The adoption of Reg BI means that **both brokers and advisers are required to provide recommendations or advice that is in the best interest of customers** and puts the financial interests of customers first.



Supports Strong Enforcement

Enforcement of Reg BI will focus on whether a broker fulfilled each new obligation of Reg BI and put customer interests first. In addition, **brokers will be required to implement written policies and procedures** to ensure that conflicts are identified in addition to policies, procedures, and employee training designed to maintain compliance with Reg BI.

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