Fidelity® Five Years Later Research

Executive Summary

Introduction

The Fidelity Five Years Later study was conducted via online survey among 1,154 U.S. investors during the period of February 12-25, 2013. The qualified respondent is at least 25 years old, a financial decision maker for his/her household and owns investments other than simply a savings account or certificate of deposit.

The experience of the investors who responded to the survey may not be representative of the experiences of all investors and is not indicative of future success. Fidelity partnered with GfK, an independent third-party research firm, to conduct the study and used GfK's KnowledgePanel.

Key Findings: Investors have taken positive and permanent steps with their finances and are feeling more confident. Specifically ...

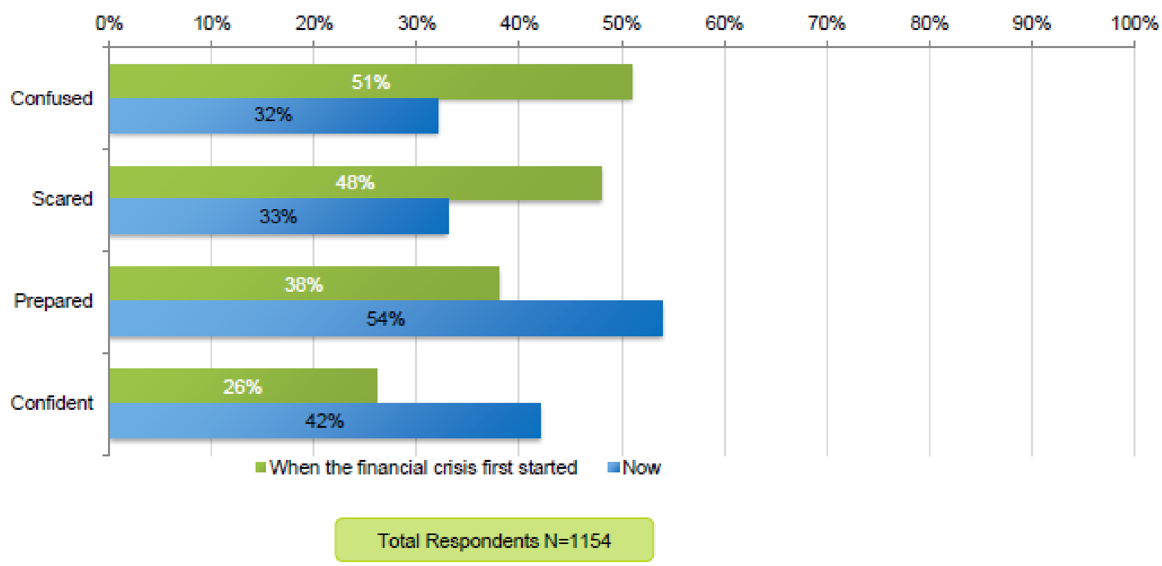
- More than one half (56 percent) shifted from scared or confused to confident or prepared ('scared to prepared'). Among the steps many of these investors took:
    - Increasing the amount of retirement savings
    - Reducing their debt loads compared to five years ago
    - Starting or building up emergency savings funds
    - Searching for guaranteed income options

Investor Views and Sentiment on the Financial Crisis

When the financial crisis started, nearly two-thirds (64 percent) of investors reported they were either scared or confused while 45 percent indicated they were prepared or confident.

- Now, five years after the financial crisis began, the situation is essentially reversed with 61 percent saying that they currently feel confident or prepared and 45 percent feel scared or confused.
    - More than half (56 percent) moved from scared or confused to confident or prepared.

Investors had good reason to feel scared or confused. Almost half of respondents (47

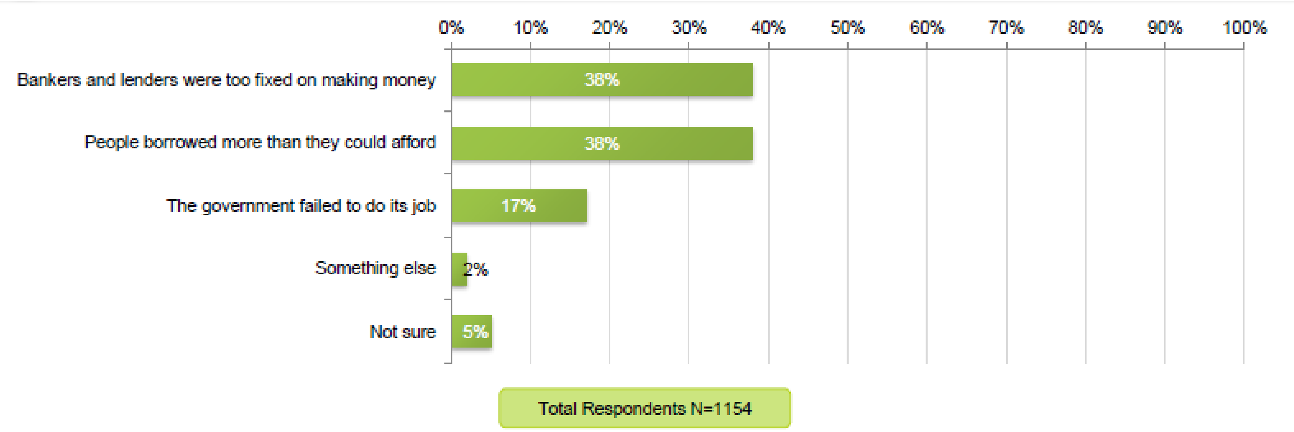


percent) said their household lost significant assets as a result of the crisis and at the lowest point, the average loss was 34 percent. In addition,

- Seventeen percent said at least one head of their household lost a job, and
- Thirty-five percent of households experienced a large drop in income.

When asked about the cause that contributed the most to the financial crisis, respondents were split between blaming banks and lenders and Americans who overextended themselves.

- A smaller percentage place the blame on the government for not doing its job.



Investors Take Control of Their Financial Future

Among the 56 percent who moved from scared to prepared, many took positive financial steps, especially in comparison to those who remain scared or confused five years after the crisis began.

Moreover, 78 percent of these respondents (vs. 59 percent of investors who are still scared or confused) say these actions are permanent changes in their behavior.

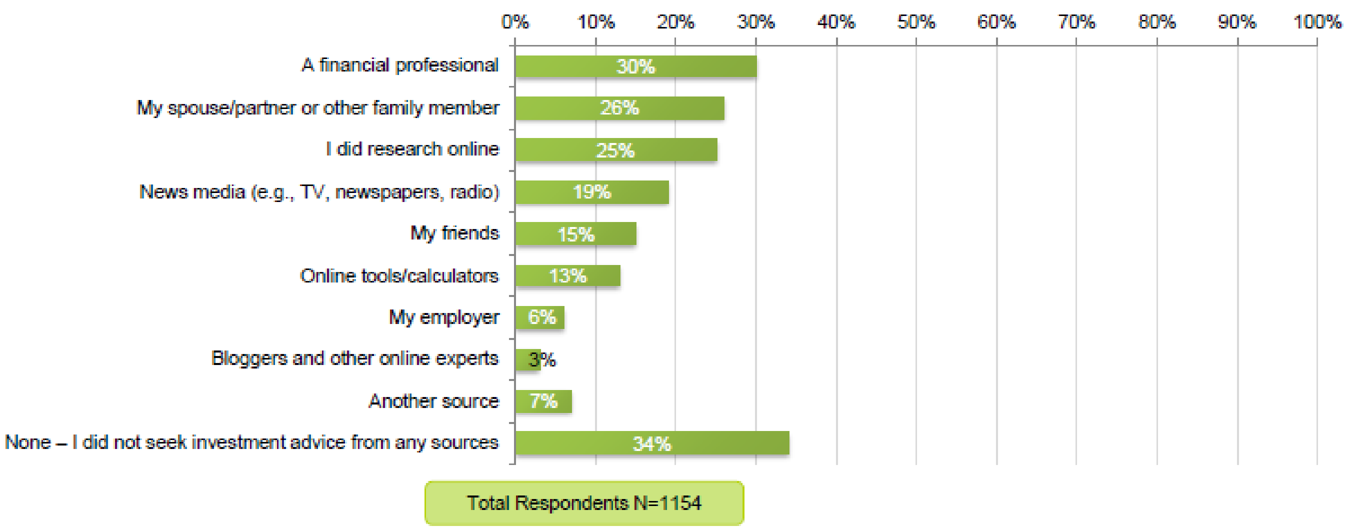
- **Increasing Savings Rates:** Forty-two percent say they increased their contribution rates to their workplace savings plan, individual retirement accounts (IRA) or health savings account, and more than half (55 percent) now agree that they feel better prepared for retirement than before the crisis. Conversely, only 19 percent of investors who are still scared or confused increased their savings rate. As a result fewer (34 percent) feel better prepared for retirement than before the crisis.
    - The average IRA contribution increase was 35 percent and the average contribution to a workplace savings plan increased by 17 percent.
- **Reducing Personal Debt:** Forty-nine percent say they have decreased their personal debt, and nearly three-quarters (72 percent) say they have less personal debt now than they did before the crisis hit. Conversely, only 31 percent of investors who are still scared and confused say they reduced personal debt.

- **Building an Emergency Fund:** Forty-two percent say they increased their emergency fund, and 80 percent of these same respondents now say they have a better understanding of their finances than before the financial downturn. Conversely, only 24 percent of investors who are still scared or confused say they increased their emergency fund.
- **Searching for Guaranteed Income[1]:** Sixty-four percent are more interested than before the crisis in guaranteed income products, such as annuities, to provide a steady cash flow in retirement.

Role of Guidance and Financial Professionals

Investors were also asked where they sought help as the financial crisis started to unfold.

- The leading source for guidance was a financial professional followed by a spouse or family member.



- As a result of the crisis, nearly one quarter (23 percent) of respondents now rely more on a financial professional than they did in the past.

Importantly, financial professionals remain in very good standing.

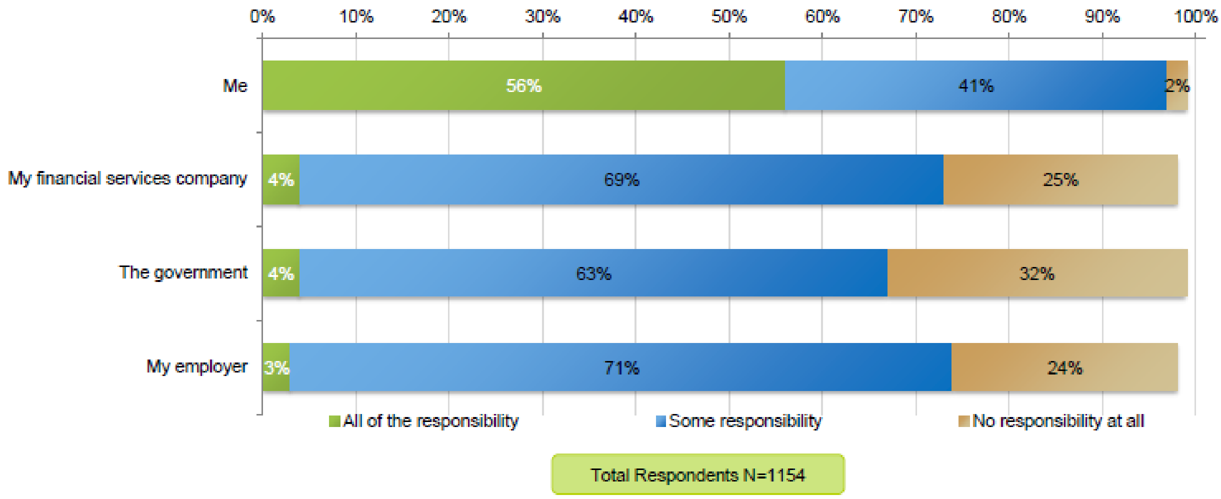
- Guidance from financial professionals was ranked among the highest in helpfulness at 90 percent.
- When asked how their trust in various institutions changed as a result of the financial crisis, financial professionals fared better than banks, insurance companies, investment firms and the government.
  - The only institution that beat out financial professionals on change in trust is employers.

[1] Guarantees are subject to the claims-paying ability of the issuing insurance company.

Taking Responsibility to Save

Some of the impetus for the action investors are taking may be the realization that they are chiefly responsible for preparing for their own retirement.

- While most respondents believe that the responsibility should be shared among employers, the government and financial service providers, almost six in ten acknowledge that they themselves are solely accountable.



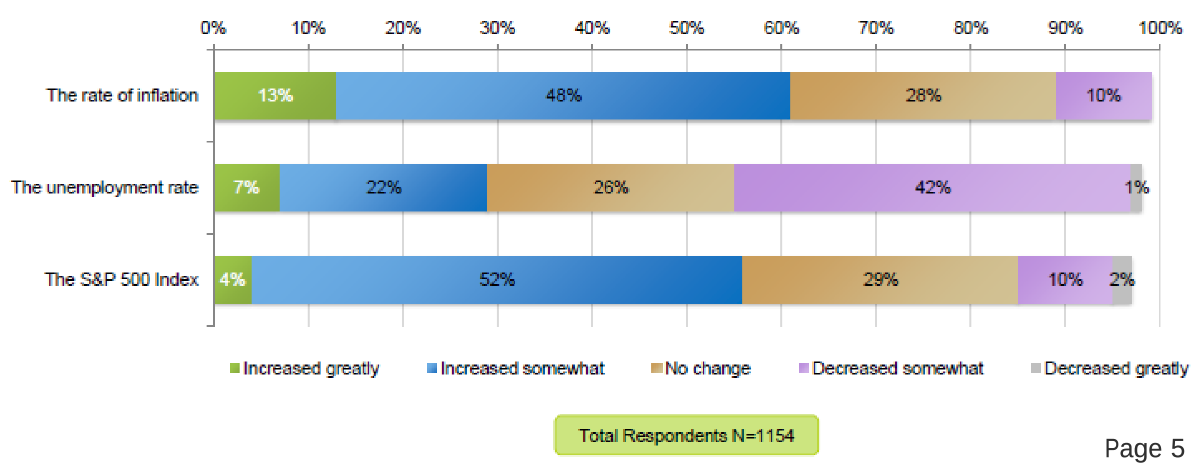
Economic Outlook

Sixty-eight percent of investors believe that the country remains in recession while 19 percent say that it is over. They say they will know when the recession ended when:

- 39 percent: Economic growth returns to where it was before the financial crisis
- 37 percent: The unemployment rate returns to its pre-financial crisis level
- 35 percent: The political leadership changes

Finally, investors were asked to predict where key indicators will end the year.

- Most are bullish or neutral on the S&P 500, but a small majority believe inflation will be up in 2013.
- Over four in ten believe unemployment will be down, but not by a lot.



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