

2018 Updates to the GICS Framework

How Fidelity's sector investing options will reflect the changes

As of September 2018

S&P Dow Jones indices and MSCI announced that they will make changes to the Global Industry Classification Standard (GICS®) framework in 2018. These changes may affect sector characteristics and benchmarks, positioning, and risk-return profiles for certain sector- and industry-focused mutual funds and ETFs benchmarked to GICS-based indices.

The GICS Framework Changes: Background, Timeline, and Details

S&P and MSCI conduct periodic reviews of the GICS structure. The 2018 changes are a result of the evolution in recent years of how people communicate and access entertainment content and other information, and the integration between media, telecommunications, and internet companies.

Updates Will Be Effective on the Following Dates:

- 9/28/18: Changes to the GICS structure will be implemented after the close of business (ET) in GICS Direct, the GICS classification data source.
- 11/30/18: Changes to the GICS structure will be implemented after market close in MSCI's sector indices to coincide with their November semiannual index review.

Summary of Announced GICS Changes:

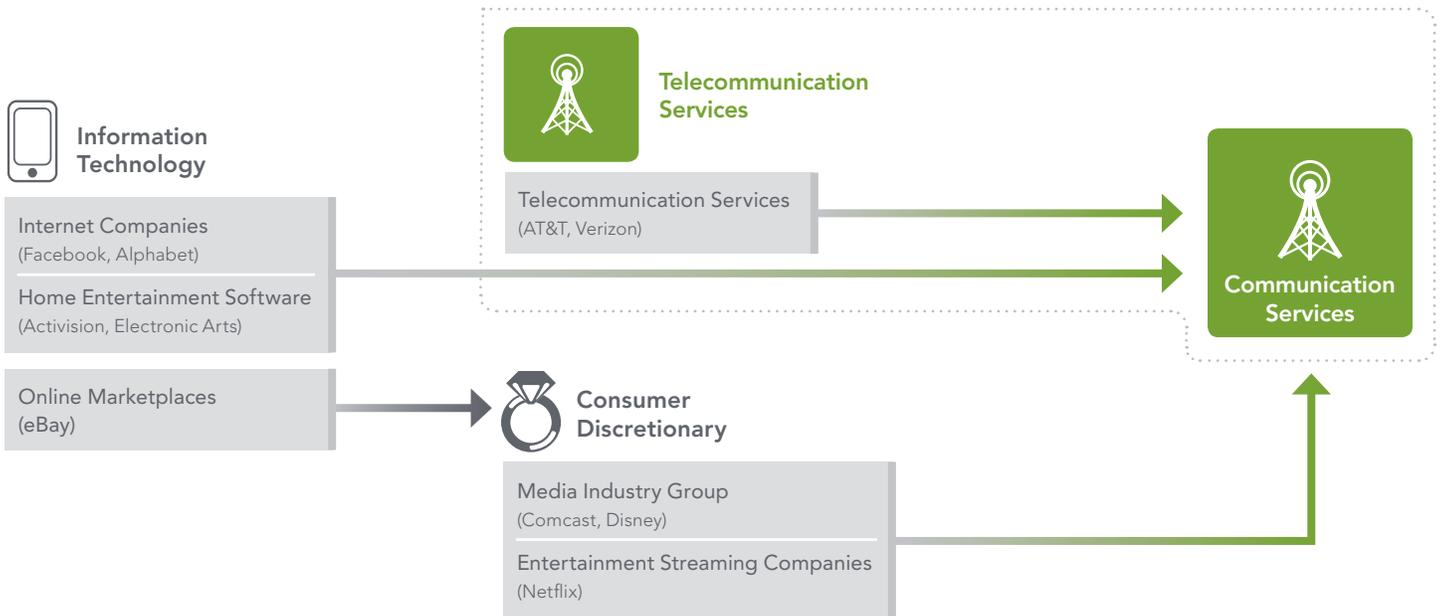
- The telecommunication services sector will be renamed communication services and will include certain companies from the information technology and consumer discretionary sectors.
- The internet and direct marketing retail sub-industry in consumer discretionary will be updated to include all e-commerce companies, regardless of whether they hold inventory.
- The internet software and services sub-industry in information technology will be eliminated.

GICS is a four-tiered, hierarchical industry classification system for publicly traded companies created by Standard & Poor's (S&P) and MSCI in 1999. Sectors are classified at the highest level, followed by industry groups, industries, and sub-industries.

This year's updates are some of the most notable since GICS was launched and are likely to have a number of implications for investors.

Announced Sector Composition Changes

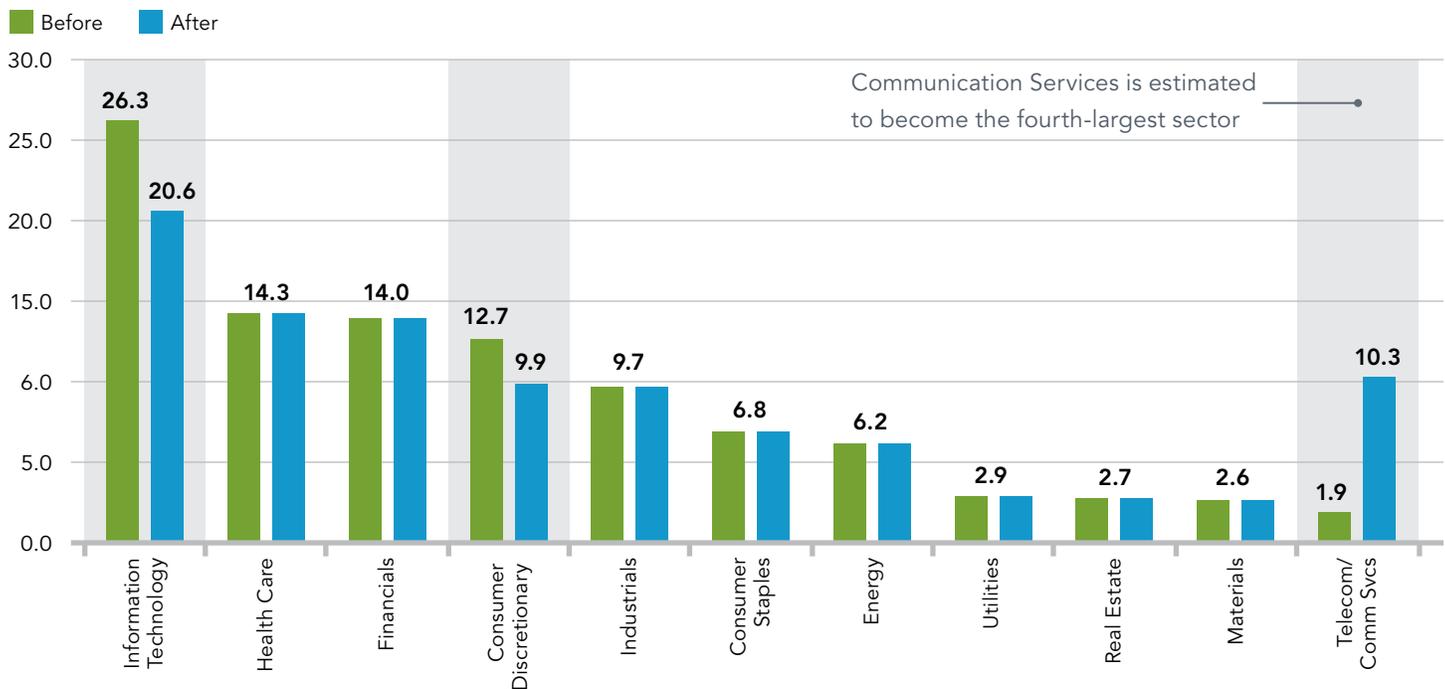
The new GICS structure will reduce the weights of information technology and consumer discretionary in the S&P 500®, and communication services is estimated to become the fourth-largest sector.



The stocks listed are examples of those shifting, are shown for illustrative purposes only, and are not necessarily indicative of current or future portfolio holdings of Fidelity Investments. References to specific company stocks should not be construed as recommendations or investment advice.

HOW SECTOR WEIGHTS MAY CHANGE WITH THE GICS UPDATES

Current and Estimated Weights in the S&P 500



Source: S&P, FactSet, Fidelity Investments, as of June 30, 2018.

Plans for Fidelity Active Sector and Industry Funds^

Fidelity has taken a thoughtful approach to these changes and what they mean for our funds and shareholders.

We plan to make key product updates at the end of November when MSCI implements the changes in their benchmarks, including:

- Repositioning Fidelity Select Multimedia Portfolio as the new communication services sector-level fund, pending shareholder approval and renaming the fund accordingly.
- Repositioning Fidelity VIP Telecommunications Portfolio to reflect the new communication services sector, pending shareholder approval and renaming the fund accordingly.
- Keeping Fidelity Select Telecommunication Services Portfolio (including advisor share classes) as is. The fund will represent the telecom industry group and will not change to the communication services sector.

Current Fund Name	Current Benchmark Name	Fund Name after Changes	Benchmark after Changes
Select Multimedia	MSCI US IMI Media 25/50	Select Communication Services	MSCI US IMI CommSvc 25/50
VIP Telecommunications	MSCI US IMI TelecomSvc 25/50	VIP Communication Services	MSCI US IMI CommSvc 25/50
Select/FA Telecommunications	MSCI US IMI TelecomSvc 25/50	Select/FA Telecommunications	MSCI US IMI TelecomSvc 25/50

Other Impacted Sector and Industry Funds

The funds below have no proposed changes to their names, policies, or supplemental benchmarks, but they will be affected 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
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
Select Retailing Portfolio	Retailing Industry Group within Consumer Discretionary Sector	MSCI US IM Retailing 25/50 Index

Plans for Fidelity Passive Sector ETFs*

We plan to reposition and rename the Fidelity MSCI Telecommunication Services Index ETF (FCOM) to reflect the new communication services sector at the end of November when MSCI implements the GICS changes in their benchmarks.

Current ETF Name	Current Benchmark Name	ETF Name after Changes	Benchmark after Changes
MSCI Telecom Svcs ETF (FCOM)	MSCI USA IMI TelecomSvc 25/50	MSCI Comm Svcs ETF (FCOM)	MSCI USA IMI Comm Svcs 25/50 Index

Other Impacted ETFs

ETF Name	Benchmark GICS Exposure	Supplemental Benchmark
MSCI Information Technology Index ETF (FTEC)	Info Tech Sector	MSCI USA IMI Information Technology Index
MSCI Consumer Discretionary Index ETF (FDIS)	Consumer Discretionary Sector	MSCI USA IMI Consumer Discretionary Index

Impact on Additional Fidelity Funds and ETFs

- Fidelity's diversified equity funds will continue to employ their disciplined portfolio construction approach, with a focus on security selection as the main driver of results. Their attribution reporting will reflect the new GICS framework starting in October 2018.
- Fidelity equity factor ETFs that seek sector neutrality will rebalance to the new sector exposures on their next regularly scheduled rebalance date.

Fidelity's wide array of sector investing options offers targeted exposure to specific market segments, enabling investors to target their level of diversification, seek growth, or manage risk in their portfolios.



^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 10/31/18 and the changes will not be implemented in MSCI benchmarks until the end of November. Gains realized as a 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.

* Fidelity is working closely with our partners and counterparties to help reduce 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.

Fidelity does not provide legal or tax advice.

Diversification does not ensure a profit or guarantee against a loss.

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

It is not possible to invest directly in an index. All indices are unmanaged.

VIP refers to Variable Insurance Products.

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.

The VIP portfolios are available as investment options within a variable life insurance policy or variable annuity contract issued by life insurance companies. Variable life insurance policies generally combine a death benefit with an investment account that can be allocated among one or more investment options. Most variable life policies include charges for cost of insurance, mortality and expense risks, sales loads, and administrative fees, which operate to reduce the cash value of the policy.

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