September 11, 2018

Q&A RE: FIDELITY MUTUAL FUNDS AND EXCHANGE TRADED FUNDS UPDATES TO PREPARE FOR 2018 GICS CHANGES

Q1: What changes are being made to the Global Index Classification Standard (GICS)?

A: S&P and MSCI have announced changes to the GICS structure which will be implemented in data feeds after the close of business on September 28, 2018. The Telecommunication Services sector will be renamed Communication Services and will include certain companies from the Consumer Discretionary and Information Technology sectors. Among other changes, the Internet & Direct Marketing Retail sub-industry in Consumer Discretionary will be updated to include all e-commerce companies, regardless of whether they hold inventory and, the Internet Software & Services sub-industry in the Information Technology sector will be eliminated.

Q2: Why are MSCI and S&P making these changes?

A: On an annual basis, MSCI and S&P conduct a review of the GICS structure. As a result, they have said the basis for these changes is because of the evolution seen in recent years in the way people communicate, access entertainment content and other information and the integration between media, telecommunications, and internet companies.

Companies have moved further in this direction by consolidating through mergers and acquisitions and many now offer bundled services, such as cable, internet, and telephone services. Some of these companies also create interactive entertainment content and aggregate information that is delivered through multiple platforms, such as cable and internet, as well as on mobile devices, such as smartphones and tablets.

Q3: What are the changes Fidelity is proposing to make to its sector funds and ETFs? When will the changes be effective?

A: More than a dozen of Fidelity's dedicated sector funds and ETFs are benchmarked to GICS- based benchmarks that are impacted in some way by the changes. Key product updates include the following:

- Seeking shareholder approval to reposition Select Multimedia as the new Communication Services sector-level fund.
- Seeking shareholder approval to reposition VIP Telecommunications, and repositioning MSCI Telecommunication Services Index ETF, and Telecom Services Central Fund to reflect the new Communication Services sector.
- Keeping Select Telecommunication Services (including advisor share classes) as is. The fund will represent the telecom industry group and will not change to the Communication Services sector.
- Other impacted funds/ETFs will follow the GICS changes when MSCI implements the changes in their existing benchmarks.

We plan to make these updates later this year to correspond when the GICS changes are implemented in MSCI benchmarks at the end of November 2018.

The following tables provide details on product updates:

Fund Changes

Current Fund Name	New Fund Name	Current Supplemental Benchmark	New Supplemental Benchmark	Policy Changes*	Other
Select Multimedia Portfolio	**Select Communication Services Portfolio**	MSCI US IM Media 25/50 Index	**MSCI US IM Communication Services 25/50 Index**	**Concentration, Invests Primarily, Name Test**	
VIP Telecommunications Portfolio	**VIP Communication Services Portfolio**	MSCI US IM Telecommunication Services 25/50 Index	**MSCI US IM Communication Services 25/50 Index**	**Concentration, Invests Primarily, Name Test**	**-**
Fidelity Telecom Services Central Fund	**Fidelity Communication Services Central Fund**	MSCI US IM Telecommunication Services 25/50 Index	**MSCI US IM Communication Services 25/50 Index**	**Concentration, Invests Primarily, Name Test**	**-**
MSCI Telecommunication Services Index ETF	**MSCI Communication Services Index ETF**	MSCI USA IMI Telecommunication Services 25/50 Index	**MSCI USA IMI Communication Services 25/50 Index**	**Invests Primarily, Name Test, Investment Objective**	**-**
Select/FA Telecommunications Portfolio	**No change**	MSCI US IM Telecommunication Services 25/50 Index	**No change**	**No changes**	**Will represent Telecom industry-group and will not change to Communications Services**

Each fund will continue to also compare its performance to the broad-based S&P 500 Index.

*Changes to a fund's Concentration policy requires shareholder approval. Changes to a fund's Invests Primarily and Name Test policy requires 60-day shareholder notification (shareholder approval required to change Fidelity Telecom Services Central Fund's Invests Primarily policy).

Other Impacted Funds – The funds below have no proposed changes to their name, policy or benchmark, but will be impacted to varying degrees when MSCI implements the GICS changes in their benchmarks at the end of November.

Fund Name	Benchmark GICS Exposure	Supplemental Benchmark
Select Software & IT Services Portfolio	Software & Services Industry Group within Info Tech Sector	MSCI US IM Software & Services 25/50 Index
Select IT Services Portfolio	IT Services Industry within Info Tech Sector	MSCI US IM IT Services 25/50 Index
Select Technology Portfolio	Info Tech Sector	MSCI US IM Information Technology 25/50 Index
Fidelity Adviser Technology Fund	Info Tech Sector	MSCI US IM Information Technology 25/50 Index
VIP Technology Portfolio	Info Tech Sector	MSCI US IM Information Technology 25/50 Index
Fidelity Information Technology Central Fund	Info Tech Sector	MSCI US IM Information Technology 25/50 Index
MSCI Information Technology Index ETF	Info Tech Sector	MSCI USA IMI Information Technology Index
Select Consumer Discretionary Portfolio	Consumer Discretionary Sector	MSCI US IM Consumer Discretionary 25/50 Index
Fidelity Adviser Consumer Discretionary Fund	Consumer Discretionary Sector	MSCI US IM Consumer Discretionary 25/50 Index
VIP Consumer Discretionary Portfolio	Consumer Discretionary Sector	MSCI US IM Consumer Discretionary 25/50 Index
Fidelity Consumer Discretionary Central Fund	Consumer Discretionary Sector	MSCI US IM Consumer Discretionary 25/50 Index
MSCI Consumer Discretionary Index ETF	Consumer Discretionary Sector	MSCI USA IMI Consumer Discretionary Index
Select Retailing Portfolio	Retailing Industry-Group within Consumer Discretionary Sector	MSCI US IM Retailing 25/50

Q4: Why is Fidelity changing Select Multimedia, MSCI Telecommunication Services ETF and VIP Telecommunications to the new communications sector, but not Select/FA Telecom Portfolio?

A: If Select Multimedia and Select/FA Telecommunications both followed the GICS changes, there would be significant overlap between the two strategies. As a result, Fidelity is repositioning Select Multimedia as it requires less portfolio turnover than repositioning Select/FA Telecommunications, causing less disruption to shareholders. The Fidelity Select/FA fund lineups offer both sector-level and industry-level funds, while our VIP and ETF lineups are comprised solely of sector-level mandates. Consequently, we are repositioning MSCI Telecommunications Services ETF and VIP Telecommunications as Communication Services sector-level funds. Select Telecommunications (including advisor share classes) will remain under its current mandate and become an industry-level fund under the new structure.

Q5: What is a concentration policy? How does that differ from an invests primarily policy?

A: The Investment Company Act of 1940 Act requires funds to state a policy regarding concentration of investments in a particular industry, and to make the policy fundamental (changeable only by shareholder vote). The SEC has taken the position that a fund that invests more than 25% of its total assets in a particular industry is concentrating its investments. This policy can be found in the fund's statement of additional information (SAI).

An "invests primarily" policy is an investment policy pursuant to which a fund will invest primarily in companies engaged in certain business activities related to a particular industry, sub-industry, group of industries, or sector. The invests primarily policy is not mandated by the 1940 Act and does not require shareholder approval to change unless required by the fund. This policy can be found in the fund's prospectus.

Q6: What is the timing of the proxy for Select Multimedia and VIP Telecommunications?

A: Fidelity proposes a record date of August 20, 2018, and a shareholder meeting date of October 17, 2018. If shareholders approve the concentration policy change, all changes will go into effect on December 1, 2018, or on the first day of the month following shareholder approval if the meeting is adjourned.

Q7. What about MSCI Telecommunication Services Index ETF?

The concentration policy for MSCI Telecommunication Services Index ETF isn't changing. Existing shareholders will receive at least 60 days' notice of changes to its name test policy and the prospectus will be supplemented.

Q8: Will the GICS changes also impact Fidelity's Stock Selector mutual fund suite?

A: Fidelity's Stock Selector funds will continue to employ their sector-neutral and disciplined portfolio construction approach with a focus on having security selection to be the main driver of results.

Q9: Is this the same approach that State Street and Vanguard have taken in their recently announced product changes. Why hadn't Fidelity announced changes earlier in the year?

A: While we won't comment on how other firms are modifying their sector mutual funds and ETFs, we can tell you that our changes are different given that our industry-leading sector lineup includes more than a dozen portfolios benchmarked to affected indices across mutual funds/ETFs. Many updates to the Fidelity lineup had to be approved by the appropriate fund boards and disclosed in fund prospectuses before they could be announced and discussed publically.

We have taken a thoughtful approach to this change and what it means for our funds and shareholders.

Q10: Will there be any portfolio manager changes as a result of these fund changes?

A: We have nothing to announce at this time.

Q11: Will Fidelity's factor ETFs, like Fidelity Dividend for Rising Rates (FDRR), rebalance early to reflect the changes in order to maintain sector neutrality?

A: No, the Fidelity equity factor ETFs will rebalance to these new sector exposures on their next regularly scheduled rebalance date.

Q12: Will any of these changes negatively impact shareholders?

Historically, we've aligned many of our sector mutual funds and ETFs to the GICS construct as it is one of the leading sector classification frameworks. It is widely recognized in the market and by clients and shareholders and we have received positive feedback about having these funds continue to be benchmarked to GICS indices.

Q13: Will active sector mutual funds still be able to invest some of their assets in companies classified in another sector by GICS?

A: Yes, all active mutual funds will still be able to invest up to 20 percent of their assets outside of their name test.

Q14: Will there be any tax impact on shareholders?

A: It is too early to say exactly what the tax implications will be from any repositioning.

Q15: Will there be any capital gains tax implications for Fidelity's sector ETFs?

A: FCOM, FTEC, and FDIS will rebalance in line with MSCI's plans to follow the GICS changes at their semi-annual index review after market close on Nov. 30, 2018. Fidelity is working closely with our partners and counterparties to minimize capital gains, transaction costs and potential market impact from the transition. We do not anticipate a material impact to the funds or any capital gains distributions in 2018. In the event that gains are realized during the transition, they would impact the 2019 capital gain distributions, which would be paid out in December 2019.*

Q16: Will there be any capital gains tax implications for Fidelity's sector mutual funds?

When sector mutual fund product changes are made to reflect the GICS changes, it could lead to above average capital gains. However, it is too early to say exactly what the tax implications will be from any repositioning. Any specific tax implications for each fund will depend on the cost basis and holding periods of the securities sold, other capital gains/losses in the fund, tax loss carryforwards and other factors. We don't anticipate that the transition will have a material impact on the 2018 capital gain distributions given that 2018 capital gain distributions are based on portfolio activity through 10/31/2018 and the changes will not be implemented in MSCI benchmarks until the end of November. Gains realized as result of rebalance trades are more likely to impact the 2019 capital gain distributions to shareholders which will be made at the dates disclosed in the funds' prospectuses. *

Q17: Will there be any capital gains tax implications for other diversified equity funds?

Changes to the GICS classification framework are likely to have less of an impact on broad-based indices than on sector indices that use GICS for security inclusion criteria. With the GICS classification framework changing on 9/30, it is possible that some diversified equity funds could experience elevated turnover from investment decisions to rebalance to the new sector weights. However, it is too early to say exactly what the tax implications will be from any repositioning. Any specific tax implications for each fund will depend on the cost basis and holding periods of the securities sold, other capital gains/losses in the fund, tax loss carryforwards and other factors. Gains realized as result of rebalance trades could impact 2018 or 2019 capital gain distributions to shareholders which will be made at the dates disclosed in the funds' prospectuses.*

Q18: Does Fidelity have any published sector investing research?

A: Fidelity does provide research on sectors and industries on Fidelity.com. We also publish market insights through Fidelity Viewpoints.

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Before investing, consider the investment objectives, risks, charges, and expenses of the fund or annuity and its investment options. Contact Fidelity for a prospectus or, if available, a summary prospectus containing this information. Read it carefully.

Stock markets are volatile and can fluctuate significantly in response to company, industry, political, regulatory, market, or economic developments. Sector funds can be more volatile because of their narrow concentration in a specific industry.

Investing in stock involves risks, including the loss of principal.

ETFs are subject to market fluctuations of their underlying investments and may trade at a discount to NAV.

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