

# A Defensive Approach Can Help You Weather Market Downturns

A diversified portfolio that emphasizes defensive investments can help temper down-market losses while still participating in up-market gains.

## Defensive Approach Objective

Seeks to provide a smoother investment experience in exchange for more modest returns over time. This strategy may be best suited for investors who:

- ✓ Feel overwhelmed when markets decline
- ✓ Would find it easier to stick to a plan with a smoother pathway
- ✓ Are close to or currently in retirement

## How the Defensive Approach Works

Emphasizes allocations to less volatile asset classes, that have historically tended to better absorb market downturns. This can include:

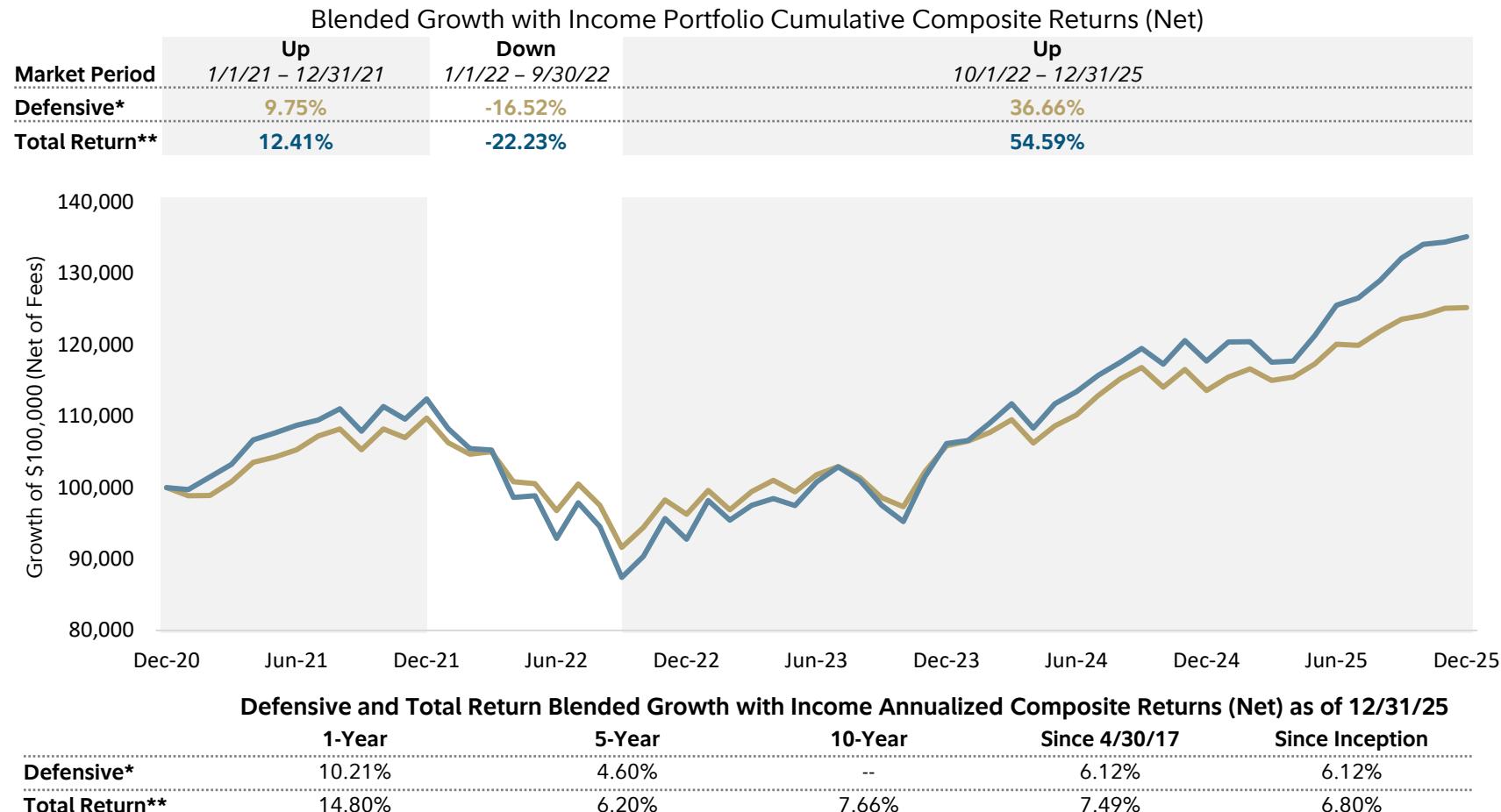
- ✓ Conservative U.S. and International Stocks
- ✓ High-Quality U.S. Treasury Bonds
- ✓ Inflation-Protected Securities
- ✓ Non-Traditional Asset Classes

## Keeping you invested

By maintaining your portfolio in a defensive posture, we seek to keep you invested and confident in your plan to achieve your financial goals

**Questions? Contact your Fidelity Representative at 800.544.3455**

**Past performance is no guarantee of future results.** Returns for individual clients will vary. Each line represents the growth of a \$100,000 initial investment. Based on the performance of a composite of accounts managed using the following strategy characteristics. **Total Return:** Growth with Income asset allocation the total return investment approach and blended investment universe. **Defensive:** Growth with Income asset allocation and the defensive investment approach and blended investment universe. Please speak to your Fidelity representative for information about the performance of other strategy characteristics available through the program.



## Additional important information

\* Inception date for Defensive Growth with Income composite strategy is 4/30/17.

\*\* Inception date for Total Return Growth with Income composite strategy is 3/31/03.

### Information about the calculation of market up and down periods.

Thresholds for market up and down periods are determined by returns for a diversified market portfolio. Upward and downward trends are defined as three consecutive rolling three-month periods or more. Starting and ending dates of these trends are identified as the first month showing sign inflection for the trending period.

A diversified market portfolio = 42% Dow Jones U.S. Total Stock Market Index, 18% MSCI EAFE Index, 35% Bloomberg US Aggregate Bond Index, 5% Bloomberg 3-Month Treasury Bill Index and is rebalanced monthly.

Including high-quality bonds and conservative stocks in a defensive investment approach may help reduce volatility in your diversified portfolio, providing a smoother overall investment experience, and may help keep you on track to reach your long-term goals.

- **High-quality bonds** may generate positive returns during equity downturns. Intermediate-term U.S. treasuries, an example of high-quality bonds, tend to move in the opposite direction than stocks during significant and sustained stock market declines. When stocks fall sharply and trend lower, U.S. Treasuries often rise. High-quality bonds can help offset stock declines within a diversified portfolio.
- **Conservative stocks** tend to display a smaller degree of price movement than the broader stock market. Minimum volatility stocks, an example of conservative stocks, tend to be associated with companies that have relatively stable businesses. Historically, minimum volatility stocks hold up better when the broader stock market falls. During up markets, when broader stock market returns rise sharply, minimum volatility stocks also tend to rise, but more modestly than the broader stock market.

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*Investing involves risk, including risk of loss.*

**Past performance is no guarantee of future results.**

**Diversification and/or asset allocation do not ensure a profit or protect against a loss.**

**Important information about performance returns.** Performance cited represents past performance. Past performance, before and after taxes, does not guarantee future results and current performance may be lower or higher than the data quoted. Investment returns and principal will fluctuate with market and economic conditions, and you may have a gain or loss when you sell your assets. Your return may differ significantly from those reported. The underlying investments held in a client's account may differ from those of the accounts included in the composite. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment.

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**Information about the calculation of account and composite returns.** Returns for periods of one year or less in duration are reported cumulative. Returns for periods greater than one year may be reported on either a cumulative or average annual basis. Calendar year returns reflect the cumulative rates of return for the 12-month period from January 1 to December 31, inclusively, of the year indicated.

Reported rates of return utilize a time-weighted calculation, which vastly reduces the impact of cash flows. Returns shown assume reinvestment of interest, dividends, and capital gains distributions. Assets valued in U.S. dollars. Performance includes accrued interest for certain securities when provided by a third-party vendor; otherwise, performance returns are computed on a cash basis. Performance will be understated for periods when accrued interest information is not available. For accounts with individual bonds, amortization and accretion for bonds are not included in performance calculations. Performance reporting generally begins after the portfolio manager reviews the account and deems it ready for investment in the chosen strategy.

Rates of return shown are net of the actual investment advisory fees paid for each account, and are net of any applicable fee credits, any underlying fund's own management fees and operating expenses, and for certain Fidelity Wealth Services accounts the fees attributable to separately managed account sleeves. Strategic Advisers LLC ("Strategic Advisers") includes performance from the time period when the program was offered by Fidelity Personal and Workplace Advisors LLC and subadvised by Strategic Advisers (other than the bond strategies offered through FSD) from July 2018 through March 2025 and for legacy programs offered by Strategic Advisers prior to July 2018. Fee schedules for these legacy programs differ from current fee schedules, and fees for accounts enrolled in those legacy programs may have been higher or lower than Strategic Advisers' current fees. Fee structures and services offered have changed over time. Please consult a Fidelity financial advisor or the applicable investment advisory program's current Form ADV, Part 2A Brochure for current fee information. Additional information about our methodology for calculating pre- and after-tax performance return information is available at [Fidelity.com/information](https://www.Fidelity.com/information) in a document titled "About Managed Account Performance."



## Additional important information

**Information about composite returns.** The rates of return featured for accounts managed to a long-term asset allocation represent a composite of accounts managed with the same long-term asset allocation, investment approach and investment universe as applicable; rates of return featured for accounts managed with a single asset class strategy represent a composite of accounts managed to the applicable strategy. Accounts included in the composite utilize a time-weighted calculation, which vastly reduces the impact of cash flows. Composites are asset-weighted. An asset-weighted methodology takes into account the differing sizes of client accounts (i.e. considers accounts proportionately). Larger accounts may, by percentage, pay lower investment advisory fees than smaller accounts, thereby decreasing the investment advisory fee applicable to the composite and increasing the composite's net-of-fee performance. For tax-smart accounts in Fidelity Wealth Services, composite results are based on the returns of the managed portion of the accounts; assets in a liquidity sleeve are excluded from composite performance.

Composites set minimum eligibility criteria for inclusion. Accounts with less than one full calendar month of returns and accounts subject to significant investment restrictions are excluded from composites (including fixed income strategies offered through Fidelity Strategic Disciplines with a state preference option). Accounts with a do-not-trade restriction are removed from the composite once the restriction has been applied to the account for thirty days. For periods prior to October 1, 2022, composite inclusion required a minimum investment level that reflected product-relative investment requirements. Effective October 1, 2022, product composites will reflect all accounts for which we produce a rate of return and that meet the aforementioned criteria. Non-fee paying accounts, if included in composite, will increase the net-of-fee performance. Certain products, like Fidelity Go®, offer investment services where accounts under a certain asset level do not incur investment advisory fees. Employees do not incur investment advisory fees for certain products.

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