Fixed Income

MANAGING FIXED INCOME SINCE 1971

Fidelity Investments is one of the world’s largest fixed income managers, with more than $800 billion in assets under management. It is one of the mutual fund industry’s largest providers of money market mutual funds and high yield strategies. Fidelity has made significant investments in its people, processes, and technology to meet the demands of its clients and shareholders. While other firms have faced pressure to reduce costs and headcount over the past six years, Fidelity’s private ownership and strong financial base have enabled it to build its global fixed income capabilities and to focus on its long-term strengths. Since 2008, Fidelity’s global bond and money market research staff has increased by 30 percent and traders have increased by 20 percent, while its portfolio managers have increased by 10 percent.

Fidelity’s fixed income capabilities, which span the full breadth of fixed income strategies from money market funds to high yield portfolios, are built upon its excellence in proprietary research, with an unrivaled 104 research analysts and associates, 40 portfolio managers, and 35 traders.

With global research at the core of Fidelity’s investment management expertise, its fixed income and equity analysts have more than 13,000 company interactions and 5,000 in-house visits each year; they also publish 35,000 proprietary research notes annually. More important, this research is efficiently disseminated to portfolio managers and researchers through one integrated technology platform. This commitment to research excellence has driven the generation of uncommon insights, which help Fidelity in seeking to deliver risk-adjusted returns for clients and shareholders alike.

Fixed Income has invested in state-of-the-art trading floors in Merrimack, NH, Boston, and London, which are critical for navigating the increasingly complex global fixed income markets and essential for a seamless, comprehensive view of global investment opportunities. These trading floors have been designed to maximize the important interactions among portfolio managers, analysts, and traders. With superior technology that integrates and streamlines research, trading and portfolio management, investment ideas can be implemented swiftly by Fidelity’s expert traders, who transact in all global sectors, including foreign currency and derivatives.

Fixed Income has a long-standing heritage of oversight and risk management practices that help ensure a sharp focus on seeking consistent, risk-adjusted returns. First, its team of 16 integrated quantitative analysts, with extensive industry experience, directly influences the investment process and is dedicated to risk monitoring and measurement. Second, an embedded legal team and a separate counterparty risk team provide multiple layers of oversight and influence investment decisions. Last, Fixed Income has made significant investments in multi-dimensional risk management systems that integrate proprietary risk models, which provide real-time access to risk measures and exposures.

MONEY MARKET FUNDS AND STRATEGIES

As a leader in money market mutual funds, Fidelity combines fundamental research with quantitative analysis designed to achieve its goals of principal preservation, liquidity, and competitive, risk-adjusted returns. Fidelity’s money market funds are closely tied to the research output of its team of analysts and associates, who average 15 years of industry experience and whose work is independent of Wall Street and rating agencies. Fidelity’s money market team upholds the highest standards of minimal credit risk in determining securities for the funds. Additionally, rigorous stress testing built upon proprietary quantitative modeling helps the team understand how market events, small or large, may affect portfolio decisions.

### LOCATIONS
- Merrimack, New Hampshire
- Boston
- London
- Smithfield, Rhode Island
- Toronto

### ASSETS UNDER MANAGEMENT*

<table>
<thead>
<tr>
<th>$802.2 BILLION TOTAL</th>
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</thead>
<tbody>
<tr>
<td>$435.4B Money Market</td>
</tr>
<tr>
<td>$273.7B Bonds</td>
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<tr>
<td>$93.1B High Yield</td>
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*Assets reported for Fidelity Investments include assets managed by Pyramis Global Advisors.

### BREADTH OF RESOURCES

- 104 research professionals
- 40 portfolio managers
- 35 traders
- Over 100 mutual funds
- More than 20 institutional strategies
- Liability-driven solutions team
- Proprietary risk-model infrastructure

### AWARDS

**Morningstar**
- 24 Fixed Income funds rated 4 or 5 stars

**2015 Lipper Awards**
- Intermediate Government Income
- Convertible Securities Fund
- Spartan Long-Term Treasury Bond Index (Fidelity Advantage)
FIXED INCOME FUNDS AND STRATEGIES
Fidelity’s bond group offers a wide range of products – active, passive, diversified, single sector, and custom solutions, including liability-driven investing. These portfolios span a range of duration and credit quality to provide clients with precise risk and return objectives that can help meet their specific needs. Powered by the depth and breadth of Fixed Income’s research, its analysts seek to identify intrinsic value of individual securities while highlighting opportunities and risks within the capital structure of any given company or sovereign. They also assess how the macroeconomic environment affects the bond market, including interest rates and yield curves, credit spreads, liquidity, and inflation. Traders provide technical and relative-value perspectives that help drive the efficient execution of investment ideas. Portfolio managers use all of these insights to determine sector allocation, security selection, yield curve positioning, and overall portfolio composition.

HIGH YIELD AND EMERGING MARKETS DEBT STRATEGIES
Focusing on fundamentals and valuations across the entire capital structure, Fidelity’s high yield and emerging markets debt group seeks consistent, long-term performance investing in three categories of securities: high yield loans and bonds, emerging market debt, and real estate debt. It believes that the risk/return profile in high yield bonds and leveraged loans reward intensive credit research; that inefficiencies in emerging markets, combined with in-depth research, can uncover opportunities in an increasingly integrated global marketplace; and that a careful assessment of collateral can produce opportunities in real estate debt. An investment thesis is formed after gathering information from corporate managers, government officials, customers, consultants, and others, and a dedicated trading team minimizes transaction costs, assesses market liquidity, identifies valuation anomalies, and influences the pricing and structure of new issuances. A fully integrated risk management team provides oversight.

MULTI-CHANNEL DISTRIBUTION
Fidelity’s products are used by retail and institutional investors, financial advisors, and employers and distributed through multiple channels across the entire organization, including its affiliate, Pyramis Global Advisors. Fidelity’s consultative, solutions-based approach enables it to form lasting relationships with its clients.

SUMMARY
As a private company, Fidelity conducts its research exclusively for the benefit of its clients and shareholders. It is not beholden to any outside interests. Though the industry has changed significantly over the years, Fidelity adheres to the same beliefs and practices that have allowed it to grow and succeed: a culture of integrity, a commitment to performance, and a dedication to clients.

INVESTMENT OFFERINGS
Fidelity offers fixed income investors a broad range of investment products based on style, duration, and objective, as well as custom products for specific client needs.

DEPTHE AND BREADTH OF FIXED INCOME PRODUCTS
(Mutual Funds and Institutional Strategies)

<table>
<thead>
<tr>
<th>ACTIVE / DIVERSIFIED</th>
<th>ACTIVE / SINGLE SECTOR</th>
<th>CUSTOM SOLUTIONS</th>
<th>PASSIVE</th>
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</thead>
<tbody>
<tr>
<td>Money Market</td>
<td>Inflation-Protected</td>
<td>Tactical</td>
<td>US Bond</td>
</tr>
<tr>
<td>Conservative Income Bond</td>
<td>Government</td>
<td>Liability-Driven Investing</td>
<td>Inflation-Protected</td>
</tr>
<tr>
<td>Short Duration</td>
<td>Mortgage-Backed</td>
<td>Stable Value</td>
<td></td>
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<tr>
<td>Limited Term</td>
<td>Investment-Grade Credit</td>
<td>Target Maturity</td>
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<tr>
<td>Intermediate Duration</td>
<td>Global Credit</td>
<td>Tax Sensitive</td>
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<tr>
<td>Core Constrained</td>
<td>Long Corporate</td>
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<tr>
<td>Core Plus</td>
<td>Leveraged Loans</td>
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<tr>
<td>Long Duration</td>
<td>High Yield Corporate</td>
<td></td>
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<tr>
<td>Global</td>
<td>High Yield MBS</td>
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<tr>
<td>International</td>
<td>Emerging Markets</td>
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<tr>
<td>National Municipals</td>
<td>Single State Municipals</td>
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Past performance is no guarantee of future results. Current and future portfolio holdings are subject to risk.

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the fund seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in the fund.

High yield/non-investment grade bonds involve greater price volatility and risk of default than investment grade bonds. Foreign markets can be more volatile than U.S. markets due to increased risks of adverse issuer, political, market or economic developments, all of which are magnified in emerging markets. These risks are particularly significant for funds that focus on a single country or region.

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


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. Unlike individual bonds, most bond funds do not have a maturity date, so avoiding losses caused by price volatility by holding them until maturity is not possible.

Morningstar Star Rating
For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of the funds in an investment category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.)

2015 Lipper Awards
Consistent Return
A Lipper Leader for Consistent Return is a fund that has provided superior consistency and risk-adjusted returns when compared to a group of similar funds. Lipper Leaders for Consistent Return may be the best fit for investors who value a fund's year-to-year consistency relative to other funds in a particular peer group.

Investors are cautioned that some peer groups are inherently more volatile than others, and even Lipper Leaders for Consistent Return in the most volatile groups may not be well suited to shorter-term goals or less risk-tolerant investors.

How Lipper Leaders are Rated for Consistent Return
Lipper Leader ratings for Consistent Return reflect funds’ historic returns, adjusted for volatility, relative to peers. Ratings for Consistent Return are computed for all Lipper classifications with five or more distinct portfolios and span both equity and fixed-income funds (e.g., large-cap core, general U.S. Treasury, etc.)

The ratings are subject to change every month and are calculated for the following time periods: 3-year, 5-year, 10-year, and overall. The overall calculation is based on an equal-weighted average of percentile ranks for the Consistent Return metrics over 3-year, 5-year, and 10-year periods (if applicable). The highest 20% of funds in each classification are named Lipper Leaders for Consistent Return. The next 20% receive a rating of 4; the middle 20% are rated 3; the next 20% are rated 2, and the lowest 20% are rated 1.

Lipper Awards for Fidelity
Fidelity Spartan Long-Term Treasury Bond Index Fund (Fidelity Advantage) won an award in Lipper’s General U.S. Treasury category for the five-year period.
Fidelity Convertible Securities Fund won an award in Lipper’s Convertible Securities category for the three-year period.

Before investing, consider the funds’ investment objectives, risks, charges, and expenses. Contact Fidelity for a prospectus or, if available, a summary prospectus containing this information. Read it carefully.