

CITY OF FRESNO  
DEFERRED COMPENSATION BOARD  
**AGENDA**

**Thursday, August 30, 2018**

**3:00 PM**

**Retirement Office, 2828 Fresno St., 2nd Fl., Board Chamber, Room 202, Fresno,  
CA 93721**

**DEFERRED COMPENSATION BOARD**

**Kim Jackson, Chair**

**Frank H. Balekian, Jr., Vice Chair**

**Henry Fierro, Appointed Member**

**Steven Jolly, Board Member**

(1) If you want to speak to the Board, please complete a [Request to Speak](#) form and hand it to the Board Secretary at the beginning of the Board Meeting. (2) The meeting room is accessible to the physically disabled, and the services of a translator can be made available. Requests for additional accommodations for the disabled, signers, assistive listening devices, or translators should be made one week prior to the meeting. Please call the Board Secretary at 559-621-7085 to make arrangements. (3) When considering disability retirement applications, the Board may find it necessary to discuss matters relating to the evaluation of the work performance of an employee who has applied for disability retirement, or discuss complaints or charges made against such employee. If this occurs, the Board may adjourn to a closed session to discuss such matters pursuant to Government Code section 54957, unless the employee requests that the discussion be in public.

**CALL TO ORDER**

**ROLL CALL**

**APPROVE MINUTES**

Approve Minutes of February 22, 2018, Regular Meeting of the Deferred Compensation Board.

[18Feb22\\_DCBMin](#)

**APPROVE AGENDA**

Approve Agenda of August 30, 2018, Regular Meeting of the Deferred Compensation Retirement Board.

**TIMED SCHEDULED HEARINGS AND MATTERS**

3:00 pm

1. Conduct swearing-in of David Newton, Elected Participant Member.
2. Conduct Annual election of Deferred Compensation Board Officers.

**I. CONSENT CALENDAR**

- A. Approve date and time of the next Regular Meeting of the Deferred Compensation Board scheduled at 1:30 pm on February 21, 2019.
- B. Consider and accept alternate normal retirement age election forms pursuant to section 03-15 of the deferred compensation plan document.

[Consider and accept alternate normal retirement age election forms pursuant to section 03-15 of the deferred compensation plan document.](#)

## II. STAFF INITIATED ITEMS

None

## III. BOARD INITIATED ITEMS

- A. Continued discussion regarding the City Manager's appointment to the Deferred Compensation Board.  
[CAO Memo- Deferred Compensation Board](#)
- B. Review, discuss and accept the Investment Review Report as of June 30, 2018, provided by Joan Steel, Investment Consultant with Fidelity Institutional Retirement Services.  
[2018-06-30 Investment Review - City of Fresno](#)
- C. Review and discuss Fidelity Service Review for the calendar year period ending June 30, 2018, presented by Shawn Cosgrove, Fidelity Investments.  
[City Of Fresno 35801 YPR as of 2018-06-30](#)
- D. Review, discuss and consider staff's fund evaluation analysis and recommendations concerning compliance of the Deferred Compensation Plan Investment Options in accordance with the Board's Investment Objectives and Policy Statement.  
[Compliance DCP Investment Options August 30 2018](#)
- E. Review and consider modifications to the City of Fresno Deferred Compensation Plan document.  
[DCP Plan Document Changes for review August 30 2018](#)  
[DC Plan Document DRAFT 5-18-18 \(2\) rev 6 12 18](#)  
[DC Plan Document DRAFT Clean Version 6 12 18](#)
- F. Adopt modifications to the Deferred Compensation Board Rules and Regulations amending the time scheduled to 1:30 pm for the Regular Meetings on the Fourth Thursday of February and August.  
[Adopt-Board Rules Amend Art2Sec1](#)

## IV. GENERAL DISCUSSION

- A. Update provided by Shawn Cosgrove regarding fiduciary breach allegations against DC Boards and related features of auto enrollment and QDIA.  
[June 26, 2018, "Another risk for plan sponsors Accusation of breaching fiduciary rules - Employee Benefit Advisor ...](#)
- B. Update provided by Shawn Cosgrove regarding educational resources available for Fidelity account security.  
[Help protect employees against phishing and cyber fraud](#)

## V. INFORMATION ONLY ITEMS

None

**VI. UNSCHEDULED ORAL COMMUNICATIONS**

**VII. PUBLIC COMMENTS**

**VIII. ADJOURNMENT**





**February 22, 2018**

**MINUTES  
CITY OF FRESNO  
DEFERRED COMPENSATION BOARD**

The Deferred Compensation Board held a meeting in the Retirement Board Chamber located at 2828 Fresno Street, Suite 202, Fresno, California at the hour of 3:00 p.m. on the day above written.

**Roll Call: 3:00 p.m.**

Present for the Deferred Compensation Board:

Kim Jackson	Chair
Frank H. Balekian Jr.	Vice-Chair
Yvonne Dedmore	Secretary
Steven Jolly	Outside Board Member

Staff Present:

Robert Theller, Retirement Administrator  
Yvonne Timberlake, Retirement Benefits Manager  
Pattie Laygo, Executive Assistant

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**APPROVE MINUTES**

APPROVE MINUTES OF AUGUST 24, 2017, REGULAR MEETING OF THE DEFERRED COMPENSATION BOARD.

Corrections are noted by Vice Chair Balekian.

ON MOTION of Member Balekian seconded by Member Dedmore, to approve the minutes of August 24, 2018, Regular Meeting of the Deferred Compensation Board as corrected, DULY CARRIED by the following vote:

Ayes:	Jackson, Balekian, Dedmore
Noes:	None
Abstain:	Jolly
Absent:	None

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**MINUTES of February 22, 2018**

**APPROVE AGENDA**

APPROVE THE BOARDS AGENDA OF AUGUST 24, 2017, REGULAR MEETING OF THE DEFERRED COMPENSATION BOARD

ON MOTION of Member Balekian seconded by Member Jolly, to approve the Boards agenda of August 24, 2017, Regular Meeting of the Deferred Compensation Board, DULY CARRIED by the following vote:

Ayes: Jackson, Balekian, Dedmore, Jolly  
Noes: None  
Abstain: None  
Absent: None

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**TIMED SCHEDULED HEARINGS AND MATTERS**

3:00 pm Secretary to conduct swearing in of Appointed Board Member Henry Fierro

Mr. Henry Fierro is sworn-in by Chair Kim Jackson as Appointed Board Member.

Member Balekian expressed continued concern regarding the appointment of Member Fierro by the City Manager's Office and compliance with Article 3. Staff is directed to request legal opinion by the City Attorney's Office for Boards review and discussion at the next meeting.

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**I. CONSENT CALENDAR**

- A. Approve date and time of the next Regular Meeting of the Deferred Compensation Board Meeting scheduled at 3:00 pm on August 23, 2018.
- B. Review and accept the Alternate Normal Retirement Age Election and Special Catch-Up Provision elections by Plan participants.

ON MOTION of Member Balekian seconded by Member Jolly, to approve the consent calendar, DULY CARRIED by the following vote:

Ayes: Jackson, Balekian, Dedmore, Jolly, Fierro  
Noes: None  
Abstain: None  
Absent: None

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**MINUTES of February 22, 2018**

**II. BOARD INITIATED**

- A. Review and discussion of Fidelity Service Review for the calendar year period ended December 31, 2017 presented by Shawn Cosgrove, Fidelity Investments.

The Boards received and accepted update provided by Shawn Cosgrove of Fidelity Investments. Direction is made for Fidelity to provide a summary review on an annual review beginning Feb 2019.

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- B. Review, discuss and consider staff's fund evaluation analysis and recommendations concerning compliance of the Deferred Compensation Plan Investment Options in accordance with the Board's Investment Objectives and Policy Statement last adopted on February 25, 2016.

Discussion tabled and heard with Item II-C. The Board accepted analysis and staff's recommendations 1, 2 and 3 as presented.

ON MOTION of Member Jolly seconded by Member Balekian, to adopt staff's recommendations to continue monitoring of AB Large Cap Value, Fidelity Value Fund, Fidelity Diversified Intl and Janus Global Research Fund, retain watch of Fidelity Equity-Income and Fidelity Low Priced Stock, and Designate water status of artisan Mid-Cap and will continue to monitor and notify participants regarding funds placed on watch, DULY CARRIED by the following vote:

Ayes: Jackson, Balekian, Dedmore, Jolly, Fierro  
Noes: None  
Abstain: None  
Absent: None

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- C. Review, discuss and accept the Investment Review Report as of December 31, 2017, and consider actions, if any, pertaining to investment options offered to Deferred Compensation Plan Participants provided by Joan Steel, Investment Consultant, Fidelity Institutional Retirement Services.

The Boards received an accepted Investment Review as of December 31, 2017, provided by Joan Steel of Fidelity.

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**MINUTES of February 22, 2018**

- D. Review, discuss and consider modifications to the Deferred Compensation Board Rules and Regulations to Change Time Scheduled for Regular Meeting dates on the fourth Thursday of February and August.

The Boards reviewed staff report summarized by staff and considered amendment as presented.

ON MOTION by Member Jolly seconded by Member Fierro to adopt proposed amendment to the Board Rules and Regulations revising the time for semi-annual meetings to be held at 1:30 pm on the fourth Thursday of February and August, DULY CARRIED by the following vote:

Ayes: Jackson, Balekian, Dedmore, Jolly, Fierro  
Noes: None  
Abstain: None  
Absent: None

**II. STAFF INITIATED**

None.

**III. GENERAL DISCUSSION**

- A. Discussion concerning the Outside Member of the Deferred Compensation Board.

The Boards discussed the schedule of the Outside Member. Member Jolly confirmed his intent to attend and commitment to the Board.

- B. Preliminary introduction of Fidelity paper entitled A Framework for Designing an Optimal Investment Lineup.

Fidelity will provide update at the next meeting.

**IV. INFORMATION ONLY**

- A. Election Calendar for the Election of a Board Member of the City of Fresno Deferred Compensation Board.

Received

**MINUTES of February 22, 2018**

- B. Franklin Templeton Acquires \$10B Institutional Equity Shop, FundFire – January 18, 2018.

Received

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**V. UNSCHEDULED ORAL COMMUNICATIONS**

None

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**VI. PUBLIC COMMENT**

Member Balekian provided a health update of Sandra Brock.

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**VII. ADJOURNMENT**

There being no further business to bring before the Board, and hearing no objections, Chair Jackson declares the Regular Meeting of the Deferred Compensation Board adjourned.

**5:17 p.m.**



Agenda Item No.

Board Meeting

August 30, 2018

*Approved by*

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Retirement Administrator

## **REPORT TO CITY OF FRESNO DEFERRED COMPENSATION BOARD**

August 21, 2018

FROM: ROBERT THELLER, Retirement Administrator

BY: YVONNE TIMBERLAKE Benefits Manager

SUBJECT: CONSIDER AND ACCEPT ALTERNATE NORMAL RETIREMENT AGE ELECTION FORMS PURSUANT TO SECTION 03-15 OF THE DEFERRED COMPENSATION PLAN DOCUMENT.

In accordance with the City's Deferred Compensation Plan Document, a participant's Normal Retirement Age determines the period during which a Participant may utilize the 457 Catch-Up Dollar Limitation. In this regard, Normal Retirement Age means age 70 1/2, unless the Participant has elected an alternate Normal Retirement Age by written instrument delivered to the Deferred Compensation Board.

For the Board's consideration and acceptance are seven(7) participant election forms establishing an alternate Normal Retirement Age for each individual consistent with the City of Fresno's Deferred Compensation Plan provisions.

### **RECOMMENDATION**

CFRS staff recommends the Deferred Compensation Board consider and accept the alternate Retirement Age Election forms consistent with Section 03-15 of the City's Deferred Compensation Plan Document.

## ALTERNATE NORMAL RETIREMENT AGE ELECTION AND SPECIAL CATCH-UP PROVISION

### 1 Participant Information

Name	Last 4 of SSN	Date of Birth		
<u>Richard J. Diaz</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>		
Address	Apt No.	City	State	Zip Code
<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>CA</u>	<u>[REDACTED]</u>
Phone Number	Cell Phone Number			
<u>[REDACTED]</u>	<u>[REDACTED]</u>			

### 2 Important Notes Regarding Normal Retirement Age and Special Catch-Up Provisions

- The City of Fresno Deferred Compensation Plan's Normal Retirement Age is 70 ½.
- Participants may elect an alternate Normal Retirement Age which may be any age in which the participant is eligible to receive unreduced benefits from the City of Fresno Retirement Systems, but cannot be later than the calendar year the participant attains age 70 ½. However, please consider:
  - Special catch-up contributions are permissible only in the three calendar years immediately preceding the calendar year of a participant's elected alternative Normal Retirement Age or 70 ½.
  - Special catch-up contributions are not permissible in the year of a participant's elected alternate normal retirement age or the year in which the participant attains age 70 ½.
- During the three-year Special catch-up period, participants are not required to make catch-up contributions in all three years. However, the Special catch-up provision is irrevocable and may be exercised only once during a participant's City of Fresno employment.
- Participants are not required to retire in the year of their elected alternate normal retirement age or 70½.

### 3 Election of an Alternate Normal Retirement Age and Special Catch-Up Participation

I hereby elect age, 63 which I will attain in the year 2020, as my Normal Retirement Age for the purpose of using the Special catch-up provision. I understand that:

- I will be eligible to take advantage of the Special catch-up provision only in the three calendar years immediately preceding the year of my elected alternate Normal Retirement Age only.
- This election is irrevocable and cannot be changed after I begin using the Special catch-up provision.

### 4 Participant Signature

The information provided is true and accurate and I understand my election of an alternate normal retirement age and Special Catch-up Participation is irrevocable and cannot be changed.

Richard J. Diaz  
Employee Signature

06/27/2018  
Date

### 5 Employer Authorization

By signing, the employer confirms that the participant's election of an alternate normal retirement age in Section 3 is valid.

[Signature]  
Employer Signature

7-2-16  
Date

Completed forms are to be forwarded to the Retirement Office for placement on the next available agenda of the Deferred Compensation Board.



## ALTERNATE NORMAL RETIREMENT AGE ELECTION AND SPECIAL CATCH-UP PROVISION

### 1 Participant Information

Name	Last 4 of SSN	Date of Birth		
Connie R Duke	[REDACTED]	[REDACTED]		
Address	Apt No.	City	State	Zip Code
[REDACTED]		[REDACTED]	CA	[REDACTED]
Phone Number	Cell Phone Number			
[REDACTED]	[REDACTED]			

### 2 Important Notes Regarding Normal Retirement Age and Special Catch-Up Provisions

- The City of Fresno Deferred Compensation Plan's Normal Retirement Age is 70 ½.
- Participants may elect an alternate Normal Retirement Age which may be any age in which the participant is eligible to receive unreduced benefits from the City of Fresno Retirement Systems, but cannot be later than the calendar year the participant attains age 70 ½. However, please consider:
  - Special catch-up contributions are permissible only in the three calendar years immediately preceding the calendar year of a participant's elected alternative Normal Retirement Age or 70 ½.
  - Special catch-up contributions are not permissible in the year of a participant's elected alternate normal retirement age or the year in which the participant attains age 70 ½.
- During the three-year Special catch-up period, participants are not required to make catch-up contributions in all three years. However, the Special catch-up provision is irrevocable and may be exercised only once during a participant's City of Fresno employment.
- Participants are not required to retire in the year of their elected alternate normal retirement age or 70½.

### 3 Election of an Alternate Normal Retirement Age and Special Catch-Up Participation

I hereby elect age , 66 which I will attain in the year 2020 , as my Normal Retirement Age for the purpose of using the Special catch-up provision. I understand that:

- I will be eligible to take advantage of the Special catch-up provision only in the three calendar years immediately preceding the year of my elected alternate Normal Retirement Age only.
- This election is irrevocable and cannot be changed after I begin using the Special catch-up provision.

### 4 Participant Signature

The information provided is true and accurate and I understand my election of an alternate normal retirement age and Special Catch-up Participation is irrevocable and cannot be changed.

Connie R. Duke  
Employee Signature

4/2/18  
Date

### 5 Employer Authorization

By signing, the employer confirms that the participant's election of an alternate normal retirement age in Section 3 is valid.

[Signature]  
Employer Signature

4-2-18  
Date

Completed forms are to be forwarded to the Retirement Office for placement on the next available agenda of the Deferred Compensation Board.

RECEIVED  
Hillam Jan

CITY OF FRESNO  
PERSONNEL & RETIREMENT  
OFFICIAL USE ONLY

### ALTERNATE NORMAL RETIREMENT AGE ELECTION AND SPECIAL CATCH-UP PROVISION

#### 1 Participant Information

Name: John Jensen Last 4 of SSN: [REDACTED] Date of Birth: [REDACTED]

Address: [REDACTED] Apt No.: [REDACTED] City: [REDACTED] State: CA Zip Code: [REDACTED]

Phone Number: [REDACTED] Cell Phone Number: same

#### 2 Important Notes Regarding Normal Retirement Age and Special Catch-Up Provisions

- The City of Fresno Deferred Compensation Plan's Normal Retirement Age is 70 ½.
- Participants may elect an alternate Normal Retirement Age which may be any age in which the participant is eligible to receive unreduced benefits from the City of Fresno Retirement Systems, but cannot be later than the calendar year the participant attains age 70 ½. However, please consider:
  - Special catch-up contributions are permissible only in the three calendar years immediately preceding the calendar year of a participant's elected alternative Normal Retirement Age or 70 ½.
  - Special catch-up contributions are not permissible in the year of a participant's elected alternate normal retirement age or the year in which the participant attains age 70 ½.
- During the three-year Special catch-up period, participants are not required to make catch-up contributions in all three years. However, the Special catch-up provision is irrevocable and may be exercised only once during a participant's City of Fresno employment.
- Participants are not required to retire in the year of their elected alternate normal retirement age or 70½.

#### 3 Election of an Alternate Normal Retirement Age and Special Catch-Up Participation

I hereby elect age, 50 which I will attain in the year 2021, as my Normal Retirement Age for the purpose of using the Special catch-up provision. I understand that:

- I will be eligible to take advantage of the Special catch-up provision only in the three calendar years immediately preceding the year of my elected alternate Normal Retirement Age only.
- This election is irrevocable and cannot be changed after I begin using the Special catch-up provision.

#### 4 Participant Signature

The information provided is true and accurate and I understand my election of an alternate normal retirement age and Special Catch-up Participation is irrevocable and cannot be changed.

Employee Signature: [Signature] Date: 1/11/2018

#### 5 Employer Authorization

By signing, the employer confirms that the participant's election of an alternate normal retirement age in Section 3 is valid.

Employer Signature: [Signature] Date: 1.11.18

Completed forms are to be forwarded to the Retirement Office for placement on the next available agenda of the Deferred Compensation Board

EFP 7/11/18

TB 7/11/18

WALK IN

Term 50+

CITY OF FRESNO DEFERRED COMPENSATION PLAN  
PLAN 35801

2828 Fresno Street Suite 201  
Fresno, CA 93721  
(559) 621-7080 / FAX (559) 621-7081  
Retire@Fresno.gov / www.cfrs-ca.org

## ALTERNATE NORMAL RETIREMENT AGE ELECTION AND SPECIAL CATCH-UP PROVISION

### 1 Participant Information

Name: MARYLEN KARSTED      Last 4 of SSN: [REDACTED]      Date of Birth: [REDACTED]

Address: [REDACTED]      Apt No.: [REDACTED]      City: [REDACTED]      State: CA      Zip Code: [REDACTED]

Phone Number: [REDACTED]      Cell Phone Number: [REDACTED]

### 2 Important Notes Regarding Normal Retirement Age and Special Catch-Up Provisions

- The City of Fresno Deferred Compensation Plan's Normal Retirement Age is 70 ½.
- Participants may elect an alternate Normal Retirement Age which may be any age in which the participant is eligible to receive unreduced benefits from the City of Fresno Retirement Systems, but cannot be later than the calendar year the participant attains age 70 ½. However, please consider:
  - Special catch-up contributions are permissible only in the three calendar years immediately preceding the calendar year of a participant's elected alternative Normal Retirement Age or 70 ½.
  - Special catch-up contributions are not permissible in the year of a participant's elected alternate normal retirement age or the year in which the participant attains age 70 ½.
- During the three-year Special catch-up period, participants are not required to make catch-up contributions in all three years. However, the Special catch-up provision is irrevocable and may be exercised only once during a participant's City of Fresno employment.
- Participants are not required to retire in the year of their elected alternate normal retirement age or 70½.

### 3 Election of an Alternate Normal Retirement Age and Special Catch-Up Participation

I hereby elect age, 67 which I will attain in the year 2021, as my Normal Retirement Age for the purpose of using the Special catch-up provision. I understand that:

- I will be eligible to take advantage of the Special catch-up provision only in the three calendar years immediately preceding the year of my elected alternate Normal Retirement Age only.
- This election is irrevocable and cannot be changed after I begin using the Special catch-up provision.

### 4 Participant Signature

The information provided is true and accurate and I understand my election of an alternate normal retirement age and Special Catch-up Participation is irrevocable and cannot be changed.

Employee Signature: [Signature]      Date: 2-16-18

RECEIVED  
MUK  
APR 06 2018  
CITY OF FRESNO  
Personnel Services Department  
OFFICIAL USE ONLY

### 5 Employer Authorization

By signing, the employer confirms that the participant's election of an alternate normal retirement age in Section 3 is valid.

Employer Signature: [Signature]      Date: 4-9-18

Completed forms are to be forwarded to the Retirement Office for placement on the next available agenda of the Deferred Compensation Board.

## ALTERNATE NORMAL RETIREMENT AGE ELECTION AND SPECIAL CATCH-UP PROVISION

### 1 Participant Information

Name	Last 4 of SSN	Date of Birth		
Amado Ledesma	[REDACTED]	[REDACTED]		
Address	Apt No.	City	State	Zip Code
[REDACTED]		[REDACTED]	CA	[REDACTED]
Phone Number	Cell Phone Number			
[REDACTED]	[REDACTED]			

### 2 Important Notes Regarding Normal Retirement Age and Special Catch-Up Provisions

- The City of Fresno Deferred Compensation Plan's Normal Retirement Age is 70 ½.
- Participants may elect an alternate Normal Retirement Age which may be any age in which the participant is eligible to receive unreduced benefits from the City of Fresno Retirement Systems, but cannot be later than the calendar year the participant attains age 70 ½. However, please consider:
  - Special catch-up contributions are permissible only in the three calendar years immediately preceding the calendar year of a participant's elected alternative Normal Retirement Age or 70 ½.
  - Special catch-up contributions are not permissible in the year of a participant's elected alternate normal retirement age or the year in which the participant attains age 70 ½.
- During the three-year Special catch-up period, participants are not required to make catch-up contributions in all three years. However, the Special catch-up provision is irrevocable and may be exercised only once during a participant's City of Fresno employment.
- Participants are not required to retire in the year of their elected alternate normal retirement age or 70½.

### 3 Election of an Alternate Normal Retirement Age and Special Catch-Up Participation

I hereby elect age, 65 which I will attain in the year 2021, as my Normal Retirement Age for the purpose of using the Special catch-up provision. I understand that:

- I will be eligible to take advantage of the Special catch-up provision only in the three calendar years immediately preceding the year of my elected alternate Normal Retirement Age only.
- This election is irrevocable and cannot be changed after I begin using the Special catch-up provision.

### 4 Participant Signature

The information provided is true and accurate and I understand my election of an alternate normal retirement age and Special Catch-up Participation is irrevocable and cannot be changed.

[Signature] Jun 7, 2018  
Employee Signature Date

### 5 Employer Authorization

By signing, the employer confirms that the participant's election of an alternate normal retirement age in Section 3 is valid.

[Signature] 6-7-18  
Employer Signature Date

Completed forms are to be forwarded to the Retirement Office for placement on the next available agenda of the Deferred Compensation Board.



## ALTERNATE NORMAL RETIREMENT AGE ELECTION AND SPECIAL CATCH-UP PROVISION

### 1 Participant Information

Name	Last 4 of SSN	Date of Birth		
<u>Arnulfo L. Nolasco</u>	[REDACTED]	[REDACTED]		
Address	Apt No.	City	State	Zip Code
[REDACTED]	<u>1</u>	[REDACTED]	<u>CA</u>	[REDACTED]
Phone Number	Cell Phone Number			
[REDACTED]	[REDACTED]			

### 2 Important Notes Regarding Normal Retirement Age and Special Catch-Up Provisions

- The City of Fresno Deferred Compensation Plan's Normal Retirement Age is 70 ½.
- Participants may elect an alternate Normal Retirement Age which may be any age in which the participant is eligible to receive unreduced benefits from the City of Fresno Retirement Systems, but cannot be later than the calendar year the participant attains age 70 ½. However, please consider:
  - Special catch-up contributions are permissible only in the three calendar years immediately preceding the calendar year of a participant's elected alternative Normal Retirement Age or 70 ½.
  - Special catch-up contributions are not permissible in the year of a participant's elected alternate normal retirement age or the year in which the participant attains age 70 ½.
- During the three-year Special catch-up period, participants are not required to make catch-up contributions in all three years. However, the Special catch-up provision is irrevocable and may be exercised only once during a participant's City of Fresno employment.
- Participants are not required to retire in the year of their elected alternate normal retirement age or 70½.

### 3 Election of an Alternate Normal Retirement Age and Special Catch-Up Participation

I hereby elect age, 65 which I will attain in the year 2020, as my Normal Retirement Age for the purpose of using the Special catch-up provision. I understand that:

- I will be eligible to take advantage of the Special catch-up provision only in the three calendar years immediately preceding the year of my elected alternate Normal Retirement Age only.
- This election is irrevocable and cannot be changed after I begin using the Special catch-up provision.

### 4 Participant Signature

The information provided is true and accurate and I understand my election of an alternate normal retirement age and Special Catch-up Participation is irrevocable and cannot be changed.

Arnulfo L. Nolasco  
Employee Signature

March 22, 2018  
Date

### 5 Employer Authorization

By signing, the employer confirms that the participant's election of an alternate normal retirement age in Section 3 is valid.

\_\_\_\_\_  
Employer Signature

\_\_\_\_\_  
Date

## ALTERNATE NORMAL RETIREMENT AGE ELECTION AND SPECIAL CATCH-UP PROVISION

### 1 Participant Information

Name	Last 4 of SSN	Date of Birth		
Michele Ochoa				
Address	Apt No.	City	State	Zip Code
			CA	
Phone Number	Cell Phone Number			

### 2 Important Notes Regarding Normal Retirement Age and Special Catch-Up Provisions

- The City of Fresno Deferred Compensation Plan's Normal Retirement Age is 70 ½.
- Participants may elect an alternate Normal Retirement Age which may be any age in which the participant is eligible to receive unreduced benefits from the City of Fresno Retirement Systems, but cannot be later than the calendar year the participant attains age 70 ½. However, please consider:
  - Special catch-up contributions are permissible only in the three calendar years immediately preceding the calendar year of a participant's elected alternative Normal Retirement Age or 70 ½.
  - Special catch-up contributions are not permissible in the year of a participant's elected alternate normal retirement age or the year in which the participant attains age 70 ½.
- During the three-year Special catch-up period, participants are not required to make catch-up contributions in all three years. However, the Special catch-up provision is irrevocable and may be exercised only once during a participant's City of Fresno employment.
- Participants are not required to retire in the year of their elected alternate normal retirement age or 70½.

### 3 Election of an Alternate Normal Retirement Age and Special Catch-Up Participation

I hereby elect age, 54 which I will attain in the year 2021, as my Normal Retirement Age for the purpose of using the Special catch-up provision. I understand that:

- I will be eligible to take advantage of the Special catch-up provision only in the three calendar years immediately preceding the year of my elected alternate Normal Retirement Age only.
- This election is irrevocable and cannot be changed after I begin using the Special catch-up provision.

### 4 Participant Signature

The information provided is true and accurate and I understand my election of an alternate normal retirement age and Special Catch-up Participation is irrevocable and cannot be changed.

Michele Ochoa 5-22-18  
Employee Signature Date

### 5 Employer Authorization

By signing, the employer confirms that the participant's election of an alternate normal retirement age is **RECEIVED** valid.

Dayna Hill 5-24-18  
Employer Signature Date

Completed forms are to be forwarded to the Retirement Office for placement on the next available agenda of the Deferred Compensation Board.  
CITY OF FRESNO  
Personal Services Department  
OFFICIAL USE ONLY



Douglas T. Sloan  
City Attorney

August 20, 2018

MEMORANDUM

TO: Deferred Compensation Board

RE: Appointments to the Deferred Compensation Board

**Issues:**

1. May the City Manager appoint an employee from her office to the Deferred Compensation Board (the Board) under Section 3.7 of the Deferred Compensation Plan Document (Plan Document)?
2. May the City Manager appoint herself to the Board?

**Answers:**

1. Yes. Section 3.7 of the Plan Document provides that the Board shall consist of five members, one of whom shall be appointed by the City Manager "from any City department." Because the City Manager's Office is a City department, the City Manager may appoint someone from her office to this seat.
2. Yes. The City Manager is part of a City department and may, therefore, appoint herself to the Board. The Plan Document does not preclude such an appointment.

**ANALYSIS**

The City Manager may appoint a member of her own staff to the Board. The Plan Document provides that the City Manager, with the approval of the City Council, shall appoint "[o]ne member from any City department" to the Deferred Compensation Board. (Plan Document (October 2014) § 3.7.) The law provides that "[t]he words of a contract are to be understood in their ordinary and popular sense, rather than according to their strict legal meaning; unless used by the parties in a technical sense, or unless a special meaning is given to them by usage, in which case the latter must be followed." (Civ. Code, § 1644 [regarding contract interpretation]; *Brown v. California Pension Admin. & Consultants, Inc.* (1996) 45 Cal.App.4th 333 [a plan document is a contract].) Nothing in Section 3.7 indicates any technical meaning for "City department," nor does the Plan Document otherwise prescribe a special definition for the term. As such, the law requires that we look to the ordinary and popular use of the words.

The Merriam-Webster Dictionary defines "department" as "a functional...division: such as a major division of a business." (Merriam-Webster Dict. (August 13, 2018) <https://www.merriam-webster.com/dictionary/department?src=search-dict-hed>.) A "City

M-Deferred Compensation Board  
August 20, 2018  
Page 2

department” is, therefore, a functional division of the City. The City Manager’s Office is one of the major divisions within the City as is illustrated by the City of Fresno Budget, which categorizes the City Manager’s Office as a General Fund Department within the City and by the fact that the City Manager’s Office is listed as a department on the City’s website. Accordingly, under a plain reading of the Plan Document, the City Manager’s Office is a City department as the term is commonly understood and the City Manager may appoint someone from that department to the Board.

Furthermore, as the head of her department, the City Manager may appoint herself to the Board. The Plan Document does not preclude such an appointment and is silent on the issue. Words should not be added to a contract where the omission may have been intentional. (*United States Bldg. & Loan Assn. v. Salisbury* (1932) 217 Cal. 35, 40.) In the absence of any indication to the contrary, we cannot infer the Plan Document intended to prohibit the City Manager from appointing herself to the Board. As such, the City Manager may appoint herself to the Deferred Compensation Board.

Respectfully submitted,



RAJ SINGH BADHESHA  
Senior Deputy City Attorney

RSB:sn [81406sn/rsb]



# CITY OF FRESNO

Joan Steel, VP, INVESTMENT CONSULTANT

August 30, 2018



This document was originally prepared for plan sponsor use only



## Agenda:

### CITY OF FRESNO: Strategic Discussion

- I. [Plan Summary](#)
- II. [Market Overview](#)
- III. [Investment Spectrum](#)
- IV. [Investment Analysis](#)
- V. [Fact Sheets](#)

Presented by:  
Joan Steel, VP, INVESTMENT CONSULTANT

# Plan Summary



# Executive Summary

As of 06/30/2018

CITY OF FRESNO – 35801

## Plan / Participant Statistics

### Plan participants / assets

• Assets \$M	\$180.36
• Avg Age <sup>2</sup>	51
• Median Balance <sup>2</sup> (\$K)	\$36.4
• Median Balance <sup>2</sup> Parts 55 and older (\$K)	\$58.4

### Return / Risk (Annualized)

• 3 Yr Participant Return <sup>2,3/</sup>	7.9% /
• 3 Yr S&P 500 Return	11.93%
• 3 Yr Participant Risk <sup>2,3/</sup>	8.8% /
• 3 Yr S&P 500 Risk	10.16%

## Investment Performance

### Performance for Review

• % of Assets / Number of Products Underperforming Primary Benchmark & Mstar Cat (3 & 5 Yr)	10.1% / 7
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## Asset Allocation & Investment Design

### Asset Allocation

• Participants Inside Age-Based Equity Band*	37%
• 100% Equity Exposure	21.5%
• 0% Equity Exposure	11.1%

### Investment Design

• Investment options utilized <sup>1*</sup>	28
• Lifecycle Default <sup>1</sup>	No
• Managed accounts <sup>1</sup>	Yes
• SDB utilized <sup>1</sup>	Yes
• Number of Index options utilized <sup>1</sup>	5

Please see Fund Diagnostics Summary pages for performance and expense information.

If Watch List Products displayed, the numbers represent percent of assets and number of participants in the investment option.

\* The Age-Based equity band represents an interval of plus or minus ten percentage points around the Fidelity target date strategy equity glide path, not to exceed 95% equity. Participants whose actual equity allocations fall within this age-based interval are said to be "inside" the equity band. The Fidelity equity band is not intended as a benchmark for individual investors; rather, it represents a range of equity allocations that may be appropriate for many investors saving for retirement.

<sup>3</sup>Past performance is no guarantee of future results. Please see Important Additional Information page for details of Return / Risk calculation

Indices are for comparison purposes only and do not represent plan benchmark. Indices are unmanaged and you cannot invest directly in an index.

Risk is represented by standard deviation.

Note: For underperformance data displayed above, products must underperform for both 3 & 5 year timeframes.

Asset Allocation & Investment Design and Plan / Participant Statistics (with the exception of Assets) is as of 06/30/2018

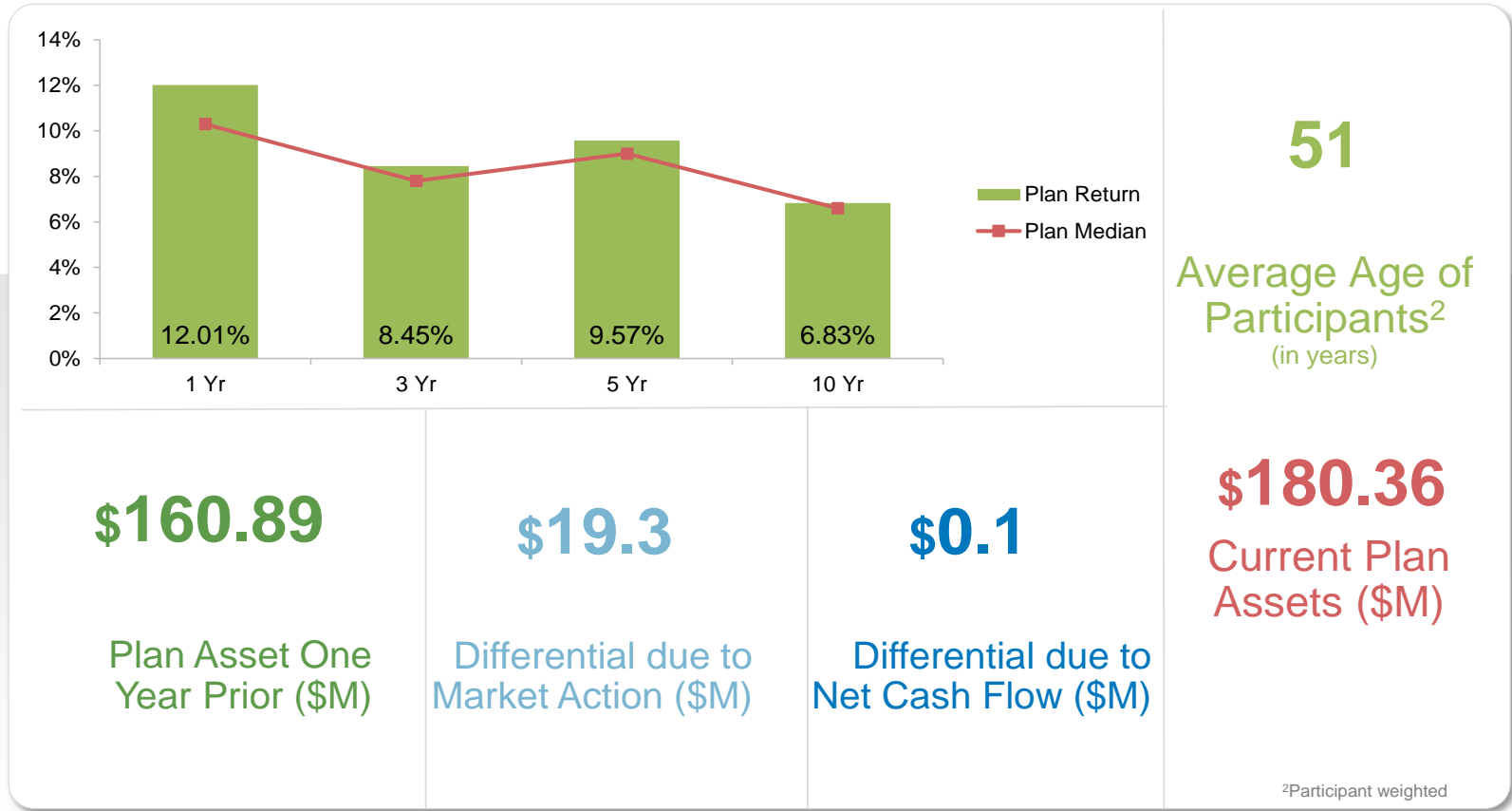
As of date for Assets and all other data points is noted above.

Plan / Participant  
Statistics

## Plan Returns / Assets

Plan Returns vs Plan Medians / Assets as of 06/30/2018

CITY OF FRESNO – 35801



Returns displayed above are average annual returns.

Plan Median Returns: These plans include both qualified and assetized nonqualified plans (i.e., nonqualified plans informally funded with mutual funds and other securities), as well as single investment option plans, which include Employee Stock Ownership Plans (ESOPs). The data excludes all tax exempt pooled plans. Plans recordkept by Fidelity Investments Institutional Services Company, Inc., which includes distribution through a variety of financial institutions, including banks, insurance companies, broker/dealers, financial planners and pension fund administrators, were also excluded. For more information, please contact your Fidelity Account Executive. The plan median return includes all active plans recordkept by Fidelity Investments with a return for the period that have greater than or equal 100 participants.

Plan returns were calculated using a time-weighted investment return formula that eliminates the effect of cash flows during the entire return period. The formula is intended to reflect the performance of the managers of the underlying investments rather than the actual returns of investors who may have bought and sold the investments at different times over the return period. Returns that take into account the effect of cash flows during the return period could be significantly different from these time-weighted returns. The longer the return period, the larger the cash flows and the more volatile the investment, the greater the potential difference between the two types of returns. All returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Plan returns were calculated based on aggregate plan assets, not individual participant returns.

Past performance is no guarantee of future results

Plan Returns, Plan Medians, and Avg Age of Participants is as of 06/30/2018



## Participant Outcomes

Participant Risk / Return vs. peers as of 06/30/2018

CITY OF FRESNO – 35801

# \$36.4

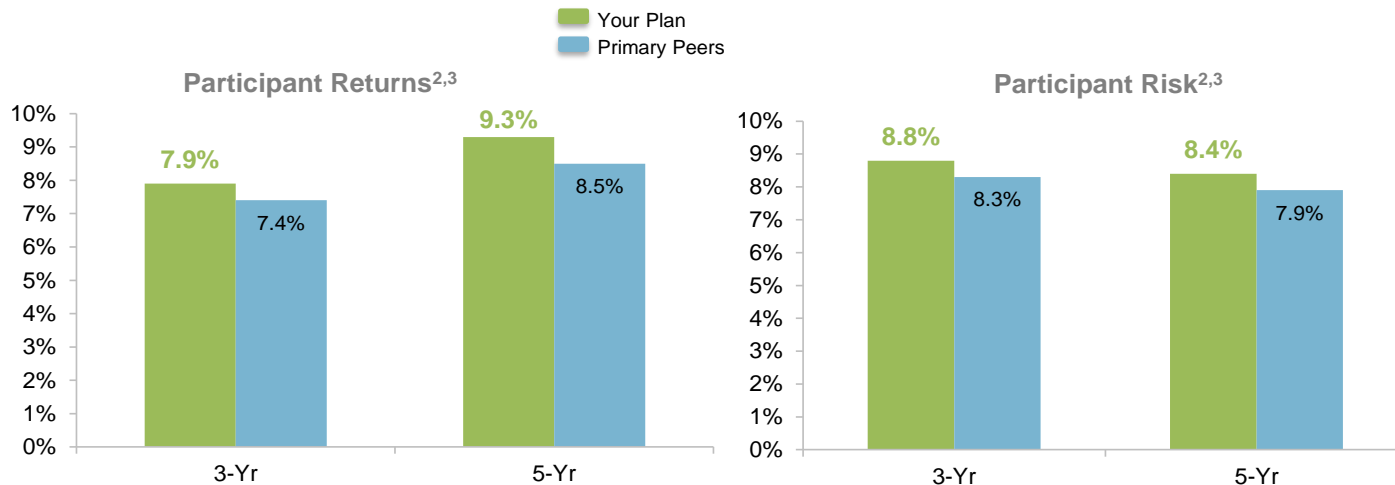
Median Account Balance<sup>2</sup> (\$K)

Primary Peers: \$40.7

# 74.9%

Aggregate Equity Exposure<sup>4</sup>

Primary Peers: 69.0%



<sup>3</sup>Past performance is no guarantee of future results. Please see Important Additional Information page for details of Return / Risk calculation

Risk is represented by standard deviation. Participant Returns and Risk are annualized.

Primary Peer Grouping data is based on Fidelity recordkept defined contribution plans which are part of defined contribution client relationships in the government sector that have assets over \$2M and are tax exempt. Plans sponsored by Fidelity Investments for the benefit of its own employees were excluded. Other plans that were excluded include pooled tax exempt plans, if applicable, and unfunded nonqualified plans

## Asset Allocation Mix

Percentage of total plan assets by asset class vs peers as of 06/30/2018

CITY OF FRESNO – 35801

	Your Plan	Since 2014	Primary Peers	Since 2014
Money Market	0.0%	0.0	1.6%	-3.2
Stable Value	10.9%	-4.0	12.3%	-1.5
Fixed Income	4.9%	-1.6	4.7%	-1.7
Lifecycle	26.9%	+2.0	37.0%	+7.0
Hybrid / Balanced*	1.3%	-0.1	3.6%	-1.4
Domestic Equity	48.6%	+5.3	33.6%	-2.3
International Equity	5.8%	-1.7	5.2%	-0.8
Company Stock	0.0%	0.0	0.0%	0.0
Self Directed Brokerage	1.7%	+0.1	7.2%	+1.8
Specialty	0.0%	0.0	1.0%	-4.6

Asset Allocation is asset weighted (of plan utilizing).

\*Hybrid / Balanced excludes Lifecycle

Primary Peer Grouping data is based on Fidelity recordkept defined contribution plans which are part of defined contribution client relationships in the government sector that have assets over \$2M and are tax exempt. Plans sponsored by Fidelity Investments for the benefit of its own employees were excluded. Other plans that were excluded include pooled tax exempt plans, if applicable, and unfunded nonqualified plans



## Overview

Investment Design vs peers as of 06/30/2018

CITY OF FRESNO – 35801

Investment  
Options Utilized  
**28**

Average number of investment  
options utilized<sup>1</sup>♦

Primary Peers: **30**

Lifecycle  
**29.3%**

Percent of participants 100%  
lifecycle fund<sup>2</sup>

Primary Peers: **38.0%**

	Your Plan	Primary Peers	Since 2014
% of Plans with greater than 75 Options <sup>1</sup>	No	7.4%	-9.5
% of Plans with Lifecycle Default <sup>1</sup>	No	87.0%	+2.3
% of Plans utilizing Managed Accounts <sup>1</sup>	Yes	51.9%	+24.8
% of Participants utilizing Managed Accounts <sup>2</sup> (of plans utilizing)	4.3%	6.9%	+3.6
% of Plans with Self Directed Brokerage <sup>1</sup> (at least one participant utilizing)	Yes	66.7%	+7.4
% of Plan Assets in SDB <sup>4</sup> (if utilized)	1.7%	7.2%	+1.8
Median Number of Index Options utilized <sup>1</sup> (if utilized, excl. Lifecycle)	5	4	0
% of Total Plan Assets in Index Options <sup>4</sup> (if utilized)	4.8%	37.2%	+28.3

Primary Peer Grouping data is based on Fidelity recordkept defined contribution plans which are part of defined contribution client relationships in the government sector that have assets over \$2M and are tax exempt. Plans sponsored by Fidelity Investments for the benefit of its own employees were excluded. Other plans that were excluded include pooled tax exempt plans, if applicable, and unfunded nonqualified plans



## Important Additional Information

<sup>1</sup>Plan weighted   <sup>2</sup>Participant weighted   <sup>4</sup>Asset weighted   ♦ Lifecycle=1, Self Directed Brokerage=1

For SDB (Self Directed Brokerage) utilized, at least one participant must be participating. For Median number of Index options utilized, the data represents if utilized excl. Lifecycle.

Participant Returns are annualized. Participant Risk is annualized standard deviation of monthly returns.

Fund expense rating is a Morningstar data point and is calculated by comparing the fund's net expense ratio to the net expense ratio of all of the other funds within its Morningstar Category grouping.

Data in this report is based on Fidelity internal systems and analysis.

A **Self Directed Brokerage** account may entail greater risk and is not appropriate for everyone. Additional fees apply to a Self Directed Brokerage account.

**Hybrid/ Balanced** consists of mutual funds, commingled pools, and separate accounts composed of at least two asset classes - one being an equity option and the other either a fixed-income or money market option. Included in this category are lifecycle (target-date) options, lifestyle (target-risk) options, balanced options, and "strategies" (i.e., funds of funds, pools, and separate accounts) meeting the above conditions. Most of the assets and default fund usage within this asset class are Lifecycle (target-date) options.

**Specialty** consists of real estate, REITs, natural resources, precious metals, healthcare, energy, sector-specific funds (e.g., Fidelity's Select funds), as well as convertible securities.

**Returns** shown represent past performance, which does not guarantee future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance stated.

Participant returns are annualized for the period indicated and are based on a time-weighted investment return formula that eliminates the effect of participants' cash flows during the entire return period. The formula is intended to reflect the performance of the managers of the underlying investments rather than the actual returns of investors who may have bought and sold the investments at different times over the return period. Returns that take into account the effect of participant cash flows during the return period (i.e., dollar weighted returns) could be significantly different from these time-weighted returns. The longer the return period, the larger the cash flows and the more volatile the investment, the greater the potential difference between the two types of returns. Plan returns were calculated based on aggregate plan assets, not individual participant returns. All returns are historical and include change in share value and reinvestment of dividends and capital gains, if any.

Peer Grouping categories consist of all Plans which met the client criteria at the specified point in time. The makeup of the peer group changes from period to period.

## Markets Overview



## 2018 2Q Market Summary (as of 6/30/2018)

### Global summary:

#### The global expansion is becoming less synchronized.

China's economy remains in an expansionary phase, but the industrial sector has slowed materially and the risks of a growth recession continue to rise. Policymakers may have begun to ease monetary conditions, but overall activity is in a decelerating trend.

Countries most impacted by slowing Chinese industrial activity—including Germany, Japan, and South Korea—have experienced deceleration in recent months.

Overall, the global expansion continues, but maturing cycles among many larger economies imply that the risks of a growth slowdown may be higher than generally appreciated.

The shift toward global monetary policy tightening is beginning to slow liquidity growth and result in higher volatility in the financial markets.

#### Investment Risks:

Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation.

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 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. Lower-quality debt securities involve greater risk of

default or price changes due to potential changes in the credit quality of the issuer. Past performance is no guarantee of future results.

### United States:

#### U.S. economy strong, but the cycle is becoming more mature as the Fed tightens.

Broad-based U.S. growth implies a low probability of recession, and the U.S. remains in a prolonged shift between the mid- and late-cycle phases of expansion.

The trends for profit growth and credit have yet to show signs of significant deterioration that typically occur during the late-cycle phase.

However, the tightening U.S. labor market is supporting wage pressures, which act as a restraint on profit margins and have prompted the Federal Reserve (Fed) to continue to tighten monetary policy.

Tightening financial conditions are pulling stock valuations lower, but in the U.S. this has been offset by a well-timed earnings boom.

### Politics and Policy:

#### Trade tensions to remain a headwind.

China and the U.S. are the central players in the highly integrated global trade network, and U.S. efforts to confront China's trade and investment policies represent a significant risk to the global economy.

We believe the world has shifted to a long-term, slow-moving de-globalization trend. Trade tensions represent a cyclical headwind, but an all-out trade war is not the most likely scenario.

Trade tariffs—in conjunction with tightening interest rates and financial conditions—could threaten to squeeze stock valuations in the coming months.

Historically, tariffs levied on trade have been inflationary, and rising inflation can pressure price-to-earnings (P/E) ratios.

## Market Performance as of June 30, 2018

The sharp rise in oil prices during Q2 spurred energy stocks to big gains, and consumer discretionary stocks jumped into the lead on a year-to-date basis amid a strong consumer backdrop. Emerging-market equities logged broad-based declines during the quarter, and a lackluster Q2 kept most fixed-income asset categories in the red on a year-to-date basis.

	2Q18	1 Year	3 Years	5 Years	10 Years
Growth	5.9	22.5	14.6	16.1	11.8
Small Cap	7.8	17.6	11.0	12.5	10.6
Large Cap	3.4	14.4	11.9	13.4	10.2
Mid Cap	2.8	12.3	9.6	12.2	10.2
Value	1.7	7.3	8.5	10.4	8.6

Sector (weight in S&P 500)	2Q18	1 Year	3 Years	5 Years	10 Years
Info Tech (26.0%)	7.1	31.3	22.6	21.9	14.7
Cons Disc (12.9%)	8.2	23.6	14.4	16.0	16.4
Energy (6.3%)	13.5	21.0	3.7	2.2	1.0
Materials (2.9%)	2.6	9.9	8.5	10.9	5.7
Financials (13.4%)	-3.2	9.6	12.5	13.1	7.1
Health Care (14.1%)	3.1	7.1	5.7	13.8	12.7
Industrials (9.5%)	-3.2	5.3	11.3	12.7	9.7
Real Estate (2.9%)	6.1	5.0	8.7	9.0	7.8
Utilities (3.0%)	3.7	3.4	11.7	10.6	6.6
Telecom (2.0%)	-0.9	1.4	3.9	3.7	6.2
Cons Staples (7.0%)	-1.5	-3.9	5.5	8.2	9.9

	2Q18 USD/LCL	1 Year	3 Years	5 Years	10 Years
China*	-3.4 / -3.4	21.4	7.3	12.3	6.2
EAFE Small Cap	-1.4 / 3.4	12.9	10.5	11.7	7.2
Japan	-2.8 / 1.2	10.9	6.6	7.7	3.8
Asia	-5.8 / -3.3	10.5	7.7	8.6	6.0
EM	-7.9 / -3.4	8.6	6.0	5.4	2.6
ACWI Ex USA	-2.4 / 2.1	7.8	5.6	6.5	3.0
EAFE	-1.0 / 3.8	7.4	5.4	6.9	3.3
Europe	-0.9 / 4.5	5.9	4.9	6.8	3.0
Latin America	-17.7 / -8.0	0.2	2.3	-2.1	-3.4
Commodities	-0.1	5.8	-5.2	-6.8	-9.3
Gold	-5.5	0.7	2.2	1.0	3.0

	2Q18	1 Year	3 Years	5 Years	10 Years
Leveraged Loan	0.7	4.4	4.2	4.0	5.2
High Yield	1.0	2.5	5.6	5.5	8.1
TIPS	0.8	2.1	1.9	1.7	3.0
MBS	0.2	0.1	1.5	2.3	3.6
Aggregate	-0.2	-0.4	1.7	2.3	3.7
Credit	-0.9	-0.6	2.9	3.4	5.2
Treasury	0.1	-0.6	1.0	1.5	3.0
Long Govt/Credit	-1.4	-0.8	4.3	5.1	6.8
EM Debt	-3.5	-2.4	4.3	4.4	6.5

Past performance is no guarantee of future results.

The above sectors are represented by the following indexes: Growth – Russell 3000 Growth Index; Large Cap – S&P 500 Index; Mid Cap – Russell Mid Cap index; Small Cap – Russell 2000 Index; Value – Russell 3000 Value Index. The S&P 500 Sector Indices are constructed using the Global Industry Classification Standard (GICS). China – MSCI China Index; Asia – MSCI EM Asia index; EM – MSCI EM index; EAFE Small Cap – MSCI EAFE Small Cap Index; ACWI ex US – MSCI ACWI ex US Index; Europe – MSCI Europe Index; EAFE – MSCI EAFE Index; Japan – MSCI Japan Index; LatAm- MSCI EM Latin America Index; Gold – LBMA Gold Price PM Index; Commodities – Bloomberg Barclays Commodity Index. Long Govt/Credit – Bloomberg Barclays US Long Government/Credit Bond Index; EM Debt: JPM EMBI Global Index; High Yield – BofA ML US HY Master II Constrained Index; Credit – Bloomberg Barclays Credit Bond Index; Leveraged Loan - S&P/LSTA Leveraged Loan Index; Aggregate – Bloomberg Barclays Aggregate Bond Index; TIPS – Bloomberg Barclays US TIPS Index; MBS – Bloomberg Barclays US Agency Fixed Rate MBS Index; Treasury – Bloomberg Barclays Treasury Index. Local Currency (LCL) returns refers to the return in local currency ( i.e. does not include any impact due to currency exposure).

\* The MSCI China Index captures large and mid cap representation across China B shares, H shares, Red chips, P chips and foreign listings (e.g. ADRs). B shares trade on the Shanghai and Shenzhen exchanges; they are quoted in foreign currencies (Shanghai USD, Shenzhen HKD). H shares trade on the Hong Kong exchange and other foreign exchanges (HKD). Red chips and P chips are incorporated outside of China and trade on the Hong Kong exchange (HKD).

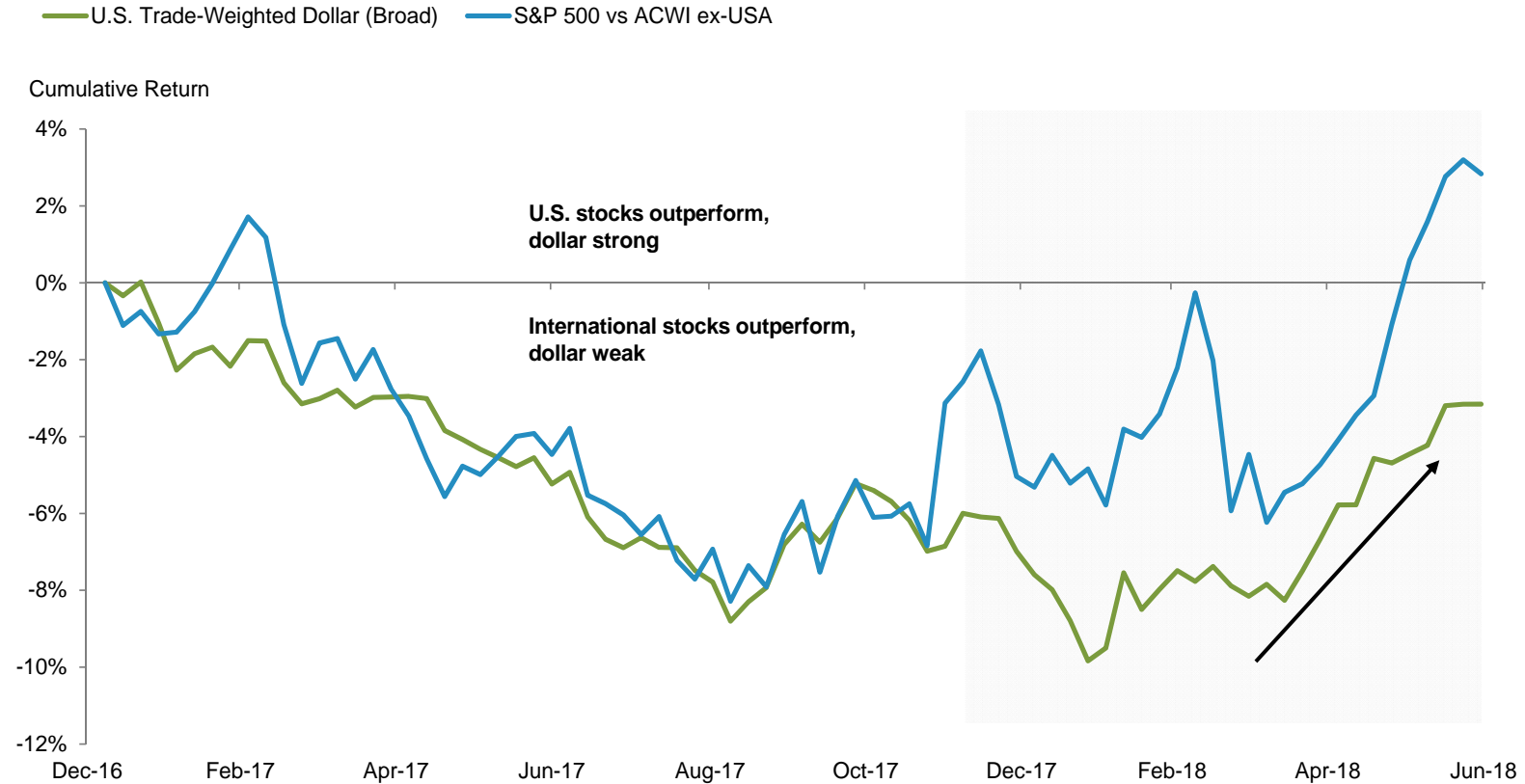
Source: Factset, Morningstar as of 6/30/18. 3, 5 and 10 year performance numbers are annualized total returns as of 6/30/18.



# Stronger Dollar a Boost for U.S. Relative Performance

After underperforming international stocks during most of 2017, U.S. equities took the lead during the first half of 2018. A weaker dollar aided the performance of international stocks through 2017, but the shift to a rising dollar in the second quarter of 2018 acted as a drag on non-U.S. assets.

## I. Relative Performance of U.S. Equities and U.S. Dollar



Past performance is no guarantee of future results. It is not possible to invest directly in an index.

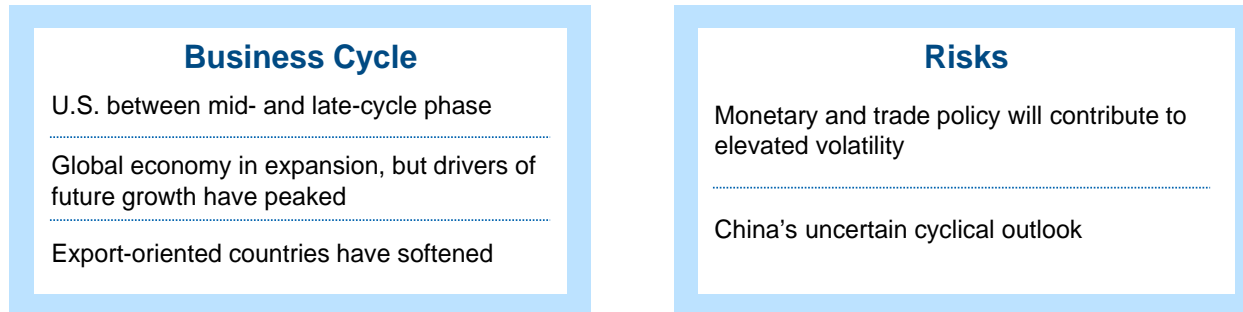
Source: Federal Reserve Board, Standard & Poor's, MSCI, Bloomberg Financial LP, Fidelity Investments (AART), as of 6/30/18.



# Outlook: Market Assessment

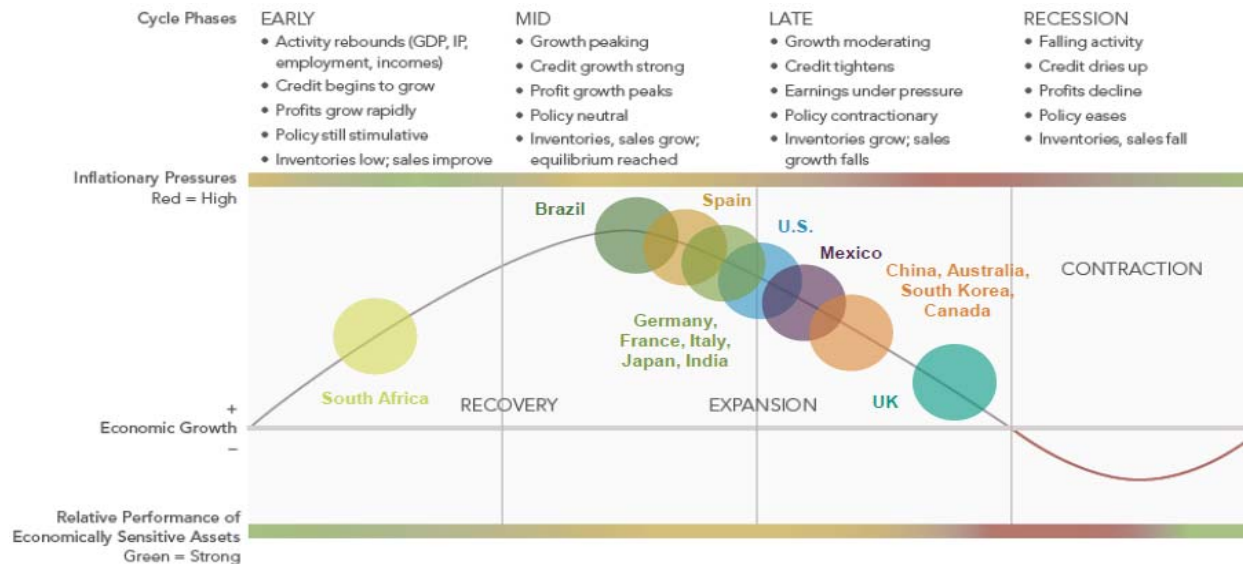
Fidelity's Business Cycle Board, composed of portfolio managers responsible for a variety of global asset allocation strategies, believes the current backdrop provides opportunities within certain asset classes. However, global economic momentum may have peaked and elevated volatility may be driven by risks to the monetary, political, and economic outlooks. Smaller asset allocation tilts are merited at this point in the cycle. The global economy remains in expansion, but the pace of overall activity is likely past its peak. China's industrial sector has slowed materially and risks of a growth recession are elevated. Many larger economies, including Germany and Japan, have shown signs of maturing. After a generally synchronized global acceleration in 2017, the risks of a growth slowdown may now be higher than generally appreciated.

## I. Smaller asset allocation tilts are warranted at this time in the cycle



For illustrative purposes only. Source: Fidelity Investments (Asset Allocation Research Team), as of 6/30/18

## II. Business Cycle Framework



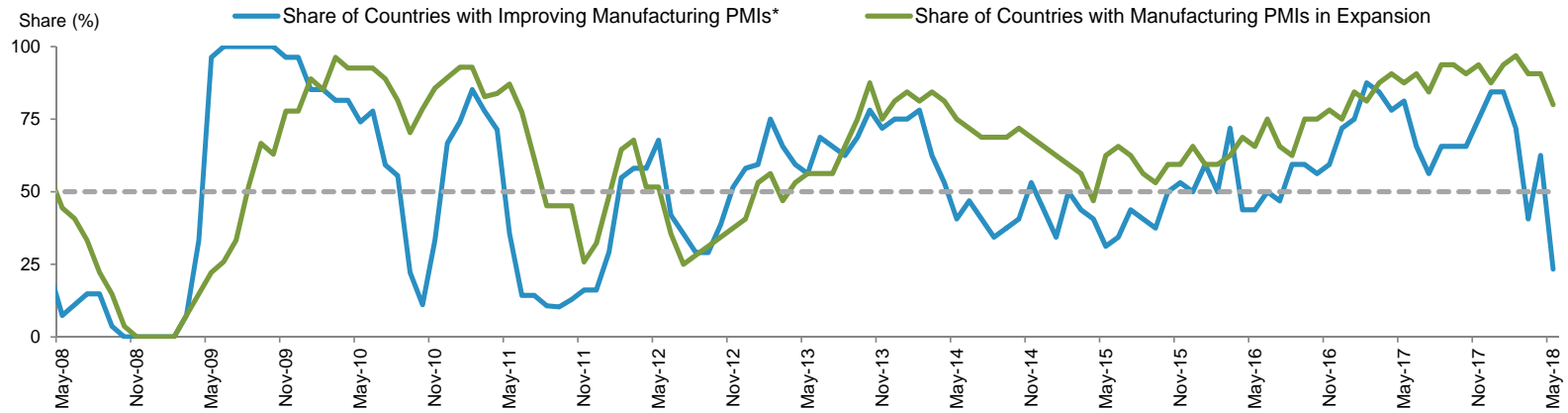
Note: The diagram above is a hypothetical illustration of the business cycle. There is not always a chronological, linear progression among the phases of the business cycle, and there have been cycles when the economy has skipped a phase or retraced an earlier one. Source: Fidelity Investments (AART), as of 6/30/18. Diversification and asset allocation do not ensure a profit or guarantee against loss.



# World Economy Continues to Grow, but at a Slower Pace

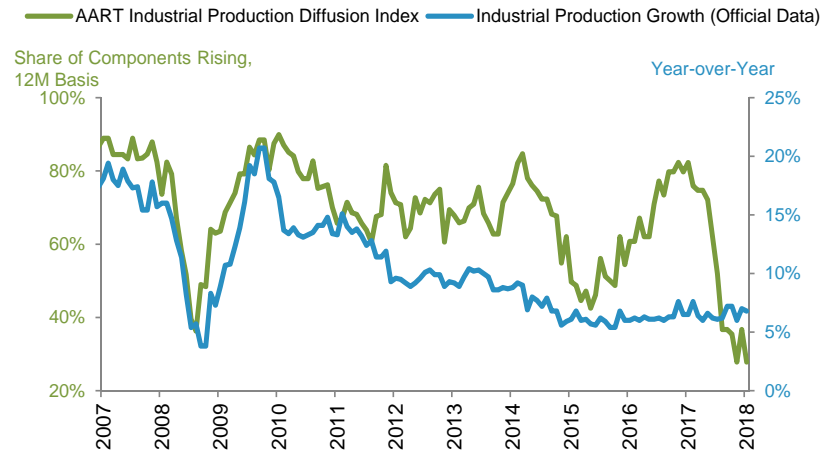
Global manufacturing activity continues to expand, but the pace of improvement has slowed meaningfully. Manufacturing PMIs in 80% of the world's largest economies are in expansionary territory; however, less than 25% of them are improving on a six-month basis, a large change after several years of improvement. Slowing manufacturing activity is a headwind for export-oriented economies. Our proprietary industrial production index continues to exhibit significant weakness, and we believe the Chinese economy is decelerating. Policymakers have shifted to a monetary easing stance and the currency dropped sharply in late Q2. During 2015, weaker growth, policy easing, and currency weakness spurred large capital outflows, generating concerns about financial stability in China's highly indebted corporate sector.

## I. Global Manufacturing Growth

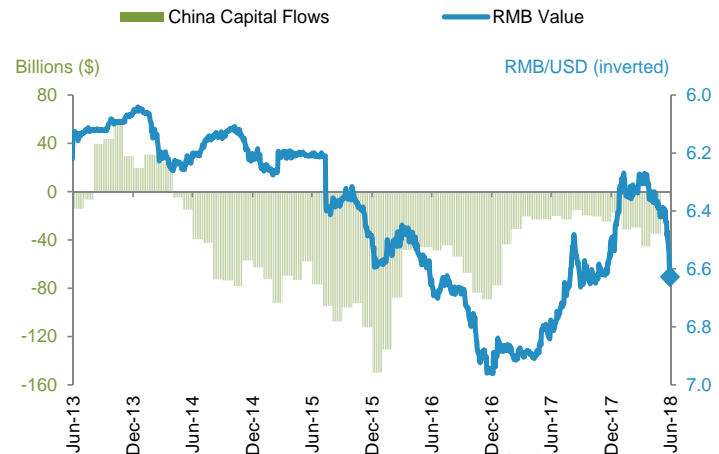


\*Over the past six months. PMI: Purchasing Managers' Index. Shares shown include 30 countries, representing the world's largest economies. Source: Markit, ISM, Haver Analytics, Fidelity Investments (AART), as of 5/31/18.

## II. China Industrial Activity



## III. China Capital Flows vs. FX



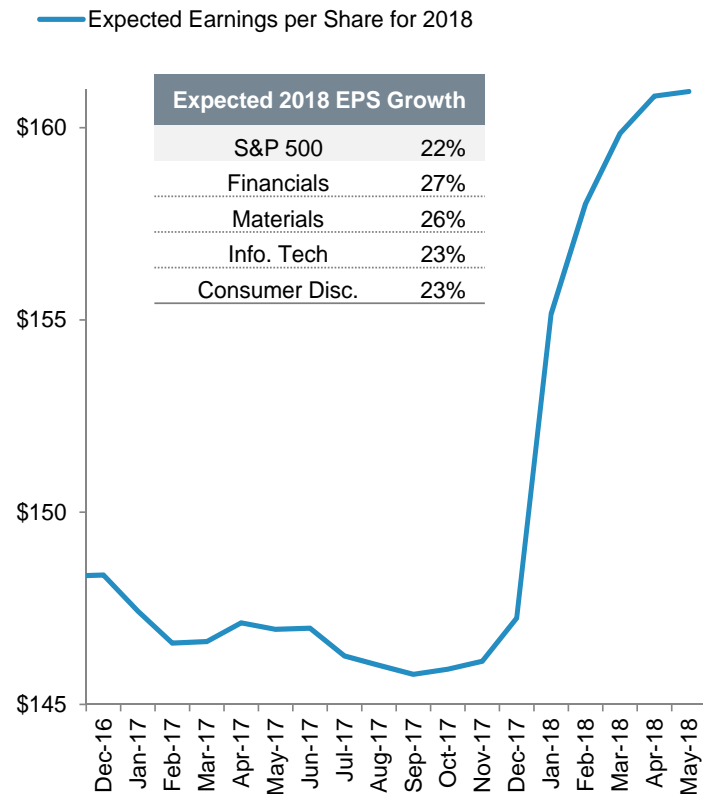
LEFT: Source: China National Bureau of Statistics (official data), Bloomberg Financial L.P., Fidelity Investments (AART), as of 6/30/18.  
 RIGHT: China Capital Flows: AART proxy. Bloomberg Financial L.P., Fidelity Investments (AART), as of 6/30/18.



# U.S. Corporate Backdrop is Strong, Helped by Tax Cuts

Pro-business policies have helped boost earnings expectations, especially for sectors with higher effective tax rates, such as financials. Lower tax burdens and access to offshore cash provide companies with additional spending capacity. We expect the windfall to be used for a wide variety of activities, including investor-friendly actions (buybacks, dividends, M&A) as well as some direct boosts to the real economy (wages, capex).

## I. S&P 500 2018 Calendar Year EPS Growth Expectations



## II. Fidelity Analyst Survey: Use of Corporate Cash



LEFT: EPS: earnings per share. Past performance is no guarantee of future results. Source: Standard & Poor's, Fidelity Investments (AART), as of 5/31/18.  
 RIGHT: Source: Fidelity Investments (AART), as of 6/30/18.

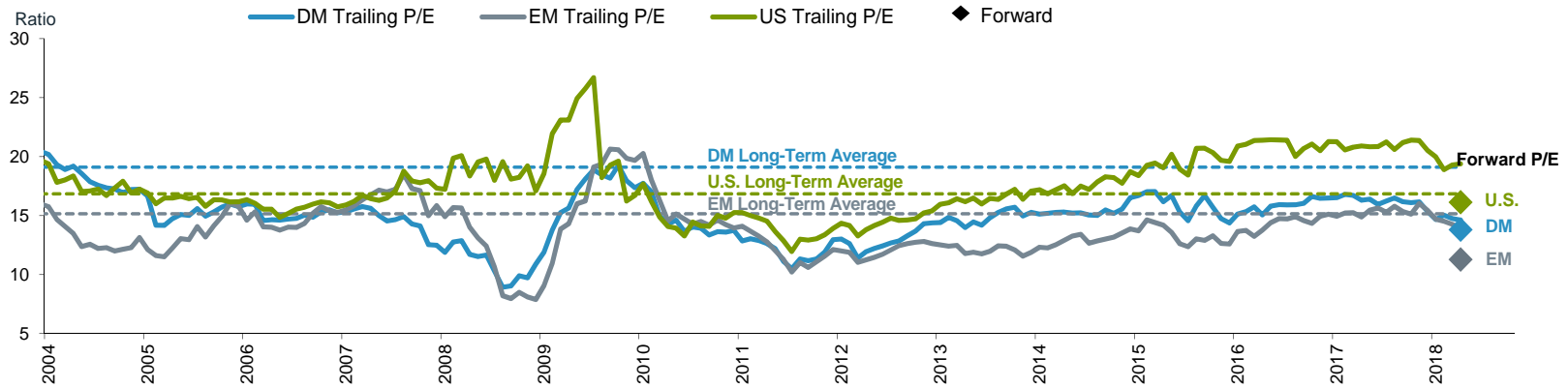




# Equity Valuations Mixed Relative to History

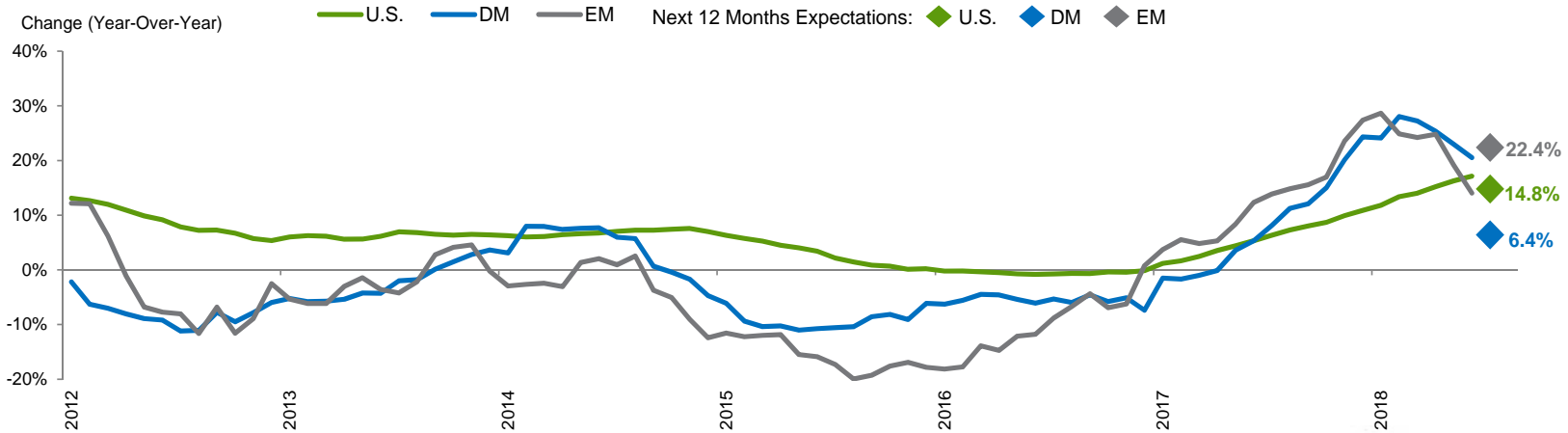
On a one-year trailing-earnings basis relative to their own histories, U.S. price-to-earnings ratios are above their historical average, and international developed and emerging markets are below their long-term averages. The tax-cut boost to U.S. earnings has helped compress P/E multiples in recent months, and the forward valuations appear more reasonable relative to history. The two-year period of accelerating global synchronized earnings growth appears to be over. Boosted by corporate tax cuts, U.S. earnings growth continues to improve, whereas international developed- and emerging-market profit growth has moderated from high levels. Forward estimates are more reasonable for developed markets, but lofty expectations may pose a challenge for emerging markets.

## I. International Markets' P/E Ratios



DM: Developed Markets. EM: Emerging Markets. Past performance is no guarantee of future results. You cannot invest directly in an index. See Appendix for important index information. Price-to-earnings ratio (P/E): stock price divided by earnings per share. Also known as the multiple, P/E gives investors an idea of how much they are paying for a company's earnings power. Long-term average P/E for Emerging Markets includes data for 1988–2017. Long-term average P/E for Developed Markets includes data for 1973–2016, U.S. 1926–2017. Foreign Developed – MSCI EAFE Index, Emerging Markets – MSCI EM Index. Source: FactSet, Fidelity Investments (AART) as of 6/30/18.

## II. Global EPS Growth (Trailing 12 Months)



Past performance is no guarantee of future results. DM: Developed Markets. EM: Emerging Markets. EPS: Earnings per share. Source: MSCI, FactSet, Fidelity Investments (AART), as of 6/30/18.



# Benefits Of Diversification

## Calendar Year Total Returns by Various Asset Classes (%)

*Diversification does not guarantee a profit or guarantee against loss*

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD
Lg Growth 38.7	Emg Mkt 66.4	Cmdty 49.7	Sm Value 14.0	Cmdty 32.1	Emg Mkt 55.8	REIT 31.5	Emg Mkt 34.0	REIT 34.2	Emg Mkt 39.8	Bonds 5.2	Emg Mkt 78.5	Sm Growth 29.1	TIPS 13.6	Emg Mkt 18.2	Sm Growth 43.3	REIT 28.8	Lg Growth 5.7	Sm Value 31.7	Emg Mkt 37.3	Cmdty 10.4
EAFE 20.0	Sm Growth 43.1	REIT 26.8	REIT 12.8	TIPS 16.6	Sm Growth 48.5	Emg Mkt 25.6	Cmdty 25.6	Emg Mkt 32.2	Cmdty 32.7	Cash 1.8	High Yield 57.5	REIT 27.0	Bonds 7.8	Sm Value 18.1	Sm Value 34.5	Lg Value 13.5	REIT 1.3	High Yield 17.5	Lg Growth 30.2	Sm Growth 9.7
Lg Value 15.6	Cmdty 40.9	Sm Value 22.8	Bonds 8.4	Bonds 10.3	Sm Value 46.0	Sm Value 22.3	EAFE 13.5	EAFE 26.3	Lg Growth 11.8	TIPS -2.4	Lg Growth 37.2	Sm Value 24.5	REIT 7.5	Lg Value 17.5	Lg Growth 33.5	Lg Growth 13.1	Bonds 0.6	Lg Value 17.3	EAFE 25.0	Lg Growth 7.3
Balanced 14.9	Lg Growth 33.2	TIPS 13.2	TIPS 7.9	REIT 3.6	EAFE 38.6	EAFE 20.3	REIT 12.1	Sm Value 23.5	TIPS 11.6	Balanced -19.4	Sm Growth 34.5	Emg Mkt 18.9	High Yield 4.4	EAFE 17.3	Lg Value 32.5	Balanced 6.0	Balanced 0.5	Cmdty 11.4	Sm Growth 22.2	Sm Value 5.4
Bonds 8.7	EAFE 27.0	Bonds 11.6	High Yield 4.5	Cash 1.7	REIT 36.7	Cmdty 17.3	Lg Value 7.1	Lg Value 22.3	EAFE 11.2	High Yield -26.4	EAFE 31.8	Lg Growth 16.7	Lg Growth 2.6	REIT 16.5	EAFE 22.8	Bonds 6.0	Cash 0.0	Sm Growth 11.3	Lg Value 13.7	Cash 0.8
Cash 5.1	Balanced 9.6	Lg Value 7.0	Cash 4.1	High Yield -1.9	Lg Value 30.0	Lg Value 16.5	Balanced 5.7	Sm Growth 13.4	Balanced 7.1	Sm Value -28.9	REIT 26.3	Lg Value 15.5	Balanced 2.0	High Yield 15.6	Balanced 13.5	Sm Growth 5.6	EAFE -0.8	Emg Mkt 11.2	Balanced 12.3	REIT 0.5
TIPS 4.0	Lg Value 7.4	Cash 6.0	Emg Mkt -2.6	Balanced -5.8	Lg Growth 29.8	Sm Growth 14.3	Lg Growth 5.3	High Yield 11.8	Sm Growth 7.1	Lg Value -36.9	Sm Value 20.6	High Yield 15.2	Lg Value 0.4	Lg Growth 15.3	High Yield 7.4	Sm Value 4.2	Sm Growth -1.4	REIT 7.1	Sm Value 7.8	Balanced 0.2
High Yield 3.0	Cash 4.7	Balanced 1.5	Balanced -3.3	Emg Mkt -6.2	High Yield 28.2	High Yield 10.9	Sm Value 4.7	Balanced 11.6	Bonds 7.0	Lg Growth -38.4	Lg Value 19.7	Balanced 10.5	Cash 0.1	Sm Growth 14.6	REIT 1.3	TIPS 3.6	TIPS -1.44	Lg Growth 7.1	High Yield 7.5	High Yield 0.1
Sm Growth 1.2	High Yield 2.5	High Yield -5.1	Lg Value -5.6	Sm Value -11.4	Cmdty 20.7	Balanced 9.3	Sm Growth 4.2	Lg Growth 9.1	Cash 4.7	Sm Growth -38.5	Balanced 17.3	Cmdty 9.0	Cmdty -1.18	Balanced 10.2	Cash 0.1	High Yield 2.5	Lg Value -3.8	Balanced 5.8	Cmdty 5.8	TIPS 0.0
Sm Value -6.5	TIPS 2.4	EAFE -14.2	Sm Growth -9.23	Lg Value -15.5	Balanced 18.0	TIPS 8.5	Cash 3.0	Cash 4.8	High Yield 2.2	REIT -39.1	Cmdty 13.5	EAFE 7.8	Sm Growth -2.9	TIPS 7.0	Cmdty -1.2	Cash 0.0	High Yield -4.6	TIPS 4.7	REIT 3.7	Bonds -1.6
REIT -16.9	Bonds -0.8	Lg Growth -22.4	Lg Growth -20.4	EAFE -15.9	TIPS 8.4	Lg Growth 6.3	TIPS 2.8	Bonds 4.3	Lg Value -0.2	EAFE -43.4	TIPS 11.4	Bonds 6.5	Sm Value -5.5	Bonds 4.2	Bonds -2.0	Emg Mkt -2.2	Sm Value -7.5	Bonds 2.6	Bonds 3.5	Lg Value -1.7
Emg Mkt -25.3	Sm Value -1.5	Sm Growth -22.4	EAFE -21.4	Lg Growth -27.9	Bonds 4.1	Bonds 4.3	High Yield 2.7	TIPS 0.4	Sm Value -9.8	Cmdty -46.5	Bonds 5.9	TIPS 6.3	EAFE -12.1	Cash 0.1	Emg Mkt -2.6	EAFE -4.9	Emg Mkt -14.9	EAFE 1.0	TIPS 3.0	EAFE -2.7
Cmdty -35.8	REIT -4.6	Emg Mkt -30.8	Cmdty -31.9	Sm Growth -30.3	Cash 1.1	Cash 1.2	Bonds 2.4	Cmdty -15.1	REIT -17.8	Emg Mkt -53.3	Cash 0.2	Cash 0.1	Emg Mkt -18.4	Cmdty 0.1	TIPS -8.6	Cmdty -33.1	Cmdty -32.7	Cash 0.3	Cash 0.8	Emg Mkt -6.7

### Mutual Fund Flows by Asset Class (\$ billions – ex ETFs)

Morningstar Category	3 Month	1 Year	3 Year	Net Assets	Morningstar Category	3 Month	1 Year	3 Year	Net Assets
Total Equity	42.0	213.5	465.5	11,408	Taxable Bond	40.0	329.2	668.6	3,767
Total Bond	39.9	357.9	757.2	4,470	Municipal Bond	(0.1)	28.7	88.6	703
Money Market	35.0	104.1	891.5	2,295	High Yield Bond	(0.0)	(28.2)	(35.2)	289
US Equity	27.1	(20.7)	37.7	8,108	Target Date	10.0	64.1	213.0	1,121
International Equity	15.0	234.1	427.8	3,300	Allocation	(5.2)	(25.3)	(112.5)	1,343
Diversified EM	2.0	48.3	83.6	573	Commodities	2.4	7.8	19.2	106

Morningstar's estimated net flow in/out of US open-end mutual funds (excludes Exchange Traded Funds). Data represents all distribution channels (retail and institutional). Source: Morningstar as of 5/31/2018.

Large Growth – Russell 1000 Growth Index; Large Value – Russell 1000 Value Index; Small Growth – Russell 2000 Growth Index; Small Value – Russell 2000 Value Index; EAFE – MSCI EAFE Index; Emerging Markets – MSCI Emerging Markets Index; High Yield – Merrill Lynch U.S. High Yield Master II Index; Bonds – Bloomberg Barclays Aggregate Bond Index; TIPS – Bloomberg Barclays US Treasury Inflation Protected Notes (TIPS) Index; Commodities – S&P GS Commodity Index; REIT – MSCI US REIT Index; Cash – Citigroup 3 month T-Bill. The "Balanced" portfolio is re-balanced monthly and assumes the following weights: 35% DJ US Total Stock Market, 15% MSCI EAFE, 40% US Bloomberg Barclays Aggregate Bond and 10% Bloomberg Barclays 3-Month T-Bill.

Source: Morningstar as of 6/30/18. Indices are unmanaged and you cannot invest directly in an index.

Please refer to the Market Perspective Notes for risk disclosures. Past performance is no guarantee of future results.



## Market Perspective Notes

Third-party marks are the property of their respective owners; all other marks are the property of FMR LLC.

The S&P 500 Sector Indices are constructed using the Global Industry Classification Standard (GICS), a widely accepted industry analysis framework for investment research, portfolio management and asset allocation jointly developed and maintained by MSCI and Standard & Poor's.

References to specific security, sector or investment strategy should not be construed as recommendations or investment advice. The statements and opinions are expressed as of June 30, 2018 and subject to change at any time, based on market and other conditions.

Past performance is no guarantee of future results. Indices are unmanaged and you cannot invest directly in an index.

**Keep in mind that investing involves risk. The value of your investment will fluctuate over time and you may gain or lose money.**

### **Investment Risks:**

Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments.

The securities of smaller, less well-known companies can be more volatile than those of larger companies.

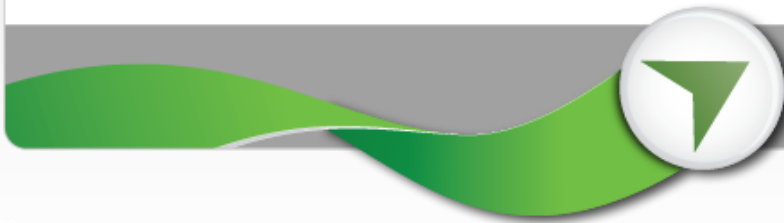
Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation. Investments in smaller companies may involve greater risks than those in larger, more well known companies.

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 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. The value of inflation-protected debt securities tends to change less due to changes in inflation than other types of bonds but may decrease with decreases in inflation or, as with other debt securities, with increases in interest rates.

*Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer.*

Fidelity Brokerage Services LLC, Member NYSE, SIPC, 900 Salem Street, Smithfield, RI 02917  
Fidelity Investments Institutional Services Company, Inc., 500 Salem Street, Smithfield, RI 02917

# Investment Spectrum



# Important Information About Investment Risks and Risk Spectrums

**Placement of investment options within each risk spectrum is only in relation to the investment options within that specific spectrum. Placement does not reflect risk relative to the investment options shown in the other risk spectrums.**

**Risk Spectrum for Lifecycle Investment Options:** Lifecycle investment options are represented on a separate spectrum because they are generally designed for investors expecting to retire around the year indicated in each investment's name. The investments are managed to gradually become more conservative over time. The investment risks of each lifecycle investment change over time as its asset allocation changes. They are subject to the volatility of the financial markets, including equity and fixed income investments in the U.S. and abroad and may be subject to risks associated with investing in high yield, small cap and foreign securities. Principal investment is not guaranteed at any time, including at or after their target dates.

**Risk Spectrum for General Investment Options:** This spectrum, with the exception of the Domestic Equity category, is based on Fidelity's analysis of the characteristics of the general investment categories and not on the actual investment options and their holdings, which can change frequently. Investment options in the Domestic Equity category are based on the options' Morningstar categories as of the date indicated. Morningstar categories are based on a fund's style as measured by its underlying portfolio holdings over the past three years and may change at any time. These style calculations do not represent the investment options' objectives and do not predict the investment options' future styles. Investment options are listed in alphabetical order within each investment category. Risk associated with the investment options can vary significantly within each particular investment category and the relative risk of categories may change under certain economic conditions. For a more complete discussion of risk associated with the mutual fund options, please read the prospectuses before making your investment decisions. The spectrum does not represent actual or implied performance.

Any product indicated as being on a watch list has been previously placed in this status by the plan sponsor. This may indicate that a product is subject to additional due diligence by the plan sponsor. This does not indicate a product that is being recommended to be placed on a watch list.

## **Investment Risks:**

Unless specifically stated otherwise in their detailed descriptions, principal invested in any of the Plan's investment options is not guaranteed at any time, including near or during retirement.

The investment risks of each lifecycle fund changes over time as its asset allocation changes. They are subject to the volatility of the financial markets, including equity and fixed income investments in the U.S. and abroad and may be subject to risks associated with investing in high yield, small cap and foreign securities.

Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments.

Foreign securities are subject to interest-rate, currency-exchange-rate, economic, and political risks, all of which are magnified in emerging markets. These risks are particularly significant for funds that focus on a single country or region.

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 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.

Investments in lower-quality debt securities generally offer higher yields, but also involve greater risk of default or price changes due to potential changes in the credit quality of the issuer.

Investments in smaller companies may involve greater risks than those in larger, more well known companies.

Because of their narrow focus, sector funds may be more volatile than funds that diversify across many sectors.

Investments in mortgage securities are subject to the risk that principal will be repaid prior to maturity. As a result, when interest rates decline, gains may be reduced, and when interest rates rise, losses may be greater.

(If applicable) Your company stock investment option is neither a mutual fund nor a diversified or managed investment option.

***Please see Fund Diagnostics Summary section for important information on Money Market Mutual Funds.***

# Investment Options Spectrum – as of 06/30/2018

CITY OF FRESNO – 35801

Total Plan Assets: \$180,364,450  
 Total Plan Participants: 2,060  
 Self-Directed Brokerage Assets: 1.7%  
 Self-Directed Brokerage Participant Count: 48

For each risk spectrum below, categories/investment options to the left have potentially more inflation risk and less investment risk

For each risk spectrum below, categories/investment options to the right have potentially less inflation risk and more investment risk

26.6%		Risk Spectrum for Lifecycle Funds						
	FID FREEDOM INC K (0.5%, 32) FID FREEDOM 2005 K (0.3%, 6) FID FREEDOM 2010 K (1.4%, 56) FID FREEDOM 2015 K (1.8%, 44) FID FREEDOM 2020 K (6.6%, 192)						FID FREEDOM 2025 K (4.8%, 117) FID FREEDOM 2030 K (5.1%, 176) FID FREEDOM 2035 K (2.3%, 122)	FID FREEDOM 2040 K (2.1%, 118) FID FREEDOM 2045 K (1.1%, 89) FID FREEDOM 2050 K (0.5%, 57) FID FREEDOM 2055 K (0.1%, 28) FID FREEDOM 2060 K (0.0%, 15)
71.8%		Risk Spectrum for General Investment Options						
Money Market or Short-Term	Managed Income or Stable Value	Bond	Balanced/ Hybrid	Domestic Equity			International/Global Equity	Specialty
	MELLON STABLE VAL M (10.9%, 611)	<u>Diversified</u> PIM TOTAL RT INST (2.5%, 235)  FID US BOND IDX PR (0.4%, 128)  <u>High Yield</u> FID CAPITAL & INCOME (2.0%, 122)	FID PURITAN K (1.3%, 98)	<u>Large Value</u> FID EQUITY INCOME K (2.0%, 135)  ABF LG CAP VAL INST (0.5%, 124)  <u>Mid Value</u> FID LOW PRICED STK K (3.5%, 224)  FID VALUE K (1.3%, 100)  <u>Small Value</u> ABF SM CAP VAL INST (1.4%, 95)	<u>Large Blend</u> FID 500 INDEX PR (2.5%, 246)  DAVIS NY VENTURE Y (1.7%, 214)  TRP DIV GROWTH (0.7%, 74)  FID TOT MKT IDX PR (0.7%, 33)  <u>Mid Blend</u> FID EXT MKT IDX PR (0.6%, 100)  <u>Small Blend</u>	<u>Large Growth</u> FID GROWTH CO K (15.5%, 602)  FID CONTRAFUND K (12.1%, 485)  <u>Mid Growth</u> ARTISAN MID CAP INST (4.5%, 292)  FID MID CAP STOCK K (0.9%, 170)  <u>Small Growth</u> FID SMALL CAP GROWTH (0.7%, 173)  *MSIF SM CO GRTH IS (0.4%, 44)	<u>Diversified</u> J H GLB RESEARCH I (1.9%, 263)  FKLN MTL GLB DISC Z (1.8%, 286)  FID DIVERSIFD INTL K (1.4%, 234)  TEMPLETON GROWTH R6 (0.2%, 22)  FID INTL INDEX PR (0.5%, 126)	

\*Frozen Fund Indicator

Numbers left of spectrums represent percent of assets for that group of investment options. Numbers in parentheses represent percent of assets and number of participants in the investment option.



# Plan Asset Summary – as of 06/30/2018

CITY OF FRESNO – 35801

<b>TOTAL PLAN ASSETS</b>	<b>\$180,364,450</b>
CORE MUTUAL FUND OPTIONS	\$129,433,163
LIFE CYCLE FUNDS ASSETS	\$47,951,432
SELF-DIRECTED BROKERAGE ASSETS	\$2,979,854
Self Directed Brokerage Assets	\$2,979,854
Frozen Assets	\$647,434

Fund Name	% Of Assets	Market Value
<b>CORE MUTUAL FUND OPTIONS</b>		
FID GROWTH CO K	15.5%	\$27,929,659
FID CONTRAFUND K	12.1%	\$21,826,787
MELLON STABLE VAL M	10.9%	\$19,669,120
ARTISAN MID CAP INST	4.5%	\$8,121,668
FID LOW PRICED STK K	3.5%	\$6,400,859
FID 500 INDEX PR	2.5%	\$4,541,873
PIM TOTAL RT INST	2.5%	\$4,530,992
FID EQUITY INCOME K	2.0%	\$3,574,252
FID CAPITAL & INCOME	2.0%	\$3,529,759
J H GLB RESEARCH I	1.9%	\$3,384,846
FKLN MTL GLB DISC Z	1.8%	\$3,253,427
DAVIS NY VENTURE Y	1.7%	\$3,078,148
FID DIVERSIFD INTL K	1.4%	\$2,481,618
ABF SM CAP VAL INST	1.4%	\$2,463,374
FID PURITAN K	1.3%	\$2,397,529
FID VALUE K	1.3%	\$2,254,789
FID MID CAP STOCK K	0.9%	\$1,640,097
FID SMALL CAP GROWTH	0.7%	\$1,264,398
TRP DIV GROWTH	0.7%	\$1,226,351
FID TOT MKT IDX PR	0.7%	\$1,214,436
FID EXT MKT IDX PR	0.6%	\$1,171,942
FID INTL INDEX PR	0.5%	\$962,355
ABF LG CAP VAL INST	0.5%	\$871,874
FID US BOND IDX PR	0.4%	\$708,583
MSIF SM CO GRTH IS	0.4%	\$647,434
TEMPLETON GROWTH R6	0.2%	\$286,993
<b>LIFE CYCLE FUNDS</b>		
FID FREEDOM 2020 K	6.6%	\$11,857,623
FID FREEDOM 2030 K	5.1%	\$9,158,748
FID FREEDOM 2025 K	4.8%	\$8,719,216
FID FREEDOM 2035 K	2.3%	\$4,081,865
FID FREEDOM 2040 K	2.1%	\$3,854,339
FID FREEDOM 2015 K	1.8%	\$3,228,009
FID FREEDOM 2010 K	1.4%	\$2,604,512
FID FREEDOM 2045 K	1.1%	\$1,949,239
FID FREEDOM 2050 K	0.5%	\$907,425
FID FREEDOM INC K	0.5%	\$893,871
FID FREEDOM 2005 K	0.3%	\$458,508
FID FREEDOM 2055 K	0.1%	\$155,542

Fund Name	% Of Assets	Market Value
FID FREEDOM 2060 K	0.0%	\$82,535
<b>SELF-DIRECTED BROKERAGE</b>		
BROKERAGELINK	1.7%	\$2,979,854

# Investment Analysis



## Fund Diagnostics Summary – as of 06/30/2018

**Understanding investment performance:** As you review this update, please remember that the performance data stated represents past performance, which does not guarantee future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance stated. To learn more or to obtain the most recent month-end performance, call Fidelity or visit [www.401k.com](http://www.401k.com) (log in, choose plan, select "Investment Choices & Research", and then pick investment option.)

% Rank in Category is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is one and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of one. The number in parentheses represents the number of funds in the category. % Rank in Category is based on total returns, which include reinvested dividends and capital gains, if any, and exclude sales charges.

Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of Fund figures are reported as of the inception date to the period indicated. These figures do not include the effect of sales charges, if any, as these charges are waived for contributions made through your company's employee benefit plans. If sales charges were included, returns would have been lower.

Pre-inception returns: The analysis on these pages may be based, in part, on historical returns for periods prior to the class's actual inception. Generally, these calculated returns reflect the historical performance of an older share class of the investment, which may be adjusted to reflect the fees and expenses of the newer share class. Pre-inception returns are not actual returns and return calculation methodologies utilized by Morningstar, other entities and the investment option may differ. Pre-inception returns generally will be replaced by the actual returns of the newer share class over time. Please click on dedicated web page or refer to the fund prospectus or plan information for specific information regarding fees, expenses and returns.

If Morningstar category performance, count and expense information is displayed for a non SEC registered product, please note this information is for comparison purposes only as non SEC registered products are not included within the respective Morningstar category.

Non SEC registered products in the variable annuity universe will display with Morningstar category performance, count, expense and rank information. These products are included within the Morningstar category for the variable annuity universe; thus, they are ranked within the category.

**NOTE:** Please see page(s) at the end of the Investment Analysis section for additional information regarding fund performance, fees, and expenses.

## Important Information About Money Market Mutual Funds

**Fidelity Government Mutual Fund Money Market:** *You could lose money by investing in a money market fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Fidelity Investments and its affiliates, the fund's sponsor, have no legal obligation to provide financial support to money market funds and you should not expect that the sponsor will provide financial support to the fund at any time.*

Fidelity's government and U.S. Treasury money market funds will not impose a fee upon the sale of your shares, nor temporarily suspend your ability to sell shares if the fund's weekly liquid assets fall below 30% of its total assets because of market conditions or other factors.

**Non-Fidelity Government Mutual Fund Money Market:** *You could lose money by investing in a money market fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to money market funds and you should not expect that the sponsor will provide financial support to the fund at any time.*

*The fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the fund's weekly liquid assets fall below 30% of its total assets because of market conditions or other factors. Any applicable funds will be detailed at the end of the Investment Analysis section. Please see Important Additional Information / Other Information.*

**Fidelity Institutional Mutual Fund Money Market:** *You could lose money by investing in a money market fund. Because the share price of the fund will fluctuate, when you sell your shares they may be worth more or less than what you originally paid for them. The Fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the Fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Fidelity Investments and its affiliates, the fund's sponsor, have no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.*

**Non-Fidelity Institutional Mutual Fund Money Market:** *You could lose money by investing in a money market fund. Because the share price of the fund will fluctuate, when you sell your shares they may be worth more or less than what you originally paid for them. The Fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the Fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.*

**Fidelity Retail Mutual Fund Money Market:** *You could lose money by investing in a money market fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. The Fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the Fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Fidelity Investments and its affiliates, the fund's sponsor, have no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.*

**Non-Fidelity Retail Mutual Fund Money Market:** *You could lose money by investing in a money market fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. The Fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the Fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund and you should not expect that the sponsor will provide financial support to the fund at any time.*

# Fund Diagnostics Summary – as of 06/30/2018

CITY OF FRESNO - 35801

+ Non SEC Registered Product Indicator

SEC Registered Product

% Rank in Category

% Rank is less than or equal to 50%

% Rank is greater than or equal to 75%

SEC Registered Product

Expense Ratio

Expense Ratio Aft Red is greater than Cat Avg

Product Name Benchmark(s) Morningstar Category	YTD Cum Ret %	QE Cum Ret %	1 Yr Avg Ann Tot Ret %	% Rank in Cat/ (Count)	3 Yr Avg Ann Tot Ret %	% Rank in Cat/ (Count)	5 Yr Avg Ann Tot Ret	% Rank in Cat/ (Count)	10 Yr/LOF Avg Ann Tot Ret %	% Rank in Cat/ (Count)	Incept Date	Gross Expense Ratio	Expense Ratio Aft Red	ST Trade Fee (%/days)
<b>Asset Class: Managed Income (or Stable Value)</b>														
+ <u>MELLON STABLE VAL M</u>	.93	.48	1.79	-	1.62	-	1.51	-	2.05	-	1/7/08	0.39	0.39	
ICE BM US 3-Mo Trea Bill	0.81	0.45	1.36		0.68		0.42							
<b>Asset Class: Bond Diversified</b>														
<u>FID US BOND IDX PR</u>	-1.73	-0.22	-0.62	61%	1.63	53%	2.19	52%	3.55	70%	3/8/90	0.045	0.045	
BBgBarc U.S. Agg Bond	-1.62	-0.16	-0.40		1.72		2.27		3.72					
Morningstar: Intermediate-Term Bond (Count)	-1.55	-0.24	-0.36	(999)	1.68	(878)	2.20	(778)	3.89	(563)		1.15	0.76	
<u>PIM TOTAL RT INST</u>	-1.71	-0.44	-0.12	31%	2.10	27%	2.49	33%	4.85	12%	5/11/87	0.51	0.46	
BBgBarc U.S. Agg Bond	-1.62	-0.16	-0.40		1.72		2.27		3.72					
Morningstar: Intermediate-Term Bond (Count)	-1.55	-0.24	-0.36	(999)	1.68	(878)	2.20	(778)	3.89	(563)		1.15	0.76	
<b>High Yield</b>														
<u>FID CAPITAL &amp; INCOME</u>	0.64	1.38	5.69	3%	5.78	6%	7.05	1%	8.55	3%	11/1/77	0.67	0.67	
ICE BAML US HY/HY Const B	0.08	1.00	2.54		5.56		5.51		8.08					
Morningstar: High Yield Bond (Count)	-0.16	0.56	2.23	(680)	4.20	(575)	4.36	(484)	6.51	(321)		1.42	1.04	
<b>Asset Class: Balanced/Hybrid</b>														
<u>FID PURITAN K</u>	3.14	3.49	12.76	1%	8.65	3%	10.50	2%	8.42	4%	4/16/47	0.46	0.46	
S&P 500	2.65	3.43	14.37		11.93		13.42		10.17					
Fid Puritan Composite Idx	1.00	1.99	8.34		7.88		8.97		7.84					
Morningstar: Allocation--50% to 70% Equity (Count)	-0.11	1.16	6.58	(766)	5.59	(674)	6.85	(617)	6.27	(439)		1.39	1.14	
<b>Asset Class: Domestic Equities Large Value</b>														
<u>ABF LG CAP VAL INST</u>	-0.62	2.22	9.11	49%	7.78	64%	10.04	52%	8.59	43%	7/17/87	0.6	0.6	
Russell 1000 Value	-1.69	1.18	6.77		8.26		10.34		8.49					
Morningstar: Large Value (Count)	-0.95	1.63	9.04	(1,273)	8.35	(1,099)	9.94	(951)	8.3	(686)		1.28	1.01	
<u>FID EQUITY INCOME K</u>	-2.48	2.07	5.67	86%	7.40	71%	8.85	83%	7.19	79%	5/16/66	0.53	0.53	
Russell 3000 Value	-1.16	1.71	7.25		8.48		10.40		8.60					
Morningstar: Large Value (Count)	-0.95	1.63	9.04	(1,273)	8.35	(1,099)	9.94	(951)	8.3	(686)		1.28	1.01	

# Fund Diagnostics Summary – as of 06/30/2018

CITY OF FRESNO - 35801

+ Non SEC Registered Product Indicator

SEC Registered Product

% Rank in Category

% Rank is less than or equal to 50%

% Rank is greater than or equal to 75%

SEC Registered Product

Expense Ratio

Expense Ratio Aft Red is greater than Cat Avg

Product Name Benchmark(s) Morningstar Category	YTD Cum Ret %	QE Cum Ret %	1 Yr Avg Ann Tot Ret %	% Rank in Cat/ (Count)	3 Yr Avg Ann Tot Ret %	% Rank in Cat/ (Count)	5 Yr Avg Ann Tot Ret	% Rank in Cat/ (Count)	10 Yr/LOF Avg Ann Tot Ret %	% Rank in Cat/ (Count)	Incept Date	Gross Expense Ratio	Expense Ratio Aft Red	ST Trade Fee (%/days)
<b>Large Blend</b>														
<a href="#">DAVIS NY VENTURE Y</a>	2.35	4.56	14.99	16%	12.12	8%	12.64	38%	8.66	68%	2/17/69	0.63	0.63	
S&P 500	2.65	3.43	14.37		11.93		13.42		10.17					
Morningstar: Large Blend (Count)	1.58	2.68	12.58	(1,353)	9.93	(1,166)	11.73	(1,042)	9.08	(776)		2.1	0.95	
<a href="#">FID 500 INDEX PR</a>	2.63	3.43	14.34	28%	11.89	12%	13.38	11%	10.14	20%	2/17/88	0.035	0.035	
S&P 500	2.65	3.43	14.37		11.93		13.42		10.17					
Morningstar: Large Blend (Count)	1.58	2.68	12.58	(1,353)	9.93	(1,166)	11.73	(1,042)	9.08	(776)		2.1	0.95	
<a href="#">FID TOT MKT IDX PR</a>	3.23	3.86	14.79	20%	11.56	22%	13.22	19%	10.26	16%	11/5/97	0.035	0.035	
DJ US Total Stk Mkt	3.25	3.87	14.79		11.56		13.22		10.28					
Morningstar: Large Blend (Count)	1.58	2.68	12.58	(1,353)	9.93	(1,166)	11.73	(1,042)	9.08	(776)		2.1	0.95	
<a href="#">TRP DIV GROWTH</a>	1.63	2.38	10.82	75%	10.98	40%	12.31	49%	9.76	36%	12/30/92	0.64	0.64	
S&P 500	2.65	3.43	14.37		11.93		13.42		10.17					
Morningstar: Large Blend (Count)	1.58	2.68	12.58	(1,353)	9.93	(1,166)	11.73	(1,042)	9.08	(776)		2.1	0.95	
<b>Large Growth</b>														
<a href="#">FID CONTRAFUND K</a>	9.56	6.30	24.11	28%	15.00	19%	16.13	27%	11.02	36%	5/17/67	0.65	0.65	
S&P 500	2.65	3.43	14.37		11.93		13.42		10.17					
Morningstar: Large Growth (Count)	7.51	5.13	20.58	(1,454)	12.21	(1,265)	14.37	(1,141)	10.23	(825)		1.6	1.1	
<a href="#">FID GROWTH CO K</a>	11.35	5.80	28.10	11%	18.00	3%	19.57	3%	13.43	6%	1/17/83	0.75	0.75	
Russell 3000 Growth	7.44	5.87	22.47		14.63		16.14		11.78					
Morningstar: Large Growth (Count)	7.51	5.13	20.58	(1,454)	12.21	(1,265)	14.37	(1,141)	10.23	(825)		1.6	1.1	
<b>Mid Value</b>														
<a href="#">FID LOW PRICED STK K</a>	0.92	1.99	13.07	14%	8.17	49%	10.66	39%	10.30	30%	12/27/89	0.58	0.58	
Russell 2000	7.66	7.75	17.57		10.96		12.46		10.60					
Morningstar: Mid-Cap Value (Count)	0.19	2.55	8.86	(409)	7.99	(365)	10.12	(307)	9.16	(221)		2.4	1.12	
<a href="#">FID VALUE K</a>	-0.68	3.71	7.13	68%	6.67	74%	10.40	47%	8.85	53%	12/1/78	0.51	0.51	
Russell Midcap Value	-0.16	2.41	7.60		8.80		11.27		10.06					
Morningstar: Mid-Cap Value (Count)	0.19	2.55	8.86	(409)	7.99	(365)	10.12	(307)	9.16	(221)		2.4	1.12	

# Fund Diagnostics Summary – as of 06/30/2018

CITY OF FRESNO - 35801

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SEC Registered Product

% Rank in Category

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SEC Registered Product

Expense Ratio

Expense Ratio Aft Red is greater than Cat Avg

Product Name Benchmark(s) Morningstar Category	YTD Cum Ret %	QE Cum Ret %	1 Yr Avg Ann Tot Ret %	% Rank in Cat/ (Count)	3 Yr Avg Ann Tot Ret %	% Rank in Cat/ (Count)	5 Yr Avg Ann Tot Ret	% Rank in Cat/ (Count)	10 Yr/LOF Avg Ann Tot Ret %	% Rank in Cat/ (Count)	Incept Date	Gross Expense Ratio	Expense Ratio Aft Red	ST Trade Fee (%/days)
<b>Mid Blend</b>														
<u>FID EXT MKT IDX PR</u>	6.12	5.97	16.83	6%	10.33	23%	12.60	11%	10.82	11%	11/5/97	0.07	0.07	
<i>DJ US Completion TSM</i>	6.06	5.94	16.71		10.16		12.46		10.69					
Morningstar: Mid-Cap Blend (Count)	1.95	2.96	11.31	(456)	7.96	(369)	10.61	(329)	8.92	(232)		1.3	1.07	
<b>Mid Growth</b>														
<u>ARTISAN MID CAP INST</u>	7.76	3.59	12.81	85%	7.84	75%	11.46	70%	11.09	18%	6/27/97	0.95	0.95	
<i>Russell MidCap</i>	2.35	2.82	12.33		9.58		12.22		10.23					
<i>Russell Midcap Growth</i>	5.40	3.16	18.52		10.73		13.37		10.45					
Morningstar: Mid-Cap Growth (Count)	6.39	4.16	18.06	(607)	9.68	(541)	12.31	(480)	9.45	(344)		1.7	1.2	
<u>FID MID CAP STOCK K</u>	3.56	3.64	13.84	81%	9.51	54%	11.99	58%	9.17	59%	3/29/94	0.51	0.51	
<i>S&amp;P MidCap 400</i>	3.49	4.29	13.50		10.89		12.69		10.78					
Morningstar: Mid-Cap Growth (Count)	6.39	4.16	18.06	(607)	9.68	(541)	12.31	(480)	9.45	(344)		1.7	1.2	
<b>Small Value</b>														
<u>ABF SM CAP VAL INST</u>	4.34	6.48	12.70	45%	9.87	39%	11.43	26%	10.78	29%	12/31/98	0.83	0.83	
<i>Russell 2000 Value</i>	5.44	8.30	13.10		11.22		11.18		9.88					
Morningstar: Small Value (Count)	3.72	6.61	12.44	(413)	9.13	(358)	9.87	(316)	9.71	(220)		1.58	1.27	
<b>Small Growth</b>														
<u>FID SMALL CAP GROWTH</u>	14.03	6.78	30.22	14%	15.17	11%	16.95	5%	12.29	23%	11/3/04	1.09	1.09	
<i>Russell 2000 Growth</i>	9.70	7.23	21.86		10.60		13.65		11.24					
Morningstar: Small Growth (Count)	11.05	8.53	22.70	(701)	11.04	(606)	12.76	(534)	10.85	(404)		4.8	1.26	
<u>MSIF SM CO GRTH IS</u>	16.33	13.13	23.12	45%	6.01	95%	8.72	96%	9.69	73%	11/1/89	1.09	0.93	2.00/30
<i>Russell 2000 Growth</i>	9.70	7.23	21.86		10.60		13.65		11.24					
Morningstar: Small Growth (Count)	11.05	8.53	22.70	(701)	11.04	(606)	12.76	(534)	10.85	(404)		4.8	1.26	
<b>Asset Class: International/Global</b>														
<b>Diversified</b>														
<u>FID DIVERSIFD INTL K</u>	-2.58	-0.92	6.17	89%	4.17	87%	7.31	51%	3.12	74%	12/27/91	0.82	0.82	
<i>MSCI EAFE (Net MA)</i>	-2.58	-1.12	7.08		5.11		6.63		3.00					
Morningstar: Foreign Large Growth (Count)	-0.43	-0.72	10.53	(423)	6.62	(344)	7.72	(304)	3.92	(218)		3.43	1.18	

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Expense Ratio

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<b>FID INTL INDEX PR</b>	-2.54	-1.61	6.60	45%	4.93	43%	6.47	35%	2.99	34%	11/5/97	0.06	0.06	
<i>MSCI EAFE (Net MA)</i>	-2.58	-1.12	7.08		5.11		6.63		3.00					
Morningstar: Foreign Large Blend (Count)	-3.06	-2.14	6.08	(774)	4.56	(623)	5.92	(533)	2.61	(371)		4.02	1.05	
<b>FKLN MTL GLB DISC Z</b>	-1.48	1.24	1.44	97%	4.70	90%	7.18	79%	6.64	38%	12/31/92	0.96	0.96	
<i>MSCI World (N)</i>	0.43	1.73	11.09		8.48		9.94		6.26					
Morningstar: World Large Stock (Count)	0.18	0.62	10.28	(872)	7.91	(721)	9.21	(596)	6.18	(343)		2.56	1.19	
<b>J H GLB RESEARCH I</b>	2.59	1.40	12.92	25%	7.49	53%	10.52	26%	7.14	29%	2/25/05	0.65	0.65	
<i>MSCI World (N)</i>	0.43	1.73	11.09		8.48		9.94		6.26					
<i>MSCI AC World (N)</i>	-0.43	0.53	10.73		8.19		9.41		5.80					
Morningstar: World Large Stock (Count)	0.18	0.62	10.28	(872)	7.91	(721)	9.21	(596)	6.18	(343)		2.56	1.19	
<b>TEMPLETON GROWTH R6</b>	-2.20	0.49	4.33	88%	5.54	81%	6.99	80%	5.01	76%	11/29/54	0.72	0.72	
<i>MSCI AC World (N)</i>	-0.43	0.53	10.73		8.19		9.41		5.80					
Morningstar: World Large Stock (Count)	0.18	0.62	10.28	(872)	7.91	(721)	9.21	(596)	6.18	(343)		2.56	1.19	

# Fund Diagnostics Summary – as of 06/30/2018

CITY OF FRESNO - 35801

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SEC Registered Product

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SEC Registered Product

Expense Ratio

Expense Ratio Aft Red is greater than Cat Avg

Product Name Benchmark(s) Morningstar Category	YTD Cum Ret %	QE Cum Ret %	1 Yr Avg Ann Tot Ret %	% Rank in Cat/ (Count)	3 Yr Avg Ann Tot Ret %	% Rank in Cat/ (Count)	5 Yr Avg Ann Tot Ret	% Rank in Cat/ (Count)	10 Yr/LOF Avg Ann Tot Ret %	% Rank in Cat/ (Count)	Incept Date	Gross Expense Ratio	Expense Ratio Aft Red	ST Trade Fee (%/days)
<b>Asset Class: Lifecycle Funds</b>														
<b>FID FREEDOM INC K</b>	-0.32	0.19	3.31	62%	3.73	49%	4.05	66%	4.02	77%	10/17/96	0.42	0.42	
<i>BBgBarc U.S. Agg Bond</i>	-1.62	-0.16	-0.40		1.72		2.27		3.72					
<i>FID FF Income Comp Idx</i>	-0.18	0.53	3.19		3.37		3.79		3.76					
Morningstar: Target-Date Retirement (Count)	-0.60	0.34	3.50	(188)	3.66	(163)	4.26	(133)	4.45	(92)		4.59	0.79	
<b>FID FREEDOM 2005 K</b>	-0.09	0.31	4.55	37%	4.60	45%	5.24	64%	4.50	80%	11/6/03	0.43	0.43	
<i>BBgBarc U.S. Agg Bond</i>	-1.62	-0.16	-0.40		1.72		2.27		3.72					
<i>FID FF 2005 Comp Idx</i>	-0.05	0.68	4.36		4.27		5.03		4.68					
Morningstar: Target-Date 2000-2010 (Count)	-0.32	0.38	4.37	(135)	4.38	(111)	5.33	(87)	4.88	(76)		5.92	0.72	
<b>FID FREEDOM 2010 K</b>	0.00	0.44	5.64	9%	5.33	6%	6.23	13%	5.30	38%	10/17/96	0.46	0.46	
<i>BBgBarc U.S. Agg Bond</i>	-1.62	-0.16	-0.40		1.72		2.27		3.72					
<i>FID FF 2010 Comp Idx</i>	0.07	0.83	5.40		5.03		6.07		5.68					
Morningstar: Target-Date 2000-2010 (Count)	-0.32	0.38	4.37	(135)	4.38	(111)	5.33	(87)	4.88	(76)		5.92	0.72	
<b>FID FREEDOM 2015 K</b>	0.18	0.56	6.61	7%	6.04	1%	6.91	5%	5.56	40%	11/6/03	0.5	0.5	
<i>BBgBarc U.S. Agg Bond</i>	-1.62	-0.16	-0.40		1.72		2.27		3.72					
<i>FID FF 2015 Comp Idx</i>	0.19	0.99	6.47		5.81		6.80		5.98					
Morningstar: Target-Date 2015 (Count)	-0.20	0.54	5.14	(138)	4.81	(109)	5.84	(75)	5.22	(49)		6.26	0.74	
<b>FID FREEDOM 2020 K</b>	0.22	0.58	7.32	9%	6.48	3%	7.43	13%	5.66	42%	10/17/96	0.54	0.54	
<i>S&amp;P 500</i>	2.65	3.43	14.37		11.93		13.42		10.17					
<i>FID FF 2020 Comp Idx</i>	0.28	1.11	7.24		6.35		7.36		6.25					
Morningstar: Target-Date 2020 (Count)	-0.25	0.54	5.65	(252)	5.07	(203)	6.07	(160)	5.33	(106)		3.68	0.81	
<b>FID FREEDOM 2025 K</b>	0.33	0.68	7.97	15%	6.86	5%	8.16	10%	6.12	35%	11/6/03	0.57	0.57	
<i>S&amp;P 500</i>	2.65	3.43	14.37		11.93		13.42		10.17					
<i>FID FF 2025 Comp Idx</i>	0.36	1.21	7.93		6.81		8.19		6.94					
Morningstar: Target-Date 2025 (Count)	-0.10	0.64	6.79	(222)	5.83	(178)	6.94	(138)	5.91	(72)		2.43	0.79	
<b>FID FREEDOM 2030 K</b>	0.57	0.85	9.52	9%	7.86	4%	9.10	8%	6.28	44%	10/17/96	0.61	0.61	
<i>S&amp;P 500</i>	2.65	3.43	14.37		11.93		13.42		10.17					
<i>FID FF 2030 Comp Idx</i>	0.55	1.42	9.52		7.90		9.17		7.19					
Morningstar: Target-Date 2030 (Count)	0.04	0.78	7.88	(241)	6.48	(193)	7.64	(150)	6.06	(96)		3.47	0.83	

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Expense Ratio

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<b>FID FREEDOM 2035 K</b>	0.87	1.07	10.89	6%	8.65	4%	9.91	3%	6.69	37%	11/6/03	0.64	0.64	
S&P 500	2.65	3.43	14.37		11.93		13.42		10.17					
FID FF 2035 Comp Idx	0.86	1.68	11.05		8.83		10.07		7.84					
Morningstar: Target-Date 2035 (Count)	0.26	0.86	8.94	(217)	7.13	(173)	8.36	(133)	6.55	(67)		3.44	0.8	
<b>FID FREEDOM 2040 K</b>	0.74	1.03	11.02	12%	8.73	3%	9.98	9%	6.65	48%	9/6/00	0.65	0.65	
S&P 500	2.65	3.43	14.37		11.93		13.42		10.17					
FID FF 2040 Comp Idx	0.91	1.73	11.27		8.92		10.18		7.84					
Morningstar: Target-Date 2040 (Count)	0.30	0.95	9.56	(241)	7.46	(193)	8.73	(150)	6.57	(96)		3.83	0.84	
<b>FID FREEDOM 2045 K</b>	0.81	1.06	11.03	18%	8.72	8%	10.04	12%	6.71	50%	6/1/06	0.65	0.65	
S&P 500	2.65	3.43	14.37		11.93		13.42		10.17					
FID FF 2045 Comp Idx	0.91	1.73	11.27		8.92		10.23		7.89					
Morningstar: Target-Date 2045 (Count)	0.45	0.98	10.12	(217)	7.79	(173)	9.06	(133)	6.78	(66)		3.44	0.81	
<b>FID FREEDOM 2050 K</b>	0.86	1.11	11.03	22%	8.73	10%	10.07	17%	6.54	67%	6/1/06	0.65	0.65	
S&P 500	2.65	3.43	14.37		11.93		13.42		10.17					
FID FF 2050 Comp Idx	0.91	1.73	11.27		8.92		10.25		7.81					
Morningstar: Target-Date 2050 (Count)	0.38	0.99	10.22	(237)	7.83	(188)	9.15	(145)	6.82	(70)		3.47	0.85	
<b>FID FREEDOM 2055 K</b>	0.83	1.05	11.09	30%	8.72	15%	10.16	19%	8.63	-	6/1/11	0.65	0.65	
S&P 500	2.65	3.43	14.37		11.93		13.42		13.16					
FID FF 2055 Comp Idx	0.91	1.73	11.27		8.92		10.36		9.81					
Morningstar: Target-Date 2055 (Count)	0.51	1.02	10.47	(215)	7.97	(171)	9.38	(106)		(9)		4.23	0.82	
<b>FID FREEDOM 2060 K</b>	0.81	1.06	10.99	37%	8.67	31%	-	-	8.50	-	8/5/14	0.65	0.65	
S&P 500	2.65	3.43	14.37		11.93		13.42		11.61					
FID FF 2060 Comp Idx	0.91	1.73	11.27		8.92				8.26					
Morningstar: Target-Date 2060+ (Count)	0.53	1.12	10.64	(177)	8.29	(65)	9.65	(8)				12.82	0.82	



# Mutual Funds by Expense Ratio after Reductions: Approximate Rank by Quartile— as of 06/30/2018

CITY OF FRESNO - 35801

Fidelity Rank In Cat	Mstar Cat Count	Fund Name	Exp Ratio After Red	% Total Plan Assets
2%	1293	FID 500 INDEX PR	0.035	2.5%
2%	1293	FID TOT MKT IDX PR	0.035	0.7%
2%	750	FID INTL INDEX PR	0.06	0.5%
3%	591	FID MID CAP STOCK K	0.51	0.9%
3%	1019	FID US BOND IDX PR	0.045	0.4%
4%	396	FID VALUE K	0.51	1.3%
4%	423	FID EXT MKT IDX PR	0.07	0.6%
6%	396	FID LOW PRICED STK K	0.58	3.5%
6%	734	FID PURITAN K	0.46	1.3%
8%	881	J H GLB RESEARCH I	0.65	1.9%
9%	404	ABF SM CAP VAL INST	0.83	1.4%
10%	1184	FID EQUITY INCOME K	0.53	2.0%
12%	881	TEMPLETON GROWTH R6	0.72	0.2%
14%	1414	FID CONTRAFUND K	0.65	12.1%
14%	1184	ABF LG CAP VAL INST	0.6	0.5%
17%	411	FID DIVERSIFD INTL K	0.82	1.4%
18%	681	FID CAPITAL & INCOME	0.67	2.0%
21%	706	MSIF SM CO GRTH IS	0.93	0.4%
24%	1414	FID GROWTH CO K	0.75	15.5%
24%	1019	PIM TOTAL RT INST	0.46	2.5%
26%	1293	DAVIS NY VENTURE Y	0.63	1.7%
27%	1293	TRP DIV GROWTH	0.64	0.7%
30%	591	ARTISAN MID CAP INST	0.95	4.5%
34%	881	FKLN MTL GLB DISC Z	0.96	1.8%
38%	706	FID SMALL CAP GROWTH	1.09	0.7%

Fidelity Quartile rankings: 0-25% (green), 26-50% (blue), 51-75% (light blue), 76-100% (red)

Top 25 Funds by Asset (with rank) totaling  
**60.9%** of Total Plan Assets

Chart indicates approximate ranking of mutual funds by expense ratios after reductions. The Plan's (or Plans') other investment options are not taken into account. This chart excludes Lifecycle products. Expense reductions may reflect waivers, reimbursements or voluntary caps that expire at any time or on a specific date. See previous pages after Fund Diagnostic Summary for details of expense reductions for each fund.

Expense Ratio after Reduction is the total annual operating expense from the fund's most recent prospectus after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses for no less than one year from the effective date of the fund's registration statement. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period.

Approximate rankings are determined by Fidelity on quarterly basis using data available at the time of publication. Fidelity ranks the expense ratio after reductions of each fund within each Morningstar category by first ordering the funds from those with the lowest expenses to those with the highest expenses, and then dividing their numerical order by the number of funds in the category. The highest percentile rank (or most favorable) is 1% and the lowest percentile rank (or least favorable) is 100%. The first quartile represents funds with lower expenses, and the fourth quartile represents funds with higher expenses. Fidelity Quartile Rankings display the funds' quartile rankings within their respective Morningstar categories.

Please see previous Fund Diagnostics for Morningstar Category information.

Although Morningstar gathers information from reliable sources, it cannot guarantee the accuracy, completeness or timeliness of its data. Please refer to the most recent prospectus or annual/semiannual report for the most current and complete information about a fund's fees and expenses.



## Important Additional Information

If more than one benchmark is shown, the first listed is the primary benchmark.

The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends and capital gains, if any, and excludes sales charges.

Morningstar, Inc., provided data on the non-Fidelity mutual funds. Although the data is gathered from reliable sources, accuracy and completeness cannot be guaranteed by Morningstar.

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Indices are unmanaged and you cannot invest directly in an index.

Manager Tenure: If a fund has more than one manager, the one with the longest tenure has been used to obtain manager tenure.

### Other Information:

FID FREEDOM 2015 K, FID FREEDOM 2030 K, FID FREEDOM 2045 K, FID FREEDOM 2060 K, FID FREEDOM 2005 K, FID FREEDOM 2020 K, FID FREEDOM INC K, FID FREEDOM 2040 K, FID FREEDOM 2055 K, FID FREEDOM 2010 K, FID FREEDOM 2025 K, FID FREEDOM 2035 K, FID FREEDOM 2050 K: On July 20, 2017, an initial offering of the Fidelity Freedom K class took place. Returns and expenses prior to that date are those of the Freedom (retail) class. Had K class expenses been reflected in the returns shown, total returns would have been higher.

FID LOW PRICED STK K, FID CONTRAFUND K, FID PURITAN K, FID MID CAP STOCK K, FID DIVERSIFD INTL K, FID EQUITY INCOME K, FID VALUE K, FID GROWTH CO K: On May 9, 2008, an initial offering of the retirement (K) class took place. Returns and expenses prior to that date are those of the non-K, non-advisor class. Had K class expenses been reflected in the returns shown, total returns would have been higher.

FID US BOND IDX PR: Returns prior to May 4, 2011 are those of the Investor Class and reflect the Investor Class' expense ratio. Had the Premium Class' expense ratio been reflected, total returns would have been higher.

FID EXT MKT IDX PR, FID TOT MKT IDX PR, FID INTL INDEX PR: Returns prior to October 14, 2005 are those of the Investor Class and reflect the Investor Class' expense ratio. Had the Premium Class' expense ratio been reflected, total returns would have been higher.

FID 500 INDEX PR: Returns prior to October 14, 2005 are those of the Investor Class and reflect the Investors Class' expense ratio. Had the Premium Class' expense ratio been reflected, total returns would have been higher.

MELLON STABLE VAL M, BROKERAGELINK: This investment option is not a mutual fund.

# Additional Information about Fees and Expenses

## General Information on Fund Expenses

For a mutual fund, the Gross Expense Ratio is the total annual fund or class operating expenses (before waivers or reimbursements) paid by the fund and stated as a percent of the fund's total net assets. Where the investment option is not a mutual fund, the figure displayed in the Gross Expense Ratio field is intended to reflect similar information. However, it may have been calculated using methodologies that differ from those used for mutual funds and may not include all the fees that mutual fund expense ratios are required to reflect. For mutual funds, the values were drawn from their respective prospectuses. For non-mutual fund investment options, the information has been provided by the trustee or plan sponsor. When no ratio is shown for these options it is due to the fact that none was available. Nevertheless, there may be fees and expenses associated with the investment option.

Expense Ratio after Reduction is the total annual operating expense from the fund's most recent prospectus after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses for no less than one year from the effective date of the fund's registration statement. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period.

Morningstar does not provide information on funds in reimbursement. For information on non-Fidelity funds in reimbursement, please contact the applicable fund company.

The returns of funds with reimbursed expenses would be lower if their expenses had not been reimbursed.

Morningstar Category Gross Expense Ratio: This figure is calculated by Morningstar and represents the mean average of the gross expense ratio paid by each fund in the Morningstar category. Each share class of a fund is treated as a separate fund. Morningstar uses each fund's most current, publicly available prospectus at the time the average is calculated.

Morningstar Category's Expense Ratio After Reductions: This figure represents the average expense ratio after reductions paid by the funds in the Morningstar category. Morningstar calculated and provided the average based on information reported in each fund's prospectus.

## Specific Fund Expense Information

For Fidelity Funds, if the Expense Ratio after Reduction is lower than the Gross Expense Ratio and no fee cap is provided for below, the difference may be attributable to certain broker service and other offset arrangements which may be discontinued at any time.

*Expense Ratios After Reductions information for non-Fidelity mutual funds is provided by Morningstar, Inc. and its accuracy cannot be guaranteed. Consult the prospectus for each fund you are interested in to obtain the most current and detailed information on its fees and expenses.*

MSIF SM CO GRTH IS: Contractual Expense Ratio Waiver of 0.16 subject to Expiration Date of 04/30/2019

# Glossary

**Watch List Product:** Any product indicated as being on a watch list has been previously placed in this status by the plan sponsor. This may indicate that a product is subject to additional due diligence by the plan sponsor. This does not indicate a product that is being recommended to be placed on a watch list.

**Standard Deviation:** Statistical measure of how much a return varies over an extended period of time. The more variable the fund's returns, the larger the fund's standard deviation. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility. Standard deviation indicates the volatility of a portfolio's return over time, not the actual performance of the portfolio. Standard deviation measures volatility independent of a benchmark, and it is annualized.

**Sharpe Ratio:** A risk-adjusted performance measure that help indicate if returns are due to excess risk. It is calculated by dividing the fund's excess returns (fund's average monthly returns minus the risk-free rate (such as that of the 3-month T-bill)) by the standard deviation of those returns. The higher the ratio, the better the fund's return per unit of risk. The Information Ratio (see definition below) is similar to the Sharpe Ratio. The Sharpe Ratio compares the excess return of an asset against the return of a risk free asset but the Information Ratio compares active return to the fund's most relevant benchmark index. Excess Return denotes the return over the risk-free asset while Active Return denotes the return over the benchmark.

**Tracking Error:** A measure of the deviation of fund performance from index performance (i.e., the underlying index it is intended to either match or outperform). For example, a fund with a tracking error of 20 basis points has earned the return of the index against which it is tracked, plus or minus 20 basis points, 67% of the time. This 67% represents one standard deviation in what is referred to a "normal distribution" in probability theory and statistics. It is called 'Tracking Error' because it describes how well the portfolio can track the benchmark. The annual tracking error is obtained by multiplying the monthly tracking error by 12.

**Information Ratio:** Shows the risk-adjusted active return of the fund compared to its benchmark. It's a measure of the amount of risk an investment manager took relative to the fund's benchmark to achieve the fund's Alpha (see definition above). It is calculated by dividing Alpha by the Tracking Error, where Tracking Error is the Standard Deviation (see definition above) of Alpha.

**Tracking Error** measures the extent to which a fund's returns deviates from its benchmark's returns over time. A high ratio means a manager can achieve higher returns more efficiently than one with a low ratio by taking on additional risk. Additional risk could be achieved through leveraging.

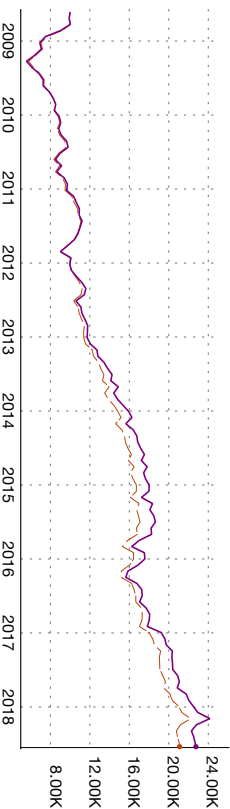
# Fact Sheets



# American Beacon Large Cap Value Fund Institutional Class (ADEX)

Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ American Beacon Large Cap Value Fund Institutional Class \$22,796 ■ Large Value \$21,116



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

	Average Annual Total Returns					
	YTD (Monthly)	1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
American Beacon Large Cap Value Fund Institutional Class	-0.62%	9.11%	7.78%	10.04%	8.59%	9.47%
Russell 1000 Value	-1.69%	6.77%	8.26%	10.34%	8.49%	9.66%
Large Value	-0.95%	9.04%	8.35%	9.94%	8.30%	--
Rank in Morningstar Category		49%	64%	52%	43%	--
# of Funds in Morningstar Category		1273	1099	951	686	--
Quarter-End (AS OF 6/30/2018)						
American Beacon Large Cap Value Fund Institutional Class	9.11%	7.78%	10.04%	8.59%	9.47%	

## Calendar Year Returns<sup>2,4</sup>

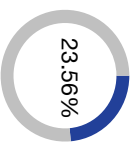
(AS OF 6/30/2018)

	2014	2015	2016	2017	2018
American Beacon Large Cap Value Fund Institutional Class	10.56%	-6.05%	15.98%	17.07%	-0.62%
Russell 1000 Value	13.45%	-3.83%	17.34%	13.66%	-1.69%
Large Value	10.21%	-4.05%	14.81%	15.94%	-0.95%

## Top 10 Holdings<sup>7</sup>

(AS OF 5/31/2018)

Citigroup Inc	23.56%
JPMorgan Chase & Co	
S+P500 Emh1 Fur Jun18 Xome	
20180615	
Wells Fargo & Co	
Bank of America Corporation	
BP PLC ADR	
ConocoPhillips	
American International Group Inc	
Microsoft Corp	
Comcast Corp Class A	
% of Total Portfolio: 23.56%	
202 Holdings as of 5/31/2018	



## Fund Overview

### Objective

The investment seeks long-term capital appreciation and current income.

### Strategy

Under normal circumstances, at least 80% of the fund's net assets (plus the amount of any borrowings for investment purposes) are invested in equity securities of large market capitalization U.S. companies. These companies have market capitalizations within the market capitalization range of the companies in the Russell 1000® Index at the time of investment.

## Morningstar® Snapshot\*\*3

(AS OF 6/30/2018)

Morningstar Category	Large Value
Risk of this Category	
Overall Rating	★★★★☆
Returns	
Expenses	

\*Data provided by Morningstar

## Equity StyleMap®\*\*6

(AS OF 5/31/2018)

	<b>Large Value</b> *93.64% Fund Assets Covered
--	---

## Details

Fund Inception	7/17/1987
NAV on 6/30/2018	\$28.97
Exp Ratio (Gross)	0.6% (\$6.00 per \$1,000) 2/26/2018
Exp Ratio (Net)	0.6% (\$6.00 per \$1,000) 2/26/2018
Management Fee	0.53%
Turnover Rate	25% 10/31/2017
Portfolio Net Assets (\$M)	\$6,708.35 6/30/2018
Share Class Net Assets (\$M)	\$4,209.00 6/30/2018

## Fund Manager(s)

Manager: Team

## Volatility Measures

Beta	1.15
6/30/2018	

## Fund Overview (continued)

### Risk

Value stocks can perform differently than other types of stocks and can continue to be undervalued by the market for long periods of time. Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, economic or other developments. These risks may be magnified in foreign markets. Additional risk information for this product may be found in the prospectus or other product materials, if available.

### Additional Disclosures

This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund.

The Russell 1000® Index is an unmanaged market capitalization-weighted index measuring the performance of the 1,000 largest companies in the Russell 3000® Index and is an appropriate index for broad-based large-cap funds.

## Volatility Measures (continued)

R <sup>2</sup> 6/30/2018	0.94
Sharpe Ratio 6/30/2018	0.59
Standard Deviation 6/30/2018	12.16

## Morningstar Ratings

(AS OF 6/30/2018) Morningstar Category: LARGE VALUE

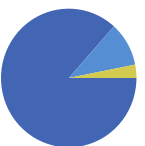
Overall	★★★★☆	out of 1,099 funds
3 Yrs	★★★★☆	out of 1,099 funds
5 Yrs	★★★★☆	out of 951 funds
10 Yrs	★★★★☆	out of 686 funds

The Morningstar Rating™ for funds, or "star rating", is calculated for funds with at least a three-year history. (Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.

## Asset Allocation<sup>7</sup>

(AS OF 5/31/2018)



Domestic Stock	86.63%
Foreign Stock	10.27%
Cash	3.10%
Convertibles	0.00%
Domestic Bond	0.00%
Foreign Bond	0.00%
Others	0.00%
Preferred Stock	0.00%

## Regional Diversification<sup>7,8</sup>

(AS OF 5/31/2018)

United States	89.40%
United Kingdom	4.91%
Canada	2.18%
Eurozone	1.95%
Europe - ex Euro	1.32%
Africa	0.15%
Latin America	0.10%
Asia - Developed	0.00%
Asia - Emerging	0.00%
Australasia	0.00%

## Major Market Sectors<sup>7</sup>

(AS OF 5/31/2018)

Portfolio Weight	Large Value
Financial Services	27.68%
Energy	16.08%
Healthcare	12.22%
Industrials	10.98%
Consumer Cyclical	9.45%
Technology	9.28%
Consumer Defensive	6.21%
Communication Services	3.54%
Basic Materials	3.10%
Utilities	1.38%

## Glossary Of Terms

**Beta:** A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

**Exp Ratio (Gross):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**Exp Ratio (Net):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the net expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus, after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses. This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

Net Asset Value (NAV): The dollar value of one mutual fund's share, excluding any sales charges or redemption fees. The NAV is calculated by subtracting liabilities from the value of a fund's total assets and dividing it by the number of fund's shares outstanding.

Portfolio Net Assets (\$M): The difference between a portfolio's total assets and liabilities, including all share classes of the fund.

R<sup>2</sup>: A measure of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark index or equivalent. R<sup>2</sup> is a proportion which ranges between 0.00 and 1.00. An R<sup>2</sup> of 1.00 indicates perfect correlation to the benchmark index, that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R<sup>2</sup> of 0.00 indicates no correlation. Therefore, the lower the R<sup>2</sup>, the more the fund's performance is affected by factors other than the market, as measured by that benchmark index. An R<sup>2</sup> value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

Russell 1000 Value: The Russell 1000® Value Index is an unmanaged market capitalization-weighted index of value-oriented stocks of the largest U.S. domiciled companies that are included in the Russell 1000 Index. Value-oriented stocks tend to have lower price-to-book ratios and lower forecasted growth values.

Share Class Net Assets (\$M): The difference between the total assets and liabilities of a single share class of a fund.

Sharpe Ratio - Arithmetic: The Sharpe ratio is a measure of historical risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month risk free return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk free" rate used is the 90-day Treasury Bill rate.

Standard Deviation: Statistical measure of how much a return varies over an extended period of time. The more variable the returns, the larger the standard deviation. Investors may examine historical standard deviation in conjunction with historical returns to decide whether an investment's volatility would have been acceptable given the returns it would have produced. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility. Standard deviation does not indicate how an investment actually performed, but it does indicate the volatility of its returns over time. Standard deviation is annualized. The returns used for this calculation are not load-adjusted.

Turnover Rate: The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

## Important Information

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

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Generally, data on Fidelity mutual funds is provided by FMR, LLC, Morningstar ratings and data on non-Fidelity mutual funds is provided by Morningstar, Inc. and data on non-mutual fund products is provided by the product's investment manager, trustee or issuer or the plan sponsor whose plan is offering the product to participants. Although Fidelity believes the data gathered from these third-party sources is reliable, it does not review such information and cannot warrant it to be accurate, complete or timely. Fidelity is not responsible for any damages or losses arising from any use of this third-party information.

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares; the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units; the issuer of a stock fund is the company which issues the shares; the issuer of options such as separate accounts and strategies is the plan which makes them available; the issuer of a fixed return option is the insurance company or other company which offers the investment; the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date composite performance for the product was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an Index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

2. The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends.

3. Risk of this Category: Morningstar calculates these risk levels by looking at the Morningstar Risk of the funds in the Category over the previous 5-year period. Morningstar Risk is the difference between the Morningstar Return, based on fund total returns, and the Morningstar Risk Adjusted Return, based on fund total returns adjusted for performance volatility. The Category Risk Level is based on the equal weighted average Morningstar Risk of the funds in the category. Morningstar's Research Committee evaluates the Category Morningstar Risk and assigns the Category Risk Level after further qualitative judgment.

Overall Rating: The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, which are based on risk-adjusted returns, as of the date stated.

Returns: This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar Category:

- top 10% - High
- next 22.5% - Above Average
- middle 35% - Average
- next 22.5% - Below Average
- bottom 10% - Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains. If any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's 1% sales charge. If sales charges were included, total returns would have been lower.

5. Percent Rank in Category is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. % Rank in Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures. Past performance is no guarantee of future results.

6. Equity StyleMap® depictions of mutual fund characteristics are produced using data and calculations provided by Morningstar, Inc. StyleMaps™ estimate characteristics of a fund's equity holdings over two dimensions: market capitalization and valuation. The percentage of fund assets represented by these holdings is indicated beside each StyleMap. Current StyleMap characteristics are calculated each time Morningstar receives updated portfolio holdings from a fund and are denoted with a dot. Historical StyleMap characteristics are calculated for the shorter of either the past 3 years or the life of the fund, and are represented by the shading of the box(ies) previously occupied by the dot. StyleMap characteristics represent an approximate profile of the fund's equity holdings (e.g., domestic stocks, foreign stocks, and American Depository Receipts), are based on historical data, and are not predictive of the fund's future investments. Although the data are gathered from reliable sources, accuracy and completeness cannot be guaranteed.

7. Any holdings asset allocation, diversification breakdowns or other composition data shown are as of the date indicated and are subject to change at any time. They may not be representative of the fund's current or future investments. Some breakdowns may be intentionally limited to a particular asset class or other subset of the fund's entire portfolio, particularly in multi-asset class funds where the attributes of the equity and fixed income portions are different.

Under the asset allocation section, international (or foreign) assets may be reported differently, depending on how an investment options reports its holdings. Some do not report international (or foreign) holdings here, but instead report them in a "Regional Diversification" section. Some report them in this section as an to the equity, bond and other allocation shown. Others report international (or foreign)



holding as a subset of the equity and bond allocations shown. If the allocation without the foreign component (or round to 100%, then international (or foreign) is a subset of the equity and bond percentage shown.

8. Please note Regional Diversification Information is based on the equity components only.

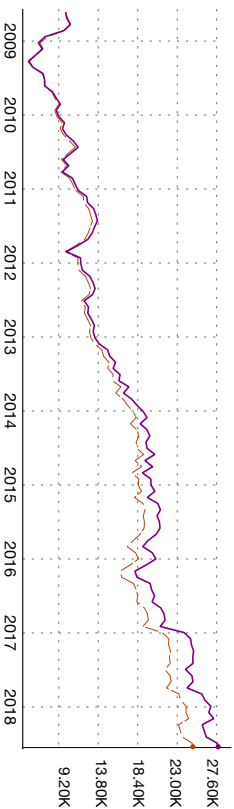


Fidelity Investments Institutional Services Company, Inc., 500 Salem Street, Smithfield, RI 02917.  
Fidelity Brokerage Services LLC, Member NYSE, SIPC, 900 Salem Street, Smithfield, RI 02917.  
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# American Beacon Small Cap Value Fund Class Institutional (AVFIX)

Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ American Beacon Small Cap Value Fund Class Institutional \$27.842 ■ Small Value \$24.897



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

	Average Annual Total Returns					
	YTD (Monthly)	1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
American Beacon Small Cap Value Fund Class Institutional	4.34%	12.70%	9.87%	11.43%	10.78%	10.88%
Russell 2000 Value	5.44%	13.10%	11.22%	11.18%	9.88%	9.52%
Small Value	3.72%	12.44%	9.13%	9.87%	9.71%	--
Rank in Morningstar Category		45%	39%	26%	29%	--
# of Funds in Morningstar Category		413	358	316	220	--
Quarter-End (AS OF 6/30/2018)						
American Beacon Small Cap Value Fund Class Institutional	12.70%	9.87%	11.43%	10.78%	10.88%	

## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)

	2014	2015	2016	2017	2018
American Beacon Small Cap Value Fund Class Institutional	4.70%	-5.04%	26.77%	8.67%	4.34%
Russell 2000 Value	4.22%	-7.47%	31.74%	7.84%	5.44%
Small Value	3.34%	-6.71%	25.99%	8.54%	3.72%

## Top 10 Holdings<sup>7</sup>

(AS OF 5/31/2018)

E-Mini Russ 2000 Jun18 Xcme	11.29%
201180615	
Whiting Petroleum Corp	
Vishay Intertechnology Inc	
Texas Capital Bancshares Inc	
Associated Banc-Corp	
II-VI Inc	
Brooks Automation Inc	
Portland General Electric Co	
EnerSys	
Diodes Inc	
% of Total Portfolio: 11.29%	
567 holdings as of 5/31/2018	

## Fund Overview

### Objective

The investment seeks long-term capital appreciation and current income.

### Strategy

Under normal circumstances, at least 80% of the fund's net assets (plus the amount of any borrowings for investment purposes) are invested in equity securities of small market capitalization U.S. companies. These companies have market capitalizations of \$5 billion or less at the time of investment. The fund's investments may include common stocks, real estate investment trusts ("REITs"), American Depositary Receipts ("ADRs") and U.S. dollar-denominated foreign stocks traded on U.S. exchanges (collectively, "stocks").

## Morningstar® Snapshot\*\*

(AS OF 6/30/2018)

Morningstar Category	Small Value
Risk of this Category	
Overall Rating	★★★★☆
Returns	
Expenses	

\*Data provided by Morningstar

## Equity StyleMap®\*\*6

(AS OF 5/31/2018)



## Details

Fund Inception	12/31/1998
NAV on 6/30/2018	\$28.60
Exp Ratio (Gross)	0.83%
2/28/2018	(\$8.30 per \$1,000)
Exp Ratio (Net)	0.83%
2/28/2018	(\$8.30 per \$1,000)
Management Fee	0.75%
Turnover Rate	48%
10/31/2017	
Portfolio Net Assets (\$M)	\$7,288.05
6/30/2018	
Share Class Net Assets (\$M)	\$5,338.05
6/30/2018	

## Fund Manager(s)

Manager: Team

## Volatility Measures

Beta	0.97
6/30/2018	

## Fund Overview (continued)

### Risk

The securities of smaller, less well-known companies can be more volatile than those of larger companies. Value stocks can perform differently than other types of stocks and can continue to be undervalued by the market for long periods of time. Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, economic or other developments. These risks may be magnified in foreign markets. Additional risk information for this product may be found in the prospectus or other product materials, if available.

### Additional Disclosures

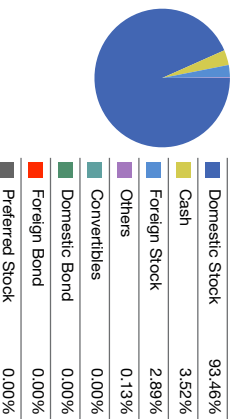
This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund.

## Volatility Measures (continued)

R <sup>2</sup> 6/30/2018	0.98
Sharpe Ratio 6/30/2018	0.66
Standard Deviation 6/30/2018	14.00

## Asset Allocation<sup>7</sup>

(AS OF 5/31/2018)



## Regional Diversification<sup>7,8</sup>

(AS OF 5/31/2018)

United States	97.00%
Latin America	1.20%
Canada	0.64%
United Kingdom	0.64%
Africa	0.31%
Asia - Emerging	0.11%
Eurozone	0.07%
Asia - Developed	0.03%
Australasia	0.00%
Europe - Emerging	0.00%

## Morningstar Ratings

(AS OF 6/30/2018) Morningstar Category: SMALL VALUE

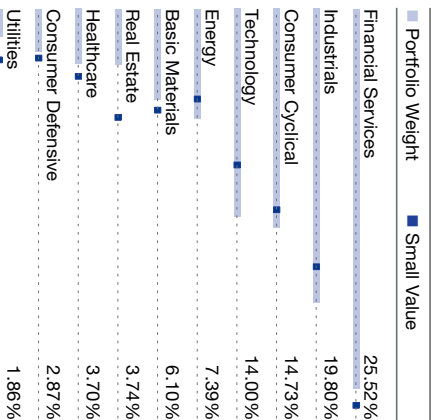
Overall	★★★★★	out of 358 funds
3 Yrs	★★★★★	out of 358 funds
5 Yrs	★★★★★	out of 316 funds
10 Yrs	★★★★★	out of 220 funds

The Morningstar Rating™ for funds, or "star rating", is calculated for funds with at least a three-year history. (Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.

## Major Market Sectors<sup>7</sup>

(AS OF 5/31/2018)



## Glossary Of Terms

**Beta:** A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

**Exp Ratio (Gross):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**Exp Ratio (Net):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the net expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus, after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses. This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**Net Asset Value (NAV):** The dollar value of one mutual fund's share, excluding any sales charges or redemption fees. The NAV is calculated by subtracting liabilities from the value of a fund's total assets and

dividing it by the number of Fund's shares outstanding.

Portfolio Net Assets (\$M): The difference between a portfolio's total assets and liabilities, including all share classes of the fund.

R<sup>2</sup>: A measurement of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark index or equivalent. R<sup>2</sup> is a proportion which ranges between 0.00 and 1.00. An R<sup>2</sup> of 1.00 indicates perfect correlation to the benchmark index, that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R<sup>2</sup> of 0.00 indicates no correlation. Therefore, the lower the R<sup>2</sup>, the more the fund's performance is affected by factors other than the market as measured by that benchmark index. An R<sup>2</sup> value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

Russell 2000 Value: The Russell 2000® Value Index is an unmanaged market capitalization-weighted index of value-oriented stocks of U.S. domiciled companies that are included in the Russell 2000 Index. Value-oriented stocks tend to have lower price-to-book ratios and lower forecasted growth values.

Share Class Net Assets (\$M): The difference between the total assets and liabilities of a single share class of a fund.

Sharpe Ratio - Arithmetic: The Sharpe ratio is a measure of historical risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk free" rate used is the 90-day Treasury Bill rate.

Standard Deviation: Statistical measure of how much a return varies over an extended period of time. The more variable the returns, the larger the standard deviation. Investors may examine historical standard deviation in conjunction with historical returns to decide whether an investor's volatility would have been acceptable given the returns it would have produced. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility. Standard deviation does not indicate how an investment actually performed, but it does indicate the volatility of its returns over time. Standard deviation is annualized. The returns used for this calculation are not load-adjusted.

Turnover Rate: The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

## Important Information

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

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Generally, data on Fidelity mutual funds is provided by FMR, LLC, Morningstar ratings and data on non-Fidelity mutual funds is provided by Morningstar, Inc. and data on non-mutual fund products is provided by the product's investment manager, trustee or issuer or the plan sponsor whose plan is offering the product to participants. Although Fidelity believes the data gathered from these third-party sources is reliable, it does not review such information and cannot warrant it to be accurate, complete or timely. Fidelity is not responsible for any damages or losses arising from any use of this third-party information.

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares; the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units; the issuer of a stock fund is the company which issues the shares; the issuer of options such as separate accounts and strategies is the plan which makes them available; the issuer of a fixed return option is the insurance company or other company which offers the investment; the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date composite performance for the product was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

2. The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends.

3. Risk of this Category: Morningstar calculates these risk levels by looking at the Morningstar Risk of the funds in the Category over the previous 5-year period. Morningstar Risk is the difference between the Morningstar Return based on fund total returns, and the Morningstar Risk Adjusted Return based on fund total returns adjusted for performance volatility. The Category Risk Level is based on the equal weighted average Morningstar Risk of the funds in the category. Morningstar's Research Committee evaluates the Category Morningstar Risk and assigns the Category Risk Level after further qualitative judgment.

Overall Rating: The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, which are based on risk-adjusted returns, as of the date stated.

Returns: This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury Bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar Category:

- top 10% - High
- next 22.5% - Above Average
- middle 35% - Average
- next 22.5% - Below Average
- bottom 10% - Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains. If any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's 1% sales charge. If sales charges were included, total returns would have been lower.

5. Percent Rank in Category is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. % Rank in Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures. Past performance is no guarantee of future results.

6. Equity StyleMap® depictions of mutual fund characteristics are produced using data and calculations provided by Morningstar, Inc. StyleMaps™ estimate characteristics of a fund's equity holdings over two dimensions: market capitalization and valuation. The percentage of fund assets represented by these holdings is indicated beside each StyleMap. Current StyleMap characteristics are calculated each time Morningstar receives updated portfolio holdings from a fund and are denoted with a dot. Historical StyleMap characteristics are calculated for the shorter of either the past 3 years or the life of the fund, and are represented by the shading of the box(es) previously occupied by the dot. StyleMap characteristics represent an approximate profile of the fund's equity holdings (e.g., domestic stocks, foreign stocks, and American Depositary Receipts), are based on historical data, and are not predictive of the fund's future investments. Although the data are gathered from reliable sources, accuracy and data completeness cannot be guaranteed.

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Under the asset allocation section, international (or foreign) assets may be reported differently, depending on how an investment options reports its holdings. Some do not report international (or foreign) holdings here, but instead report them in a Regional Diversification section. Some report them in this section as an to the equity, bond and other allocation shown. Others report international (or foreign) holdings as a subset of the equity and bond allocations shown. If the allocation without the foreign component (or round to) 100%, then international (or foreign) is a subset of the equity and bond percentage

shown.

8. Please note Regional Diversification Information is based on the equity components only.

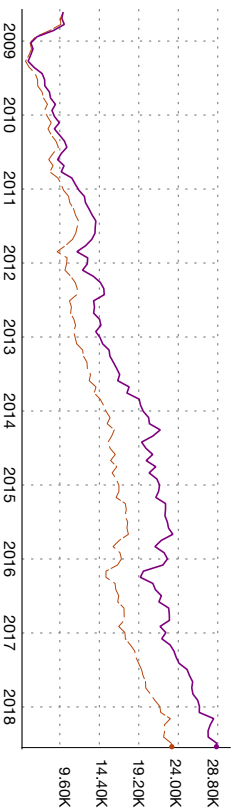


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# Artisan Mid Cap Fund Institutional Class (APHMX)

Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ Artisan Mid Cap Fund Institutional Class \$28.614 ■ Mid-Cap Growth \$23.267



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

Monthly (AS OF 6/30/2018)	YTD (Monthly)	Average Annual Total Returns				
		1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Artisan Mid Cap Fund Institutional Class	7.76%	12.81%	7.84%	11.46%	11.09%	13.48%
Russell MidCap	2.35%	12.33%	9.58%	12.22%	10.23%	9.84%
Russell Midcap Growth	5.40%	18.52%	10.73%	13.37%	10.45%	8.72%
Mid-Cap Growth	6.39%	18.06%	9.69%	12.31%	9.45%	--
Rank in Morningstar Category		85%	75%	70%	18%	--
# of Funds in Morningstar Category		607	541	480	344	--
Quarter-End (AS OF 6/30/2018)						
Artisan Mid Cap Fund Institutional Class	12.81%	7.84%	11.46%	11.09%	13.48%	

## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)

Year	Artisan Mid Cap Fund Institutional Class	Russell MidCap	Russell Midcap Growth	Mid-Cap Growth
2014	5.96%	13.22%	11.90%	7.00%
2015	2.42%	-2.44%	-0.20%	-0.95%
2016	-0.64%	13.80%	7.33%	6.03%
2017	20.75%	18.52%	25.27%	23.91%
2018	7.76%	2.35%	5.40%	6.39%

## Top 10 Holdings<sup>7</sup>

(AS OF 3/31/2018)



Company	% of Total Portfolio
Global Payments Inc	7.1%
LKO Corp	7.1%
IHS Markit Ltd A	7.1%
Progressive Corp	7.1%
Atlasian Corporation PLC A	7.1%
Boston Scientific Corp	7.1%
Veeva Systems Inc Class A	7.1%
S&P Global Inc	7.1%
Tableau Software Inc A	7.1%
TD Ameritrade Holding Corp	7.1%

% of Total Portfolio: 32.29%  
71 holdings as of 3/31/2018

## Fund Overview

### Objective

The investment seeks maximum long-term capital growth.

### Strategy

The fund normally invests no less than 80% of its net assets plus any borrowings for investment purposes at market value at the time of purchase in the common stocks of medium-sized companies. It defines a medium-sized company as one with a market capitalization greater than the market capitalization of the smallest company in the Russell Midcap<sup>®</sup> Index and less than three times the weighted average market capitalization of companies in the index.

### Risk

Growth stocks can perform differently from the market as a whole and can be more volatile than other types of stocks. The securities of smaller, less well-known companies can be more volatile than those of larger companies.

## Morningstar<sup>®</sup> Snapshot<sup>\*\*3</sup>

(AS OF 6/30/2018)

Morningstar Category	Mid-Cap Growth
Risk of this Category	
Overall Rating	★★★★★
Returns	
Expenses	

\*Data provided by Morningstar

## Equity StyleMap<sup>®\*\*6</sup>

(AS OF 3/31/2018)



## Details

Fund Inception	6/27/1997
NAV on 6/30/2018	\$44.71
Exp Ratio (Gross) 2/1/2018	0.95% (\$9.50 per \$1000)
Exp Ratio (Net) 2/1/2018	0.95% (\$9.50 per \$1000)
Management Fee	0.93%
Turnover Rate 9/30/2017	42.59%
Portfolio Net Assets (\$M) 6/30/2018	\$6,063.24
Share Class Net Assets (\$M) 6/30/2018	\$3,443.35

## Fund Manager(s)

Lead Manager: Matthew H. Kamm (since 1/13/2010)

Manager: Team

## Volatility Measures

Beta 1.04  
6/30/2018

## Fund Overview (continued)

### Risk

Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, economic or other developments. These risks may be magnified in foreign markets. Additional risk information for this product may be found in the prospectus or other product materials, if available.

### Additional Disclosures

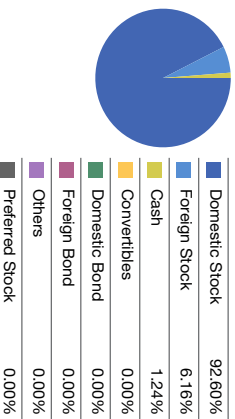
This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund.

The Russell Midcap<sup>®</sup> Index is an unmanaged market capitalization-weighted index of 800 medium-capitalization stocks. The stocks are also members of the Russell 1000<sup>®</sup> Index.

The analysis on these pages may be based, in part, on adjusted historical returns for periods prior to the class's actual inception of 07/03/2000. These calculated returns reflect the historical performance of the oldest share class of the fund, with an inception date of 06/27/1997, adjusted to reflect the fees and expenses of this share class (when this share class's fees and expenses are higher). Please refer to a fund's prospectus for information regarding fees and expenses. These adjusted historical returns are not actual returns. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the fund itself.

## Asset Allocation<sup>7</sup>

(AS OF 3/31/2018)



## Regional Diversification<sup>7,8</sup>

(AS OF 3/31/2018)

United States	93.77%
Europe - ex Euro	2.47%
Australasia	1.60%
Canada	1.15%
Eurozone	1.02%
Africa	0.00%
Asia - Developed	0.00%
Asia - Emerging	0.00%
Europe - Emerging	0.00%
Japan	0.00%

## Volatility Measures (continued)

R <sup>2</sup> 6/30/2018	0.76
Sharpe Ratio 6/30/2018	0.58
Standard Deviation 6/30/2018	12.51

## Morningstar Ratings<sup>9</sup>

(AS OF 6/30/2018) Morningstar Category: MID-CAP GROWTH

Overall	★★★★☆	out of 541 funds
3 Yrs	★★★★☆	out of 541 funds
5 Yrs	★★★★☆	out of 480 funds
10 Yrs	★★★★☆	out of 344 funds

The Morningstar Rating<sup>™</sup> for funds, or "star rating", is calculated for funds with at least a three-year history. (Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.

## Major Market Sectors<sup>7</sup>

(AS OF 3/31/2018)

Technology	27.77%
Industrials	22.98%
Financial Services	14.22%
Healthcare	13.19%
Consumer Cyclical	12.03%
Energy	5.03%
Consumer Defensive	2.93%
Basic Materials	1.85%
Communication Services	0.00%
Real Estate	0.00%

## Glossary Of Terms

Beta: A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

Exp Ratio (Gross): Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.



Exp Ratio (Net): Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the net expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus, after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses. This ratio also includes Acquired Fund Fees and Expenses, which are expensed indirectly by a fund through its ownership of shares in other investment companies. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

Net Asset Value (NAV): The dollar value of one mutual fund's share, excluding any sales charges or redemption fees. The NAV is calculated by subtracting liabilities from the value of a fund's total assets and dividing it by the number of fund's shares outstanding.

Portfolio Net Assets (\$M): The difference between a portfolio's total assets and liabilities, including all share classes of the fund.

R<sup>2</sup>: A measurement of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark index or equivalent. R<sup>2</sup> is a proportion which ranges between 0.00 and 1.00. An R<sup>2</sup> of 1.00 indicates perfect correlation to the benchmark index, that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R<sup>2</sup> of 0.00 indicates no correlation. Therefore, the lower the R<sup>2</sup>, the more the fund's performance is affected by factors other than the market as measured by that benchmark index. An R<sup>2</sup> value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

Russell MidCap: The Russell Midcap® Index is an unmanaged market capitalization-weighted index of 800 medium-capitalization stocks. The stocks are also members of the Russell 1000® Index.

Russell Midcap Growth: The Russell Midcap® Growth Index is an unmanaged market capitalization-weighted index of medium-capitalization growth-oriented stocks of U.S. domiciled companies that are included in the Russell Midcap Index. Growth-oriented stocks tend to have higher price-to-book ratios and higher forecasted growth values.

Share Class Net Assets (\$M): The difference between the total assets and liabilities of a single share class of a fund.

Sharpe Ratio - Arithmetic: The Sharpe ratio is a measure of historical risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk free" rate used is the 90-day Treasury Bill rate.

Standard Deviation: Statistical measure of how much a return varies over an extended period of time. The more variable the returns, the larger the standard deviation. Investors may examine historical standard deviation in conjunction with historical returns to decide whether an investment's volatility would have been acceptable given the returns it would have produced. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility. Standard deviation does not indicate how an investment actually performed, but it does indicate the volatility of its returns over time. Standard deviation is annualized. The returns used for this calculation are not load-adjusted.

Turnover Rate: The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

## Important Information

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

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares; the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units; the issuer of a stock fund is the company which issues the shares; the issuer of options such as separate accounts and strategies is the plan which makes them available; the issuer of a fixed return option is the insurance company or other company which offers the investment; the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date composite performance for the product was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

2. The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends.

3. Risk of this Category: Morningstar calculates these risk levels by looking at the Morningstar Risk of the funds in the Category over the previous 5-year period. Morningstar Risk is the difference between the Morningstar Return, based on fund total returns, and the Morningstar Risk Adjusted Return, based on fund total returns adjusted for performance volatility. The Category Risk Level is based on the equal weighted average Morningstar Risk of the funds in the category. Morningstar's Research Committee evaluates the Category Morningstar Risk and assigns the Category Risk Level after further qualitative judgment.

Overall Rating: The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, which are based on risk-adjusted returns, as of the date stated. Returns: This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury Bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar Category:

- top 10% - High
- next 22.5% - Above Average
- middle 35% - Average
- next 22.5% - Below Average
- bottom 10% - Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains. If any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's [%] sales charge. If sales charges were included, total returns would have been lower.

Except for Life of Fund returns, the analysis on these pages may be based, in part, on adjusted historical returns for periods prior to the class's actual inception of 7/9/2000. These calculated returns reflect the historical performance of the oldest share class of the fund, with an inception date of 6/27/1997, adjusted to reflect the fees and expenses of this share class when its share class fees and expenses are higher.) Please refer to a fund's prospectus for information regarding fees and expenses. These adjusted historical returns are not actual returns. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the fund itself.

5. Percent Rank in Category: Is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. % Rank in Category is based on total returns which include reinvested dividends and capital gains. If any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures. Past performance is no guarantee of future results.



6. Equity StyleMap® depictions of mutual fund characteristics are produced using data and calculations provided by Morningstar, Inc. StyleMaps™ estimate characteristics of a fund's equity holdings over two dimensions: market capitalization and valuation. The percentage of fund assets represented by these holdings is indicated beside each StyleMap. Current StyleMap characteristics are calculated each time Morningstar receives updated portfolio holdings from a fund and are denoted with a dot. Historical StyleMap characteristics are calculated for the shorter of either the past 3 years or the life of the fund, and are represented by the shading of the box(es) previously occupied by the dot. StyleMap characteristics represent an approximate profile of the fund's equity holdings (e.g., domestic stocks, foreign stocks, and American Depositary Receipts), are based on historical data, and are not predictive of the fund's future investments. Although the data are gathered from reliable sources, accuracy and completeness cannot be guaranteed.

7. Any holdings, asset allocation, diversification breakdowns or other composition data shown are as of the date indicated and are subject to change at any time. They may not be representative of the fund's current or future investments. Some breakdowns may be intentionally limited to a particular asset class or other subset of the fund's entire portfolio, particularly in multi-asset class funds where the attributes of the equity and fixed income portions are different. Under the asset allocation section, International (or foreign) assets may be reported differently depending on how an investment options reports its holdings. Some do not report international (or foreign) holdings here, but instead report them in a "Regional Diversification" section. Some report them in this section as an to the equity, bond and other allocation shown. Others report international (or foreign) holding as a subset of the equity and bond allocations shown. If the allocation without the foreign component (or round to) 100%, then international (or foreign) is a subset of the equity and bond percentage shown.

8. Please note Regional Diversification information is based on the equity components only.

9. The analysis on these pages may be based, in part, on adjusted historical returns for periods prior to the class's actual inception of 7/9/2000. These calculated returns reflect the historical performance of the oldest share class of the fund, with an inception date of 6/27/1997, adjusted to reflect the fees and expenses of this share class (when this share class's fees and expenses are higher.) Please refer to a fund's prospectus for information regarding fees and expenses. These adjusted historical returns are not actual returns. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the fund itself.

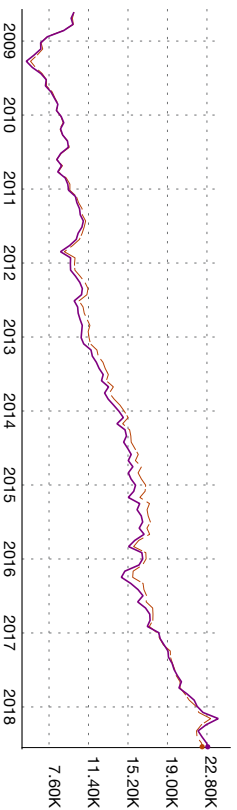


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# Davis New York Venture Fund Class Y (DNVYX)

Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ Davis New York Venture Fund Class Y \$22,947    ■ Large Blend \$22,379



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

	Average Annual Total Returns					
	YTD (Monthly)	1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Davis New York Venture Fund Class Y	2.35%	14.99%	12.12%	12.64%	8.66%	11.93%
S&P 500	2.65%	14.37%	11.93%	13.42%	10.17%	--
Large Blend	1.58%	12.58%	9.93%	11.73%	9.08%	--
Rank in Morningstar Category		16%	8%	38%	68%	--
# of Funds in Morningstar Category		1353	1166	1042	776	--
Quarter-End (AS OF 6/30/2018)						
Davis New York Venture Fund Class Y	14.99%	12.12%	12.64%	8.66%	11.93%	

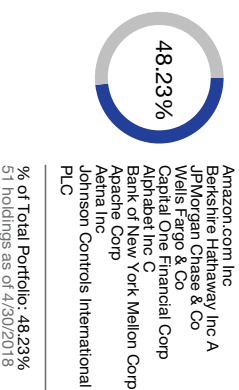
## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)

	2014	2015	2016	2017	2018
Davis New York Venture Fund Class Y	6.79%	3.21%	12.57%	22.48%	2.35%
S&P 500	13.69%	1.38%	11.96%	21.83%	2.65%
Large Blend	10.96%	-1.07%	10.37%	20.44%	1.58%

## Top 10 Holdings<sup>7</sup>

(AS OF 4/30/2018)



% of Total Portfolio: 48.23%  
\$1 holdings as of 4/30/2018

## Morningstar® Snapshot\*\*3

(AS OF 6/30/2018)

Morningstar Category	Large Blend
Risk of this Category	
Overall Rating	★★★★☆
Returns	
Expenses	

\*Data provided by Morningstar

## Equity StyleMap®\*\*6

(AS OF 4/30/2018)



## Details

Fund Inception	2/17/1969
NAV on 6/30/2018	\$32.30
Exp Ratio (Gross) 11/29/2017	0.63% (\$6.30 per \$1000)
Exp Ratio (Net) 11/29/2017	0.63% (\$6.30 per \$1000)
Management Fee	0.52%
Turnover Rate 7/31/2017	12%
Portfolio Net Assets (\$M) 6/30/2018	\$10,927.02
Share Class Net Assets (\$M) 6/30/2018	\$2,973.66

## Fund Manager(s)

Manager: Team

## Volatility Measures

Beta 6/30/2018	1.11
R <sup>2</sup> 6/30/2018	0.82

## Fund Overview

### Objective

The investment seeks long-term growth of capital.

### Strategy

Davis Selected Advisers, L.P. ("Davis Advisers" or the "Adviser"), the fund's investment adviser, uses the Davis Investment Discipline to invest Davis New York Venture Fund's portfolio principally in common stocks (including indirect holdings of common stock through depository receipts) issued by large companies with market capitalizations of at least \$10 billion. Historically, the fund has invested a significant portion of its assets in financial services companies and in foreign companies, and may also invest in mid- and small- capitalization companies.

### Risk

Value and growth stocks can perform differently from other types of stocks. Growth stocks can be more volatile. Value stocks can continue to be undervalued by the market for long periods of time. Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, economic or other

## Fund Overview (continued)

**Risk** developments. These risks may be magnified in foreign markets. Additional risk information for this product may be found in the prospectus or other product materials, if available.

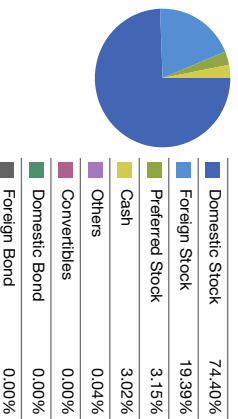
### Additional Disclosures

This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund.

The analysis on these pages may be based, in part, on adjusted historical returns for periods prior to the class's actual inception of 1/02/1996. These calculated returns reflect the historical performance of the oldest share class of the fund, with an inception date of 02/17/1989, adjusted to reflect the fees and expenses of this share class (when this share class's fees and expenses are higher.) Please refer to a fund's prospectus for information regarding fees and expenses. These adjusted historical returns are not actual returns. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the fund itself.

### Asset Allocation<sup>7</sup>

(AS OF 4/30/2018)



### Regional Diversification<sup>7,8</sup>

(AS OF 4/30/2018)

United States	79.32%
Eurozone	5.92%
Asia - Emerging	4.44%
Europe - ex Euro	4.04%
Canada	3.08%
Africa	1.85%
Asia - Developed	0.98%
Middle East	0.23%
United Kingdom	0.14%
Australasia	0.00%

## Volatility Measures (continued)

Sharpe Ratio	0.92
6/30/2018	
Standard Deviation	12.47
6/30/2018	

## Morningstar Ratings<sup>9</sup>

(AS OF 6/30/2018) Morningstar Category: LARGE BLEND

Overall	★★★★★	out of 1,166 funds
3 Yrs	★★★★★	out of 1,166 funds
5 Yrs	★★★★★	out of 1,042 funds
10 Yrs	★★★★★	out of 776 funds

The Morningstar Rating™ for funds, or "star rating", is calculated for funds with at least a three-year history. (Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.

## Major Market Sectors<sup>7</sup>

(AS OF 4/30/2018)

Portfolio Weight	Large Blend
Financial Services	34.03%
Technology	18.54%
Consumer Cyclical	13.80%
Industrials	12.93%
Energy	8.32%
Healthcare	5.85%
Basic Materials	4.62%
Consumer Defensive	1.63%
Communication Services	0.28%
Real Estate	0.00%

## Glossary Of Terms

**Beta:** A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

**Exp Ratio (Gross):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

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**Net Asset Value (NAV):** The dollar value of one mutual fund's share, excluding any sales charges or redemption fees. The NAV is calculated by subtracting liabilities from the value of a fund's total assets and dividing it by the number of fund's shares outstanding.

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**R<sup>2</sup>:** A measurement of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark index or equivalent. R<sup>2</sup> is a proportion which ranges between 0.00 and 1.00. An R<sup>2</sup> of 1.00 indicates perfect correlation to the benchmark index, that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R<sup>2</sup> of 0.00 indicates no correlation. Therefore, the more the R<sup>2</sup>, the more the fund's performance is affected by factors other than the market as measured by that benchmark index. An R<sup>2</sup> value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

**S&P 500: S&P 500 Index** is a market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance.

**Share Class Net Assets (\$M):** The difference between the total assets and liabilities of a single share class of a fund.

**Sharpe Ratio - Arithmetic:** The Sharpe ratio is a measure of historical risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk free" rate used is the 90-day Treasury Bill rate.

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**Turnover Rate:** The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares; the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units; the issuer of a stock fund is the company which issues the shares; the issuer of options such as separate accounts and strategies is the plan which makes them available; the issuer of a fixed return option is the insurance company or other company which offers the investment; the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date composite performance for the product was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

2. The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends.

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Overall Rating: The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Returns metrics, which are based on risk-adjusted returns, as of the date stated.

Each: This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar Category:

- top 10% - High
- next 22.5% - Above Average
- middle 35% - Average
- next 22.5% - Below Average
- bottom 10% - Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains. If any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's 1% sales charge. If sales charges were included, total returns would have been lower.

Except for Life of Fund returns, the analysis on these pages may be based, in part, on adjusted historical returns for periods prior to the class's actual inception of 10/27/1996. These calculated returns reflect the historical performance of the oldest share class of the fund, with an inception date of 2/17/1969, adjusted to reflect the fees and expenses of this share class (when this share class's fees and expenses are higher.) Please refer to a fund's prospectus for information regarding fees and expenses. These adjusted historical returns are not actual returns. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the fund itself.

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8. Please note Regional Diversification information is based on the equity components only.
9. The analysis on these pages may be based, in part, on adjusted historical returns for periods prior to the class's actual inception of 10/2/1996. These calculated returns reflect the historical performance of the oldest share class of the fund, with an inception date of 2/17/1999, adjusted to reflect the fees and expenses of this share class (when this share class's fees and expenses are higher.) Please refer to a fund's prospectus for information regarding fees and expenses. These adjusted historical returns are not actual returns. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the fund itself.

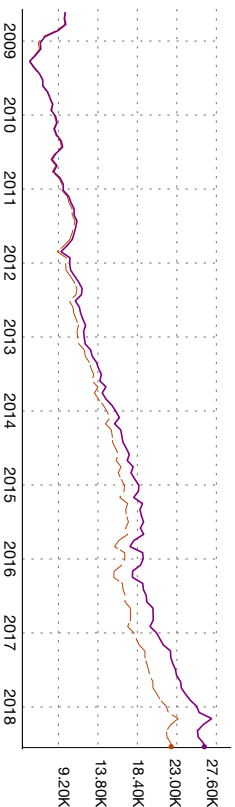


Fidelity Investments Institutional Services Company, Inc., 500 Salem Street, Smithfield, RI 02917.  
Fidelity Brokerage Services LLC, Member NYSE, SIPC, 900 Salem Street, Smithfield, RI 02917.  
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# Fidelity® 500 Index Fund - Premium Class (FUSVX)

Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ Fidelity® 500 Index Fund - Premium Class \$26,266 ■ Large Blend \$22,379



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

Monthly (AS OF 6/30/2018)	YTD (Monthly)	Average Annual Total Returns				
		1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Fidelity® 500 Index Fund - Premium Class	2.63%	14.34%	11.89%	13.38%	10.14%	10.30%
S&P 500	2.65%	14.37%	11.93%	13.42%	10.17%	10.46%
Large Blend	1.58%	12.58%	9.93%	11.73%	9.08%	--
Rank in Morningstar Category		28%	12%	11%	20%	--
# of Funds in Morningstar Category		1353	1166	1042	776	--
Quarter-End (AS OF 6/30/2018)						
Fidelity® 500 Index Fund - Premium Class		14.34%	11.89%	13.38%	10.14%	10.30%

## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)

	2014	2015	2016	2017	2018
Fidelity® 500 Index Fund - Premium Class	13.62%	1.35%	11.92%	21.79%	2.63%
S&P 500	13.69%	1.38%	11.96%	21.83%	2.65%
Large Blend	10.96%	-1.07%	10.37%	20.44%	1.58%

## Top 10 Holdings<sup>7</sup>

(AS OF 6/30/2018)



APPLE INC  
MICROSOFT CORP  
AMAZON.COM INC  
FACEBOOK INC CL A  
BERKSHIRE HATHAWAY INC CL B  
JPMORGAN CHASE & CO  
EXXON MOBIL CORP  
ALPHABET INC CL C  
ALPHABET INC CL A  
JOHNSON & JOHNSON

% of Total Portfolio: 21.14%  
507 holdings as of 6/30/2018  
502 issuers as of 6/30/2018

## Morningstar® Snapshot\*\*

(AS OF 6/30/2018)

Morningstar Category	Large Blend
Risk of this Category	
Overall Rating	★★★★★
Returns	
Expenses	

\*Data provided by Morningstar

## Equity StyleMap®\*\*6

(AS OF 5/31/2018)



## Details

Fund Inception	2/17/1988
NAV on 6/30/2018	\$95.40
Exp Ratio (Gross)	0.035% (\$0.35 per \$1000)
4/28/2018	
Exp Ratio (Net)	0.035% (\$0.35 per \$1000)
4/28/2018	
Management Fee	0.015%
Turnover Rate	4%
2/2/2018	
Portfolio Net Assets (\$M)	\$152,098.30
6/30/2018	
Share Class Net Assets (\$M)	\$77,667.85
6/30/2018	

## Volatility Measures

Beta	1.00
6/30/2018	
R <sup>2</sup>	1.00
6/30/2018	
Sharpe Ratio	1.11
6/30/2018	
Standard Deviation	10.16
6/30/2018	

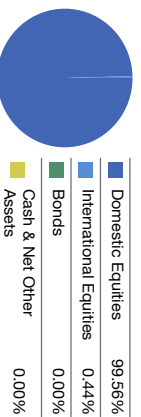
## Investment Approach

- Fidelity® 500 Index Fund is a diversified domestic large-cap equity strategy that seeks to closely track the returns and characteristics of the S&P 500® index.
- The S&P 500® index is a market-capitalization-weighted index that contains 500 large-cap U.S. companies.
- The fund holds each S&P 500® holding at approximately the same weight as the index.



## Asset Allocation<sup>7,8,9,10</sup>

(AS OF 6/30/2018)



## Regional Diversification<sup>7</sup>

(AS OF 6/30/2018)

Region	Percentage
United States	99.56%
Europe	0.26%
Emerging Markets	0.18%
Asia-Pacific ex Japan	0.00%
Canada	0.00%
Japan	0.00%
Other	0.00%

## Morningstar Ratings

(AS OF 6/30/2018) Morningstar Category: LARGE BLEND

Rating	Description
Overall	★★★★★ out of 1,166 funds
3 Yrs	★★★★★ out of 1,166 funds
5 Yrs	★★★★★ out of 1,042 funds
10 Yrs	★★★★★ out of 776 funds

The Morningstar Rating™ for funds, or "star rating", is calculated for funds with at least a three-year history. (Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.

## Major Market Sectors<sup>7</sup>

(AS OF 6/30/2018)

Portfolio Weight	S&P 500
Information Technology	25.88%
Health Care	14.03%
Financials	13.80%
Consumer Discretionary	12.88%
Industrials	9.48%
Consumer Staples	6.94%
Energy	6.32%
Utilities	2.94%
Real Estate	2.85%
Materials	2.60%

## Fund Overview

### Objective

Seeks to provide investment results that correspond to the total return (i.e., the combination of capital changes and income) performance of common stocks publicly traded in the United States.

### Strategy

Normally investing at least 80% of assets in common stocks included in the S&P 500 Index, which broadly represents the performance of common stocks publicly traded in the United States.

### Risk

Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments.

### Additional Disclosures

This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund. The S&P 500 Index is a market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance. Returns prior to October 14, 2005 are those of the Investor Class and reflect the Investors Class' expense ratio. Had the Premium Class' expense ratio been reflected, total returns would have been higher.

## Glossary Of Terms

**Beta:** A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

**Exp Ratio (Gross):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies, if the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**Exp Ratio (Net):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the net expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus, after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses. This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**Net Asset Value (NAV):** The dollar value of one mutual fund's share, excluding any sales charges or redemption fees. The NAV is calculated by subtracting liabilities from the value of a fund's total assets and

dividing it by the number of Fund's shares outstanding.

Portfolio Net Assets (\$M): The difference between a portfolio's total assets and liabilities, including all share classes of the fund.

R<sup>2</sup>: A measurement of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark index or equivalent. R<sup>2</sup> is a proportion which ranges between 0.00 and 1.00. An R<sup>2</sup> of 1.00 indicates perfect correlation to the benchmark index; that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R<sup>2</sup> of 0.00 indicates no correlation. Therefore, the lower the R<sup>2</sup>, the more the fund's performance is affected by factors other than the market, as measured by that benchmark index. An R<sup>2</sup> value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

S&P 500: S&P 500 Index is a market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance.

Share Class Net Assets (\$M): The difference between the total assets and liabilities of a single share class of a fund.

Sharpe Ratio - Arithmetic: The Sharpe ratio is a measure of historical risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk free" rate used is the 90-day Treasury Bill rate.

Standard Deviation: Statistical measure of how much a return varies over an extended period of time. The more variable the returns, the larger the standard deviation. Investors may examine historical standard deviation in conjunction with historical returns to decide whether an investment's volatility would have been acceptable given the returns it would have produced. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility. Standard deviation does not indicate how an investment actually performed, but it does indicate the volatility of its returns over time. Standard deviation is annualized. The returns used for this calculation are not load-adjusted.

Turnover Rate: The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

## Important Information

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

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares; the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units; the issuer of a stock fund is the company which issues the shares; the issuer of options such as separate accounts and strategies is the plan which makes them available; the issuer of a fixed return option is the insurance company or other company which offers the investment; the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date composite performance for the product was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an Index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

2. The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends.

3. Risk of this Category: Morningstar calculates these risk levels by looking at the Morningstar Risk of the funds in the Category over the previous 5-year period. Morningstar Risk is the difference between the Morningstar Return based on fund total returns, and the Morningstar Risk Adjusted Return based on fund total returns adjusted for performance volatility. The Category Risk Level is based on the equal weighted average Morningstar Risk of the funds in the category. Morningstar's Research Committee evaluates the Category Morningstar Risk and assigns the Category Risk Level after further qualitative judgment.

Overall Rating: The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, which are based on risk-adjusted returns, as of the date stated.

Returns: This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury Bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar Category:

- top 10% - High
- next 22.5% - Above Average
- middle 35% - Average
- next 22.5% - Below Average
- bottom 10% - Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's 1% sales charge. If sales charges were included, total returns would have been lower.

5. Percent Rank in Category is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. % Rank in Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures. Past performance is no guarantee of future results.

6. Equity StyleMap® depictions of mutual fund characteristics are produced using data and calculators provided by Morningstar, Inc. StyleMaps™ estimate characteristics of a fund's equity holdings over two dimensions: market capitalization and valuation. The percentage of fund assets represented by these holdings is indicated beside each StyleMap. Current StyleMap characteristics are calculated each time Morningstar receives updated portfolio holdings from a fund and are denoted with a dot. Historical StyleMap characteristics are calculated for the shorter of either the past 3 years or the life of the fund, and are represented by the shading of the box(ies) previously occupied by the dot. StyleMap characteristics represent an approximate profile of the fund's equity holdings (e.g., domestic stocks, foreign stocks, and American Depositary Receipts), are based on historical data, and are not predictive of the fund's future investments. Although the data are gathered from reliable sources, accuracy and completeness cannot be guaranteed.

7. Any holdings asset allocation, diversification breakdowns or other composition data shown are as of the date indicated and are subject to change at any time. They may not be representative of the fund's current or future investments. The Top Ten Holdings and Top 5 Issuers do not include money market instruments or futures contracts, if any. Depository receipts are normally combined with the underlying security. Some breakdowns may be intentionally limited to a particular asset class or other subset of the fund's entire portfolio, particularly in multi-asset class funds where the attributes of the equity and fixed income portions are different.

Under the asset allocation section, International (or foreign) assets may be reported differently, depending on how an investment option reports its holdings. Some do not report International (or foreign) holdings (e.g., they report them in a "Regional Diversification" section). Some report them in this section in addition to the equity, bond and other allocation shown. Others report International (or foreign) holding as a subset of the equity and bond allocations shown. If the allocation between the foreign component equals (or rounds to) 100%, then International (or foreign) is a subset of the equity and



bond percentage shown.

Any remaining country allocations comprising less than one percent of the portfolio are combined in the OTHER category.

8. The percent of net assets invested in both domestic and foreign Equities (common stocks, preferred stocks, rights and warrants, convertible preferred stocks and stock index futures and options), Bond (all debt instruments, including investment grade, non-investment grade, non-rated securities and convertible bonds), and Cash & Net Other Assets (cash, repurchase agreements, receivables and payables).

9. "Tax-Advantaged Domiciles" represent countries whose tax policies may be favorable for company incorporation.

10. Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the Portfolio Composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.

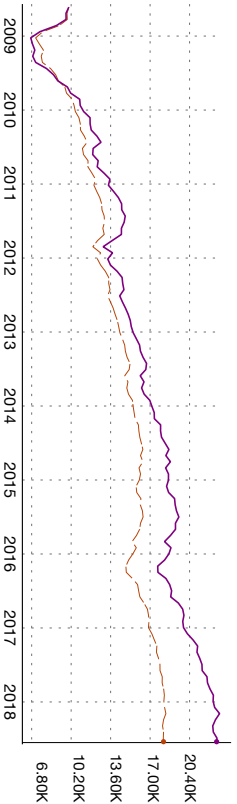


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728465.3.0

# Fidelity® Capital & Income Fund (FAGIX)

## Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ Fidelity® Capital & Income Fund \$22,707 ■ High Yield Bond \$18,168



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

Monthly (AS OF 6/30/2018)	YTD (Monthly)	Average Annual Total Returns				
		1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Fidelity® Capital & Income Fund	0.64%	5.69%	5.78%	7.05%	8.55%	9.79%
ICE BAML US HY/HY Const B	0.08%	2.54%	5.56%	5.51%	8.08%	--
High Yield Bond	-0.16%	2.23%	4.20%	4.36%	6.51%	--
Rank in Morningstar Category		3%	6%	1%	3%	--
# of Funds in Morningstar Category		680	575	484	321	--
Quarter-End (AS OF 6/30/2018)						
Fidelity® Capital & Income Fund		5.69%	5.78%	7.05%	8.55%	9.79%

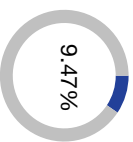
## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)

	2014	2015	2016	2017	2018
Fidelity® Capital & Income Fund	6.14%	-0.92%	10.73%	11.64%	0.64%
ICE BAML US HY/HY Const B	2.81%	-4.61%	17.49%	7.48%	0.08%
High Yield Bond	1.11%	-4.01%	13.30%	6.47%	-0.16%

## Top 10 Holdings<sup>6</sup>

(AS OF 6/30/2018)



ALLY FINANCIAL INC 8%
11/01/31
ALIBABA GROUP HLD LTD SPON
ADR
N/AMERICABLE 7.375% 05/26
144A
ALPHABET INC CL A
CAL RES TERM 1 1/2LN 12/31/21
MOVEMENTIVE PRF MATL 3.88%
10/21
ALLY FINL INC 5.125% 09/30/24
MASTERCARD INC CL A
T-MOBILE USA 6.375% 3/1/2025
UNITED RENTALS INC
% of Total Portfolio: 9.47%
679 holdings as of 6/30/2018
445 issuers as of 6/30/2018

## Investment Approach

- Fidelity® Capital & Income Fund is a diversified high-yield bond strategy that seeks income and capital growth by investing primarily in the bonds of non-investment-grade companies.
- We apply an opportunistic investment approach, which results in tactical positions aimed to capitalize on relative value across a company's capital structure, including high-yield bonds, stocks, convertible securities, leveraged loans and preferred stocks.
- In particular, we seek companies with strong balance sheets, high free cash flow, improving business/industry fundamentals and sharp management teams that are motivated to reduce debt. In doing so, we take a longer-term investment outlook and also may take advantage of opportunities based on where we are in the credit cycle.

## Morningstar® Snapshot\*\*3

(AS OF 6/30/2018)

Morningstar Category	High Yield Bond
Risk of this Category	
Overall Rating	★★★★★
Returns	
Expenses	

\*Data provided by Morningstar

## Details

Fund Inception	11/11/1977
NAV on 6/30/2018	\$10.02
Exp Ratio (Gross)	0.67%
6/29/2018	(\$6.70 per \$1000)
Exp Ratio (Net)	0.67%
6/29/2018	(\$6.70 per \$1000)
Management Fee	0.56%
Turnover Rate	39%
4/30/2018	
Portfolio Net Assets (\$M)	\$12,151.24
6/30/2018	

## Fund Manager(s)

Primary Manager: Mark J Norkin (since 7/15/2003)

## Portfolio Data

30-Day Yield <sup>9</sup>	3.99%
6/30/2018	
Weighted Avg Maturity	11.10 Years
6/30/2018	
Duration	3.86 Years
6/30/2018	

## Volatility Measures

Beta	0.91
6/30/2018	

Investment Approach (continued)

- We strive to uncover these investments through in-depth fundamental credit analysis, working in concert with Fidelity's high-income and global research teams.

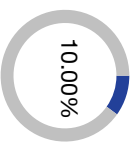
Major Market Sectors<sup>6</sup>

(AS OF 6/30/2018)

Portfolio Weight	ICE BAML US HY/HY Const B
Energy	14.54%
Banks & Thrifts	10.55%
Technology	10.46%
Telecommunications	8.47%
Health Care	6.31%
Diversified Financial Services	4.21%
Gaming	4.06%
Services	3.51%
Chemicals	3.50%
Cable TV	3.46%

Top 5 Issuers<sup>6</sup>

(AS OF 6/30/2018)



ALLY FINL INC  
BANK OF AMERICA CORPORATION  
NETFLIX INC  
CCO HLDGS LLC/CAP CORP  
ICAHN ENTERPRISES LP/FIN CORP

% of Total Portfolio: 10.00%  
445 issuers as of 6/30/2018  
679 holdings as of 6/30/2018

Regional Diversification<sup>6</sup>

(AS OF 6/30/2018)

U.S.	83.47%
Foreign	16.53%

Volatility Measures (continued)

R <sup>2</sup> 6/30/2018	0.77
Sharpe Ratio 6/30/2018	0.90
Standard Deviation 6/30/2018	5.70

Morningstar Ratings

(AS OF 6/30/2018) Morningstar Category: HIGH YIELD BOND

Overall	★★★★★	out of 575 funds
3 Yrs	★★★★★	out of 575 funds
5 Yrs	★★★★★	out of 484 funds
10 Yrs	★★★★★	out of 321 funds

The Morningstar Rating™ for funds, or "star rating", is calculated for funds with at least a three-year history. (Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.

Credit Quality<sup>6,8</sup>

(AS OF 6/30/2018)

BBB & Above	3.73%
BB	29.26%
B	26.64%
CCC & Below	10.17%
Not Rated/Not Available	22.91%
Cash & Net Other Assets	7.29%

Portfolio Diversification<sup>6,7</sup>

(AS OF 6/30/2018)

Portfolio Weight	ICE BAML US HY/HY Const B
Corporate Bond: Cash Pay	65.75%
Equities	22.23%
Cash & Net Other Assets	7.28%
Bank Debt	4.09%
Convertible Bonds	0.62%
Non-Convertible Preferred Stock	0.02%
Convertible Preferred Stock	0.01%
Corporate Bond: Deferred Pay	0.00%
Other Debt	0.00%

Fund Overview

Objective

Seeks to provide a combination of income and capital growth.

Strategy

Investing in equity and debt securities, including defaulted securities, with an emphasis on lower-quality debt securities. Investing in companies in troubled or uncertain financial condition.

## Fund Overview (continued)

### Risk

Interest rate increases can cause the price of a debt security to decrease. Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Lower-quality bonds can be more volatile and have greater risk of default than higher-quality bonds. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks.

### Additional Disclosures

This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund.

## Glossary Of Terms

**30-Day Yield:** A standard yield calculation developed by the Securities and Exchange Commission for bond funds. The yield is calculated by dividing the net investment income per share earned during the 30-day period by the maximum offering price per share on the last day of the period. The yield figure reflects the dividends and interest earned during the 30-day period, after the deduction of the fund's expenses and includes any applicable waiver or reimbursement. Absent such waivers or reimbursements, the returns would have been lower. It is sometimes referred to as "SEC 30-Day Yield" or "standardized yield."

**Beta:** A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

**Duration:** Duration is a measure of a security's price sensitivity to changes in interest rates. Duration differs from maturity in that it considers a security's interest payments in addition to the amount of time until the security reaches maturity, and also takes into account certain maturity shortening features (e.g., demand features, interest rate resets, and call options) when applicable. Securities with longer durations generally tend to be more sensitive to interest rate changes than securities with shorter durations. A fund with a longer average duration generally can be expected to be more sensitive to interest rate changes than a fund with a shorter average duration.

**Exp Ratio (Gross):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**Exp Ratio (Net):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the net expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus, after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses. This ratio also includes Acquired Fund Fees and Expenses, which are expensed indirectly incurred by a fund through its ownership of shares in other investment companies. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**ICE BAML US HY/HW Const B:** The BofA ML US, High Yield Master II Constrained Index is an unmanaged market value-weighted index of all domestic and Yankee high-yield bonds, including deferred interest bonds and payment-in-kind securities. Issues included in the index have maturities of one year or more and a credit rating lower than BBB-/Ba3, but are not in default. The Merrill Lynch U.S. High Yield Master II Constrained Index limits any individual issuer to a maximum of 2% benchmark exposure. Returns shown for the Merrill Lynch U.S. High Yield Master II Constrained Index for periods prior to December 31, 1996 (its inception date) are returns of the Merrill Lynch U.S. High Yield Master II Index.

**Net Asset Value (NAV):** The dollar value of one mutual fund's share, excluding any sales charges or redemption fees. The NAV is calculated by subtracting liabilities from the value of a fund's total assets and dividing it by the number of fund's shares outstanding.

**Portfolio Net Assets (\$M):** The difference between a portfolio's total assets and liabilities, including all share classes of the fund.

**R<sup>2</sup>:** A measurement of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark index or equivalent. R<sup>2</sup> is a proportion which ranges between 0.00 and 1.00. An R<sup>2</sup> of 1.00 indicates perfect correlation to the benchmark index; that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R<sup>2</sup> of 0.00 indicates no correlation. Therefore, the lower the R<sup>2</sup>, the more the fund's performance is affected by factors other than the market as measured by that benchmark index. An R<sup>2</sup> value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

**Sharpe Ratio - Arithmetic:** The Sharpe ratio is a measure of historical risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk free" rate used is the 90-day Treasury Bill rate.

**Standard Deviation:** Statistical measure of how much a return varies over an extended period of time. The more variable the returns, the larger the standard deviation. Investors may examine historical standard deviation in conjunction with historical returns to decide whether an investment's volatility would have been acceptable given the returns it would have produced. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility. Standard deviation does not indicate how an investment actually performed, but it does indicate the volatility of its returns over time. Standard deviation is annualized. The returns used for this calculation are not load-adjusted.

**Turnover Rate:** The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

**Weighted Average Maturity (WAM):** This is a weighted average of all the maturities of the securities held in a fund. WAM can be used as a measure of sensitivity to interest rate changes and markets changes. Generally, the longer the maturity, the greater the sensitivity to such changes. WAM is based on the dollar-weighted average length of time until principal payments must be paid. Depending on the types of securities held in a fund, certain maturity shortening devices (e.g., demand features, interest rate resets, and call options) may be taken into account when calculating the WAM.

## Important Information

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

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares; the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units; the issuer of a stock fund is the company which issues the shares; the issuer of options such as separate accounts and strategies is the plan which makes them available; the issuer of a fixed return option is the insurance company or other company which offers the investment; the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date composite performance for the product was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

2. The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends.

3. Risk of this Category: Morningstar calculates these risk levels by looking at the Morningstar Risk of the funds in the Category over the previous 5-year period. Morningstar Risk is the difference between the Morningstar Return, based on fund total returns, and the Morningstar Risk Adjusted Return, based on fund total returns adjusted for performance volatility. The Category Risk Level is based on the equal weighted average Morningstar Risk of the funds in the category. Morningstar's Research Committee evaluates the Category Morningstar Risk and assigns the Category Risk Level after further qualitative judgment.

Overall Rating: The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, which are based on risk-adjusted returns, as of the date stated.

Returns: This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury Bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar Category:

- top 10%: High
- next 22.5%: Above Average
- middle 35%: Average
- next 22.5%: Below Average
- bottom 10%: Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's [%] sales charge. If sales charges were included, total returns would have been lower.

5. Percent Rank in Category is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. % Rank in Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures. Past performance is no guarantee of future results.

6. Any holdings, asset allocation, diversification breakdowns or other composition data shown are as of the date indicated and are subject to change at any time. They may not be representative of the fund's current or future investments. The Top Ten Holdings and Top 5 Issuers do not include money market instruments or futures contracts, if any. Depository receipts are normally combined with the underlying security. Some breakdowns may be intentionally limited to a particular asset class or other subset of the fund's entire portfolio, particularly in multi-asset class funds where the attributes of the equity and fixed income portions are different.

Under the asset allocation section, international (or foreign) assets may be reported differently depending on how an investment option reports its holdings. Some do not report international (or foreign) holdings here, but instead report them in a "Regional Diversification" section. Some report them in this section in addition to the equity, bond and other allocation shown. Others report international (or foreign) holding as a subset of the equity and bond allocations shown. If the allocation without the foreign component equals (or rounds to) 100%, then international (or foreign) is a subset of the equity and bond percentage shown.

Any remaining country allocations comprising less than one percent of the portfolio are combined in the OTHER category.

7. Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the Portfolio Composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.

8. Credit ratings for a rated issuer or security are categorized using Moody's Investors Service (Moody's). If Moody's does not publish a rating for a security or issuer, then the Standard & Poor's Ratings Services (S&P) rating is used. When S&P and Moody's provide different ratings for the same issue of security, the Moody's rating is used. Securities that are not rated by these Nationally Recognized Statistical Rating Organizations (e.g. equity securities, if held) are categorized as NOT RATED. All U.S. government securities are included in the U.S. Government category. The table information is based on the combined investments of the fund and its pro rata share of any investments in other Fidelity funds.

9. A standard yield calculation developed by the Securities and Exchange Commission for bond funds. The yield is calculated by dividing the net investment income per share earned during the 30-day period by the maximum offering price per share on the last day of the period. The yield figure reflects the dividends and interest earned during the 30-day period, after the deduction of the fund's expenses. It is sometimes referred to as "SEC 30-Day Yield" or "standardized yield".

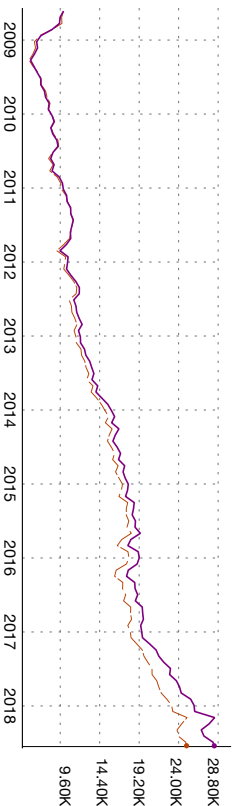


Fidelity Investments Institutional Services Company, Inc., 500 Salem Street, Smithfield, RI 02917.  
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# Fidelity® Contrafund® - Class K (FCNKX)

Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ Fidelity® Contrafund® - Class K \$28.434 ■ Large Growth \$25.033



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

Monthly (AS OF 6/30/2018)	YTD (Monthly)	Average Annual Total Returns				
		1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Fidelity® Contrafund® - Class K	9.56%	24.11%	15.00%	16.13%	11.02%	12.66%
S&P 500	2.65%	14.37%	11.93%	13.42%	10.17%	--
Large Growth	7.51%	20.58%	12.21%	14.37%	10.23%	--
Rank in Morningstar Category		28%	19%	27%	36%	--
# of Funds in Morningstar Category		1454	1265	1141	825	--
Quarter-End (AS OF 6/30/2018)						
Fidelity® Contrafund® - Class K	24.11%	15.00%	16.13%	11.02%	12.66%	

## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)	2014	2015	2016	2017	2018
Fidelity® Contrafund® - Class K	9.89%	6.55%	3.49%	32.34%	9.56%
S&P 500	13.69%	1.38%	11.96%	21.83%	2.65%
Large Growth	10.00%	3.60%	3.23%	27.67%	7.51%

## Top 10 Holdings<sup>7</sup>

(AS OF 6/30/2018)	% of Total Portfolio: 39.44%
FACEBOOK INC CL A	
AMAZON.COM INC	
BERKSHIRE HATHAWAY INC CL A	
MICROSOFT CORP	
ALPHABET INC CL A	
UNITEDHEALTH GROUP INC	
SALESFORCE.COM INC	
NETFLIX INC	
ALPHABET INC CL C	
VISA INC CL A	

% of Total Portfolio: 39.44%  
354 holdings as of 6/30/2018  
332 issuers as of 6/30/2018

## Investment Approach

- Fidelity® Contrafund® is an opportunistic, diversified equity strategy with a large-cap growth bias.
- Philosophically, we believe stock prices follow companies' earnings, and those companies that can deliver durable multiyear earnings growth provide attractive investment opportunities.
- As a result, our investment approach seeks firms we believe are poised for sustained, above-average earnings growth that is not accurately reflected in the stocks' current valuation.
- In particular, we emphasize companies with "best of breed" qualities, including those with a strong competitive position, high returns on capital, solid free-cash-flow generation and management teams that are stewards of shareholder capital.
- We strive to uncover these investment opportunities through in-depth bottom-up, fundamental

## Morningstar® Snapshot\*\*3

(AS OF 6/30/2018)

Morningstar Category	Large Growth
Risk of this Category	
Overall Rating	★★★★★
Returns	
Expenses	

\*Data provided by Morningstar

## Equity StyleMap®\*\*6

(AS OF 5/31/2018)



## Details

Fund Inception	5/17/1967
NAV on 6/30/2018	\$132.04
Exp Ratio (Gross)	0.65% (\$6.50 per \$1,000)
Exp Ratio (Net)	0.65% (\$6.50 per \$1,000)
Management Fee	0.60%
Turnover Rate	29%
Portfolio Net Assets (\$M)	\$129,173.25
Share Class Net Assets (\$M)	\$32,595.07

## Fund Manager(s)

Primary Manager: William Danoff (since 9/17/1990)

## Volatility Measures

Beta	0.99
R <sup>2</sup>	0.81



## Investment Approach (continued)

analysis, working in concert with Fidelity's global research team.

### Asset Allocation<sup>7,8,9,10</sup>

(AS OF 6/30/2018)



## Volatility Measures (continued)

Sharpe Ratio **1.28**  
6/30/2018

Standard Deviation **11.21**  
6/30/2018

### Regional Diversification<sup>7</sup>

(AS OF 6/30/2018)

United States	94.28%
Europe	1.89%
Canada	1.59%
Emerging Markets	1.32%
Asia-Pacific ex Japan	0.47%
Japan	0.45%
Other	0.00%

### Morningstar Ratings

(AS OF 6/30/2018) Morningstar Category: LARGE GROWTH

Overall	★★★★★	out of 1,265 funds
3 Yrs	★★★★★	out of 1,265 funds
5 Yrs	★★★★★	out of 1,141 funds
10 Yrs	★★★★★	out of 825 funds

The Morningstar Rating™ for funds, or "star rating," is calculated for funds with at least a three-year history. (Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.

### Major Market Sectors<sup>7</sup>

(AS OF 6/30/2018)

Portfolio Weight	S&P 500
Information Technology	42.04%
Consumer Discretionary	16.00%
Financials	15.67%
Health Care	9.16%
Industrials	5.60%
Energy	4.02%
Consumer Staples	2.26%
Materials	2.21%
Real Estate	0.29%
Telecommunication Services	0.09%

## Fund Overview

### Objective

Seeks capital appreciation.

### Strategy

Investing in securities of companies whose value FMR believes is not fully recognized by the public. Investing in either 'growth' stocks or 'value' stocks or both. Normally investing primarily in common stocks.

### Risk

The value of the fund's domestic and foreign investments will vary from day to day in response to many factors. Stock values fluctuate in response to the activities of individual companies, and general market and economic conditions. Investments in foreign securities involve greater risk than U.S. investments. You may have a gain or loss when you sell your shares.

### Additional Disclosures

This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund. On May 9, 2008, an initial offering of the retirement (K) class took place. Returns and expenses prior to that date are those of the non-K, non-advisor class. Had K class expenses been reflected in the returns shown, total returns would have been higher.

## Glossary Of Terms

Beta: A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

Exp Ratio (Gross): Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

Exp Ratio (Net): Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays

through a reduction in the investment's rate of return. For a mutual fund, the net expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus, after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses. This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**Net Asset Value (NAV):** The dollar value of one mutual fund's share, excluding any sales charges or redemption fees. The NAV is calculated by subtracting liabilities from the value of a fund's total assets and dividing it by the number of fund's shares outstanding.

**Portfolio Net Assets (\$M):** The difference between a portfolio's total assets and liabilities, including all share classes of the fund.

**R<sup>2</sup>:** A measurement of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark index or equivalent. R<sup>2</sup> is a proportion which ranges between 0.00 and 1.00. An R<sup>2</sup> of 1.00 indicates perfect correlation to the benchmark index, that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R<sup>2</sup> of 0.00 indicates no correlation. Therefore, the lower the R<sup>2</sup>, the more the fund's performance is affected by factors other than the market as measured by that benchmark index. An R<sup>2</sup> value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

**S&P 500: S&P 500 Index** is a market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance.

**Share Class Net Assets (\$M):** The difference between the total assets and liabilities of a single share class of a fund.

**Sharpe Ratio - Arithmetic:** The Sharpe ratio is a measure of historical risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk free" rate used is the 90-day Treasury Bill rate.

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**Turnover Rate:** The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

## Important Information

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares; the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units; the issuer of a stock fund is the company which issues the shares; the issuer of options such as separate accounts and strategies is the plan which makes them available; the issuer of a fixed return option is the insurance company or other company which offers the investment; the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date composite performance for the product was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an Index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

2. The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends.

3. Risk of this Category: Morningstar calculates these risk levels by looking at the Morningstar Risk of the funds in the Category over the previous 5-year period. Morningstar Risk is the difference between the Morningstar Return, based on fund total returns, and the Morningstar Risk Adjusted Return, based on fund total returns adjusted for performance volatility. The Category Risk Level is based on the equal weighted average Morningstar Risk of the funds in the category. Morningstar's Research Committee evaluates the Category Morningstar Risk and assigns the Category Risk Level after further qualitative judgment.

**Overall Rating:** The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Returns metrics, which are based on risk-adjusted returns, as of the date stated. Returns: This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar Category:

- top 10% - High
- next 22.5% - Above Average
- middle 35% - Average
- next 22.5% - Below Average
- bottom 10% - Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include changes in share value and reinvestment of dividends and capital gains. If any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's 1% sales charge. If sales charges were included, total returns would have been lower.

5. Percent Rank in Category: Is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. % Rank in Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures. Past performance is no guarantee of future results.

6. Equity StyleMap™ depictions of mutual fund characteristics are produced using data and calculations provided by Morningstar, Inc. StyleMaps™ estimate characteristics of a fund's equity holdings over two dimensions: market capitalization and valuation. The percentage of fund assets represented by these holdings is indicated beside each StyleMap. Current StyleMap characteristics are calculated each time Morningstar receives updated portfolio holdings for a fund and are denoted with a dot. Historical StyleMap characteristics are calculated for the share of either the past 3 years or the life of the fund and are represented by the shading of the boxes (previously occupied by the dot). StyleMap characteristics represent an approximate profile of the fund's equity holdings (e.g., domestic stocks, foreign stocks, and American Depositary Receipts), are based on historical data and are not predictive of the fund's future investments. Although the data are gathered from reliable sources, accuracy and completeness cannot be guaranteed.



7. Any holdings, asset allocation, diversification breakdowns or other composition data shown are as of the date indicated and are subject to change at any time. They may not be representative of the fund's current or future investments. The Top Ten Holdings and Top 5 Issuers do not include money market instruments or futures contracts, if any. Depository receipts are normally combined with the underlying security. Some breakdowns may be intentionally limited to a particular asset class or other subset of the fund's entire portfolio, particularly in multi-asset class funds where the attributes of the equity and fixed income portions are different.

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Any remaining country allocations comprising less than one percent of the portfolio are combined in the OTHER category.

8. The percent of net assets invested in both domestic and foreign Equities (common stocks, preferred stocks, rights and warrants, convertible preferred stocks and stock index futures and options), Bond (all debt instruments, including investment grade, non-investment grade, non-rated securities and convertible bonds), and Cash & Net Other Assets (cash, repurchase agreements, receivables and payables).

9. "Tax-Advantaged Domiciles" represent countries whose tax policies may be favorable for company incorporation.

10. Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the Portfolio Composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.

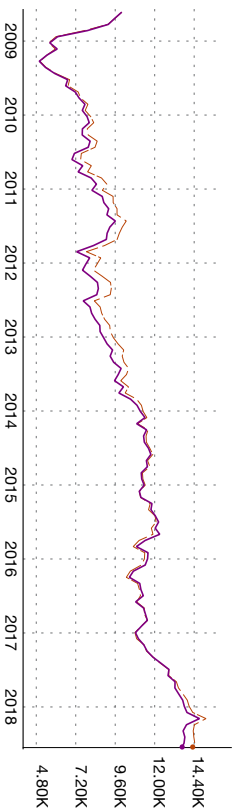


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Fidelity Brokerage Services LLC, Member NYSE, SIPC, 900 Salem Street, Smithfield, RI 02917.  
728465.3.0

# Fidelity® Diversified International Fund - Class K (FDIKX)

Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ Fidelity® Diversified International Fund - Class K \$13.602 ■ Foreign Large Growth \$14.235



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

	Average Annual Total Returns					
	YTD (Monthly)	1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Monthly (AS OF 6/30/2018)						
Fidelity® Diversified International Fund - Class K	-2.58%	6.17%	4.17%	7.31%	3.12%	8.32%
MSCI EAFE (Net MA)	-2.58%	7.08%	5.11%	6.63%	3.00%	5.59%
Foreign Large Growth	-0.43%	10.53%	6.62%	7.72%	3.92%	--
Rank in Morningstar Category		88%	87%	51%	74%	--
# of Funds in Morningstar Category		423	344	304	218	--
Quarter-End (AS OF 6/30/2018)						
Fidelity® Diversified International Fund - Class K	6.17%	4.17%	7.31%	3.12%	8.32%	

## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)	2014	2015	2016	2017	2018
Fidelity® Diversified International Fund - Class K	-3.05%	3.24%	-3.60%	26.79%	-2.58%
MSCI EAFE (Net MA)	-4.77%	-0.67%	1.21%	25.29%	-2.58%
Foreign Large Growth	-3.92%	0.95%	-2.14%	30.87%	-0.43%

## Top 10 Holdings<sup>7</sup>

(AS OF 6/30/2018)	% of Total Portfolio: 13.02%
EQUINOR ASA	
PRUDENTIAL PLC	
BRITISH AMERICAN TOB PLC	
ADR	
KEYENCE CORP	
SAP SE	
AAA GROUP LTD	
ORIX CORP	
HDFC BANK LTD (DEMAT)	
UNILEVER NV CVA (BEARER)	
SUNCOB ENERGY INC	
% of Total Portfolio: 13.02%	
238 holdings as of 6/30/2018	
236 issuers as of 6/30/2018	



Morningstar® Snapshot**	
(AS OF 6/30/2018)	Foreign Large Growth
Morningstar Category	Foreign Large Growth
Risk of this Category	
Overall Rating	★★★★☆
Returns	
Expenses	
*Data provided by Morningstar	
Equity StyleMap®**6	
(AS OF 5/31/2018)	Large Growth
	*93.95% Fund Assets Covered
Details	
Fund Inception	12/27/1991
NAV on 6/30/2018	\$38.90
Exp Ratio (Gross) 12/30/2017	0.82% (\$8.20 per \$1000)
Exp Ratio (Net) 12/30/2017	0.82% (\$8.20 per \$1000)
Management Fee	0.65%
Turnover Rate 4/30/2018	34%
Portfolio Net Assets (\$M) 6/30/2018	\$16,614.60
Share Class Net Assets (\$M) 6/30/2018	\$6,224.23
Fund Manager(s)	
Primary Manager: Bill Bower (since 4/12/2001)	
Volatility Measures	
Beta 6/30/2018	0.92

## Investment Approach

- Fidelity® Diversified International Fund is a broadly diversified international equity strategy that seeks capital growth by investing primarily in stocks from foreign developed markets.
- We manage the fund with a long-term view, focusing on high-quality businesses with durable or improving growth prospects that are benefiting from competitive advantages and are structured to achieve consistent profitability. We also value strong balance sheets, proven track records, high returns on capital and solid management teams whose interests are aligned with those of shareholders.
- We strive to uncover these companies through in-depth fundamental analysis, working in concert with

**Investment Approach** (continued)

Fidelity's global research team. While conscious of valuations, we may be willing to pay a slight premium for stocks we favor.

- Our disciplined investment process results in a style-consistent strategy that participates in the market in a risk-managed manner.

**Asset Allocation** 7,8,9,10  
(AS OF 6/30/2018)



**Regional Diversification**<sup>7</sup>  
(AS OF 6/30/2018)

Europe	55.00%
Japan	17.41%
Emerging Markets	10.18%
United States	10.05%
Asia-Pacific ex Japan	3.75%
Canada	3.61%
Other	0.00%

**Major Market Sectors**<sup>7</sup>  
(AS OF 6/30/2018)

■ Portfolio Weight	■ MSCI EAFE (Net MA)
Financials	24.06%
Industrials	16.30%
Information Technology	12.69%
Health Care	11.17%
Consumer Staples	10.86%
Consumer Discretionary	10.77%
Materials	5.54%
Energy	5.13%
Telecommunication Services	0.78%
Real Estate	0.39%

**Fund Overview**

**Objective**  
Seeks capital growth.

**Strategy**  
Normally investing primarily in non-U.S. securities. Normally investing primarily in common stocks.

**Risk**  
Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets.

**Additional Disclosures**  
This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund. On May 9, 2008, an initial offering of the retirement (K) class took place. Returns and expenses prior to that date are those of the non-K, non-advisor class. Had K class expenses been reflected in the returns shown, total returns would have been higher.

**Glossary Of Terms**

Beta: A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

Exp Ratio (Gross): Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other

**Volatility Measures** (continued)

R <sup>2</sup> 6/30/2018	0.92
Sharpe Ratio 6/30/2018	0.30
Standard Deviation 6/30/2018	11.67

**Morningstar Ratings**

(AS OF 6/30/2018) Morningstar Category: FOREIGN LARGE GROWTH

Overall	★★★★☆	out of 344 funds
3 Yrs	★★★★☆	out of 344 funds
5 Yrs	★★★★☆	out of 304 funds
10 Yrs	★★★★☆	out of 218 funds

The Morningstar Rating™ for funds, or "star rating", is calculated for funds with at least a three-year history. (Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.

investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**Exp Ratio (Net):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the net expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus, after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses. This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**MSCI EAFE (Net MA):** The MSCI Europe, Australasia and Far East Index (net MA, tax) is an unmanaged market capitalization-weighted index of equity securities of companies domiciled in various countries. The index is designed to represent performance of developed stock markets outside the United States and Canada and excludes certain market segments unavailable to U.S. based investors. The index returns for periods after 1/1/1997 are adjusted for tax withholding rates applicable to U.S.-based mutual funds organized as Massachusetts business trusts.

**Net Asset Value (NAV):** The dollar value of one mutual fund's share, excluding any sales charges or redemption fees. The NAV is calculated by subtracting liabilities from the value of a fund's total assets and dividing it by the number of fund's shares outstanding.

**Portfolio Net Assets (\$M):** The difference between a portfolio's total assets and liabilities, including all share classes of the fund.

**R<sup>2</sup>:** A measurement of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark index or equivalent. R<sup>2</sup> is a proportion which ranges between 0.00 and 1.00. An R<sup>2</sup> of 1.00 indicates perfect correlation to the benchmark index. That is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R<sup>2</sup> of 0.00 indicates no correlation. Therefore, the lower the R<sup>2</sup>, the more the fund's performance is affected by factors other than the market as measured by that benchmark index. An R<sup>2</sup> value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

**Share Class Net Assets (\$M):** The difference between the total assets and liabilities of a single share class of a fund.

**Sharpe Ratio - Arithmetic:** The Sharpe ratio is a measure of historical risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk free" rate used is the 90-day Treasury Bill rate.

**Standard Deviation:** Statistical measure of how much a return varies over an extended period of time. The more variable the returns, the larger the standard deviation. Investors may examine historical standard deviation in conjunction with historical returns to decide whether an investment's volatility would have been acceptable given the returns it would have produced. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility. Standard deviation does not indicate how an investment actually performed, but it does indicate the volatility of its returns over time. Standard deviation is annualized. The returns used for this calculation are not load-adjusted.

**Turnover Rate:** The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

## Important Information

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

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares; the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units; the issuer of a contract fund is the company which issues the shares; the issuer of options such as separate accounts and strategies is the plan which makes them available; the issuer of a fixed return option is the insurance company or other company which offers the investment; the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date commencing performance for the product, as first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

2. The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends.

3. Risk of this Category: Morningstar calculates these risk levels by looking at the Morningstar Risk of the funds in the Category over the previous 5-year period. Morningstar Risk is the difference between the Morningstar Return, based on fund total returns, and the Morningstar Risk Adjusted Return, based on fund total returns adjusted for performance volatility. The Category Risk Level is based on the equal weighted average Morningstar Risk of the funds in the category. Morningstar's Research Committee evaluates the Category Morningstar Risk and assigns the Category Risk Level after further qualitative judgment.

**Overall Rating:** The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, which are based on risk-adjusted returns, as of the date stated. Returns: This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar Category:

- top 10% - High
- next 22.5% - Above Average
- middle 35% - Average
- next 22.5% - Below Average
- bottom 10% - Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's [%] sales charge. If sales charges were included, total returns would have been lower.

5. Percent Rank in Category: is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. % Rank in Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures. Past performance is no guarantee of future results.

6. Equity StyleMap® depictions of mutual fund characteristics are produced using data and calculations provided by Morningstar, Inc. StyleMaps™ estimate characteristics of a fund's equity holdings over two dimensions: market capitalization and valuation. The percentage of fund assets represented by these holdings is indicated beside each StyleMap. Current StyleMap characteristics are calculated each

time Morningstar receives updated portfolio holdings from a fund and are denoted with a dot. Historical StyleMap characteristics are calculated for the shorter of either the past 3 years or the life of the fund, and are represented by the shading of the boxes) previously occupied by the dot. StyleMap characteristics represent an approximate profile of the fund's equity holdings (e.g., domestic stocks, foreign stocks, and American Depositary Receipts), are based on historical data, and are not predictive of the fund's future investments. Although the data are gathered from reliable sources, accuracy and completeness cannot be guaranteed.

7. Any holdings, asset allocation, diversification, breakdowns or other composition data shown are as of the date indicated and are subject to change at any time. They may not be representative of the fund's current or future investments. The Top Ten Holdings and Top 5 Issuers do not include money market instruments or futures contracts, if any. Depository receipts are normally combined with the underlying security. Some breakdowns may be intentionally limited to a particular asset class or other subset of the fund's entire portfolio, particularly in multi-asset class funds where the attributes of the equity and fixed income portions are different.

Under the asset allocation section, international (or foreign) assets may be reported differently depending on how an investment option reports its holdings. Some do not report international (or foreign) holdings here, but instead report them in a "Regional Diversification" section. Some report them in this section in addition to the equity, bond and other allocation shown. Others report international (or foreign) holding as a subset of the equity and bond allocations shown. If the allocation without the foreign component equals (or rounds to) 100%, then international (or foreign) is a subset of the equity and bond percentage shown.

Any remaining country allocations comprising less than one percent of the portfolio are combined in the OTHER category.

8. The percent of net assets invested in both domestic and foreign Equities (common stocks, preferred stocks, rights and warrants, convertible preferred stocks and stock index futures and options), Bond (all debt instruments, including investment grade, non-investment grade, non-rated securities and convertible bonds), and Cash & Net Other Assets (cash, repurchase agreements, receivables and payables).

9. "Tax-Advantaged Domiciles" represent countries whose tax policies may be favorable for company incorporation.

10. Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the Portfolio Composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.

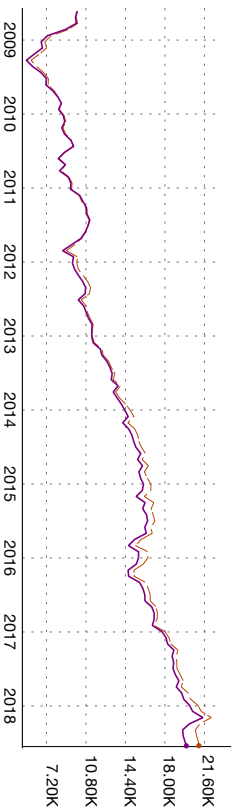


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# Fidelity® Equity-Income Fund - Class K (FEIKX)

Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ Fidelity® Equity-Income Fund - Class K \$20.022 ■ Large Value \$21,116



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

	Average Annual Total Returns					
	YTD (Monthly)	1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Monthly (AS OF 6/30/2018)						
Fidelity® Equity-Income Fund - Class K	-2.48%	5.67%	7.40%	8.85%	7.19%	11.29%
Russell 3000 Value	-1.16%	7.25%	8.48%	10.40%	8.60%	--
Large Value	-0.95%	9.04%	8.35%	9.94%	8.30%	--
Rank in Morningstar Category		86%	71%	83%	79%	--
# of Funds in Morningstar Category		1273	1099	951	686	--
Quarter-End (AS OF 6/30/2018)						
Fidelity® Equity-Income Fund - Class K	5.67%	7.40%	8.85%	7.19%	11.29%	

## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)	2014	2015	2016	2017	2018
Fidelity® Equity-Income Fund - Class K	8.81%	-3.41%	17.52%	13.47%	-2.48%
Russell 3000 Value	12.70%	-4.13%	18.40%	13.19%	-1.16%
Large Value	10.21%	-4.05%	14.81%	15.94%	-0.95%

## Top 10 Holdings<sup>7</sup>

(AS OF 6/30/2018)



JPMORGAN CHASE & CO  
VERIZON COMMUNICATIONS  
INC  
WELLS FARGO & CO  
CISCO SYSTEMS INC  
JOHNSON & JOHNSON  
BANK OF AMERICA  
CORPORATION  
CHEVRON CORP  
UNITED TECHNOLOGIES CORP  
CITIGROUP INC  
DOWDUPONT INC

% of Total Portfolio: 28.29%  
140 holdings as of 6/30/2018  
135 issuers as of 6/30/2018

## Morningstar® Snapshot\*\*3

(AS OF 6/30/2018)

Morningstar Category	Large Value
Risk of this Category	
Overall Rating	★★★★★
Returns	
Expenses	

\*Data provided by Morningstar

## Equity StyleMap®\*\*6

(AS OF 4/30/2018)



## Details

Fund Inception	5/16/1966
NAV on 6/30/2018	\$57.56
Exp Ratio (Gross)	0.53% (\$5.30 per \$1000) 3/31/2018
Exp Ratio (Net)	0.53% (\$5.30 per \$1000) 3/31/2018
Management Fee	0.44%
Turnover Rate	33% 1/31/2018
Portfolio Net Assets (\$M)	\$6,441.14 6/30/2018
Share Class Net Assets (\$M)	\$1,138.08 6/30/2018

## Fund Manager(s)

Lead Manager: Ramona Persaud (since 10/26/2011)  
Co-Manager: Adam Kramer (since 10/26/2011)

## Portfolio Data

30-Day Yield<sup>11</sup> 2.34%  
6/30/2018

## Investment Approach

- Fidelity® Equity-Income Fund is a diversified domestic equity strategy that seeks reasonable income. In pursuing this objective, the fund also will consider the potential for capital appreciation.
- The fund seeks a yield for its shareholders that exceeds the yield on the securities comprising the S&P 500® index.
- We believe in mean reversion, a value-drive philosophy, and investment duration as a competitive advantage.
- In our bottom-up investment process, we focus on higher-quality firms, which enhances downside

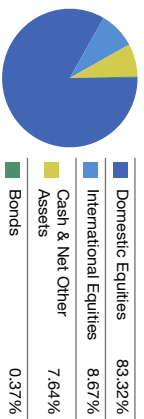


## Investment Approach (continued)

protection over time.

### Asset Allocation<sup>7</sup> 8.9, 10

(AS OF 6/30/2018)



### Regional Diversification<sup>7</sup>

(AS OF 6/30/2018)

United States	91.27%
Europe	5.94%
Canada	1.78%
Emerging Markets	0.88%
Japan	0.13%
Asia-Pacific ex Japan	0.00%
Other	0.00%

## Volatility Measures

Beta 6/30/2018	0.96
R <sup>2</sup> 6/30/2018	0.95
Sharpe Ratio 6/30/2018	0.66
Standard Deviation 6/30/2018	10.22

### Major Market Sectors<sup>7</sup>

(AS OF 6/30/2018)

Portfolio Weight	Russell 3000 Value
Financials	22.09%
Health Care	11.44%
Information Technology	11.15%
Energy	9.62%
Consumer Discretionary	8.96%
Consumer Staples	8.67%
Industrials	7.13%
Materials	4.16%
Telecommunication Services	3.98%
Utilities	3.43%

## Morningstar Ratings

(AS OF 6/30/2018) Morningstar Category: LARGE VALUE

Overall	★★★★★	out of 1,099 funds
3 Yrs	★★★★★	out of 1,099 funds
5 Yrs	★★★★★	out of 951 funds
10 Yrs	★★★★★	out of 686 funds

The Morningstar Rating™ for funds, or "star rating", is calculated for funds with at least a three-year history. (Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.

## Fund Overview

### Objective

Seeks reasonable income. The fund will also consider the potential for capital appreciation. The fund seeks a yield for its shareholders that exceeds the yield on the securities comprising the S&P 500 Index.

### Strategy

Normally investing at least 80% of assets in equity securities. Normally investing primarily in income-producing equity securities, which tends to lead to investments in large cap "value" stocks. Potentially investing in other types of equity securities and debt securities, including lower-quality debt securities. Investing in domestic and foreign issuers. Using fundamental analysis of factors such as each issuer's financial condition and industry position, as well as market and economic conditions, to select investments. Potentially using covered call options as tools in managing the fund's assets.

### Risk

Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks. Fixed income investments entail interest rate risk (as interest rates rise bond prices usually fall), the risk of issuer default, issuer credit risk and inflation risk. Lower-quality bonds can be more volatile and have greater risk of default than higher-quality bonds. Value stocks can perform differently from the market as a whole. They can remain undervalued by the market for long periods of time.

### Additional Disclosures

This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund S&P 500 Index is a market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance. On May 9, 2008, an initial offering of the retirement (K) Class took place. Returns and expenses prior to that date are those of the non-K, non-advisor class. Had K Class expenses been reflected in the returns shown, total returns would have been higher.

## Glossary Of Terms

**30-Day Yield:** A standard yield calculation developed by the Securities and Exchange Commission for bond funds. The yield is calculated by dividing the net investment income per share earned during the 30-day period by the maximum offering price per share on the last day of the period. The yield figure reflects the dividends and interest earned during the 30-day period, after the deduction of the fund's expenses and includes any applicable waiver or reimbursement. Absent such waivers or reimbursements, the returns would have been lower. It is sometimes referred to as "SEC 30-Day Yield" or "standardized yield."

**Beta:** A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

**Exp Ratio (Gross):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**Exp Ratio (Net):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the net expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus, after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses. This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement by the fund's board of trustees during the one-year period. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**Net Asset Value (NAV):** The dollar value of one mutual fund's share, excluding any sales charges or redemption fees. The NAV is calculated by subtracting liabilities from the value of a fund's total assets and dividing it by the number of fund's shares outstanding.

**Portfolio Net Assets (\$M):** The difference between a portfolio's total assets and liabilities, including all share classes of the fund.

**R<sup>2</sup>:** A measurement of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark index or equivalent. R<sup>2</sup> is a proportion which ranges between 0.00 and 1.00. An R<sup>2</sup> of 1.00 indicates perfect correlation to the benchmark index, that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R<sup>2</sup> of 0.00 indicates no correlation. Therefore, the more the R<sup>2</sup>, the more the fund's performance is affected by factors other than the market, as measured by that benchmark index. An R<sup>2</sup> value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

**Russell 3000 Value:** The Russell 3000® Value Index is an unmanaged market capitalization-weighted index of value-oriented stocks of U.S. domiciled companies that are included in the Russell 3000 index. Value-oriented stocks tend to have lower price-to-book ratios and lower forecasted growth values.

**Share Class Net Assets (\$M):** The difference between the total assets and liabilities of a single share class of a fund.

**Sharpe Ratio - Arithmetic:** The Sharpe ratio is a measure of historical risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk free" rate used is the 90-day Treasury Bill rate.

**Standard Deviation:** Statistical measure of how much a return varies over an extended period of time. The more variable the returns, the larger the standard deviation. Investors may examine historical standard deviation in conjunction with historical returns to decide whether an investment's volatility would have been acceptable given the returns it would have produced. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility. Standard deviation does not indicate how an investment actually performed, but it does indicate the volatility of its returns over time. Standard deviation is annualized. The returns used for this calculation are not load-adjusted.

**Turnover Rate:** The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares; the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units; the issuer of a stock fund is the company which issues the shares; the issuer of options such as separate accounts and strategies is the plan which makes them available; the issuer of a fixed return option is the insurance company or other company which offers the investment; the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date composite performance for the product was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

2. The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends.

3. Risk of this Category: Morningstar calculates these risk levels by looking at the Morningstar Risk of the funds in the Category over the previous 5-year period. Morningstar Risk is the difference between the Morningstar Return based on fund total returns, and the Morningstar Risk Adjusted Return based on fund total returns adjusted for performance volatility. The Category Risk Level is based on the equal weighted average Morningstar Risk of the funds in the category. Morningstar's Research Committee evaluates the Category Morningstar Risk and assigns the Category Risk Level after further qualitative judgment.

**Overall Rating:** The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, which are based on risk-adjusted returns, as of the date stated.

**Returns:** This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar Category:

- top 10% - High
- next 22.5% - Above Average
- middle 35% - Average



- Next 22.5% - Below Average
  - Bottom 10% - Low
- Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.
4. Total returns are historical and include changes in share value and reinvestment of dividends and capital gains. If any, Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's [%] sales charge. If sales charges were included, total returns would have been lower.
  5. Percent Rank in Category is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. % Rank in Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures. Past performance is no guarantee of future results.
  6. Equity StyleMap® depictions of mutual fund characteristics are produced using data and calculations provided by Morningstar, Inc. StyleMaps<sup>SM</sup> estimate characteristics of a fund's equity holdings over two dimensions: market capitalization and valuation. The percentage of fund assets represented by these holdings is indicated beside each StyleMap. Current StyleMap characteristics are calculated each time Morningstar receives updated portfolio holdings from a fund and are denoted with a dot. Historical StyleMap characteristics are calculated for the shorter of either the past 3 years or the life of the fund, and are represented by the shading of the boxes previously occupied by the dot. StyleMap characteristics represent an approximate profile of the fund's equity holdings (e.g., domestic stocks, foreign stocks, and American Depositary Receipts), are based on historical data and are not predictive of the fund's future investments. Although the data are gathered from reliable sources, accuracy and completeness cannot be guaranteed.
  7. Any holdings asset allocation, diversification breakdowns or other composition data shown are as of the date indicated and are subject to change at any time. They may not be representative of the fund's current or future investments. The Top Ten Holdings and Top 5 Issuers do not include money market instruments or futures contracts, if any. Depository receipts are normally combined with the underlying security. Some breakdowns may be intentionally limited to a particular asset class or other subset of the fund's entire portfolio, particularly in multi-asset class funds where the attributes of the equity and fixed income portions are different. Under the asset allocation section, International (or foreign) assets may be reported differently depending on how an investment option reports its holdings. Some do not report International (or foreign) holdings here, but instead report them in a "Regional Diversification" section. Some report them in this section in addition to the equity, bond and other allocation shown. Others report International (or foreign) holding as a subset of the equity and bond allocations shown. If the allocation without the foreign component equals (or rounds to) 100%, then International (or foreign) is a subset of the equity and bond percentage shown.
- Any remaining country allocations comprising less than one percent of the portfolio are combined in the OTHER category.
8. The percent of net assets invested in both domestic and foreign Equities (common stocks, preferred stocks, rights and warrants, convertible preferred stocks and stock index futures and options), Bond (all debt instruments, including investment grade, non-investment grade, non-rated securities and convertible bonds), and Cash & Net Other Assets (cash, repurchase agreements, receivables and payables).
  9. "Tax-Advantaged Domiciles" represent countries whose tax policies may be favorable for company incorporation.
  10. Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the Portfolio Composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.
  11. A standard yield calculation developed by the Securities and Exchange Commission for bond funds. The yield is calculated by dividing the net investment income per share earned during the 30-day period by the maximum offering price per share on the last day of the period. The yield figure reflects the dividends and interest earned during the 30-day period, after the deduction of the fund's expenses. It is sometimes referred to as "SEC 30-Day Yield" or "standardized yield".

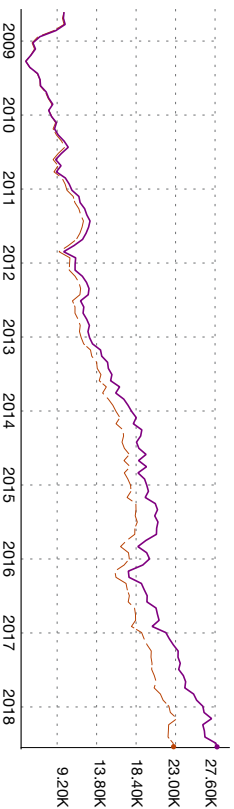


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 7284653.0

# Fidelity® Extended Market Index Fund - Premium Class (FSEVX)

Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ Fidelity® Extended Market Index Fund - Premium Class \$27,930 ■ Mid-Cap Blend \$22,813



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

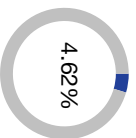
Monthly (AS OF 6/30/2018)	YTD (Monthly)	Average Annual Total Returns				
		1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Fidelity® Extended Market Index Fund - Premium Class	6.12%	16.83%	10.33%	12.60%	10.82%	8.47%
DJ US Completion TSM	6.06%	16.71%	10.16%	12.46%	10.69%	8.43%
Mid-Cap Blend	1.95%	11.31%	7.96%	10.61%	8.92%	--
Rank in Morningstar Category		6%	23%	11%	11%	--
# of Funds in Morningstar Category		456	369	329	232	--
Quarter-End (AS OF 6/30/2018)						
Fidelity® Extended Market Index Fund - Premium Class		16.83%	10.33%	12.60%	10.82%	8.47%

## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)	2014	2015	2016	2017	2018
Fidelity® Extended Market Index Fund - Premium Class	7.71%	-3.32%	16.10%	18.18%	6.12%
DJ US Completion TSM	7.63%	-3.42%	15.75%	18.12%	6.06%
Mid-Cap Blend	7.80%	-4.75%	14.14%	15.93%	1.95%

## Top 10 Holdings<sup>8</sup>

(AS OF 6/30/2018)	% of Total Portfolio: 4.62%
TESLA INC	
SERVICENOW INC	
LAS VEGAS SANDS CORP	
WORLDRPAY INC	
PALO ALTO NETWORKS INC	
SQUARE INC CL A	
T-MOBILE US CL A	
WORKDAY INC CL A	
DELL TECHNOLOGIES INC CL V	
BIOMARIN PHARMACEUTICAL INC	
% of Total Portfolio: 4.62%	
3098 holdings as of 6/30/2018	
3073 issuers as of 6/30/2018	



## Morningstar® Snapshot\*\*

(AS OF 6/30/2018)

Morningstar Category	Mid-Cap Blend
Risk of this Category	
Overall Rating	★★★★☆
Returns	
Expenses	

\*Data provided by Morningstar

## Equity StyleMap®\*\*6

(AS OF 5/31/2018)



## Details

Fund Inception	11/5/1997
NAV on 6/30/2018	\$65.79
Exp Ratio (Gross)	0.07% (\$0.70 per \$1,000)
Exp Ratio (Net)	0.07% (\$0.70 per \$1,000)
Management Fee	0.045%
Turnover Rate	11% 2/28/2018
Portfolio Net Assets (\$M)	\$22,712.18
Share Class Net Assets (\$M)	\$18,946.84

## Fund Manager(s)<sup>7</sup>

Primary Manager: Geode Capital Management (since 8/4/2003)

## Volatility Measures

Beta	1.00
6/30/2018	

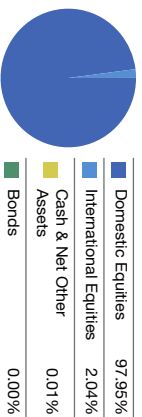
## Investment Approach

- Fidelity® Extended Market Index Fund is a diversified domestic small- and mid-cap equity strategy that seeks to closely track the returns and characteristics of the Dow Jones U.S. Completion Total Stock Market Index<sup>SM</sup>.
- The Dow Jones U.S. Completion Total Stock Market Index<sup>SM</sup> is a market-capitalization-weighted index that is derived from the Dow Jones U.S. Total Stock Market Index<sup>SM</sup> and excludes companies in the S&P 500® Index.
- The fund employs an optimization approach that relies on historical data and correlations to build a portfolio of securities that closely matches the composition and characteristics of the benchmark. As

Investment Approach (continued)

part of this approach, a proxy security may be used in instances where it may be suboptimal or impractical to hold the same security as the index, such as foreign ownership restrictions, round-lot size constraints, compliance limitations, and liquidity and tax issues.

Asset Allocation<sup>8,9,10,11</sup>  
(AS OF 6/30/2018)



Regional Diversification<sup>8</sup>  
(AS OF 6/30/2018)

United States	97.96%
Europe	1.44%
Emerging Markets	0.32%
Canada	0.18%
Asia-Pacific ex Japan	0.05%
Other	0.05%
Japan	0.00%

Major Market Sectors<sup>8</sup>  
(AS OF 6/30/2018)

Information Technology	18.70%
Financials	16.38%
Consumer Discretionary	14.41%
Industrials	13.46%
Health Care	11.91%
Real Estate	8.34%
Materials	5.13%
Energy	4.83%
Consumer Staples	2.86%
Utilities	2.69%

Fund Overview

**Objective**  
Seeks to provide investment results that correspond to the total return stocks of mid- to small-capitalization United States companies.

**Strategy**  
Normally investing at least 80% of assets in common stocks included in the Dow Jones U.S. Completion Total Stock Market Index, which represents the performance of stocks of mid- to small-capitalization U.S. companies.

**Risk**  
Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Investments in smaller companies may involve greater risks than those in larger, more well known companies.

**Additional Disclosures**  
This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund. The Dow Jones U.S. Completion Total Stock Market Index is an unmanaged index that represents all U.S. equity issues with readily available prices, excluding components of the S&P 500. Returns prior to October 14, 2005 are those of the Investor Class and reflect the Investor Class expense ratio. Had the Premium Class expense ratio been reflected, total returns would have been higher.

Glossary Of Terms

Beta: A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.  
 R<sup>2</sup> OF 6/30/2018: The Dow Jones U.S. Completion Total Stock Market Index is an unmanaged index that represents all U.S. equity issues with readily available prices, excluding components of the S&P 500.

Volatility Measures (continued)

R <sup>2</sup> 6/30/2018	1.00
Sharpe Ratio 6/30/2018	0.79
Standard Deviation 6/30/2018	12.26

Morningstar Ratings

(AS OF 6/30/2018) Morningstar Category: MID-CAP BLEND

Overall	★★★★★	out of 369 funds
3 Yrs	★★★★★	out of 369 funds
5 Yrs	★★★★★	out of 329 funds
10 Yrs	★★★★★	out of 232 funds

The Morningstar Rating™ for funds, or "star rating", is calculated for funds with at least a three-year history. (Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.  
 Past performance is no guarantee of future results.

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R2: A measurement of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark index or equivalent. R<sup>2</sup> is a proportion which ranges between 0.00 and 1.00. An R<sup>2</sup> of 1.00 indicates perfect correlation to the benchmark index, that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R<sup>2</sup> of 0.00 indicates no correlation. Therefore, the lower the R<sup>2</sup>, the more the fund's performance is affected by factors other than the market as measured by that benchmark index. An R<sup>2</sup> value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares; the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units; the issuer of a stock fund is the company which issues the shares; the issuer of options such as separate accounts and strategies is the plan which makes them available; the issuer of a fixed return option is the insurance company or other company which offers the investment; the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple share classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date composite performance for the product was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

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- next 22.5% - Above Average
- middle 35% - Average
- next 22.5% - Below Average
- bottom 10% - Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's [%] sales charge. If sales charges were included, total returns would have been lower.

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and are represented by the shading of the box(es) previously occupied by the dot. StyleMap characteristics represent an approximate profile of the fund's equity holdings (e.g., domestic stocks, foreign stocks, and American Depositary Receipts), are based on historical data, and are not predictive of the fund's future investments. Although the data are gathered from reliable sources, accuracy and completeness cannot be guaranteed.

7. The fund is managed by Geode Capital Management, LLC. Consistent with its investment objectives, the fund may hire or terminate money managers at any time without prior notification. See the prospectus for details.

8. Any holdings, asset allocation, diversification breakdowns or other composition data shown are as of the date indicated and are subject to change at any time. They may not be representative of the fund's current or future investments. The Top Ten Holdings and Top 5 Issuers do not include money market instruments or futures contracts, if any. Depository receipts are normally combined with the underlying security. Some breakdowns may be intentionally limited to a particular asset class or other subset of the fund's entire portfolio, particularly in multi-asset class funds where the attributes of the equity and fixed income portions are different.

Under the asset allocation section, international (or foreign) assets may be reported differently depending on how an investment option reports its holdings. Some do not report international (or foreign) holdings here, but instead report them in a "Regional Diversification" section. Some report them in this section in addition to the equity, bond and other allocation shown. Others report international (or foreign) holding as a subset of the equity and bond allocations shown. If the allocation without the foreign component equals (or rounds to) 100%, then international (or foreign) is a subset of the equity and bond percentage shown.

Any remaining country allocations comprising less than one percent of the portfolio are combined in the OTHER category.

9. The percent of net assets invested in both domestic and foreign Equities (common stocks, preferred stocks, rights and warrants, convertible preferred stocks and stock index futures and options), Bond (all debt instruments, including investment grade, non-investment grade, non-rated securities and convertible bonds), and Cash & Net Other Assets (cash, repurchase agreements, receivables and payables),

10. "Tax-Advantaged Domiciles" represent countries whose tax policies may be favorable for company incorporation.

11. Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the Portfolio Composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.

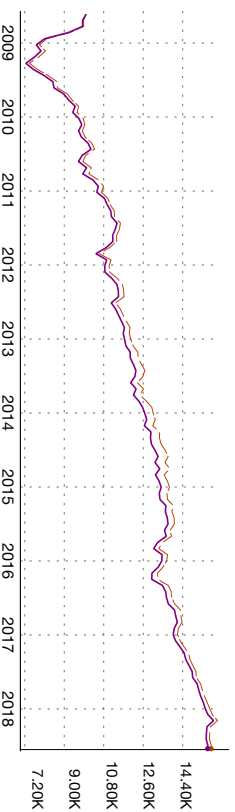


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# Fidelity Freedom® 2005 Fund - Class K (FSNJX)

Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ Fidelity Freedom® 2005 Fund - Class K \$15,532 ■ Target-Date 2000-2010 \$15,694



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

Monthly (AS OF 6/30/2018)	Average Annual Total Returns					
	YTD (Monthly)	1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Fidelity Freedom® 2005 Fund - Class K	-0.09%	4.55%	4.60%	5.24%	4.50%	4.90%
BBBarc U.S. Agg Bond	-1.62%	-0.40%	1.72%	2.27%	3.72%	3.97%
FID FF 2005 Comp Idx	-0.05%	4.36%	4.27%	5.03%	4.68%	5.14%
Target-Date 2000-2010	-0.32%	4.37%	4.38%	5.33%	4.88%	--
Rank in Morningstar Category		37%	45%	64%	80%	--
# of Funds in Morningstar Category		135	111	87	76	--
Quarter-End (AS OF 6/30/2018)						
Fidelity Freedom® 2005 Fund - Class K		4.55%	4.60%	5.24%	4.50%	4.90%

## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)

	2014	2015	2016	2017	2018
Fidelity Freedom® 2005 Fund - Class K	4.50%	-0.33%	5.91%	10.45%	-0.09%
BBBarc U.S. Agg Bond	5.97%	0.55%	2.65%	3.54%	-1.62%
FID FF 2005 Comp Idx	5.41%	-0.03%	4.92%	9.25%	-0.05%
Target-Date 2000-2010	4.10%	-1.18%	5.86%	10.15%	-0.32%

## Investment Approach

- Fidelity Freedom® Funds (the Funds) are designed so that the target date referenced in the Fund name is the approximate year when we expect investors to retire and begin gradually withdrawing their investment.
- Except for Fidelity Freedom® Income Fund, each of the Funds seeks high total return until reaching its respective target retirement date; thereafter, each Fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.
- Except for Fidelity Freedom® Income Fund, each Fund's asset allocation strategy becomes increasingly conservative as it approaches its target date – and beyond. Ultimately, the Funds are expected to merge with Fidelity Freedom Income Fund.
- The Funds employ a robust investment process focused on helping investors solve the challenge of

## Morningstar® Snapshot\*\*

(AS OF 6/30/2018)

Morningstar Category	Target-Date 2000-2010
Risk of this Category	
Overall Rating	★★★★★
Returns	
Expenses	

\*Data provided by Morningstar

## Equity StyleMap®\*\*6

(AS OF 5/31/2018)



## Details

Fund Inception	11/6/2003
NAV on 6/30/2018	\$12.31
Exp Ratio (Gross) 5/30/2018	0.43% (\$4.30 per \$1000)
Exp Ratio (Net) 5/30/2018	0.43% (\$4.30 per \$1000)
Management Fee	0.42%
Turnover Rate 3/31/2018	23%
Portfolio Net Assets (\$M) 6/30/2018	\$1,008.16
Share Class Net Assets (\$M) 6/30/2018	\$403.08

## Fund Manager(s)

Co-Manager: Team

## Volatility Measures

Beta 6/30/2018	0.34
R <sup>2</sup> 6/30/2018	0.04

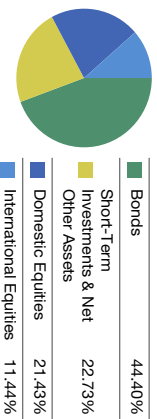


## Investment Approach (continued)

Investing through retirement by leveraging the depth and strength of Fidelity's investment research and resources.

## Asset Allocations<sup>7,8,9</sup>

(AS OF 6/30/2018)



## Volatility Measures (continued)

Sharpe Ratio	0.88
6/30/2018	
Standard Deviation	4.48
6/30/2018	

## Morningstar Ratings

(AS OF 6/30/2018) Morningstar Category: TARGET-DATE 2000-2010

Overall	★★★★★	out of 111 funds
3 Yrs	★★★★★	out of 111 funds
5 Yrs	★★★★★	out of 87 funds
10 Yrs	★★★★★	out of 76 funds

The Morningstar Rating<sup>SM</sup> for funds, or "star rating", is calculated for funds with at least a three-year history. (Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.

## Fund Overview

### Objective

Seeks high total return until its target retirement date. Thereafter, the fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.

### Strategy

Designed for investors who anticipate retiring in or within a few years of the fund's target retirement year at or around age 65. Investing in a combination of Fidelity domestic equity funds, international equity funds, bond funds, and short-term funds (underlying Fidelity funds). Allocating assets among underlying Fidelity funds according to a "neutral" asset allocation strategy that adjusts over time until it reaches an allocation similar to that of the Freedom Income Fund approximately 10 to 19 years after the target year. Ultimately, the fund will merge with the Freedom Income Fund, FMR Co., Inc. (the Adviser) may modify the fund's neutral asset allocations from time to time when in the interests of investors. Buying and selling futures contracts (both long and short positions) in an effort to manage cash flows efficiently, remain fully invested, or facilitate asset allocation. Through an active asset allocation strategy, the Adviser may increase or decrease neutral asset class exposures by up to 10 percentage points for equity, bond and short-term funds to reflect the Adviser's market outlook, which is primarily focused on the intermediate term.

### Risk

Investment performance of the Fidelity Freedom Fund products depends on the performance of the underlying investment options and on the proportion of the assets invested in each underlying investment option. The investment risk of each Fidelity Freedom Fund changes over time as its asset allocation changes. These risks are subject to the asset allocation decisions of the Investment Adviser. Pursuant to the Adviser's ability to use an active asset allocation strategy, investors may be subject to a different risk profile compared to the fund's neutral asset allocation strategy shown in its glide path. The funds are subject to the volatility of the financial markets, including that of equity and fixed income investments in the U.S. and abroad, and may be subject to risks associated with investing in high-yield, small-cap, commodity-linked and foreign securities. Leverage can increase market exposure, magnify investment risks, and cause losses to be realized more quickly. No target date fund is considered a complete retirement program and there is no guarantee any single fund will provide sufficient retirement income at or through retirement. Principal invested is not guaranteed at any time, including at or after the funds' target dates.

### Additional Disclosures

This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund. On July 20, 2017, an initial offering of the Fidelity Freedom K class took place. Returns and expenses prior to that date are those of the Freedom (retail) class. Had K class expenses been reflected in the returns shown, total returns would have been higher.

## Glossary Of Terms

BbgBarc U.S. Agg Bond: The Bloomberg Barclays U.S. Aggregate Bond Index is an unmanaged market value-weighted index for U.S. dollar denominated investment-grade fixed-rate debt issues, including

government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year.

Beta: A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

Exp Ratio (Gross): Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expense directly paid by the fund from the fund's most recent prospectus (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

Exp Ratio (Net): Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the net expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus, after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses. This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

FID FF 2005 Comp Ix: Fidelity Freedom 2005 Composite Index is a customized blend of the following unmanaged indexes: Dow Jones U.S. Total Stock Market Index; MSCI ACOM (All Country World Index) ex USA Index; Bloomberg Barclays U.S. Aggregate Bond Index; and Bloomberg Barclays U.S. 3 Month Treasury Bill/wether Index. The index weightings are adjusted monthly to reflect the fund's changing asset allocations. The composition differed in periods prior to January 1, 2014.

Net Asset Value (NAV): The dollar value of one mutual fund's share, excluding any sales charges or redemption fees. The NAV is calculated by subtracting liabilities from the value of a fund's total assets and dividing it by the number of fund's shares outstanding.

Portfolio Net Assets (\$M): The difference between a portfolio's total assets and liabilities, including all share classes of the fund.

R<sup>2</sup>: A measurement of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark index or equivalent. R<sup>2</sup> is a proportion which ranges between 0.00 and 1.00. An R<sup>2</sup> of 1.00 indicates perfect correlation to the benchmark index; that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R<sup>2</sup> of 0.00 indicates no correlation. Therefore, the lower the R<sup>2</sup>, the more the fund's performance is affected by factors other than the market as measured by that benchmark index. An R<sup>2</sup> value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

Share Class Net Assets (\$M): The difference between the total assets and liabilities of a single share class of a fund.

Sharpe Ratio - Arithmetic: The Sharpe ratio is a measure of historical risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk-free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk-free" rate used is the 90-day Treasury Bill rate.

Standard Deviation: Statistical measure of how much a return varies over an extended period of time. The more variable the returns, the larger the standard deviation. Investors may examine historical standard deviation in conjunction with historical returns to decide whether an investment's volatility would have been acceptable given their returns it would have produced. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility. Standard deviation does not indicate how an investment actually performed, but it does indicate the volatility of its returns over time. Standard deviation is annualized. The returns used for this calculation are not load-adjusted.

Turnover Rate: The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

## Important Information

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

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares, the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units, the issuer of a stock fund is the company which issues the shares, the issuer of options such as separate accounts and strategies is the plan which makes them available, the issuer of a fixed return option is the insurance company or other company which offers the investment; the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date composite performance for the product was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

2. The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends.

3. Risk of this Category: Morningstar calculates these risk levels by looking at the Morningstar Risk of the funds in the Category over the previous 5-year period. Morningstar Risk is the difference between the Morningstar Return, based on fund total returns, and the Morningstar Risk Adjusted Return, based on fund total returns adjusted for performance volatility. The Category Risk Level is based on the equal weighted average Morningstar Risk of the funds in the category. Morningstar's Research Committee evaluates the Category Morningstar Risk and assigns the Category Risk Level after further qualitative judgment.

Overall Rating: The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, which are based on risk-adjusted returns, as of the date stated. Returns: This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury Bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar category:

- top 10% - High
- next 22.5% - Above Average
- middle 35% - Average
- next 22.5% - Below Average
- bottom 10% - Low

Expense: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of fund figures are



reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's [%] sales charge. If sales charges were included, total returns would have been lower.

5. Percent Rank in Category is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. % Rank in Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures. Past performance is no guarantee of future results.

6. Equity StyleMap® depictions of mutual fund characteristics are produced using data and calculations provided by Morningstar, Inc. StyleMaps™ estimate characteristics of a fund's equity holdings over two dimensions: market capitalization and valuation. The percentage of fund assets represented by these holdings is indicated beside each StyleMap. Current StyleMap characteristics are calculated each time Morningstar receives updated portfolio holdings from a fund and are denoted with a dot. Historical StyleMap characteristics are calculated for the shorter of either the past 3 years or the life of the fund, and are represented by the shading of the box(es) previously occupied by the dot. StyleMap characteristics represent an approximate profile of the fund's equity holdings (e.g., domestic stocks, foreign stocks, and American Depositary Receipts), are based on historical data, and are not predictive of the fund's future investments. Although the data are gathered from reliable sources, accuracy and completeness cannot be guaranteed.

7. The percent of net assets invested in both domestic and foreign Equities (common stocks, preferred stocks, rights and warrants, convertible preferred stocks and stock index futures and options), Bond (all debt instruments, including investment grade, non-investment grade, non-rated securities and convertible bonds), and Cash & Net Other Assets (cash, repurchase agreements, receivables and payables),

8. The asset allocation shown is presented to illustrate the underlying funds in which the fund invested and may not be representative of the fund's current or future investments. The figures shown are as of the date shown, do not include the fund's entire investment portfolio and may change at any time.

9. Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the Portfolio Composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.

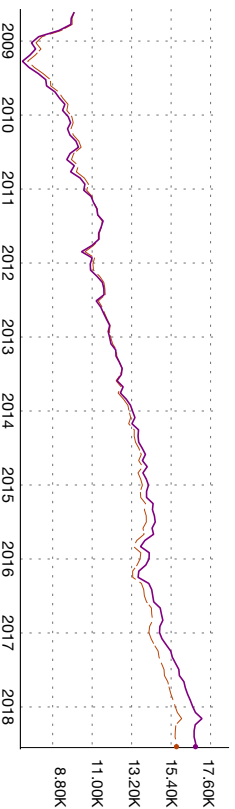


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728465.3.0

# Fidelity Freedom® 2010 Fund - Class K (FSNKX)

## Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ Fidelity Freedom® 2010 Fund - Class K \$16,755 ■ Target-Date 2000-2010 \$15,694



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

Monthly (AS OF 6/30/2018)	YTD (Monthly)	Average Annual Total Returns				
		1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Fidelity Freedom® 2010 Fund - Class K	0.00%	5.64%	5.33%	6.23%	5.30%	6.47%
BBBarc U.S. Agg Bond	-1.62%	-0.40%	1.72%	2.27%	3.72%	5.03%
FID FF 2010 Comp Idx	0.07%	5.40%	5.03%	6.07%	5.68%	6.59%
Target-Date 2000-2010	-0.32%	4.37%	4.38%	5.33%	4.88%	--
Rank in Morningstar Category		9%	6%	13%	38%	--
# of Funds in Morningstar Category		135	111	87	76	--
Quarter-End (AS OF 6/30/2018)						
Fidelity Freedom® 2010 Fund - Class K		5.64%	5.33%	6.23%	5.30%	6.47%

## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)

	2014	2015	2016	2017	2018
Fidelity Freedom® 2010 Fund - Class K	4.84%	-0.28%	6.42%	12.52%	0.00%
BBBarc U.S. Agg Bond	5.97%	0.55%	2.65%	3.54%	-1.62%
FID FF 2010 Comp Idx	5.86%	-0.16%	5.73%	11.09%	0.07%
Target-Date 2000-2010	4.10%	-1.18%	5.86%	10.15%	-0.32%

## Investment Approach

- Fidelity Freedom® Funds (the Funds) are designed so that the target date referenced in the Fund name is the approximate year when we expect investors to retire and begin gradually withdrawing their investment.
- Except for Fidelity Freedom® Income Fund, each of the Funds seeks high total return until reaching its respective target retirement date; thereafter, each Fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.
- Except for Fidelity Freedom® Income Fund, each Fund's asset allocation strategy becomes increasingly conservative as it approaches its target date – and beyond. Ultimately, the Funds are expected to merge with Fidelity Freedom Income Fund.
- The Funds employ a robust investment process focused on helping investors solve the challenge of

## Morningstar® Snapshot\*\*

(AS OF 6/30/2018)

Morningstar Category	Target-Date 2000-2010
Risk of this Category	
Overall Rating	★★★★★
Returns	
Expenses	

\*Data provided by Morningstar

## Equity StyleMap®\*\*6

(AS OF 5/31/2018)



## Details

Fund Inception	10/17/1996
NAV on 6/30/2018	\$15.66
Exp Ratio (Gross)	0.46% (\$4.60 per \$1,000)
Exp Ratio (Net)	0.46% (\$4.60 per \$1,000)
Management Fee	0.45%
Turnover Rate	19%
Portfolio Net Assets (\$M)	\$6,360.61
Share Class Net Assets (\$M)	\$2,265.14

## Fund Manager(s)

Co-Manager: Team

## Volatility Measures

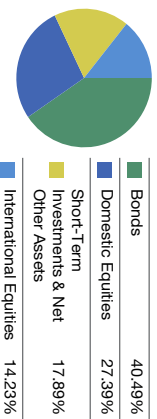
Beta	0.28
R <sup>2</sup>	0.02

## Investment Approach (continued)

Investing through retirement by leveraging the depth and strength of Fidelity's investment research and resources.

## Asset Allocations<sup>7,8,9</sup>

(AS OF 6/30/2018)



## Volatility Measures (continued)

Sharpe Ratio	0.88
6/30/2018	
Standard Deviation	5.34
6/30/2018	

## Morningstar Ratings

(AS OF 6/30/2018) Morningstar Category: TARGET-DATE 2000-2010

Overall	★★★★★	out of 111 funds
3 Yrs	★★★★★	out of 111 funds
5 Yrs	★★★★★	out of 87 funds
10 Yrs	★★★★★	out of 76 funds

The Morningstar Rating<sup>SM</sup> for funds, or "star rating", is calculated for funds with at least a three-year history. (Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.

## Fund Overview

### Objective

Seeks high total return until its target retirement date. Thereafter, the fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.

### Strategy

Designed for investors who anticipate retiring in or within a few years of the fund's target retirement year at or around age 65. Investing in a combination of Fidelity domestic equity funds, international equity funds, bond funds, and short-term funds (underlying Fidelity funds). Allocating assets among underlying Fidelity funds according to a "neutral" asset allocation strategy that adjusts over time until it reaches an allocation similar to that of the Freedom Income Fund approximately 10 to 19 years after the target year. Ultimately, the fund will merge with the Freedom Income Fund, FMR Co., Inc. (the Adviser) may modify the fund's neutral asset allocations from time to time when in the interests of investors. Buying and selling futures contracts (both long and short positions) in an effort to manage cash flows efficiently, remain fully invested, or facilitate asset allocation. Through an active asset allocation strategy, the Adviser may increase or decrease neutral asset class exposures by up to 10 percentage points for equity, bond and short-term funds to reflect the Adviser's market outlook, which is primarily focused on the intermediate term.

### Risk

Investment performance of the Fidelity Freedom Fund products depends on the performance of the underlying investment options and on the proportion of the assets invested in each underlying investment option. The investment risk of each Fidelity Freedom Fund changes over time as its asset allocation changes. These risks are subject to the asset allocation decisions of the Investment Adviser. Pursuant to the Adviser's ability to use an active asset allocation strategy, investors may be subject to a different risk profile compared to the fund's neutral asset allocation strategy shown in its glide path. The funds are subject to the volatility of the financial markets, including that of equity and fixed income investments in the U.S. and abroad, and may be subject to risks associated with investing in high-yield, small-cap, commodity-linked and foreign securities. Leverage can increase market exposure, magnify investment risks, and cause losses to be realized more quickly. No target date fund is considered a complete retirement program and there is no guarantee any single fund will provide sufficient retirement income at or through retirement. Principal invested is not guaranteed at any time, including at or after the funds' target dates.

### Additional Disclosures

This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund. On July 20, 2017, an initial offering of the Fidelity Freedom K class took place. Returns and expenses prior to that date are those of the Freedom (retail) class. Had K class expenses been reflected in the returns shown, total returns would have been higher.

## Glossary Of Terms

BbgBarc U.S. Agg Bond: The Bloomberg Barclays U.S. Aggregate Bond Index is an unmanaged market value-weighted index for U.S. dollar denominated investment-grade fixed-rate debt issues, including

government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year.

Beta: A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index).<sup>1</sup> The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

Exp Ratio (Gross): Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expense directly paid by the fund from the fund's most recent prospectus (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

Exp Ratio (Net): Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the net expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus, after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses. This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

FID FE 2010 Comp Ix: Fidelity Freedom 2010 Composite Index is a customized blend of the following unmanaged indexes: Dow Jones U.S. Total Stock Market Index; MSCI ACOM (All Country World Index) ex USA Index; Bloomberg Barclays U.S. Aggregate Bond Index; and Bloomberg Barclays U.S. 3 Month Treasury Bill/wether Index. The index weightings are adjusted monthly to reflect the fund's changing asset allocations. The composition differed in periods prior to January 1, 2014.

Net Asset Value (NAV): The dollar value of one mutual fund's share, excluding any sales charges or redemption fees. The NAV is calculated by subtracting liabilities from the value of a fund's total assets and dividing it by the number of fund's shares outstanding.

Portfolio Net Assets (\$M): The difference between a portfolio's total assets and liabilities, including all share classes of the fund.

R<sup>2</sup>: A measurement of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark index or equivalent. R<sup>2</sup> is a proportion which ranges between 0.00 and 1.00. An R<sup>2</sup> of 1.00 indicates perfect correlation to the benchmark index; that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R<sup>2</sup> of 0.00 indicates no correlation. Therefore, the lower the R<sup>2</sup>, the more the fund's performance is affected by factors other than the market as measured by that benchmark index. An R<sup>2</sup> value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

Share Class Net Assets (\$M): The difference between the total assets and liabilities of a single share class of a fund.

Sharpe Ratio - Arithmetic: The Sharpe ratio is a measure of historical risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk-free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk-free" rate used is the 90-day Treasury Bill rate.

Standard Deviation: Statistical measure of how much a return varies over an extended period of time. The more variable the returns, the larger the standard deviation. Investors may examine historical standard deviation in conjunction with historical returns to decide whether an investment's volatility would have been acceptable given their returns it would have produced. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility. Standard deviation does not indicate how an investment actually performed, but it does indicate the volatility of its returns over time. Standard deviation is annualized. The returns used for this calculation are not load-adjusted.

Turnover Rate: The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

## Important Information

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

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares, the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units, the issuer of a stock fund is the company which issues the shares, the issuer of options such as separate accounts and strategies is the plan which makes them available, the issuer of a fixed return option is the insurance company or other company which offers the investment; the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date composite performance for the product was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

2. The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends.

3. Risk of this Category: Morningstar calculates these risk levels by looking at the Morningstar Risk of the funds in the Category over the previous 5-year period. Morningstar Risk is the difference between the Morningstar Return, based on fund total returns, and the Morningstar Risk Adjusted Return, based on fund total returns adjusted for performance volatility. The Category Risk Level is based on the equal weighted average Morningstar Risk of the funds in the category. Morningstar's Research Committee evaluates the Category Morningstar Risk and assigns the Category Risk Level after further qualitative judgment.

Overall Rating: The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, which are based on risk-adjusted returns, as of the date stated.

Returns: This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury Bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar category:

- top 10% - High
- next 22.5% - Above Average
- middle 35% - Average
- next 22.5% - Below Average
- bottom 10% - Low

Expense: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of fund figures are

reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's [%] sales charge. If sales charges were included, total returns would have been lower.

5. Percent Rank in Category is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. % Rank in Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures. Past performance is no guarantee of future results.

6. Equity StyleMap® depictions of mutual fund characteristics are produced using data and calculations provided by Morningstar, Inc. StyleMaps™ estimate characteristics of a fund's equity holdings over two dimensions: market capitalization and valuation. The percentage of fund assets represented by these holdings is indicated beside each StyleMap. Current StyleMap characteristics are calculated each time Morningstar receives updated portfolio holdings from a fund and are denoted with a dot. Historical StyleMap characteristics are calculated for the shorter of either the past 3 years or the life of the fund, and are represented by the shading of the box(es) previously occupied by the dot. StyleMap characteristics represent an approximate profile of the fund's equity holdings (e.g., domestic stocks, foreign stocks, and American Depositary Receipts), are based on historical data, and are not predictive of the fund's future investments. Although the data are gathered from reliable sources, accuracy and completeness cannot be guaranteed.

7. The percent of net assets invested in both domestic and foreign Equities (common stocks, preferred stocks, rights and warrants, convertible preferred stocks and stock index futures and options), Bond (all debt instruments, including investment grade, non-investment grade, non-rated securities and convertible bonds), and Cash & Net Other Assets (cash, repurchase agreements, receivables and payables).

8. The asset allocation shown is presented to illustrate the underlying funds in which the fund invested and may not be representative of the fund's current or future investments. The figures shown are as of the date shown, do not include the fund's entire investment portfolio and may change at any time.

9. Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the Portfolio Composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.

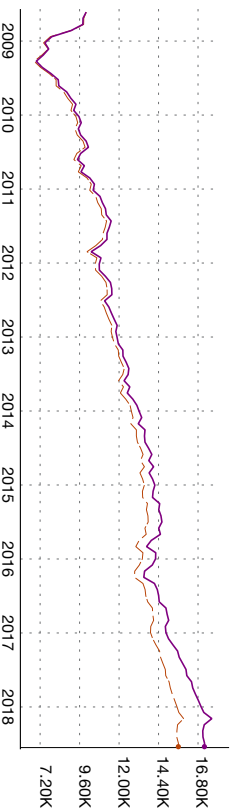


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# Fidelity Freedom® 2015 Fund - Class K (FSNLX)

## Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ Fidelity Freedom® 2015 Fund - Class K \$17.183 ■ Target-Date 2015 \$15,600



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

Monthly (AS OF 6/30/2018)	YTD (Monthly)	Average Annual Total Returns				
		1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Fidelity Freedom® 2015 Fund - Class K	0.18%	6.61%	6.04%	6.91%	5.56%	5.92%
BBgBarc U.S. Agg Bond	-1.62%	-0.40%	1.72%	2.27%	3.72%	3.97%
FID FF 2015 Comp Idx	0.19%	6.47%	5.81%	6.80%	5.98%	6.31%
Target-Date 2015	-0.20%	5.14%	4.81%	5.84%	5.22%	--
Rank in Morningstar Category	7%	1%	5%	40%	--	--
# of Funds in Morningstar Category	138	109	75	49	--	--
Quarter-End (AS OF 6/30/2018)						
Fidelity Freedom® 2015 Fund - Class K	6.61%	6.04%	6.91%	5.56%	5.92%	

## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)

	2014	2015	2016	2017	2018
Fidelity Freedom® 2015 Fund - Class K	5.17%	-0.34%	7.04%	14.30%	0.18%
BBgBarc U.S. Agg Bond	5.97%	0.55%	2.65%	3.54%	-1.62%
FID FF 2015 Comp Idx	6.24%	-0.30%	6.54%	12.99%	0.19%
Target-Date 2015	4.48%	-1.34%	6.12%	11.29%	-0.20%

## Investment Approach

- Fidelity Freedom® Funds (the Funds) are designed so that the target date referenced in the Fund name is the approximate year when we expect investors to retire and begin gradually withdrawing their investment.
- Except for Fidelity Freedom® Income Fund, each of the Funds seeks high total return until reaching its respective target retirement date; thereafter, each Fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.
- Except for Fidelity Freedom® Income Fund, each Fund's asset allocation strategy becomes increasingly conservative as it approaches its target date – and beyond. Ultimately, the Funds are expected to merge with Fidelity Freedom Income Fund.
- The Funds employ a robust investment process focused on helping investors solve the challenge of

## Morningstar® Snapshot\*\*

(AS OF 6/30/2018)

Morningstar Category	Target-Date 2015
Risk of this Category	
Overall Rating	★★★★★
Returns	
Expenses	

\*Data provided by Morningstar

## Equity StyleMap®\*\*6

(AS OF 5/31/2018)



## Details

Fund Inception	11/6/2003
NAV on 6/30/2018	\$13.04
Exp Ratio (Gross) 5/30/2018	0.5% (\$5.00 per \$1000)
Exp Ratio (Net) 5/30/2018	0.5% (\$5.00 per \$1000)
Management Fee	0.49%
Turnover Rate 3/31/2018	23%
Portfolio Net Assets (\$M) 6/30/2018	\$9,894.75
Share Class Net Assets (\$M) 6/30/2018	\$4,249.43

## Fund Manager(s)

Co-Manager: Team

## Volatility Measures

Sharpe Ratio 6/30/2018	0.88
Standard Deviation 6/30/2018	6.15

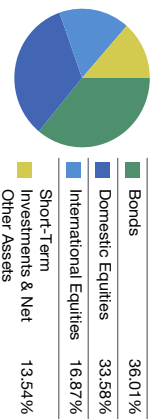


## Investment Approach (continued)

Investing through retirement by leveraging the depth and strength of Fidelity's investment research and resources.

### Asset Allocations<sup>7,8,9</sup>

(AS OF 6/30/2018)



### Morningstar Ratings

(AS OF 6/30/2018) Morningstar Category: TARGET-DATE 2015

Overall	3 Yrs	5 Yrs	10 Yrs
★★★★★	★★★★★	★★★★★	★★★★★
★	★	★	★
out of 109 funds	out of 109 funds	out of 75 funds	out of 49 funds

The Morningstar Rating™ for funds, or "star rating," is calculated for funds with at least a three-year history. (Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.

## Fund Overview

### Objective

Seeks high total return until its target retirement date. Thereafter, the fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.

### Strategy

Designed for investors who anticipate retiring in or within a few years of the fund's target retirement year at or around age 65. Investing in a combination of Fidelity domestic equity funds, international equity funds, bond funds, and short-term funds (underlying Fidelity funds). Allocating assets among underlying Fidelity funds according to a "neutral" asset allocation strategy that adjusts over time until it reaches an allocation similar to that of the Freedom Income Fund approximately 10 to 19 years after the target year. Ultimately, the fund will merge with the Freedom Income Fund, FMR Co., Inc. (the Adviser) may modify the fund's neutral asset allocations from time to time when in the interests of investors. Buying and selling futures contracts (both long and short positions) in an effort to manage cash flows efficiently, remain fully invested, or facilitate asset allocation. Through an active asset allocation strategy, the Adviser may increase or decrease neutral asset class exposures by up to 10 percentage points for equity, bond and short-term funds to reflect the Adviser's market outlook, which is primarily focused on the intermediate term.

### Risk

Investment performance of the Fidelity Freedom Fund products depends on the performance of the underlying investment options and on the proportion of the assets invested in each underlying investment option. The investment risk of each Fidelity Freedom Fund changes over time as its asset allocation changes. These risks are subject to the asset allocation decisions of the Investment Adviser. Pursuant to the Adviser's ability to use an active asset allocation strategy, investors may be subject to a different risk profile compared to the fund's neutral asset allocation strategy shown in its glide path. The funds are subject to the volatility of the financial markets, including that of equity and fixed income investments in the U.S. and abroad, and may be subject to risks associated with investing in high-yield, small-cap, commodity-linked and foreign securities. Leverage can increase market exposure, magnify investment risks, and cause losses to be realized more quickly. No target date fund is considered a complete retirement program and there is no guarantee any single fund will provide sufficient retirement income at or through retirement. Principal invested is not guaranteed at any time, including at or after the fund's target dates.

### Additional Disclosures

This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund. On July 20, 2017, an initial offering of the Fidelity Freedom K class took place. Returns and expenses prior to that date are those of the Freedom (retail) class. Had K class expenses been reflected in the returns shown, total returns would have been higher.

## Glossary Of Terms

**Bloomberg U.S. Agg Bond:** The Bloomberg Barclays U.S. Aggregate Bond Index is an unmanaged market value-weighted index for U.S. dollar denominated investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year.

**Exp Ratio (Gross):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

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incurred by a fund through its ownership of shares in other investment companies. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

FDI FF 2015 Comp Ibx: Fidelity Freedom 2015 Composite Index is a customized blend of the following unmanaged indexes: Dow Jones U.S. Total Stock Market Index; MSCI ACWI (All Country World Index) ex USA Index; Bloomberg Barclays U.S. Aggregate Bond Index; and Bloomberg Barclays U.S. 3 Month Treasury Billwether Index. The index weightings are adjusted monthly to reflect the fund's changing asset allocations. The composition differed in periods prior to January 1, 2014

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Turnover Rate: The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

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Generally, data on Fidelity mutual funds is provided by FMR, LLC, Morningstar ratings and data on non-Fidelity mutual funds is provided by Morningstar, Inc. and data on non-mutual fund products is provided by the product's investment manager, trustee or issuer or the plan sponsor whose plan is offering the product to participants. Although Fidelity believes the data gathered from these third-party sources is reliable, it does not review such information and cannot warrant it to be accurate, complete or timely. Fidelity is not responsible for any damages or losses arising from any use of this third-party information.

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares; the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units; the issuer of a stock, fund is the company which issues the shares; the issuer of options such as separate accounts and strategies is the plan which makes them available; the issuer of a fixed return option is the insurance company or other company which offers the investment; the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date composite performance for the product was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an Index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

2. The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends.

3. Risk of this Category: Morningstar calculates these risk levels by looking at the Morningstar Risk of the funds in the Category over the previous 5-year period. Morningstar Risk is the difference between the Morningstar Return, based on fund total returns, and the Morningstar Risk Adjusted Return, based on fund total returns adjusted for performance volatility. The Category Risk Level is based on the equal weighted average Morningstar Risk of the funds in the category. Morningstar's Research Committee evaluates the Category Morningstar Risk and assigns the Category Risk Level after further qualitative judgment.

Overall Rating: The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, which are based on risk-adjusted returns, as of the date stated. Returns: This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury Bill over a three-, five-, or ten-year period). The Morningstar Returns in each Category are then scored against each other on a bell curve, in each Morningstar Category.

—top 10% High  
—near 22.5% - Above Average  
—middle 33% - Average  
—near 22.5% - Below Average  
—bottom 10% - Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's 1% sales charge. If sales charges were included, total returns would have been lower.

5. Percent Rank in Category is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. % Rank in Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures. Past performance is no guarantee of future results.

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7. The percent of net assets invested in both domestic and foreign Equities (common stocks, preferred stocks, rights and warrants, convertible preferred stocks and stock index futures and options), Bond (all debt instruments, including investment grade, non-investment grade, non-rated securities and convertible bonds), and Cash & Net Other Assets (cash, repurchase agreements, receivables and payables).

8. The asset allocation shown is presented to illustrate the underlying funds in which the fund invested and may not be representative of the fund's current or future investments. The figures shown are as of the date shown, do not include the fund's entire investment portfolio and may change at any time.



9. Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the Portfolio Composition categories. Depending on the extent to which the Fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.

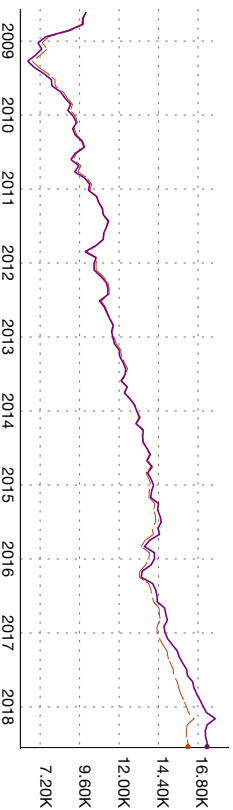


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# Fidelity Freedom<sup>®</sup> 2020 Fund - Class K (FSNOX)

## Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ Fidelity Freedom<sup>®</sup> 2020 Fund - Class K \$17.340 ■ Target-Date 2020 \$16.174



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

Monthly (AS OF 6/30/2018)	YTD (Monthly)	Average Annual Total Returns				
		1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Fidelity Freedom <sup>®</sup> 2020 Fund - Class K	0.22%	7.32%	6.48%	7.43%	5.66%	6.81%
S&P 500	2.65%	14.37%	11.93%	13.42%	10.17%	8.42%
FID FF 2020 Comp Idx	0.28%	7.24%	6.35%	7.36%	6.25%	6.94%
Target-Date 2020	-0.25%	5.65%	5.07%	6.07%	5.33%	--
Rank in Morningstar Category		9%	3%	13%	42%	--
# of Funds in Morningstar Category		252	203	160	106	--
Quarter-End (AS OF 6/30/2018)						
Fidelity Freedom <sup>®</sup> 2020 Fund - Class K		7.32%	6.48%	7.43%	5.66%	6.81%

## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)

	2014	2015	2016	2017	2018
Fidelity Freedom <sup>®</sup> 2020 Fund - Class K	5.34%	-0.23%	7.26%	15.71%	0.22%
S&P 500	13.69%	1.38%	11.96%	21.83%	2.65%
FID FF 2020 Comp Idx	6.53%	-0.40%	7.06%	14.32%	0.28%
Target-Date 2020	4.72%	-1.57%	6.23%	12.46%	-0.25%

## Investment Approach

- Fidelity Freedom<sup>®</sup> Funds (the Funds) are designed so that the target date referenced in the Fund name is the approximate year when we expect investors to retire and begin gradually withdrawing their investment.
- Except for Fidelity Freedom<sup>®</sup> Income Fund, each of the Funds seeks high total return until reaching its respective target retirement date; thereafter, each Fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.
- Except for Fidelity Freedom<sup>®</sup> Income Fund, each Fund's asset allocation strategy becomes increasingly conservative as it approaches its target date – and beyond. Ultimately, the Funds are expected to merge with Fidelity Freedom Income Fund.
- The Funds employ a robust investment process focused on helping investors solve the challenge of

## Morningstar<sup>®</sup> Snapshot\*\*3

(AS OF 6/30/2018)

Morningstar Category	Target-Date 2020
Risk of this Category	
Overall Rating	★★★★★
Returns	
Expenses	

\*Data provided by Morningstar

## Equity StyleMap<sup>®\*\*6</sup>

(AS OF 5/31/2018)



## Details

Fund Inception	10/17/1996
NAV on 6/30/2018	\$16.18
Exp Ratio (Gross) 5/30/2018	0.54% (\$5.40 per \$1000)
Exp Ratio (Net) 5/30/2018	0.54% (\$5.40 per \$1000)
Management Fee	0.53%
Turnover Rate 3/31/2018	21%
Portfolio Net Assets (\$M) 6/30/2018	\$29,787.83
Share Class Net Assets (\$M) 6/30/2018	\$15,679.95

## Fund Manager(s)

Co-Manager: Team

## Volatility Measures

Beta 6/30/2018	0.62
R <sup>2</sup> 6/30/2018	0.88

## Investment Approach (continued)

Investing through retirement by leveraging the depth and strength of Fidelity's investment research and resources.

### Asset Allocations<sup>7,8,9</sup>

(AS OF 6/30/2018)

Domestic Equities	38.32%
Bonds	32.42%
International Equities	18.99%
Short-Term Investments & Net Other Assets	10.27%

## Volatility Measures (continued)

Sharpe Ratio 6/30/2018	0.87
Standard Deviation 6/30/2018	6.74

## Morningstar Ratings

(AS OF 6/30/2018) Morningstar Category: TARGET-DATE 2020

Overall	★★★★★	out of 203 funds
3 Yrs	★★★★★	out of 203 funds
5 Yrs	★★★★★	out of 160 funds
10 Yrs	★★★★★	out of 106 funds

The Morningstar Rating<sup>SM</sup> for funds, or "star rating", is calculated for funds with at least a three-year history. (Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.

## Fund Overview

### Objective

Seeks high total return until its target retirement date. Thereafter, the fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.

### Strategy

Designed for investors who anticipate retiring in or within a few years of the fund's target retirement year at or around age 65. Investing in a combination of Fidelity domestic equity funds, international equity funds, bond funds, and short-term funds (underlying Fidelity funds). Allocating assets among underlying Fidelity funds according to a "neutral" asset allocation strategy that adjusts over time until it reaches an allocation similar to that of the Freedom Income Fund approximately 10 to 19 years after the target year. Ultimately, the fund will merge with the Freedom Income Fund, FMR Co., Inc. (the Adviser) may modify the fund's neutral asset allocations from time to time when in the interests of investors. Buying and selling futures contracts (both long and short positions) in an effort to manage cash flows efficiently, remain fully invested, or facilitate asset allocation. Through an active asset allocation strategy, the Adviser may increase or decrease neutral asset class exposures by up to 10 percentage points for equity, bond and short-term funds to reflect the Adviser's market outlook, which is primarily focused on the intermediate term.

### Risk

Investment performance of the Fidelity Freedom Fund products depends on the performance of the underlying investment options and on the proportion of the assets invested in each underlying investment option. The investment risk of each Fidelity Freedom Fund changes over time as its asset allocation changes. These risks are subject to the asset allocation decisions of the Investment Adviser. Pursuant to the Adviser's ability to use an active asset allocation strategy, investors may be subject to a different risk profile compared to the fund's neutral asset allocation strategy shown in its glide path. The funds are subject to the volatility of the financial markets, including that of equity and fixed income investments in the U.S. and abroad, and may be subject to risks associated with investing in high-yield, small-cap, commodity-linked and foreign securities. Leverage can increase market exposure, magnify investment risks, and cause losses to be realized more quickly. No target date fund is considered a complete retirement program and there is no guarantee any single fund will provide sufficient retirement income at or through retirement. Principal invested is not guaranteed at any time, including at or after the funds' target dates.

### Additional Disclosures

This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund. On July 20, 2017, an initial offering of the Fidelity Freedom K class took place. Returns and expenses prior to that date are those of the Freedom (retail) class. Had K class expenses been reflected in the returns shown, total returns would have been higher.

## Glossary Of Terms

Beta: A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's

Historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

**Exp Ratio (Gross):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expense directly paid by the fund from the fund's most recent prospectus (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**Exp Ratio (Net):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the net expense ratio is the total annual fund or class operating expense directly paid by the fund from the fund's most recent prospectus, after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses. This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**FID, FF 2020 Comp Itr:** Fidelity Freedom 2020 Composite Index is a customized blend of the following unmanaged indexes: Dow Jones U.S. Total Stock Market Index; MSCI ACWI (All Country World Index) ex USA Index; Bloomberg Barclays U.S. Aggregate Bond Index; and Bloomberg Barclays U.S. 3 Month Treasury Bill/wether Index. The index weightings are adjusted monthly to reflect the fund's changing asset allocations. The composition differed in periods prior to January 1, 2014.

**Net Asset Value (NAV):** The dollar value of one mutual fund's share, excluding any sales charges or redemption fees. The NAV is calculated by subtracting liabilities from the value of a fund's total assets and dividing it by the number of fund's shares outstanding.

**Portfolio Net Assets (\$M):** The difference between a portfolio's total assets and liabilities, including all share classes of the fund.

**R<sup>2</sup>:** A measurement of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark index or equivalent. R<sup>2</sup> is a proportion which ranges between 0.00 and 1.00. An R<sup>2</sup> of 1.00 indicates perfect correlation to the benchmark index, that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R<sup>2</sup> of 0.00 indicates no correlation. Therefore, the lower the R<sup>2</sup>, the more the fund's performance is affected by factors other than the market as measured by that benchmark index. An R<sup>2</sup> value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

**S&P 500:** S&P 500 Index is a market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance.

**Share Class Net Assets (\$M):** The difference between the total assets and liabilities of a single share class of a fund.

**Sharpe Ratio - Arithmetic:** The Sharpe ratio is a measure of historical, risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk free" rate used is the 90-day Treasury Bill rate.

**Standard Deviation:** Statistical measure of how much a return varies over an extended period of time. The more variable the returns, the larger the standard deviation. Investors may examine historical standard deviation in conjunction with historical returns to decide whether an investment's volatility would have been acceptable given the returns it would have produced. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility. Standard deviation does not indicate how an investment actually performed, but it does indicate the volatility of its returns over time. Standard deviation is annualized. The returns used for this calculation are not load-adjusted.

**Turnover Rate:** The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

## Important Information

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

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares, the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units, the issuer of a stock fund is the company which issues the shares, the issuer of options such as separate accounts and strategies is the plan which makes them available, the issuer of a fixed return option is the insurance company or other company which offers the investment, the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date composite performance for the product was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

2. The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends.

3. Risk of this Category: Morningstar calculates these risk levels by looking at the Morningstar Risk of the funds in the Category over the previous 5-year period. Morningstar Risk is the difference between the Morningstar Return, based on fund total returns, and the Morningstar Risk Adjusted Return, based on fund total returns adjusted for performance volatility. The Category Risk Level is based on the equal weighted average Morningstar Risk of the funds in the category. Morningstar's Research Committee evaluates the Category Morningstar Risk and assigns the Category Risk Level after further qualitative judgment.

Overall Rating: The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, which are based on risk-adjusted returns, as of the date stated.

Returns: This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar category:

- top 10% - High
- next 22.5% - Above Average
- middle 35% - Average
- next 22.5% - Below Average
- bottom 10% - Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's 1% sales charge. If sales charges were included,

total returns would have been lower.

5. Percent Rank in Category is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. % Rank in Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures. Past performance is no guarantee of future results.
6. Equity StyleMap® depictions of mutual fund characteristics are produced using data and calculations provided by Morningstar, Inc. StyleMaps™ estimate characteristics of a fund's equity holdings over two dimensions: market capitalization and valuation. The percentage of fund assets represented by these holdings is indicated beside each StyleMap. Current StyleMap characteristics are calculated each time Morningstar receives updated portfolio holdings from a fund and are denoted with a dot. Historical StyleMap characteristics are calculated for the shorter of either the past 3 years or the life of the fund, and are represented by the shading of the box(es) previously occupied by the dot. StyleMap characteristics represent an approximate profile of the fund's equity holdings (e.g., domestic stocks, foreign stocks, and American Depositary Receipts), are based on historical data, and are not predictive of the fund's future investments. Although the data are gathered from reliable sources, accuracy and completeness cannot be guaranteed.
7. The percent of net assets invested in both domestic and foreign Equities (common stocks, preferred stocks, rights and warrants, convertible preferred stocks and stock index futures and options), Bond (all debt instruments, including investment grade, non-investment grade, non-rated securities and convertible bonds), and Cash & Net Other Assets (cash, repurchase agreements, receivables and payables).
8. The asset allocation shown is presented to illustrate the underlying funds in which the fund invested and may not be representative of the fund's current or future investments. The figures shown are as of the date shown, do not include the fund's entire investment portfolio and may change at any time.
9. Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the Portfolio Composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.

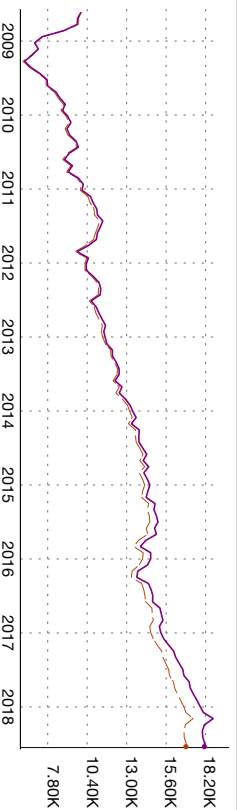


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# Fidelity Freedom® 2025 Fund - Class K (FSNPX)

## Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ Fidelity Freedom® 2025 Fund - Class K \$18,108 ■ Target-Date 2025 \$16,888



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

Monthly (AS OF 6/30/2018)	YTD (Monthly)	Average Annual Total Returns				
		1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Fidelity Freedom® 2025 Fund - Class K	0.33%	7.97%	6.86%	8.16%	6.12%	6.53%
S&P 500	2.65%	14.37%	11.93%	13.42%	10.17%	8.87%
FID FF 2025 Comp Idx	0.36%	7.93%	6.81%	8.19%	6.94%	7.18%
Target-Date 2025	-0.10%	6.79%	5.83%	6.94%	5.91%	--
Rank in Morningstar Category	15%	5%	10%	35%	--	--
# of Funds in Morningstar Category	222	178	138	72	--	--
Quarter-End (AS OF 6/30/2018)						
Fidelity Freedom® 2025 Fund - Class K	7.97%	6.86%	8.16%	6.12%	6.53%	

## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)

Year	2014	2015	2016	2017	2018
Fidelity Freedom® 2025 Fund - Class K	5.63%	-0.16%	7.47%	16.87%	0.33%
S&P 500	13.69%	1.38%	11.96%	21.83%	2.65%
FID FF 2025 Comp Idx	7.00%	-0.53%	7.58%	15.57%	0.36%
Target-Date 2025	5.07%	-1.59%	6.73%	14.67%	-0.10%

## Investment Approach

- Fidelity Freedom® Funds (the Funds) are designed so that the target date referenced in the Fund name is the approximate year when we expect investors to retire and begin gradually withdrawing their investment.
- Except for Fidelity Freedom® Income Fund, each of the Funds seeks high total return until reaching its respective target retirement date; thereafter, each Fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.
- Except for Fidelity Freedom® Income Fund, each Fund's asset allocation strategy becomes increasingly conservative as it approaches its target date – and beyond. Ultimately, the Funds are expected to merge with Fidelity Freedom Income Fund.
- The Funds employ a robust investment process focused on helping investors solve the challenge of

## Morningstar® Snapshot\*\*

(AS OF 6/30/2018)

Morningstar Category	Target-Date 2025
Risk of this Category	
Overall Rating	★★★★★
Returns	
Expenses	

\*Data provided by Morningstar

## Equity StyleMap®\*\*6

(AS OF 5/31/2018)



## Details

Fund Inception	11/6/2003
NAV on 6/30/2018	\$14.10
Exp Ratio (Gross)	0.57% (\$5.70 per \$1000)
Exp Ratio (Net)	0.57% (\$5.70 per \$1000)
Management Fee	0.57%
Turnover Rate	18%
Portfolio Net Assets (\$M)	\$27,644.30
Share Class Net Assets (\$M)	\$15,168.11

## Fund Manager(s)

Co-Manager: Team

## Volatility Measures

Beta	0.69
R <sup>2</sup>	0.89



## Investment Approach (continued)

Investing through retirement by leveraging the depth and strength of Fidelity's investment research and resources.

### Asset Allocations<sup>7,8,9</sup>

(AS OF 6/30/2018)

Domestic Equities	42.79%
Bonds	28.92%
International Equities	20.80%
Short-Term Investments & Net Other Assets	7.49%

## Volatility Measures (continued)

Sharpe Ratio	0.84
6/30/2018	
Standard Deviation	7.42
6/30/2018	

## Morningstar Ratings

(AS OF 6/30/2018) Morningstar Category: TARGET-DATE 2025

Overall	★★★★★	★	out of 178 funds
3 Yrs	★★★★★	★	out of 178 funds
5 Yrs	★★★★★	★	out of 138 funds
10 Yrs	★★★★★	★	out of 72 funds

The Morningstar Rating™ for funds, or "star rating", is calculated for funds with at least a three-year history. (Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.

## Fund Overview

### Objective

Seeks high total return until its target retirement date. Thereafter, the fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.

### Strategy

Designed for investors who anticipate retiring in or within a few years of the fund's target retirement year at or around age 65. Investing in a combination of Fidelity domestic equity funds, international equity funds, bond funds, and short-term funds (underlying Fidelity funds). Allocating assets among underlying Fidelity funds according to a "neutral" asset allocation strategy that adjusts over time until it reaches an allocation similar to that of the Freedom Income Fund approximately 10 to 19 years after the target year. Ultimately, the fund will merge with the Freedom Income Fund, FMR Co., Inc. (the Adviser) may modify the fund's neutral asset allocations from time to time when in the interests of shareholders. Buying and selling futures contracts (both long and short positions) in an effort to manage cash flows efficiently, remain fully invested, or facilitate asset allocation. Through an active asset allocation strategy, the Adviser may increase or decrease neutral asset class exposures by up to 10 percentage points for equity, bond and short-term funds to reflect the Adviser's market outlook, which is primarily focused on the intermediate term.

### Risk

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## Glossary Of Terms

Beta: A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

Exp Ratio (Gross): Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

Exp Ratio (Net): Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the net expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus, after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses. This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

FID FF 2025 Comp Idx: Fidelity Freedom 2025 Composite Index is a customized blend of the following unmanaged indexes: Dow Jones U.S. Total Stock Market Index; MSCI ACWI (All Country World Index) ex USA Index; Bloomberg Barclays U.S. Aggregate Bond Index; and Bloomberg Barclays U.S. 3 Month Treasury Bill/wether Index. The index weightings are adjusted monthly to reflect the fund's changing asset allocations. The composition differed in periods prior to January 1, 2014.

Net Asset Value (NAV): The dollar value of one mutual fund's share, excluding any sales charges or redemption fees. The NAV is calculated by subtracting liabilities from the value of a fund's total assets and dividing it by the number of fund's shares outstanding.

Portfolio Net Assets (\$M): The difference between a portfolio's total assets and liabilities, including all share classes of the fund.

RF: A measurement of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark index or equivalent. R<sup>2</sup> is a proportion which ranges between 0.00 and 1.00. An R<sup>2</sup> of 1.00 indicates perfect correlation to the benchmark index, that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R<sup>2</sup> of 0.00 indicates no correlation. Therefore, the lower the R<sup>2</sup>, the more the fund's performance is affected by factors other than the market as measured by that benchmark index. An R<sup>2</sup> value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

S&P 500: S&P 500 Index is a market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance.

Share Class Net Assets (\$M): The difference between the total assets and liabilities of a single share class of a fund.

Sharpe Ratio - Arithmetic: The Sharpe ratio is a measure of historical risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk free" rate used is the 90-day Treasury Bill rate.

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Turnover Rate: The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

## Important Information

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

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares; the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units; the issuer of a stock fund is the company which issues the shares; the issuer of options such as separate accounts and strategies is the plan which makes them available; the issuer of a fixed return option is the insurance company or other company which offers the investment; the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date composite performance for the product was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

2. The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends.

3. Risk of this Category: Morningstar calculates these risk levels by looking at the Morningstar Risk of the funds in the Category over the previous 5-year period. Morningstar Risk is the difference between the Morningstar Return, based on fund total returns, and the Morningstar Risk Adjusted Return, based on fund total returns adjusted for performance volatility. The Category Risk Level is based on the equal weighted average Morningstar Risk of the funds in the category. Morningstar's Research Committee evaluates the Category Morningstar Risk and assigns the Category Risk Level after further qualitative judgment.

Overall Rating: The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, which are based on risk-adjusted returns, as of the date stated.

Returns: This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury Bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar Category:

- top 10% - High
- next 22.5% - Above Average
- middle 35% - Average
- next 22.5% - Below Average
- bottom 10% - Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains. If any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's [%] sales charge. If sales charges were included, total returns would have been lower.

5. Percent Rank in Category: is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least



- favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. % Rank in Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures. Past performance is no guarantee of future results.
6. Equity StyleMap® depictions of mutual fund characteristics are produced using data and calculations provided by Morningstar, Inc. StyleMaps® estimate characteristics of a fund's equity holdings over two dimensions: market capitalization and valuation. The percentage of fund assets represented by these holdings is indicated beside each StyleMap. Current StyleMap characteristics are calculated each time Morningstar receives updated portfolio holdings from a fund and are denoted with a dot. Historical StyleMap characteristics are calculated for the shorter of either the past 3 years or the life of the fund, and are represented by the shading of the box(es) previously occupied by the dot. StyleMap characteristics represent an approximate profile of the fund's equity holdings (e.g., domestic stocks, foreign stocks, and American Depositary Receipts), are based on historical data, and are not predictive of the fund's future investments. Although the data are gathered from reliable sources, accuracy and completeness cannot be guaranteed.
7. The percent of net assets invested in both domestic and foreign Equities (common stocks, preferred stocks, rights and warrants, convertible preferred stocks and stock index futures and options), Bond (all debt instruments, including investment grade, non-investment grade, non-rated securities and convertible bonds), and Cash & Net Other Assets (cash, repurchase agreements, receivables and payables).
8. The asset allocation shown is presented to illustrate the underlying funds in which the fund invested and may not be representative of the fund's current or future investments. The figures shown are as of the date shown; do not include the fund's entire investment portfolio and may change at any time.
9. Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the Portfolio Composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.

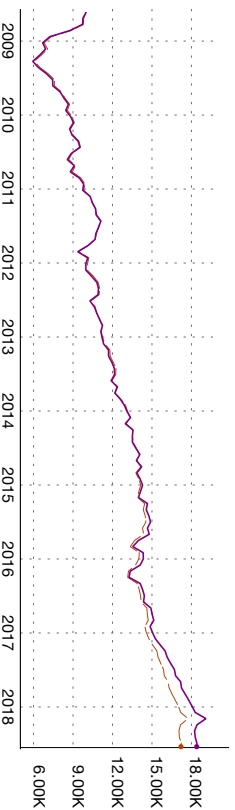


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# Fidelity Freedom<sup>®</sup> 2030 Fund - Class K (FSNOX)

## Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ Fidelity Freedom<sup>®</sup> 2030 Fund - Class K \$18,391 ■ Target-Date 2030 \$17,187



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

Monthly (AS OF 6/30/2018)	YTD (Monthly)	Average Annual Total Returns				
		1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Fidelity Freedom <sup>®</sup> 2030 Fund - Class K	0.57%	9.52%	7.86%	9.10%	6.28%	7.01%
S&P 500	2.65%	14.37%	11.93%	13.42%	10.17%	8.42%
FID FF 2030 Comp Idx	0.55%	9.52%	7.90%	9.17%	7.19%	7.23%
Target-Date 2030	0.04%	7.88%	6.48%	7.64%	6.06%	--
Rank in Morningstar Category	9%	4%	8%	44%	--	--
# of Funds in Morningstar Category	241	193	150	96	--	--
Quarter-End (AS OF 6/30/2018)						
Fidelity Freedom <sup>®</sup> 2030 Fund - Class K	9.52%	7.86%	9.10%	6.28%	7.01%	

## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)

	2014	2015	2016	2017	2018
Fidelity Freedom <sup>®</sup> 2030 Fund - Class K	5.67%	-0.16%	8.13%	19.86%	0.57%
S&P 500	13.69%	1.38%	11.96%	21.83%	2.65%
FID FF 2030 Comp Idx	7.22%	-0.86%	8.73%	18.43%	0.55%
Target-Date 2030	5.04%	-1.79%	7.33%	16.57%	0.04%

## Investment Approach

- Fidelity Freedom<sup>®</sup> Funds (the Funds) are designed so that the target date referenced in the Fund name is the approximate year when we expect investors to retire and begin gradually withdrawing their investment.
- Except for Fidelity Freedom<sup>®</sup> Income Fund, each of the Funds seeks high total return until reaching its respective target retirement date; thereafter, each Fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.
- Except for Fidelity Freedom<sup>®</sup> Income Fund, each Fund's asset allocation strategy becomes increasingly conservative as it approaches its target date – and beyond. Ultimately, the Funds are expected to merge with Fidelity Freedom Income Fund.
- The Funds employ a robust investment process focused on helping investors solve the challenge of

## Morningstar<sup>®</sup> Snapshot\*\*3

(AS OF 6/30/2018)

Morningstar Category	Target-Date 2030
Risk of this Category	
Overall Rating	★★★★★
Returns	
Expenses	

\*Data provided by Morningstar

## Equity StyleMap<sup>®\*\*6</sup>

(AS OF 5/31/2018)



## Details

Fund Inception	10/17/1996
NAV on 6/30/2018	\$17.66
Exp Ratio (Gross) 5/30/2018	0.61% (\$6.10 per \$1000)
Exp Ratio (Net) 5/30/2018	0.61% (\$6.10 per \$1000)
Management Fee	0.60%
Turnover Rate 3/31/2018	18%
Portfolio Net Assets (\$M) 6/30/2018	\$32,440.83
Share Class Net Assets (\$M) 6/30/2018	\$17,997.13

## Fund Manager(s)

Co-Manager: Team

## Volatility Measures

Beta 6/30/2018	0.82
R <sup>2</sup> 6/30/2018	0.91

## Investment Approach (continued)

Investing through retirement by leveraging the depth and strength of Fidelity's investment research and resources.

## Asset Allocations<sup>7,8,9</sup>

(AS OF 6/30/2018)

Domestic Equities	51.72%
International Equities	24.32%
Bonds	22.18%
Short-Term Investments & Net Other Assets	1.78%

## Volatility Measures (continued)

Sharpe Ratio 6/30/2018	0.82
Standard Deviation 6/30/2018	8.76

## Morningstar Ratings

(AS OF 6/30/2018) Morningstar Category: TARGET-DATE 2030

Overall	★★★★★	out of 193 funds
3 Yrs	★★★★★	out of 193 funds
5 Yrs	★★★★★	out of 150 funds
10 Yrs	★★★★★	out of 96 funds

The Morningstar Rating<sup>SM</sup> for funds, or "star rating", is calculated for funds with at least a three-year history. (Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.

## Fund Overview

### Objective

Seeks high total return until its target retirement date. Thereafter, the fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.

### Strategy

Designed for investors who anticipate retiring in or within a few years of the fund's target retirement year at or around age 65. Investing in a combination of Fidelity domestic equity funds, international equity funds, bond funds, and short-term funds (underlying Fidelity funds). Allocating assets among underlying Fidelity funds according to a "neutral" asset allocation strategy that adjusts over time until it reaches an allocation similar to that of the Freedom Income Fund approximately 10 to 19 years after the target year. Ultimately, the fund will merge with the Freedom Income Fund, FMR Co., Inc. (the Adviser) may modify the fund's neutral asset allocations from time to time when in the interests of investors. Buying and selling futures contracts (both long and short positions) in an effort to manage cash flows efficiently, remain fully invested, or facilitate asset allocation. Through an active asset allocation strategy, the Adviser may increase or decrease neutral asset class exposures by up to 10 percentage points for equity, bond and short-term funds to reflect the Adviser's market outlook, which is primarily focused on the intermediate term.

### Risk

Investment performance of the Fidelity Freedom Fund products depends on the performance of the underlying investment options and on the proportion of the assets invested in each underlying investment option. The investment risk of each Fidelity Freedom Fund changes over time as its asset allocation changes. These risks are subject to the asset allocation decisions of the Investment Adviser. Pursuant to the Adviser's ability to use an active asset allocation strategy, investors may be subject to a different risk profile compared to the fund's neutral asset allocation strategy shown in its glide path. The funds are subject to the volatility of the financial markets, including that of equity and fixed income investments in the U.S. and abroad, and may be subject to risks associated with investing in high-yield, small-cap, commodity-linked and foreign securities. Leverage can increase market exposure, magnify investment risks, and cause losses to be realized more quickly. No target date fund is considered a complete retirement program and there is no guarantee any single fund will provide sufficient retirement income at or through retirement. Principal invested is not guaranteed at any time, including at or after the fund's target dates.

### Additional Disclosures

This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund. On July 20, 2017, an initial offering of the Fidelity Freedom K class took place. Returns and expenses prior to that date are those of the Freedom (retail) class. Had K class expenses been reflected in the returns shown, total returns would have been higher.

## Glossary Of Terms

Beta: A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's

Historical returns have fluctuated (more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

**Exp Ratio (Gross):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expense directly paid by the fund from the fund's most recent investments (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**Exp Ratio (Net):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the net expense ratio is the total annual fund or class operating expense directly paid by the fund from the fund's most recent prospectus, after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses. This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**FID, FF 2030 Comp Itr:** Fidelity Freedom 2030 Composite Index is a customized blend of the following unmanaged indexes: Dow Jones U.S. Total Stock Market Index; MSCI ACWI (All Country World Index) ex USA Index; Bloomberg Barclays U.S. Aggregate Bond Index; and Bloomberg Barclays U.S. 3 Month Treasury Bill/wether Index. The index weightings are adjusted monthly to reflect the fund's changing asset allocations. The composition differed in periods prior to January 1, 2014.

**Net Asset Value (NAV):** The dollar value of one mutual fund's share, excluding any sales charges or redemption fees. The NAV is calculated by subtracting liabilities from the value of a fund's total assets and dividing it by the number of fund's shares outstanding.

**Portfolio Net Assets (\$M):** The difference between a portfolio's total assets and liabilities, including all share classes of the fund.

**R<sup>2</sup>:** A measurement of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark index or equivalent. R<sup>2</sup> is a proportion which ranges between 0.00 and 1.00. An R<sup>2</sup> of 1.00 indicates perfect correlation to the benchmark index, that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R<sup>2</sup> of 0.00 indicates no correlation. Therefore, the lower the R<sup>2</sup>, the more the fund's performance is affected by factors other than the market as measured by that benchmark index. An R<sup>2</sup> value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

**S&P 500:** S&P 500 Index is a market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance.

**Share Class Net Assets (\$M):** The difference between the total assets and liabilities of a single share class of a fund.

**Sharpe Ratio - Arithmetic:** The Sharpe ratio is a measure of historical, risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk free" rate used is the 90-day Treasury Bill rate.

**Standard Deviation:** Statistical measure of how much a return varies over an extended period of time. The more variable the returns, the larger the standard deviation. Investors may examine historical standard deviation in conjunction with historical returns to decide whether an investment's volatility would have been acceptable given the returns it would have produced. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility. Standard deviation does not indicate how an investment actually performed, but it does indicate the volatility of its returns over time. Standard deviation is annualized. The returns used for this calculation are not load-adjusted.

**Turnover Rate:** The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares, the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units, the issuer of a stock fund is the company which issues the shares, the issuer of options such as separate accounts and strategies is the plan which makes them available, the issuer of a fixed return option is the insurance company or other company which offers the investment, the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date composite performance for the product was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

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Overall Rating: The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, which are based on risk-adjusted returns, as of the date stated.

Returns: This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury Bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar category:

- top 10% - High
- next 22.5% - Above Average
- middle 35% - Average
- next 22.5% - Below Average
- bottom 10% - Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's 1% sales charge. If sales charges were included,

total returns would have been lower.

5. Percent Rank in Category is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. % Rank in Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures. Past performance is no guarantee of future results.
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7. The percent of net assets invested in both domestic and foreign Equities (common stocks, preferred stocks, rights and warrants, convertible preferred stocks and stock index futures and options), Bond (all debt instruments, including investment grade, non-investment grade, non-rated securities and convertible bonds), and Cash & Net Other Assets (cash, repurchase agreements, receivables and payables).
8. The asset allocation shown is presented to illustrate the underlying funds in which the fund invested and may not be representative of the fund's current or future investments. The figures shown are as of the date shown, do not include the fund's entire investment portfolio and may change at any time.
9. Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the Portfolio Composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.



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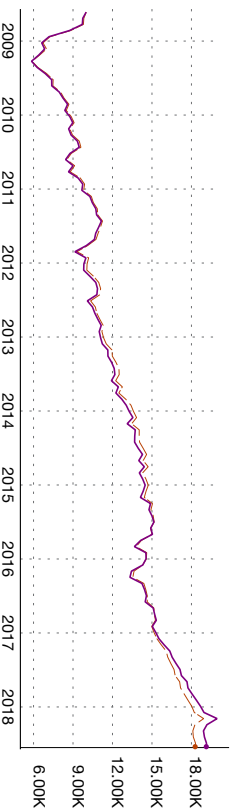
Report as of 7/17/2018

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# Fidelity Freedom<sup>®</sup> 2035 Fund - Class K (FSNUX)

## Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ Fidelity Freedom<sup>®</sup> 2035 Fund - Class K \$19,116 ■ Target-Date 2035 \$18,262



*The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.*

## Performance<sup>2,4,5</sup>

Monthly (AS OF 6/30/2018)	YTD (Monthly)	Average Annual Total Returns				
		1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Fidelity Freedom <sup>®</sup> 2035 Fund - Class K	0.87%	10.89%	8.65%	9.91%	6.69%	7.06%
S&P 500	2.65%	14.37%	11.93%	13.42%	10.17%	8.87%
FID FF 2035 Comp Idx	0.86%	11.05%	8.83%	10.07%	7.84%	7.90%
Target-Date 2035	0.26%	8.94%	7.13%	8.36%	6.55%	--
Rank in Morningstar Category	6%	4%	3%	37%	--	--
# of Funds in Morningstar Category	217	173	133	67	--	--
Quarter-End (AS OF 6/30/2018)						
Fidelity Freedom <sup>®</sup> 2035 Fund - Class K	10.89%	8.65%	9.91%	6.69%	7.06%	

## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)

	2014	2015	2016	2017	2018
Fidelity Freedom <sup>®</sup> 2035 Fund - Class K	5.75%	-0.21%	8.63%	22.01%	0.87%
S&P 500	13.69%	1.38%	11.96%	21.83%	2.65%
FID FF 2035 Comp Idx	7.29%	-1.06%	9.53%	20.73%	0.86%
Target-Date 2035	5.24%	-1.76%	7.57%	18.43%	0.26%

## Investment Approach

- Fidelity Freedom<sup>®</sup> Funds (the Funds) are designed so that the target date referenced in the Fund name is the approximate year when we expect investors to retire and begin gradually withdrawing their investment.
- Except for Fidelity Freedom<sup>®</sup> Income Fund, each of the Funds seeks high total return until reaching its respective target retirement date; thereafter, each Fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.
- Except for Fidelity Freedom<sup>®</sup> Income Fund, each Fund's asset allocation strategy becomes increasingly conservative as it approaches its target date – and beyond. Ultimately, the Funds are expected to merge with Fidelity Freedom Income Fund.
- The Funds employ a robust investment process focused on helping investors solve the challenge of

## Morningstar<sup>®</sup> Snapshot\*\*3

(AS OF 6/30/2018)

Morningstar Category	Target-Date 2035
Risk of this Category	
Overall Rating	★★★★★
Returns	
Expenses	

\*Data provided by Morningstar

## Equity StyleMap<sup>®\*\*6</sup>

(AS OF 5/31/2018)



## Details

Fund Inception	11/6/2003
NAV on 6/30/2018	\$14.94
Exp Ratio (Gross) 5/30/2018	0.64% (\$6.40 per \$1000)
Exp Ratio (Net) 5/30/2018	0.64% (\$6.40 per \$1000)
Management Fee	0.64%
Turnover Rate 3/31/2018	17%
Portfolio Net Assets (\$M) 6/30/2018	\$22,286.54
Share Class Net Assets (\$M) 6/30/2018	\$12,698.03

## Fund Manager(s)

Co-Manager: Team

## Volatility Measures

Beta 6/30/2018	0.91
R <sup>2</sup> 6/30/2018	0.92



## Investment Approach (continued)

Investing through retirement by leveraging the depth and strength of Fidelity's investment research and resources.

### Asset Allocations<sup>7,8,9</sup>

(AS OF 6/30/2018)

Domestic Equities	60.58%
International Equities	27.97%
Bonds	9.79%
Short-Term Investments & Net Other Assets	1.66%

## Volatility Measures (continued)

Sharpe Ratio 6/30/2018	0.83
Standard Deviation 6/30/2018	9.66

## Morningstar Ratings

(AS OF 6/30/2018) Morningstar Category: TARGET-DATE 2035

Overall	★★★★★	out of 173 funds
3 Yrs	★★★★★	out of 173 funds
5 Yrs	★★★★★	out of 133 funds
10 Yrs	★★★★★	out of 67 funds

The Morningstar Rating<sup>SM</sup> for funds, or "star rating", is calculated for funds with at least a three-year history. (Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.

## Fund Overview

### Objective

Seeks high total return until its target retirement date. Thereafter, the fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.

### Strategy

Designed for investors who anticipate retiring in or within a few years of the fund's target retirement year at or around age 65. Investing in a combination of Fidelity domestic equity funds, international equity funds, bond funds, and short-term funds (underlying Fidelity funds). Allocating assets among underlying Fidelity funds according to a "neutral" asset allocation strategy that adjusts over time until it reaches an allocation similar to that of the Freedom Income Fund approximately 10 to 19 years after the target year. Ultimately, the fund will merge with the Freedom Income Fund, FMR Co., Inc. (the Adviser) may modify the fund's neutral asset allocations from time to time when in the interests of investors. Buying and selling futures contracts (both long and short positions) in an effort to manage cash flows efficiently, remain fully invested, or facilitate asset allocation. Through an active asset allocation strategy, the Adviser may increase or decrease neutral asset class exposures by up to 10 percentage points for equity, bond and short-term funds to reflect the Adviser's market outlook, which is primarily focused on the intermediate term.

### Risk

Investment performance of the Fidelity Freedom Fund products depends on the performance of the underlying investment options and on the proportion of the assets invested in each underlying investment option. The investment risk of each Fidelity Freedom Fund changes over time as its asset allocation changes. These risks are subject to the asset allocation decisions of the Investment Adviser. Pursuant to the Adviser's ability to use an active asset allocation strategy, investors may be subject to a different risk profile compared to the fund's neutral asset allocation strategy shown in its glide path. The funds are subject to the volatility of the financial markets, including that of equity and fixed income investments in the U.S. and abroad, and may be subject to risks associated with investing in high-yield, small-cap, commodity-linked and foreign securities. Leverage can increase market exposure, magnify investment risks, and cause losses to be realized more quickly. No target date fund is considered a complete retirement program and there is no guarantee any single fund will provide sufficient retirement income at or through retirement. Principal invested is not guaranteed at any time, including at or after the fund's target dates.

### Additional Disclosures

This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund. On July 20, 2017, an initial offering of the Fidelity Freedom K class took place. Returns and expenses prior to that date are those of the Freedom (retail) class. Had K class expenses been reflected in the returns shown, total returns would have been higher.

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Beta: A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's

Historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

**Exp Ratio (Gross):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent investments (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**Exp Ratio (Net):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the net expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus, after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses. This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**FID, FF 2025 Comp Itr:** Fidelity Freedom 2025 Composite Index is a customized blend of the following unmanaged indexes: Dow Jones U.S. Total Stock Market Index; MSCI ACWI (All Country World Index) ex USA Index; Bloomberg Barclays U.S. Aggregate Bond Index; and Bloomberg Barclays U.S. 3 Month Treasury Bill/wether Index. The index weightings are adjusted monthly to reflect the fund's changing asset allocations. The composition differed in periods prior to January 1, 2014.

**Net Asset Value (NAV):** The dollar value of one mutual fund's share, excluding any sales charges or redemption fees. The NAV is calculated by subtracting liabilities from the value of a fund's total assets and dividing it by the number of fund's shares outstanding.

**Portfolio Net Assets (\$M):** The difference between a portfolio's total assets and liabilities, including all share classes of the fund.

**R<sup>2</sup>:** A measurement of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark index or equivalent. R<sup>2</sup> is a proportion which ranges between 0.00 and 1.00. An R<sup>2</sup> of 1.00 indicates perfect correlation to the benchmark index, that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R<sup>2</sup> of 0.00 indicates no correlation. Therefore, the lower the R<sup>2</sup>, the more the fund's performance is affected by factors other than the market as measured by that benchmark index. An R<sup>2</sup> value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

**S&P 500:** S&P 500 Index is a market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance.

**Share Class Net Assets (\$M):** The difference between the total assets and liabilities of a single share class of a fund.

**Sharpe Ratio - Arithmetic:** The Sharpe ratio is a measure of historical, risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk free" rate used is the 90-day Treasury Bill rate.

**Standard Deviation:** Statistical measure of how much a return varies over an extended period of time. The more variable the returns, the larger the standard deviation. Investors may examine historical standard deviation in conjunction with historical returns to decide whether an investment's volatility would have been acceptable given the returns it would have produced. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility. Standard deviation does not indicate how an investment actually performed, but it does indicate the volatility of its returns over time. Standard deviation is annualized. The returns used for this calculation are not load-adjusted.

**Turnover Rate:** The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

## Important Information

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

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares, the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units, the issuer of a stock fund is the company which issues the shares, the issuer of options such as separate accounts and strategies is the plan which makes them available, the issuer of a fixed return option is the insurance company or other company which offers the investment, the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date composite performance for the product was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

2. The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends.

3. Risk of this Category: Morningstar calculates these risk levels by looking at the Morningstar Risk of the funds in the Category over the previous 5-year period. Morningstar Risk is the difference between the Morningstar Return, based on fund total returns, and the Morningstar Risk Adjusted Return, based on fund total returns adjusted for performance volatility. The Category Risk Level is based on the equal weighted average Morningstar Risk of the funds in the category. Morningstar's Research Committee evaluates the Category Morningstar Risk and assigns the Category Risk Level after further qualitative judgment.

Overall Rating: The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, which are based on risk-adjusted returns, as of the date stated.

Returns: This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury Bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar category:

- top 10% - High
- next 22.5% - Above Average
- middle 35% - Average
- next 22.5% - Below Average
- bottom 10% - Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's 1% sales charge. If sales charges were included,



total returns would have been lower.

5. Percent Rank in Category is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. % Rank in Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures. Past performance is no guarantee of future results.
6. Equity StyleMap® depictions of mutual fund characteristics are produced using data and calculations provided by Morningstar, Inc. StyleMaps<sup>SM</sup> estimate characteristics of a fund's equity holdings over two dimensions: market capitalization and valuation. The percentage of fund assets represented by these holdings is indicated beside each StyleMap. Current StyleMap characteristics are calculated each time Morningstar receives updated portfolio holdings from a fund and are denoted with a dot. Historical StyleMap characteristics are calculated for the shorter of either the past 3 years or the life of the fund, and are represented by the shading of the box(es) previously occupied by the dot. StyleMap characteristics represent an approximate profile of the fund's equity holdings (e.g., domestic stocks, foreign stocks, and American Depositary Receipts), are based on historical data, and are not predictive of the fund's future investments. Although the data are gathered from reliable sources, accuracy and completeness cannot be guaranteed.
7. The percent of net assets invested in both domestic and foreign Equities (common stocks, preferred stocks, rights and warrants, convertible preferred stocks and stock index futures and options), Bond (all debt instruments, including investment grade, non-investment grade, non-rated securities and convertible bonds), and Cash & Net Other Assets (cash, repurchase agreements, receivables and payables).
8. The asset allocation shown is presented to illustrate the underlying funds in which the fund invested and may not be representative of the fund's current or future investments. The figures shown are as of the date shown, do not include the fund's entire investment portfolio and may change at any time.
9. Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the Portfolio Composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.

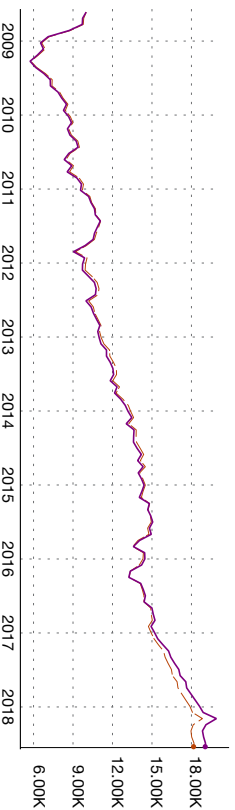


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# Fidelity Freedom<sup>®</sup> 2040 Fund - Class K (FSNVX)

## Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ Fidelity Freedom<sup>®</sup> 2040 Fund - Class K \$19,030 ■ Target-Date 2040 \$18,136



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

Monthly (AS OF 6/30/2018)	YTD (Monthly)	Average Annual Total Returns				
		1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Fidelity Freedom <sup>®</sup> 2040 Fund - Class K	0.74%	11.02%	8.73%	9.98%	6.65%	4.21%
S&P 500	2.65%	14.37%	11.93%	13.42%	10.17%	5.47%
FID FF 2040 Comp Idx	0.91%	11.27%	8.92%	10.18%	7.84%	5.43%
Target-Date 2040	0.30%	9.56%	7.46%	8.73%	6.57%	--
Rank in Morningstar Category		12%	3%	9%	48%	--
# of Funds in Morningstar Category		241	193	150	96	--
Quarter-End (AS OF 6/30/2018)						
Fidelity Freedom <sup>®</sup> 2040 Fund - Class K		11.02%	8.73%	9.98%	6.65%	4.21%

## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)

	2014	2015	2016	2017	2018
Fidelity Freedom <sup>®</sup> 2040 Fund - Class K	5.71%	-0.18%	8.60%	22.38%	0.74%
S&P 500	13.69%	1.38%	11.96%	21.83%	2.65%
FID FF 2040 Comp Idx	7.29%	-1.06%	9.54%	20.95%	0.91%
Target-Date 2040	5.25%	-1.99%	7.95%	19.52%	0.30%

## Investment Approach

- Fidelity Freedom<sup>®</sup> Funds (the Funds) are designed so that the target date referenced in the Fund name is the approximate year when we expect investors to retire and begin gradually withdrawing their investment.
- Except for Fidelity Freedom<sup>®</sup> Income Fund, each of the Funds seeks high total return until reaching its respective target retirement date; thereafter, each Fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.
- Except for Fidelity Freedom<sup>®</sup> Income Fund, each Fund's asset allocation strategy becomes increasingly conservative as it approaches its target date – and beyond. Ultimately, the Funds are expected to merge with Fidelity Freedom Income Fund.
- The Funds employ a robust investment process focused on helping investors solve the challenge of

## Morningstar<sup>®</sup> Snapshot<sup>\*\*3</sup>

(AS OF 6/30/2018)

Morningstar Category	Target-Date 2040
Risk of this Category	
Overall Rating	★★★★★
Returns	
Expenses	

<sup>3</sup>Data provided by Morningstar

## Equity StyleMap<sup>®\*\*6</sup>

(AS OF 5/31/2018)



## Details

Fund Inception	9/6/2000
NAV on 6/30/2018	\$10.48
Exp Ratio (Gross) 5/30/2018	0.65% (\$6.50 per \$1000)
Exp Ratio (Net) 5/30/2018	0.65% (\$6.50 per \$1000)
Management Fee	0.64%
Turnover Rate 3/31/2018	16%
Portfolio Net Assets (\$M) 6/30/2018	\$22,869.67
Share Class Net Assets (\$M) 6/30/2018	\$13,190.29

## Fund Manager(s)

Co-Manager: Team

## Volatility Measures

Beta 6/30/2018	0.91
R <sup>2</sup> 6/30/2018	0.92

## Investment Approach (continued)

Investing through retirement by leveraging the depth and strength of Fidelity's investment research and resources.

## Asset Allocations<sup>7,8,9</sup>

(AS OF 6/30/2018)

Domestic Equities	62.60%
International Equities	29.12%
Bonds	6.79%
Short-Term Investments & Net Other Assets	1.49%

## Volatility Measures (continued)

Sharpe Ratio 6/30/2018	0.83
Standard Deviation 6/30/2018	9.69

## Morningstar Ratings

(AS OF 6/30/2018) Morningstar Category: TARGET-DATE 2040

Overall	★★★★★	out of 193 funds
3 Yrs	★★★★★	out of 193 funds
5 Yrs	★★★★★	out of 150 funds
10 Yrs	★★★★★	out of 96 funds

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares, the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units, the issuer of a stock fund is the company which issues the shares, the issuer of options such as separate accounts and strategies is the plan which makes them available, the issuer of a fixed return option is the insurance company or other company which offers the investment, the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

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3. Risk of this Category: Morningstar calculates these risk levels by looking at the Morningstar Risk of the funds in the Category over the previous 5-year period. Morningstar Risk is the difference between the Morningstar Return, based on fund total returns, and the Morningstar Risk Adjusted Return, based on fund total returns adjusted for performance volatility. The Category Risk Level is based on the equal weighted average Morningstar Risk of the funds in the category. Morningstar's Research Committee evaluates the Category Morningstar Risk and assigns the Category Risk Level after further qualitative judgment.

**Overall Rating:** The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, which are based on risk-adjusted returns, as of the date stated.

**Returns:** This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar category:

- top 10% - High
- next 22.5% - Above Average
- middle 35% - Average
- next 22.5% - Below Average
- bottom 10% - Low

**Expenses:** This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's 1% sales charge. If sales charges were included,

total returns would have been lower.

5. Percent Rank in Category is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. % Rank in Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures. Past performance is no guarantee of future results.
6. Equity StyleMap® depictions of mutual fund characteristics are produced using data and calculations provided by Morningstar, Inc. StyleMaps™ estimate characteristics of a fund's equity holdings over two dimensions: market capitalization and valuation. The percentage of fund assets represented by these holdings is indicated beside each StyleMap. Current StyleMap characteristics are calculated each time Morningstar receives updated portfolio holdings from a fund and are denoted with a dot. Historical StyleMap characteristics are calculated for the shorter of either the past 3 years or the life of the fund, and are represented by the shading of the box(es) previously occupied by the dot. StyleMap characteristics represent an approximate profile of the fund's equity holdings (e.g., domestic stocks, foreign stocks, and American Depositary Receipts), are based on historical data, and are not predictive of the fund's future investments. Although the data are gathered from reliable sources, accuracy and completeness cannot be guaranteed.
7. The percent of net assets invested in both domestic and foreign Equities (common stocks, preferred stocks, rights and warrants, convertible preferred stocks and stock index futures and options), Bond (all debt instruments, including investment grade, non-investment grade, non-rated securities and convertible bonds), and Cash & Net Other Assets (cash, repurchase agreements, receivables and payables).
8. The asset allocation shown is presented to illustrate the underlying funds in which the fund invested and may not be representative of the fund's current or future investments. The figures shown are as of the date shown, do not include the fund's entire investment portfolio and may change at any time.
9. Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the Portfolio Composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.



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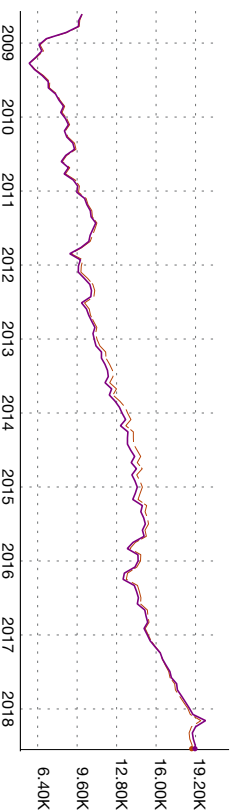
Report as of 7/17/2018

Page 4 of 4

# Fidelity Freedom® 2045 Fund - Class K (FSNZX)

## Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ Fidelity Freedom® 2045 Fund - Class K \$19,140 ■ Target-Date 2045 \$18,862



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

Monthly (AS OF 6/30/2018)	YTD (Monthly)	Average Annual Total Returns				
		1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Fidelity Freedom® 2045 Fund - Class K	0.81%	11.03%	8.72%	10.04%	6.71%	6.17%
S&P 500	2.65%	14.37%	11.93%	13.42%	10.17%	8.66%
FID FF 2045 Comp Idx	0.91%	11.27%	8.92%	10.23%	7.89%	7.10%
Target-Date 2045	0.45%	10.12%	7.79%	9.06%	6.78%	--
Rank in Morningstar Category	18%	8%	12%	50%	--	--
# of Funds in Morningstar Category	217	173	133	66	--	--
Quarter-End (AS OF 6/30/2018)						
Fidelity Freedom® 2045 Fund - Class K	11.03%	8.72%	10.04%	6.71%	6.17%	

## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)

	2014	2015	2016	2017	2018
Fidelity Freedom® 2045 Fund - Class K	5.79%	-0.16%	8.57%	22.36%	0.81%
S&P 500	13.69%	1.38%	11.96%	21.83%	2.65%
FID FF 2045 Comp Idx	7.29%	-1.06%	9.54%	20.95%	0.91%
Target-Date 2045	5.35%	-1.87%	7.93%	20.51%	0.45%

## Investment Approach

- Fidelity Freedom® Funds (the Funds) are designed so that the target date referenced in the Fund name is the approximate year when we expect investors to retire and begin gradually withdrawing their investment.
- Except for Fidelity Freedom® Income Fund, each of the Funds seeks high total return until reaching its respective target retirement date; thereafter, each Fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.
- Except for Fidelity Freedom® Income Fund, each Fund's asset allocation strategy becomes increasingly conservative as it approaches its target date – and beyond. Ultimately, the Funds are expected to merge with Fidelity Freedom Income Fund.
- The Funds employ a robust investment process focused on helping investors solve the challenge of

## Morningstar® Snapshot\*\*

(AS OF 6/30/2018)

Morningstar Category	Target-Date 2045
Risk of this Category	
Overall Rating	★★★★★
Returns	
Expenses	

\*Data provided by Morningstar

## Equity StyleMap®\*\*6

(AS OF 5/31/2018)



## Details

Fund Inception	6/1/2006
NAV on 6/30/2018	\$11.89
Exp Ratio (Gross) 5/30/2018	0.65% (\$6.50 per \$1000)
Exp Ratio (Net) 5/30/2018	0.65% (\$6.50 per \$1000)
Management Fee	0.64%
Turnover Rate 3/31/2018	17%
Portfolio Net Assets (\$M) 6/30/2018	\$13,754.84
Share Class Net Assets (\$M) 6/30/2018	\$8,627.31

## Fund Manager(s)

Co-Manager: Team

## Volatility Measures

Beta 6/30/2018	0.91
R <sup>2</sup> 6/30/2018	0.92



## Investment Approach (continued)

Investing through retirement by leveraging the depth and strength of Fidelity's investment research and resources.

### Asset Allocations<sup>7,8,9</sup>

(AS OF 6/30/2018)

Domestic Equities	62.61%
International Equities	29.10%
Bonds	6.78%
Short-Term Investments & Net Other Assets	1.51%

## Volatility Measures (continued)

Sharpe Ratio 6/30/2018	0.84
Standard Deviation 6/30/2018	9.68

## Morningstar Ratings

(AS OF 6/30/2018) Morningstar Category: TARGET-DATE 2045

Overall	★★★★★	out of 173 funds
3 Yrs	★★★★★	out of 173 funds
5 Yrs	★★★★★	out of 133 funds
10 Yrs	★★★★★	out of 66 funds

The Morningstar Rating<sup>SM</sup> for funds, or "star rating", is calculated for funds with at least a three-year history. (Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.

## Fund Overview

### Objective

Seeks high total return until its target retirement date. Thereafter, the fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.

### Strategy

Designed for investors who anticipate retiring in or within a few years of the fund's target retirement year at or around age 65. Investing in a combination of Fidelity domestic equity funds, international equity funds, bond funds, and short-term funds (underlying Fidelity funds). Allocating assets among underlying Fidelity funds according to a "neutral" asset allocation strategy that adjusts over time until it reaches an allocation similar to that of the Freedom Income Fund approximately 10 to 19 years after the target year. Ultimately, the fund will merge with the Freedom Income Fund, FMR Co., Inc. (the Adviser) may modify the fund's neutral asset allocations from time to time when in the interests of investors. Buying and selling futures contracts (both long and short positions) in an effort to manage cash flows efficiently, remain fully invested, or facilitate asset allocation. Through an active asset allocation strategy, the Adviser may increase or decrease neutral asset class exposures by up to 10 percentage points for equity, bond and short-term funds to reflect the Adviser's market outlook, which is primarily focused on the intermediate term.

### Risk

Investment performance of the Fidelity Freedom Fund products depends on the performance of the underlying investment options and on the proportion of the assets invested in each underlying investment option. The investment risk of each Fidelity Freedom Fund changes over time as its asset allocation changes. These risks are subject to the asset allocation decisions of the Investment Adviser. Pursuant to the Adviser's ability to use an active asset allocation strategy, investors may be subject to a different risk profile compared to the fund's neutral asset allocation strategy shown in its glide path. The funds are subject to the volatility of the financial markets, including that of equity and fixed income investments in the U.S. and abroad, and may be subject to risks associated with investing in high-yield, small-cap, commodity-linked and foreign securities. Leverage can increase market exposure, magnify investment risks, and cause losses to be realized more quickly. No target date fund is considered a complete retirement program and there is no guarantee any single fund will provide sufficient retirement income at or through retirement. Principal invested is not guaranteed at any time, including at or after the funds' target dates.

### Additional Disclosures

This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund. On July 20, 2017, an initial offering of the Fidelity Freedom K class took place. Returns and expenses prior to that date are those of the Freedom (retail) class. Had K class expenses been reflected in the returns shown, total returns would have been higher.

## Glossary Of Terms

Beta: A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's



Historical returns have fluctuated (more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

**Exp Ratio (Gross):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expense directly paid by the fund from the fund's most recent investments (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**Exp Ratio (Net):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the net expense ratio is the total annual fund or class operating expense directly paid by the fund from the fund's most recent prospectus, after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses. This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**FID, FF 2015 Comp Itr:** Fidelity Freedom 2015 Composite Index is a customized blend of the following unmanaged indexes: Dow Jones U.S. Total Stock Market Index; MSCI ACWI (All Country World Index) ex USA Index; Bloomberg Barclays U.S. Aggregate Bond Index; and Bloomberg Barclays U.S. 3 Month Treasury Bill/wether Index. The index weightings are adjusted monthly to reflect the fund's changing asset allocations. The composition differed in periods prior to January 1, 2014.

**Net Asset Value (NAV):** The dollar value of one mutual fund's share, excluding any sales charges or redemption fees. The NAV is calculated by subtracting liabilities from the value of a fund's total assets and dividing it by the number of fund's shares outstanding.

**Portfolio Net Assets (\$M):** The difference between a portfolio's total assets and liabilities, including all share classes of the fund.

**R<sup>2</sup>:** A measurement of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark index or equivalent. R<sup>2</sup> is a proportion which ranges between 0.00 and 1.00. An R<sup>2</sup> of 1.00 indicates perfect correlation to the benchmark index, that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R<sup>2</sup> of 0.00 indicates no correlation. Therefore, the lower the R<sup>2</sup>, the more the fund's performance is affected by factors other than the market as measured by that benchmark index. An R<sup>2</sup> value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

**S&P 500:** S&P 500 Index is a market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance.

**Share Class Net Assets (\$M):** The difference between the total assets and liabilities of a single share class of a fund.

**Sharpe Ratio - Arithmetic:** The Sharpe ratio is a measure of historical, risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk free" rate used is the 90-day Treasury Bill rate.

**Standard Deviation:** Statistical measure of how much a return varies over an extended period of time. The more variable the returns, the larger the standard deviation. Investors may examine historical standard deviation in conjunction with historical returns to decide whether an investment's volatility would have been acceptable given the returns it would have produced. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility. Standard deviation does not indicate how an investment actually performed, but it does indicate the volatility of its returns over time. Standard deviation is annualized. The returns used for this calculation are not load-adjusted.

**Turnover Rate:** The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

## Important Information

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

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares, the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units, the issuer of a stock fund is the company which issues the shares, the issuer of options such as separate accounts and strategies is the plan which makes them available, the issuer of a fixed return option is the insurance company or other company which offers the investment, the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date composite performance for the product was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

2. The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends.

3. Risk of this Category: Morningstar calculates these risk levels by looking at the Morningstar Risk of the funds in the Category over the previous 5-year period. Morningstar Risk is the difference between the Morningstar Return, based on fund total returns, and the Morningstar Risk Adjusted Return, based on fund total returns adjusted for performance volatility. The Category Risk Level is based on the equal weighted average Morningstar Risk of the funds in the category. Morningstar's Research Committee evaluates the Category Morningstar Risk and assigns the Category Risk Level after further qualitative judgment.

Overall Rating: The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, which are based on risk-adjusted returns, as of the date stated.

Returns: This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar category:

- top 10% - High
- next 22.5% - Above Average
- middle 35% - Average
- next 22.5% - Below Average
- bottom 10% - Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's 1% sales charge. If sales charges were included,

total returns would have been lower.

5. Percent Rank in Category is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. % Rank in Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures. Past performance is no guarantee of future results.
6. Equity StyleMap® depictions of mutual fund characteristics are produced using data and calculations provided by Morningstar, Inc. StyleMaps™ estimate characteristics of a fund's equity holdings over two dimensions: market capitalization and valuation. The percentage of fund assets represented by these holdings is indicated beside each StyleMap. Current StyleMap characteristics are calculated each time Morningstar receives updated portfolio holdings from a fund and are denoted with a dot. Historical StyleMap characteristics are calculated for the shorter of either the past 3 years or the life of the fund, and are represented by the shading of the box(es) previously occupied by the dot. StyleMap characteristics represent an approximate profile of the fund's equity holdings (e.g., domestic stocks, foreign stocks, and American Depositary Receipts), are based on historical data, and are not predictive of the fund's future investments. Although the data are gathered from reliable sources, accuracy and completeness cannot be guaranteed.
7. The percent of net assets invested in both domestic and foreign Equities (common stocks, preferred stocks, rights and warrants, convertible preferred stocks and stock index futures and options), Bond (all debt instruments, including investment grade, non-investment grade, non-rated securities and convertible bonds), and Cash & Net Other Assets (cash, repurchase agreements, receivables and payables).
8. The asset allocation shown is presented to illustrate the underlying funds in which the fund invested and may not be representative of the fund's current or future investments. The figures shown are as of the date shown, do not include the fund's entire investment portfolio and may change at any time.
9. Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the Portfolio Composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.

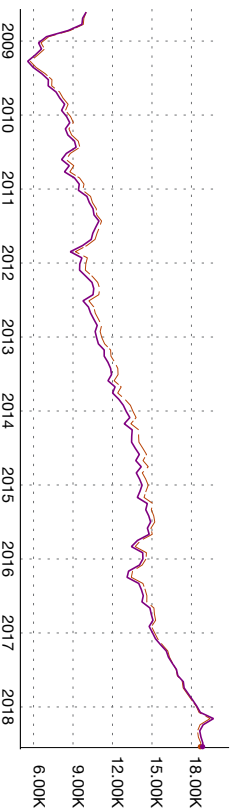


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# Fidelity Freedom<sup>®</sup> 2050 Fund - Class K (FNSBX)

## Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ Fidelity Freedom<sup>®</sup> 2050 Fund - Class K \$18,836 ■ Target-Date 2050 \$18,646



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

Monthly (AS OF 6/30/2018)	YTD (Monthly)	Average Annual Total Returns				
		1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Fidelity Freedom <sup>®</sup> 2050 Fund - Class K	0.86%	11.03%	8.73%	10.07%	6.54%	6.01%
S&P 500	2.65%	14.37%	11.93%	13.42%	10.17%	8.66%
FID FF 2050 Comp Idx	0.91%	11.27%	8.92%	10.25%	7.81%	6.99%
Target-Date 2050	0.38%	10.22%	7.83%	9.15%	6.82%	--
Rank in Morningstar Category		22%	10%	17%	67%	--
# of Funds in Morningstar Category		237	188	145	70	--
Quarter-End (AS OF 6/30/2018)						
Fidelity Freedom <sup>®</sup> 2050 Fund - Class K		11.03%	8.73%	10.07%	6.54%	6.01%

## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)

	2014	2015	2016	2017	2018
Fidelity Freedom <sup>®</sup> 2050 Fund - Class K	5.78%	-0.24%	8.63%	22.33%	0.86%
S&P 500	13.69%	1.38%	11.96%	21.83%	2.65%
FID FF 2050 Comp Idx	7.29%	-1.06%	9.54%	20.95%	0.91%
Target-Date 2050	5.42%	-2.01%	8.22%	20.67%	0.38%

## Investment Approach

- Fidelity Freedom<sup>®</sup> Funds (the Funds) are designed so that the target date referenced in the Fund name is the approximate year when we expect investors to retire and begin gradually withdrawing their investment.
- Except for Fidelity Freedom<sup>®</sup> Income Fund, each of the Funds seeks high total return until reaching its respective target retirement date; thereafter, each Fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.
- Except for Fidelity Freedom<sup>®</sup> Income Fund, each Fund's asset allocation strategy becomes increasingly conservative as it approaches its target date – and beyond. Ultimately, the Funds are expected to merge with Fidelity Freedom Income Fund.
- The Funds employ a robust investment process focused on helping investors solve the challenge of

## Morningstar<sup>®</sup> Snapshot\*\*3

(AS OF 6/30/2018)

Morningstar Category	Target-Date 2050
Risk of this Category	
Overall Rating	★★★★★
Returns	
Expenses	

\*Data provided by Morningstar

## Equity StyleMap<sup>®\*\*6</sup>

(AS OF 5/31/2018)



## Details

Fund Inception	6/1/2006
NAV on 6/30/2018	\$11.96
Exp Ratio (Gross)	0.65% (\$6.50 per \$1000)
Exp Ratio (Net)	0.65% (\$6.50 per \$1000)
Management Fee	0.64%
Turnover Rate	16%
Portfolio Net Assets (\$M)	\$11,672.71
Share Class Net Assets (\$M)	\$7,449.59

## Fund Manager(s)

Co-Manager: Team

## Volatility Measures

Beta	0.91
R <sup>2</sup>	0.92

## Investment Approach (continued)

Investing through retirement by leveraging the depth and strength of Fidelity's investment research and resources.

## Asset Allocations<sup>7,8,9</sup>

(AS OF 6/30/2018)

Domestic Equities	62.61%
International Equities	29.09%
Bonds	6.78%
Short-Term Investments & Net Other Assets	1.52%

## Volatility Measures (continued)

Sharpe Ratio 6/30/2018	0.84
Standard Deviation 6/30/2018	9.69

## Morningstar Ratings

(AS OF 6/30/2018) Morningstar Category: TARGET-DATE 2050

Overall	★★★★★	out of 188 funds
3 Yrs	★★★★★	out of 188 funds
5 Yrs	★★★★★	out of 145 funds
10 Yrs	★★★★★	out of 70 funds

The Morningstar Rating<sup>SM</sup> for funds, or "star rating", is calculated for funds with at least a three-year history. (Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.

## Fund Overview

### Objective

Seeks high total return until its target retirement date. Thereafter, the fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.

### Strategy

Designed for investors who anticipate retiring in or within a few years of the fund's target retirement year at or around age 65. Investing in a combination of Fidelity domestic equity funds, international equity funds, bond funds, and short-term funds (underlying Fidelity funds). Allocating assets among underlying Fidelity funds according to a "neutral" asset allocation strategy that adjusts over time until it reaches an allocation similar to that of the Freedom Income Fund approximately 10 to 19 years after the target year. Ultimately, the fund will merge with the Freedom Income Fund, FMR Co., Inc. (the Adviser) may modify the fund's neutral asset allocations from time to time when in the interests of investors. Buying and selling futures contracts (both long and short positions) in an effort to manage cash flows efficiently, remain fully invested, or facilitate asset allocation. Through an active asset allocation strategy, the Adviser may increase or decrease neutral asset class exposures by up to 10 percentage points for equity, bond and short-term funds to reflect the Adviser's market outlook, which is primarily focused on the intermediate term.

### Risk

Investment performance of the Fidelity Freedom Fund products depends on the performance of the underlying investment options and on the proportion of the assets invested in each underlying investment option. The investment risk of each Fidelity Freedom Fund changes over time as its asset allocation changes. These risks are subject to the asset allocation decisions of the Investment Adviser. Pursuant to the Adviser's ability to use an active asset allocation strategy, investors may be subject to a different risk profile compared to the fund's neutral asset allocation strategy shown in its glide path. The funds are subject to the volatility of the financial markets, including that of equity and fixed income investments in the U.S. and abroad, and may be subject to risks associated with investing in high-yield, small-cap, commodity-linked and foreign securities. Leverage can increase market exposure, magnify investment risks, and cause losses to be realized more quickly. No target date fund is considered a complete retirement program and there is no guarantee any single fund will provide sufficient retirement income at or through retirement. Principal invested is not guaranteed at any time, including at or after the fund's target dates.

### Additional Disclosures

This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund. On July 20, 2017, an initial offering of the Fidelity Freedom K class took place. Returns and expenses prior to that date are those of the Freedom (retail) class. Had K class expenses been reflected in the returns shown, total returns would have been higher.

## Glossary Of Terms

Beta: A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's

Historical returns have fluctuated (more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

**Exp Ratio (Gross):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expense directly paid by the fund from the fund's most recent investments (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**Exp Ratio (Net):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the net expense ratio is the total annual fund or class operating expense directly paid by the fund from the fund's most recent prospectus, after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses. This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**FID, FF 2050 Comp Itr:** Fidelity Freedom 2050 Composite Index is a customized blend of the following unmanaged indexes: Dow Jones U.S. Total Stock Market Index; MSCI ACWI (All Country World Index) ex USA Index; Bloomberg Barclays U.S. Aggregate Bond Index; and Bloomberg Barclays U.S. 3 Month Treasury Bill/wether Index. The index weightings are adjusted monthly to reflect the fund's changing asset allocations. The composition differed in periods prior to January 1, 2014.

**Net Asset Value (NAV):** The dollar value of one mutual fund's share, excluding any sales charges or redemption fees. The NAV is calculated by subtracting liabilities from the value of a fund's total assets and dividing it by the number of fund's shares outstanding.

**Portfolio Net Assets (\$M):** The difference between a portfolio's total assets and liabilities, including all share classes of the fund.

**R<sup>2</sup>:** A measurement of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark index or equivalent. R<sup>2</sup> is a proportion which ranges between 0.00 and 1.00. An R<sup>2</sup> of 1.00 indicates perfect correlation to the benchmark index, that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R<sup>2</sup> of 0.00 indicates no correlation. Therefore, the lower the R<sup>2</sup>, the more the fund's performance is affected by factors other than the market as measured by that benchmark index. An R<sup>2</sup> value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

**S&P 500:** S&P 500 Index is a market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance.

**Share Class Net Assets (\$M):** The difference between the total assets and liabilities of a single share class of a fund.

**Sharpe Ratio - Arithmetic:** The Sharpe ratio is a measure of historical, risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk free" rate used is the 90-day Treasury Bill rate.

**Standard Deviation:** Statistical measure of how much a return varies over an extended period of time. The more variable the returns, the larger the standard deviation. Investors may examine historical standard deviation in conjunction with historical returns to decide whether an investment's volatility would have been acceptable given the returns it would have produced. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility. Standard deviation does not indicate how an investment actually performed, but it does indicate the volatility of its returns over time. Standard deviation is annualized. The returns used for this calculation are not load-adjusted.

**Turnover Rate:** The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

## Important Information

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

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares, the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units, the issuer of a stock fund is the company which issues the shares, the issuer of options such as separate accounts and strategies is the plan which makes them available, the issuer of a fixed return option is the insurance company or other company which offers the investment, the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date composite performance for the product was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

2. The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends.

3. Risk of this Category: Morningstar calculates these risk levels by looking at the Morningstar Risk of the funds in the Category over the previous 5-year period. Morningstar Risk is the difference between the Morningstar Return, based on fund total returns, and the Morningstar Risk Adjusted Return, based on fund total returns adjusted for performance volatility. The Category Risk Level is based on the equal weighted average Morningstar Risk of the funds in the category. Morningstar's Research Committee evaluates the Category Morningstar Risk and assigns the Category Risk Level after further qualitative judgment.

Overall Rating: The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, which are based on risk-adjusted returns, as of the date stated.

Returns: This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury Bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar category:

- top 10% - High
- next 22.5% - Above Average
- middle 35% - Average
- next 22.5% - Below Average
- bottom 10% - Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's 1% sales charge. If sales charges were included,

total returns would have been lower.

5. Percent Rank in Category is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. % Rank in Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures. Past performance is no guarantee of future results.
6. Equity StyleMap® depictions of mutual fund characteristics are produced using data and calculations provided by Morningstar, Inc. StyleMaps™ estimate characteristics of a fund's equity holdings over two dimensions: market capitalization and valuation. The percentage of fund assets represented by these holdings is indicated beside each StyleMap. Current StyleMap characteristics are calculated each time Morningstar receives updated portfolio holdings from a fund and are denoted with a dot. Historical StyleMap characteristics are calculated for the shorter of either the past 3 years or the life of the fund, and are represented by the shading of the box(es) previously occupied by the dot. StyleMap characteristics represent an approximate profile of the fund's equity holdings (e.g., domestic stocks, foreign stocks, and American Depositary Receipts), are based on historical data, and are not predictive of the fund's future investments. Although the data are gathered from reliable sources, accuracy and completeness cannot be guaranteed.
7. The percent of net assets invested in both domestic and foreign Equities (common stocks, preferred stocks, rights and warrants, convertible preferred stocks and stock index futures and options), Bond (all debt instruments, including investment grade, non-investment grade, non-rated securities and convertible bonds), and Cash & Net Other Assets (cash, repurchase agreements, receivables and payables).
8. The asset allocation shown is presented to illustrate the underlying funds in which the fund invested and may not be representative of the fund's current or future investments. The figures shown are as of the date shown, do not include the fund's entire investment portfolio and may change at any time.
9. Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the Portfolio Composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.



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Report as of 7/17/2018

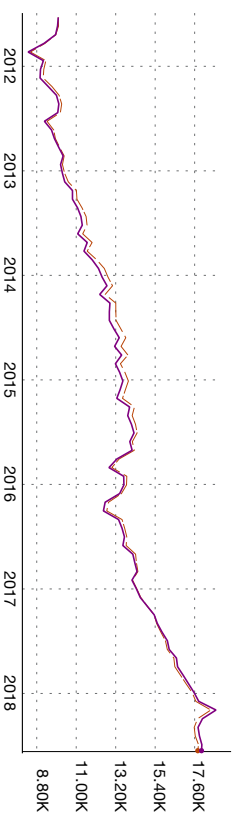
Page 4 of 4



# Fidelity Freedom<sup>®</sup> 2055 Fund - Class K (FNSDX)

## Hypothetical Growth of \$10,000<sup>1,2</sup> (6/1/2011-6/30/2018)

■ Fidelity Freedom<sup>®</sup> 2055 Fund - Class K \$17,976 ■ Target-Date 2055 \$17,757



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

Monthly (AS OF 6/30/2018)	YTD (Monthly)	Average Annual Total Returns				
		1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Fidelity Freedom <sup>®</sup> 2055 Fund - Class K	0.83%	11.09%	8.72%	10.16%	--	8.63%
S&P 500	2.65%	14.37%	11.93%	13.42%	10.17%	13.16%
FID FF 2055 Comp Idx	0.91%	11.27%	8.92%	10.36%	--	9.81%
Target-Date 2055	0.51%	10.47%	7.97%	9.38%	7.24%	--
Rank in Morningstar Category		30%	15%	19%	--	--
# of Funds in Morningstar Category		215	171	106	9	--
<b>Quarter-End (AS OF 6/30/2018)</b>						
Fidelity Freedom <sup>®</sup> 2055 Fund - Class K		11.09%	8.72%	10.16%	--	8.63%

## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)

	2014	2015	2016	2017	2018
Fidelity Freedom <sup>®</sup> 2055 Fund - Class K	5.75%	-0.20%	8.56%	22.37%	0.83%
S&P 500	13.69%	1.38%	11.96%	21.83%	2.65%
FID FF 2055 Comp Idx	7.29%	-1.06%	9.54%	20.95%	0.91%
Target-Date 2055	5.49%	-1.71%	8.00%	21.08%	0.51%

## Investment Approach

- Fidelity Freedom<sup>®</sup> Funds (the Funds) are designed so that the target date referenced in the Fund name is the approximate year when we expect investors to retire and begin gradually withdrawing their investment.
- Except for Fidelity Freedom<sup>®</sup> Income Fund, each of the Funds seeks high total return until reaching its respective target retirement date; thereafter, each Fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.
- Except for Fidelity Freedom<sup>®</sup> Income Fund, each Fund's asset allocation strategy becomes increasingly conservative as it approaches its target date – and beyond. Ultimately, the Funds are expected to merge with Fidelity Freedom Income Fund.
- The Funds employ a robust investment process focused on helping investors solve the challenge of

## Morningstar<sup>®</sup> Snapshot\*\*3

(AS OF 6/30/2018)

Morningstar Category	Target-Date 2055
Risk of this Category	
Overall Rating	★★★★★
Returns	
Expenses	

\*Data provided by Morningstar

## Equity StyleMap<sup>®\*\*6</sup>

(AS OF 5/31/2018)



## Details

Fund Inception	6/1/2011
NAV on 6/30/2018	\$13.51
Exp Ratio (Gross) 5/30/2018	0.65% (\$6.50 per \$1,000)
Exp Ratio (Net) 5/30/2018	0.65% (\$6.50 per \$1,000)
Management Fee	0.64%
Turnover Rate 3/31/2018	15%
Portfolio Net Assets (\$M) 6/30/2018	\$4,697.21
Share Class Net Assets (\$M) 6/30/2018	\$3,072.72

## Fund Manager(s)

Co-Manager: Team

## Volatility Measures

Beta 6/30/2018	0.91
R <sup>2</sup> 6/30/2018	0.92



## Investment Approach (continued)

Investing through retirement by leveraging the depth and strength of Fidelity's investment research and resources.

### Asset Allocations<sup>7,8,9</sup>

(AS OF 6/30/2018)

Domestic Equities	62.62%
International Equities	29.06%
Bonds	6.77%
Short-Term Investments & Net Other Assets	1.55%

## Volatility Measures (continued)

Sharpe Ratio 6/30/2018	0.84
Standard Deviation 6/30/2018	9.68

## Morningstar Ratings

(AS OF 6/30/2018) Morningstar Category: TARGET-DATE 2095

Overall	★★★★★	out of 171 funds
3 Yrs	★★★★★	out of 171 funds
5 Yrs	★★★★★	out of 106 funds

The Morningstar Rating™ for funds, or "star rating", is calculated for funds with at least a three-year history. (Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.

## Fund Overview

### Objective

Seeks high total return until its target retirement date. Thereafter, the fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.

### Strategy

Designed for investors who anticipate retiring in or within a few years of the fund's target retirement year at or around age 65. Investing in a combination of Fidelity domestic equity funds, international equity funds, bond funds, and short-term funds (underlying Fidelity funds). Allocating assets among underlying Fidelity funds according to a "neutral" asset allocation strategy that adjusts over time until it reaches an allocation similar to that of the Freedom Income Fund approximately 10 to 19 years after the target year. Ultimately, the fund will merge with the Freedom Income Fund, FMR Co., Inc. (the Adviser) may modify the fund's neutral asset allocations from time to time when in the interests of investors. Buying and selling futures contracts (both long and short positions) in an effort to manage cash flows efficiently, remain fully invested, or facilitate asset allocation. Through an active asset allocation strategy, the Adviser may increase or decrease neutral asset class exposures by up to 10 percentage points for equity, bond and short-term funds to reflect the Adviser's market outlook, which is primarily focused on the intermediate term.

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RF: A measurement of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark index or equivalent. R<sup>2</sup> is a proportion which ranges between 0.00 and 1.00. An R<sup>2</sup> of 1.00 indicates perfect correlation to the benchmark index, that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R<sup>2</sup> of 0.00 indicates no correlation. Therefore, the lower the R<sup>2</sup>, the more the fund's performance is affected by factors other than the market as measured by that benchmark index. An R<sup>2</sup> value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares; the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units; the issuer of a stock fund is the company which issues the shares; the issuer of options such as separate accounts and strategies is the plan which makes them available; the issuer of a fixed return option is the insurance company or other company which offers the investment; the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date composite performance for the product was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

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Overall Rating: The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, which are based on risk-adjusted returns, as of the date stated.

Returns: This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury Bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar Category:

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- next 22.5% - Below Average
- bottom 10% - Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains. If any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's [%] sales charge. If sales charges were included, total returns would have been lower.

5. Percent Rank in Category: Is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least

favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. % Rank in Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures. Past performance is no guarantee of future results.

6. Equity StyleMap® depictions of mutual fund characteristics are produced using data and calculations provided by Morningstar, Inc. StyleMaps® estimate characteristics of a fund's equity holdings over two dimensions: market capitalization and valuation. The percentage of fund assets represented by these holdings is indicated beside each StyleMap. Current StyleMap characteristics are calculated each time Morningstar receives updated portfolio holdings from a fund and are denoted with a dot. Historical StyleMap characteristics are calculated for the shorter of either the past 3 years or the life of the fund, and are represented by the shading of the box(es) previously occupied by the dot. StyleMap characteristics represent an approximate profile of the fund's equity holdings (e.g., domestic stocks, foreign stocks, and American Depositary Receipts), are based on historical data, and are not predictive of the fund's future investments. Although the data are gathered from reliable sources, accuracy and completeness cannot be guaranteed.

7. The percent of net assets invested in both domestic and foreign Equities (common stocks, preferred stocks, rights and warrants, convertible preferred stocks and stock index futures and options), Bond (all debt instruments, including investment grade, non-investment grade, non-rated securities and convertible bonds), and Cash & Net Other Assets (cash, repurchase agreements, receivables and payables),

8. The asset allocation shown is presented to illustrate the underlying funds in which the fund invested and may not be representative of the fund's current or future investments. The figures shown are as of the date shown; do not include the fund's entire investment portfolio and may change at any time.

9. Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the Portfolio Composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.

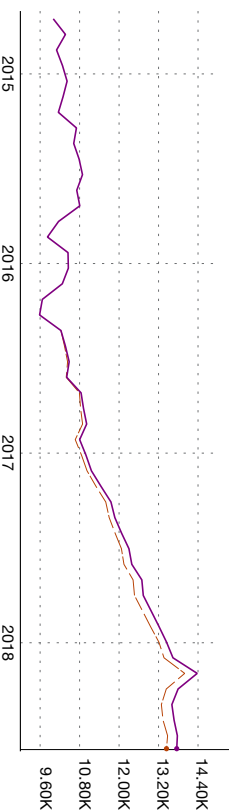


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# Fidelity Freedom<sup>®</sup> 2060 Fund - Class K (FNSFX)

## Hypothetical Growth of \$10,000<sup>1,2</sup> (8/5/2014-6/30/2018)

■ Fidelity Freedom<sup>®</sup> 2060 Fund - Class K \$13,749 ■ Target-Date 2060+ \$13,434



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

Monthly (AS OF 6/30/2018)	YTD (Monthly)	Average Annual Total Returns				
		1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Fidelity Freedom <sup>®</sup> 2060 Fund - Class K	0.81%	10.99%	8.67%	--	--	8.50%
S&P 500	2.65%	14.37%	11.93%	13.42%	10.17%	11.61%
FID FF 2060 Comp Idx	0.91%	11.27%	8.92%	--	--	8.26%
Target-Date 2060+	0.53%	10.64%	8.29%	9.65%	--	--
Rank in Morningstar Category		37%	31%	--	--	--
# of Funds in Morningstar Category		177	65	8	--	--
Quarter-End (AS OF 6/30/2018)						
Fidelity Freedom <sup>®</sup> 2060 Fund - Class K		10.99%	8.67%	--	--	8.50%

## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)

	2014	2015	2016	2017	2018
Fidelity Freedom <sup>®</sup> 2060 Fund - Class K	--	-0.22%	8.61%	22.21%	0.81%
S&P 500	13.69%	1.38%	11.96%	21.83%	2.65%
FID FF 2060 Comp Idx	-1.06%	-1.06%	9.54%	20.95%	0.91%
Target-Date 2060+	5.53%	-1.17%	7.81%	21.27%	0.53%

## Investment Approach

- Fidelity Freedom<sup>®</sup> Funds (the Funds) are designed so that the target date referenced in the Fund name is the approximate year when we expect investors to retire and begin gradually withdrawing their investment.
- Except for Fidelity Freedom<sup>®</sup> Income Fund, each of the Funds seeks high total return until reaching its respective target retirement date; thereafter, each Fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.
- Except for Fidelity Freedom<sup>®</sup> Income Fund, each Fund's asset allocation strategy becomes increasingly conservative as it approaches its target date – and beyond. Ultimately, the Funds are expected to merge with Fidelity Freedom Income Fund.
- The Funds employ a robust investment process focused on helping investors solve the challenge of

## Morningstar<sup>®</sup> Snapshot\*\*3

(AS OF 6/30/2018)

Morningstar Category	Target-Date 2060+
Risk of this Category	
Overall Rating	★★★★★
Returns	
Expenses	

\*Data provided by Morningstar

## Equity StyleMap<sup>®\*\*6</sup>

(AS OF 5/31/2018)



## Details

Fund Inception	8/5/2014
NAV on 6/30/2018	\$12.07
Exp Ratio (Gross)	0.65% (\$6.50 per \$1,000)
Exp Ratio (Net)	0.65% (\$6.50 per \$1,000)
Management Fee	0.65%
Turnover Rate	11%
Portfolio Net Assets (\$M)	\$931.37
Share Class Net Assets (\$M)	\$604.90

## Fund Manager(s)

Co-Manager: Team

## Volatility Measures

Beta	0.91
R <sup>2</sup>	0.92

## Investment Approach (continued)

Investing through retirement by leveraging the depth and strength of Fidelity's investment research and resources.

## Asset Allocations<sup>7,8,9</sup>

(AS OF 6/30/2018)

Domestic Equities	62.61%
International Equities	29.04%
Bonds	6.78%
Short-Term Investments & Net Other Assets	1.57%

## Volatility Measures (continued)

Sharpe Ratio 6/30/2018	0.83
Standard Deviation 6/30/2018	9.67

## Morningstar Ratings

(AS OF 6/30/2018) Morningstar Category: TARGET-DATE 2060+

Overall	 out of 65 funds
3 Yrs	 out of 65 funds

The Morningstar Rating™ for funds, or "star rating", is calculated for funds with at least a three-year history. Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes). It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.

## Fund Overview

### Objective

Seeks high total return until its target retirement date. Thereafter, the fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.

### Strategy

Designed for investors who anticipate retiring in or within a few years of the fund's target retirement year at or around age 65. Investing in a combination of Fidelity domestic equity funds, international equity funds, bond funds, and short-term funds (underlying Fidelity funds). Allocating assets among underlying Fidelity funds according to a "neutral" asset allocation strategy that adjusts over time until it reaches an allocation similar to that of the Freedom Income Fund approximately 10 to 19 years after the target year. Ultimately, the fund will merge with the Freedom Income Fund, FMR Co., Inc. (the Adviser) may modify the fund's neutral asset allocations from time to time when in the interests of investors. Buying and selling futures contracts (both long and short positions) in an effort to manage cash flows efficiently, remain fully invested, or facilitate asset allocation. Through an active asset allocation strategy, the Adviser may increase or decrease neutral asset class exposures by up to 10 percentage points for equity, bond and short-term funds to reflect the Adviser's market outlook, which is primarily focused on the intermediate term.

### Risk

Investment performance of the Fidelity Freedom Fund products depends on the performance of the underlying investment options and on the proportion of the assets invested in each underlying investment option. The investment risk of each Fidelity Freedom Fund changes over time as its asset allocation changes. These risks are subject to the asset allocation decisions of the Investment Adviser. Pursuant to the Adviser's ability to use an active asset allocation strategy, investors may be subject to a different risk profile compared to the fund's neutral asset allocation strategy shown in its glide path. The funds are subject to the volatility of the financial markets, including that of equity and fixed income investments in the U.S. and abroad, and may be subject to risks associated with investing in high-yield, small-cap, commodity-linked and foreign securities. Leverage can increase market exposure, magnify investment risks, and cause losses to be realized more quickly. No target date fund is considered a complete retirement program and there is no guarantee any single fund will provide sufficient retirement income at or through retirement. Principal invested is not guaranteed at any time, including at or after the fund's target dates.

### Additional Disclosures

This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund. On July 20, 2017, an initial offering of the Fidelity Freedom K class took place. Returns and expenses prior to that date are those of the Freedom (retail) class. Had K class expenses been reflected in the returns shown, total returns would have been higher.

## Glossary Of Terms

Beta: A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

Exp Ratio (Gross): Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent



prospectus before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**Exp Ratio (Net):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the net expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus, after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses. This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**FID FF 2060 Comp Ix:** Fidelity Freedom 2060 Composite Index is a customized blend of the following unmanaged indexes: Dow Jones U.S. Total Stock Market Index; MSCI ACWI (All Country World Index) ex USA Index; Bloomberg Barclays U.S. Aggregate Bond Index; and Bloomberg Barclays U.S. 3 Month Treasury Bill/wether Index. The index weightings are adjusted monthly to reflect the fund's changing asset allocations.

**Net Asset Value (NAV):** The dollar value of one mutual fund's share, excluding any sales charges or redemption fees. The NAV is calculated by subtracting liabilities from the value of a fund's total assets and dividing it by the number of fund's shares outstanding.

**Portfolio Net Assets (\$M):** The difference between a portfolio's total assets and liabilities, including all share classes of the fund.

**R<sup>2</sup>** A measurement of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark index or equivalent. R<sup>2</sup> is a proportion which ranges between 0.00 and 1.00. An R<sup>2</sup> of 1.00 indicates perfect correlation to the benchmark index. That is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R<sup>2</sup> of 0.00 indicates no correlation. Therefore, the lower the R<sup>2</sup>, the more the fund's performance is affected by factors other than the market as measured by that benchmark index. An R<sup>2</sup> value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

**S&P 500:** S&P 500 Index is a market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance.

**Share Class Net Assets (\$M):** The difference between the total assets and liabilities of a single share class of a fund.

**Sharpe Ratio - Arithmetic:** The Sharpe ratio is a measure of historical risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk free" rate used is the 90-day Treasury Bill rate.

**Standard Deviation:** Statistical measure of how much a return varies over an extended period of time. The more variable the returns, the larger the standard deviation. Investors may examine historical standard deviation in conjunction with historical returns to decide whether an investment's volatility would have been acceptable given the returns it would have produced. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility. Standard deviation does not indicate how an investment actually performed, but it does indicate the volatility of its returns over time. Standard deviation is annualized. The returns used for this calculation are not load-adjusted.

**Turnover Rate:** The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

## Important Information

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

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares; the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units; the issuer of a stock fund is the company which issues the shares; the issuer of options such as separate accounts and strategies is the plan which makes them available; the issuer of a fixed return option is the insurance company or other company which offers the investment; the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple share classes, or are offered as a separate account, strategy or sub-account, may be the inception date of the underlying fund, the earliest share class of the product, or the date composite performance for the product was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

2. The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends.

3. Risk of this Category: Morningstar calculates these risk levels by looking at the Morningstar Risk of the funds in the Category over the previous 5-year period. Morningstar Risk is the difference between the Morningstar Return, based on fund total returns, and the Morningstar Risk Adjusted Return, based on fund total returns adjusted for performance volatility. The Category Risk Level is based on the equal weighted average Morningstar Risk of the funds in the category. Morningstar's Research Committee evaluates the Category Morningstar Risk and assigns the Category Risk Level after further qualitative judgment.

Overall Rating: The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, which are based on risk-adjusted returns, as of the date stated.

Returns: This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury Bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar Category:

- top 10% - High
- next 22.5% - Above Average
- middle 35% - Average
- next 22.5% - Below Average
- bottom 10% - Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains. If any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's [%] sales charge. If sales charges were included, total returns would have been lower.

5. Percent Rank in Category: Is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. % Rank in Category is based on total returns which include reinvested dividends and capital gains. If any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures. Past performance is no guarantee of future results.

6. Equity StyleMap® depictions of mutual fund characteristics are produced using data and calculations provided by Morningstar, Inc. StyleMaps™ estimate characteristics of a fund's equity holdings over two dimensions: market capitalization and valuation. The percentage of fund assets represented by these holdings is indicated beside each StyleMap. Current StyleMap characteristics are calculated each time Morningstar receives updated portfolio holdings from a fund and are denoted with a dot. Historical StyleMap characteristics are calculated for the shorter of either the past 3 years or the life of the fund, and are represented by the shading of the box(es) previously occupied by the dot. StyleMap characteristics represent an approximate profile of the fund's equity holdings (e.g., domestic stocks, foreign stocks, and American Depositary Receipts), are based on historical data, and are not predictive of the fund's future investments. Although the data are gathered from reliable sources, accuracy and completeness cannot be guaranteed.
7. The percent of net assets invested in both domestic and foreign Equities (common stocks, preferred stocks, rights and warrants, convertible preferred stocks and stock index futures and options), Bond (all debt instruments, including investment grade, non-investment grade, non-rated securities and convertible bonds), and Cash & Net Other Assets (cash, repurchase agreements, receivables and payables), the date shown, do not include the fund's entire investment portfolio and may change at any time.
8. The asset allocation shown is presented to illustrate the underlying funds in which the fund invested and may not be representative of the fund's current or future investments. The figures shown are as of the date shown, do not include the fund's entire investment portfolio and may change at any time.
9. Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the Portfolio Composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.



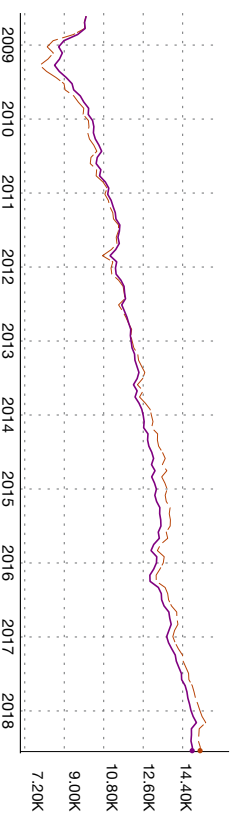
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# Fidelity Freedom<sup>®</sup> Income Fund - Class K (FNSHXX)

## Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ Fidelity Freedom<sup>®</sup> Income Fund - Class K \$14,829 ■ Target-Date Retirement \$15,187



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

Monthly (AS OF 6/30/2018) Fidelity Freedom <sup>®</sup> Income Fund - Class K	YTD (Monthly)	Average Annual Total Returns				
		1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
	-0.32%	3.31%	3.73%	4.05%	4.02%	4.77%
BBBarc U.S. Agg Bond	-1.62%	-0.40%	1.72%	2.27%	3.72%	5.03%
FID FF Income Comp Idx	-0.18%	3.19%	3.37%	3.79%	3.76%	4.78%
Target-Date Retirement	-0.60%	3.50%	3.66%	4.26%	4.45%	--
Rank in Morningstar Category		62%	49%	66%	77%	--
# of Funds in Morningstar Category		188	163	133	92	--
Quarter-End (AS OF 6/30/2018) Fidelity Freedom <sup>®</sup> Income Fund - Class K		3.31%	3.73%	4.05%	4.02%	4.77%

## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)

	2014	2015	2016	2017	2018
Fidelity Freedom <sup>®</sup> Income Fund - Class K	3.86%	-0.38%	5.16%	8.14%	-0.32%
BBBarc U.S. Agg Bond	5.97%	0.55%	2.65%	3.54%	-1.62%
FID FF Income Comp Idx	4.56%	0.12%	3.85%	7.10%	-0.18%
Target-Date Retirement	4.36%	-1.50%	5.10%	8.81%	-0.60%

## Investment Approach

- Fidelity Freedom<sup>®</sup> Funds (the Funds) are designed so that the target date referenced in the Fund name is the approximate year when we expect investors to retire and begin gradually withdrawing their investment.
- Except for Fidelity Freedom<sup>®</sup> Income Fund, each of the Funds seeks high total return until reaching its respective target retirement date; thereafter, each Fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.
- Except for Fidelity Freedom<sup>®</sup> Income Fund, each Fund's asset allocation strategy becomes increasingly conservative as it approaches its target date – and beyond. Ultimately, the Funds are expected to merge with Fidelity Freedom Income Fund.
- The Funds employ a robust investment process focused on helping investors solve the challenge of

## Morningstar<sup>®</sup> Snapshot<sup>\*\*3</sup>

(AS OF 6/30/2018)

Morningstar Category	Target-Date Retirement
Risk of this Category	
Overall Rating	★★★★★
Returns	
Expenses	

<sup>\*\*</sup>Data provided by Morningstar

## Equity StyleMap<sup>®\*\*6</sup>

(AS OF 5/31/2018)



## Details

Fund Inception	10/17/1996
NAV on 6/30/2018	\$11.54
Exp Ratio (Gross) 5/30/2018	0.42% (\$4.20 per \$1,000)
Exp Ratio (Net) 5/30/2018	0.42% (\$4.20 per \$1,000)
Management Fee	0.40%
Turnover Rate 3/31/2018	17%
Portfolio Net Assets (\$M) 6/30/2018	\$3,646.97
Share Class Net Assets (\$M) 6/30/2018	\$1,496.96

## Fund Manager(s)

Co-Manager: Team

## Volatility Measures

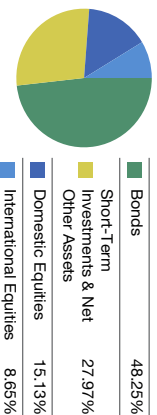
Beta 6/30/2018	0.43
R <sup>2</sup> 6/30/2018	0.11

## Investment Approach (continued)

Investing through retirement by leveraging the depth and strength of Fidelity's investment research and resources.

## Asset Allocations **7.8,9**

(AS OF 6/30/2018)



## Volatility Measures (continued)

Sharpe Ratio	0.92
6/30/2018	
Standard Deviation	3.35
6/30/2018	

## Morningstar Ratings

(AS OF 6/30/2018) Morningstar Category: TARGET-DATE RETIREMENT

Overall	★★★★★	out of 163 funds
3 Yrs	★★★★★	out of 163 funds
5 Yrs	★★★★★	out of 133 funds
10 Yrs	★★★★★	out of 92 funds

The Morningstar Rating<sup>™</sup> for funds, or "star rating", is calculated for funds with at least a three-year history. (Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.

## Fund Overview

### Objective

Seeks high total current income and, as a secondary objective, capital appreciation.

### Strategy

Investing in a combination of Fidelity domestic equity funds, international equity funds, bond funds, and short-term funds (underlying Fidelity funds). Allocating assets among underlying Fidelity funds according to a stable "neutral" asset allocation strategy. FMR Co., Inc. (the Adviser) may modify the fund's neutral asset allocations from time to time when in the interests of shareholders. Buying and selling futures contracts (both long and short positions) in an effort to manage cash flows efficiently, remain fully invested, or facilitate asset allocation. Through an active asset allocation strategy, the Adviser may increase or decrease neutral asset class exposures by up to 10 percentage points for equity, bond and short-term funds to reflect the Adviser's market outlook, which is primarily focused on the intermediate term.

### Risk

The fund is subject to risks resulting from the asset allocation decisions of the Investment Adviser. Pursuant to the Adviser's ability to use an active asset allocation strategy, investors may be subject to a different risk profile compared to the fund's neutral asset allocation strategy shown in its glide path. The fund is subject to the volatility of the financial markets, including that of equity and fixed income investments. Fixed income investments entail issuer default and credit risk, inflation risk, and interest rate risk (as interest rates rise, bond prices usually fall and vice versa). This effect is usually more pronounced for longer-term securities. Leverage can increase market exposure, magnify investment risks, and cause losses to be realized more quickly. No target date fund is considered a complete retirement program and there is no guarantee any single fund will provide sufficient retirement income at or through retirement. Principal invested is not guaranteed at any time, including at or after the funds' target dates.

### Additional Disclosures

This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund. On July 20, 2017, an initial offering of the Fidelity Freedom K class took place. Returns and expenses prior to that date are those of the Freedom (retail) class. Had K class expenses been reflected in the returns shown, total returns would have been higher.

## Glossary Of Terms

**BBgBarc U.S. Agg Bond:** The Bloomberg Barclays U.S. Aggregate Bond Index is an unmanaged market value-weighted index for U.S. dollar denominated investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year.

**Beta:** A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the

movements in a fund's returns and movements in a benchmark index.

**Exp Ratio (Gross):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**Exp Ratio (Net):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the net expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus, after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses. This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**FFD FF Income Comp Ick:** Fidelity Freedom Income Composite Index is a customized blend of the following unmanaged indexes: Dow Jones U.S. Total Stock Market Index; MSCI ACWI/All Country World Index; ex USA Index; Bloomberg Barclays U.S. Aggregate Bond Index; and Bloomberg Barclays U.S. 3 Month Treasury Bill/wether Index. The index weightings are adjusted monthly to reflect the fund's changing asset allocations. The composition differed in periods prior to January 1, 2014.

**Net Asset Value (NAV):** The dollar value of one mutual fund's share, excluding any sales charges or redemption fees. The NAV is calculated by subtracting liabilities from the value of a fund's total assets and dividing it by the number of fund's shares outstanding.

**Portfolio Net Assets (\$M):** The difference between a portfolio's total assets and liabilities, including all share classes of the fund.

**R<sup>2</sup>:** A measurement of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark index or equivalent. R<sup>2</sup> is a proportion which ranges between 0.00 and 1.00. An R<sup>2</sup> of 1.00 indicates perfect correlation to the benchmark index, that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R<sup>2</sup> of 0.00 indicates no correlation. Therefore, the lower the R<sup>2</sup>, the more the fund's performance is affected by factors other than the market as measured by that benchmark index. An R<sup>2</sup> value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

**Share Class Net Assets (\$M):** The difference between the total assets and liabilities of a single share class of a fund.

**Sharpe Ratio - Arithmetic:** The Sharpe ratio is a measure of historical risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk free" rate used is the 90-day Treasury Bill rate.

**Standard Deviation:** Statistical measure of how much a return varies over an extended period of time. The more variable the returns, the larger the standard deviation. Investors may examine historical standard deviation in conjunction with historical returns to decide whether an investment's volatility would have been acceptable given the returns it would have produced. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility. Standard deviation does not indicate how an investment actually performed, but it does indicate the volatility of its returns over time. Standard deviation is annualized. The returns used for this calculation are not load-adjusted.

**Turnover Rate:** The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

## Important Information

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

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares; the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units; the issuer of a stock fund is the company which issues the shares; the issuer of options such as separate accounts and strategies is the plan which makes them available; the issuer of a fixed return option is the insurance company or other company which offers the investment; the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date composite performance for the product was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

2. The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends.

3. Risk of this Category: Morningstar calculates these risk levels by looking at the Morningstar Risk of the funds in the Category over the previous 5-year period. Morningstar Risk is the difference between the Morningstar Return, based on fund total returns, and the Morningstar Risk Adjusted Return, based on fund total returns adjusted for performance volatility. The Category Risk Level is based on the equal weighted average Morningstar Risk of the funds in the category. Morningstar's Research Committee evaluates the Category Morningstar Risk and assigns the Category Risk Level after further qualitative judgment.

Overall Rating: The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, which are based on risk-adjusted returns, as of the date stated.

Returns: This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury Bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar Category:

- top 10% - High
- next 22.5% - Above Average
- middle 35% - Average
- next 22.5% - Below Average
- bottom 10% - Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains. If any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's [%] sales charge. If sales charges were included, total returns would have been lower.

5. Percent Rank in Category: Is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least

favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. % Rank in Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures. Past performance is no guarantee of future results.

6. Equity StyleMap® depictions of mutual fund characteristics are produced using data and calculations provided by Morningstar, Inc. StyleMaps® estimate characteristics of a fund's equity holdings over two dimensions: market capitalization and valuation. The percentage of fund assets represented by these holdings is indicated beside each StyleMap. Current StyleMap characteristics are calculated each time Morningstar receives updated portfolio holdings from a fund and are denoted with a dot. Historical StyleMap characteristics are calculated for the shorter of either the past 3 years or the life of the fund, and are represented by the shading of the box(es) previously occupied by the dot. StyleMap characteristics represent an approximate profile of the fund's equity holdings (e.g., domestic stocks, foreign stocks, and American Depositary Receipts), are based on historical data, and are not predictive of the fund's future investments. Although the data are gathered from reliable sources, accuracy and completeness cannot be guaranteed.

7. The percent of net assets invested in both domestic and foreign Equities (common stocks, preferred stocks, rights and warrants, convertible preferred stocks and stock index futures and options), Bond (all debt instruments, including investment grade, non-investment grade, non-rated securities and convertible bonds), and Cash & Net Other Assets (cash, repurchase agreements, receivables and payables),

8. The asset allocation shown is presented to illustrate the underlying funds in which the fund invested and may not be representative of the fund's current or future investments. The figures shown are as of the date shown; do not include the fund's entire investment portfolio and may change at any time.

9. Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the Portfolio Composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.

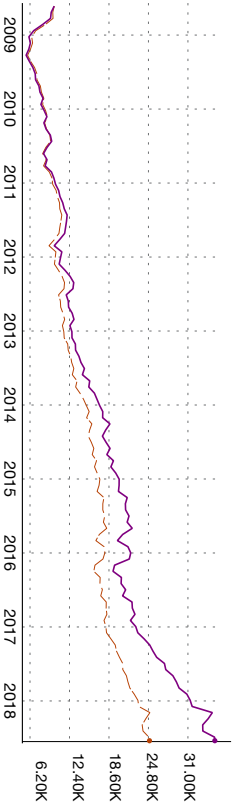


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# Fidelity® Growth Company Fund - Class K (FGCKX)

Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ Fidelity® Growth Company Fund - Class K \$35,253 ■ Large Growth \$25,033



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

	Average Annual Total Returns					
	YTD (Monthly)	1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Monthly (AS OF 6/30/2018)						
Fidelity® Growth Company Fund - Class K	11.35%	28.10%	18.00%	19.57%	13.43%	13.76%
Russell 3000 Growth	7.44%	22.47%	14.63%	16.14%	11.78%	10.57%
Large Growth	7.51%	20.58%	12.21%	14.37%	10.23%	--
Rank in Morningstar Category		11%	3%	3%	6%	--
# of Funds in Morningstar Category		1454	1265	1141	825	--
Quarter-End (AS OF 6/30/2018)						
Fidelity® Growth Company Fund - Class K	28.10%	18.00%	19.57%	13.43%	13.76%	

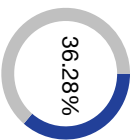
## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)

	2014	2015	2016	2017	2018
Fidelity® Growth Company Fund - Class K	14.57%	7.94%	6.12%	36.90%	11.35%
Russell 3000 Growth	12.44%	5.09%	7.39%	29.59%	7.44%
Large Growth	10.00%	3.60%	3.23%	27.67%	7.51%

## Top 10 Holdings<sup>7</sup>

(AS OF 6/30/2018)



NVIDIA CORP	% of Total Portfolio: 36.28%
AMAZON.COM INC	4/2 holdings as of 6/30/2018
APPLE INC	3/9 issuers as of 6/30/2018
ALPHABET INC CL A	
FACEBOOK INC CL A	
SALESFORCE.COM INC	
MICROSOFT CORP	
LULULEMON ATHLETICA INC	
ADDIAS AG	
ALPHABET INC CL C	

## Morningstar® Snapshot\*\*

(AS OF 6/30/2018)

Morningstar Category	Large Growth
Risk of this Category	
Overall Rating	★★★★★
Returns	
Expenses	

\*Data provided by Morningstar

## Equity StyleMap®\*\*6

(AS OF 5/31/2018)



Large Growth  
\*91.92% Fund Assets Covered

## Details

Fund Inception	1/17/1983
NAV on 6/30/2018	\$198.89
Exp Ratio (Gross)	0.75% (\$7.50 per \$1,000)
1/29/2018	
Exp Ratio (Net)	0.75% (\$7.50 per \$1,000)
1/29/2018	
Management Fee	0.69%
Turnover Rate	15%
11/30/2017	
Portfolio Net Assets (\$M)	\$44,863.31
6/30/2018	
Share Class Net Assets (\$M)	\$17,259.81
6/30/2018	

## Fund Manager(s)

Primary Manager: Steven S Wymyr (since 1/7/1997)

## Investment Approach

- Fidelity® Growth Company Fund is a diversified domestic equity strategy that invests across a spectrum of companies, from blue chip to aggressive growth.
- Our investment approach is anchored by the philosophy that the market often underestimates the duration of a company's growth, particularly in cases where the resiliency and extensibility of the business model are underappreciated.
- We focus on firms operating in well-positioned industries and niches that we believe are capable of delivering persistent sales and earnings growth.
- This approach typically leads us to companies that we think have the potential to unlock shareholder value through either a growth-enhancing product cycle or an internal catalyst such as a turnaround or acquisition.

## Volatility Measures

Beta	1.21
6/30/2018	
R <sup>2</sup>	0.92
6/30/2018	

Investment Approach (continued)

- We believe it critical that companies fund their own growth – through the cash they generate – and benefit from management teams focused on creating long-term shareholder value.

Asset Allocation 7.89.10

(AS OF 6/30/2018)



Regional Diversification<sup>7</sup>

(AS OF 6/30/2018)

United States	91.15%
Europe	3.92%
Emerging Markets	3.24%
Canada	1.22%
Asia-Pacific ex Japan	0.28%
Japan	0.16%
Other	0.03%

Major Market Sectors<sup>7</sup>

(AS OF 6/30/2018)

Information Technology	44.26%
Consumer Discretionary	22.26%
Health Care	17.46%
Industrials	5.10%
Consumer Staples	4.40%
Financials	2.77%
Energy	1.95%
Materials	0.80%
Telecommunication Services	0.47%
Real Estate	0.22%

Fund Overview

Objective

Seeks capital appreciation.

Strategy

Normally invests primarily in common stocks of domestic and foreign issuers that Fidelity Management & Research Company (FMR) believes offer the potential for above-average growth. Growth may be measured by factors such as earnings or revenue. Uses fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments.

Risk

The value of the fund's domestic and foreign investments will vary from day to day in response to many factors, such as adverse issuer, political, regulatory, market, or economic developments. Stock values fluctuate in response to the activities of individual companies, and general market and economic conditions. You may have a gain or loss when you sell your shares. Foreign investments involve greater risks than those of U.S. investments. Growth stocks can perform differently from the market as a whole and other types of stocks and can be more volatile than other types of stocks.

Additional Disclosures

This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund. On May 9, 2008, an initial offering of the retirement (K) class took place. Returns and expenses prior to that date are those of the non-K, non-advisor class. Had K class expenses been reflected in the returns shown, total returns would have been higher.

Glossary Of Terms

Beta: A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

Exp Ratio (Gross): Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent

Volatility Measures (continued)

Sharpe Ratio 6/30/2018	1.23
Standard Deviation 6/30/2018	14.08

Morningstar Ratings

(AS OF 6/30/2018) Morningstar Category: LARGE GROWTH

Overall	★★★★★	out of 1,265 funds
3 Yrs	★★★★★	out of 1,265 funds
5 Yrs	★★★★★	out of 1,141 funds
10 Yrs	★★★★★	out of 825 funds

The Morningstar Rating™ for funds, or "star rating", is calculated for funds with at least a three-year history. (Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.



prospectus before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

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**Portfolio Net Assets (\$M):** The difference between a portfolio's total assets and liabilities, including all share classes of the fund.

**R2:** A measurement of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark index or equivalent. R2 is a proportion which ranges between 0.00 and 1.00. An R1 of 1.00 indicates perfect correlation to the benchmark index, that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R1 of 0.00 indicates no correlation. Therefore, the lower the R1, the more the fund's performance is affected by factors other than the market as measured by that benchmark index. An R1 value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

**Russell 3000 Growth:** The Russell 3000 Growth Index is an unmanaged market capitalization-weighted index of growth-oriented stocks of U.S. domiciled companies that are included in the Russell 3000 Index. Growth-oriented stocks tend to have higher price-to-book ratios and higher forecasted growth values.

**Share Class Net Assets (\$M):** The difference between the total assets and liabilities of a single share class of a fund.

**Sharpe Ratio - Arithmetic:** The Sharpe ratio is a measure of historical risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk free" rate used is the 90-day Treasury Bill rate.

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**Turnover Rate:** The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares; the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units; the issuer of a stock fund is the company which issues the shares; the issuer of options such as separate accounts and strategies is the plan which makes them available; the issuer of a fixed return option is the insurance company or other company which offers the investment; the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date commencing performance for the product, as first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

2. The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends.

3. Risk of this Category: Morningstar calculates these risk levels by looking at the Morningstar Risk of the funds in the Category over the previous 5-year period. Morningstar Risk is the difference between the Morningstar Return, based on fund total returns, and the Morningstar Risk Adjusted Return, based on fund total returns adjusted for performance volatility. The Category Risk Level is based on the equal weighted average Morningstar Risk of the funds in the category. Morningstar's Research Committee evaluates the Category Morningstar Risk and assigns the Category Risk Level after further qualitative judgment.

**Overall Rating:** The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, which are based on risk-adjusted returns, as of the date stated. Returns: This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar Category:

- top 10% - High
- next 22.5% - Above Average
- middle 35% - Average
- next 22.5% - Below Average
- bottom 10% - Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains. If any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's [%] sales charge. If sales charges were included, total returns would have been lower.

5. Percent Rank in Category: is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. % Rank in Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures. Past performance is no guarantee of future results.

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time Morningstar receives updated portfolio holdings from a fund and are denoted with a dot. Historical StyleMap characteristics are calculated for the shorter of either the past 3 years or the life of the fund, and are represented by the shading of the boxes) previously occupied by the dot. StyleMap characteristics represent an approximate profile of the fund's equity holdings (e.g., domestic stocks, foreign stocks, and American Depositary Receipts), are based on historical data, and are not predictive of the fund's future investments. Although the data are gathered from reliable sources, accuracy and completeness cannot be guaranteed.

7. Any holdings, asset allocation, diversification, breakdowns or other composition data shown are as of the date indicated and are subject to change at any time. They may not be representative of the fund's current or future investments. The Top Ten Holdings and Top 5 Issuers do not include money market instruments or futures contracts, if any. Depository receipts are normally combined with the underlying security. Some breakdowns may be intentionally limited to a particular asset class or other subset of the fund's entire portfolio, particularly in multi-asset class funds where the attributes of the equity and fixed income portions are different. Under the asset allocation section, international (or foreign) assets may be reported differently depending on how an investment option reports its holdings. Some do not report international (or foreign) holdings here, but instead report them in a "Regional Diversification" section. Some report them in this section in addition to the equity, bond and other allocation shown. Others report international (or foreign) holding as a subset of the equity and bond allocations shown. If the allocation without the foreign component equals (or rounds to) 100%, then international (or foreign) is a subset of the equity and bond percentage shown.

Any remaining country allocations comprising less than one percent of the portfolio are combined in the OTHER category.

8. The percent of net assets invested in both domestic and foreign Equities (common stocks, preferred stocks, rights and warrants, convertible preferred stocks and stock index futures and options), Bond (all debt instruments, including investment grade, non-investment grade, non-rated securities and convertible bonds), and Cash & Net Other Assets (cash, repurchase agreements, receivables and payables).

9. "Tax-Advantaged Domiciles" represent countries whose tax policies may be favorable for company incorporation.

10. Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the Portfolio Composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.

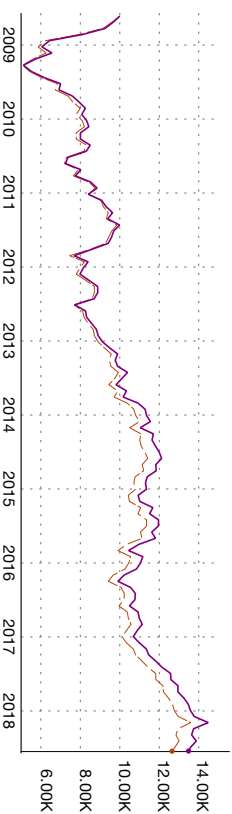


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Fidelity Brokerage Services LLC, Member NYSE, SIPC, 900 Salem Street, Smithfield, RI 02917.  
728465.3.0

# Fidelity® International Index Fund - Premium Class (FSIVX)

Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ Fidelity® International Index Fund - Premium Class \$13,420 ■ Foreign Large Blend \$12,572



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

Monthly (AS OF 6/30/2018)	YTD (Monthly)	Average Annual Total Returns				
		1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Fidelity® International Index Fund - Premium Class	-2.54%	6.60%	4.93%	6.47%	2.99%	5.02%
MSCI EAFE (Net MA)	-2.58%	7.08%	5.11%	6.63%	3.00%	5.18%
Foreign Large Blend	-3.06%	6.08%	4.56%	5.92%	2.61%	--
Rank in Morningstar Category		45%	43%	35%	34%	--
# of Funds in Morningstar Category		774	623	533	371	--
Quarter-End (AS OF 6/30/2018)						
Fidelity® International Index Fund - Premium Class		6.60%	4.93%	6.47%	2.99%	5.02%

## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)	2014	2015	2016	2017	2018
Fidelity® International Index Fund - Premium Class	-5.37%	-0.79%	1.30%	25.35%	-2.54%
MSCI EAFE (Net MA)	-4.77%	-0.67%	1.21%	25.29%	-2.58%
Foreign Large Blend	-4.98%	-1.59%	0.79%	25.12%	-3.06%

## Top 10 Holdings<sup>8</sup>

(AS OF 6/30/2018)	% of Total Portfolio: 11.13%
NESTLE SA (REG)	953 holdings as of 6/30/2018 922 issuers as of 6/30/2018
HSBC HOLDINGS PLC (UK REG)	
NOVARTIS AG (REG)	
ROYAL DUTCH SHELL PLC CL	
AUKY (GENUSSCHEIN)	
ROOHE HLDGS AG (GENUSSCHEIN)	
BP PLC	
TOTAL SA (FRAN)	
TOYOTA MOTOR CORP	
ROYAL DUTCH SHELL PLC CL (UK)	
BRITISH AMERICAN TOBACCO PLC	



% of Total Portfolio: 11.13%  
953 holdings as of 6/30/2018  
922 issuers as of 6/30/2018

## Morningstar® Snapshot\*\*

(AS OF 6/30/2018)

Morningstar Category	Foreign Large Blend
Risk of this Category	
Overall Rating	★★★★☆
Returns	
Expenses	

\*Data provided by Morningstar

## Equity StyleMap®\*\*6

(AS OF 6/31/2018)



## Details

Fund Inception	11/5/1997
NAV on 6/30/2018	\$42.04
Exp Ratio (Gross) 4/28/2018	0.06% (\$0.60 per \$1000)
Exp Ratio (Net) 4/28/2018	0.06% (\$0.60 per \$1000)
Management Fee	0.047%
Turnover Rate 2/28/2018	2%
Portfolio Net Assets (\$M) 6/30/2018	\$22,466.86
Share Class Net Assets (\$M) 6/30/2018	\$11,336.64

## Fund Manager(s)<sup>7</sup>

Primary Manager: Geode Capital Management (since 8/4/2003)

## Volatility Measures

Beta 6/30/2018	0.93
----------------	------

## Investment Approach

- Fidelity® International Index Fund is a diversified international equity strategy that seeks to closely track the returns and characteristics of the MSCI EAFE Index, a market-cap-weighted index that includes large/mid-cap firms in 21 developed-markets countries, excluding the U.S. and Canada.
- The fund employs a replication/efficient-substitution approach; it holds as many index names at approximate index weights as possible. In some instances, it may be impractical or even impossible for the fund to hold a specific index security. For example, the fund may be subject to foreign



## Glossary Of Terms

**Beta:** A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

**Exp Ratio (Gross):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies, if the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**Exp Ratio (Net):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the net expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses. This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**MSCI EAFE (Net MA):** The MSCI Europe, Australasia and Far East Index (net MA tax) is an unmanaged market capitalization-weighted index of equity securities of companies domiciled in various countries. The index is designed to represent performance of developed stock markets outside the United States and Canada and excludes certain market segments unavailable to U.S. based investors. The index returns for periods after 1/1/1997 are adjusted for tax withholding rates applicable to U.S.-based mutual funds organized as Massachusetts business trusts.

**Net Asset Value (NAV):** The dollar value of one mutual fund's share, excluding any sales charges or redemption fees. The NAV is calculated by subtracting liabilities from the value of a fund's total assets and dividing it by the number of fund's shares outstanding.

**Portfolio Net Assets (\$M):** The difference between a portfolio's total assets and liabilities, including all share classes of the fund.

**R<sup>2</sup>:** A measurement of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark index or equivalent. R<sup>2</sup> is a proportion which ranges between 0.00 and 1.00. An R<sup>2</sup> of 1.00 indicates perfect correlation to the benchmark index, that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R<sup>2</sup> of 0.00 indicates no correlation. Therefore, the lower the R<sup>2</sup>, the more the fund's performance is affected by factors other than the market as measured by that benchmark index. An R<sup>2</sup> value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

**Share Class Net Assets (\$M):** The difference between the total assets and liabilities of a single share class of a fund.

**Sharpe Ratio - Arithmetic:** The Sharpe ratio is a measure of historical risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk free" rate used is the 90-day Treasury Bill rate.

**Standard Deviation:** Statistical measure of how much a return varies over an extended period of time. The more variable the returns, the larger the standard deviation. Investors may examine historical standard deviation in conjunction with historical returns to decide whether an investment's volatility would have been acceptable given the returns it would have produced. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility. Standard deviation does not indicate how an investment actually performed, but it does indicate the volatility of its returns over time. Standard deviation is annualized. The returns used for this calculation are not load-adjusted.

**Turnover Rate:** The lesser of amounts or purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

## Important Information

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

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares; the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units; the issuer of a stock fund is the company which issues the shares; the issuer of options such as separate accounts and strategies is the plan which makes them available; the issuer of a fixed return option is the insurance company or other company which offers the investment; the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date composite performance for the product was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

2. The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends.

3. Risk of this Category: Morningstar calculates these risk levels by looking at the Morningstar Risk of the funds in the Category over the previous 5-year period. Morningstar Risk is the difference between the Morningstar Return, based on fund total returns, and the Morningstar Risk Adjusted Return, based on fund total returns adjusted for performance volatility. The Category Risk Level is based on the equal weighted average Morningstar Risk of the funds in the category. Morningstar's Research Committee evaluates the Category Morningstar Risk and assigns the Category Risk Level after further qualitative judgment.

Overall Rating: The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, which are based on risk-adjusted returns, as of the date stated.

Returns: This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury Bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar Category:

- top 10% - High
- next 22.5% - Above Average
- middle 35% - Average
- next 22.5% - Below Average
- bottom 10% - Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains. If any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's 1% sales charge. If sales charges were included, total returns would have been lower.
5. Percent Rank in Category is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. % Rank in Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures. Past performance is no guarantee of future results.
6. Equity StyleMap<sup>®</sup> depictions of mutual fund characteristics are produced using data and calculations provided by Morningstar, Inc. StyleMaps<sup>SM</sup> estimate characteristics of a fund's equity holdings over two dimensions: market capitalization and valuation. The percentage of fund assets represented by these holdings is indicated beside each StyleMap. Current StyleMap characteristics are calculated each time Morningstar receives updated portfolio holdings from a fund and are denoted with a dot. Historical StyleMap characteristics are calculated for the shorter of either the past 3 years or the life of the fund, and are represented by the shading of the box(es) previously occupied by the dot. StyleMap characteristics represent an approximate profile of the fund's equity holdings (e.g., domestic stocks, foreign stocks, and American Depositary Receipts), are based on historical data, and are not predictive of the fund's future investments. Although the data are gathered from reliable sources, accuracy and completeness cannot be guaranteed.
7. The fund is managed by Geode Capital Management, LLC. Consistent with its investment objectives, the fund may hire or terminate money managers at any time without prior notification. See the prospectus for details.
8. Any holdings asset allocation, diversification breakdowns or other composition data shown are as of the date indicated and are subject to change at any time. They may not be representative of the fund's current or future investments. The Top Ten Holdings and Top 5 Issuers do not include money market instruments or futures contracts, if any. Depository receipts are normally combined with the underlying security. Some breakdowns may be intentionally limited to a particular asset class or other subset of the fund's entire portfolio, particularly in multi-asset class funds where the attributes of the equity and fixed income portions are different. Under the asset allocation section, International (or foreign) assets may be reported differently depending on how an investment option reports its holdings. Some do not report International (or foreign) holdings here, but instead report them in a Regional Diversification section. Some report them in this section in addition to the equity, bond and other allocation shown. Others report International (or foreign) holding as a subset of the equity and bond allocations shown. If the allocation without the foreign component equals (or rounds to) 100%, then International (or foreign) is a subset of the equity and bond percentage shown.
- Any remaining country allocations comprising less than one percent of the portfolio are combined in the OTHER category.
9. The percent of net assets invested in both domestic and foreign Equities (common stocks, preferred stocks, rights and warrants, convertible preferred stocks and stock index futures and options), Bond (all debt instruments, including investment grade, non-investment grade, non-rated securities and convertible bonds), and Cash & Net Other Assets (cash, repurchase agreements, receivables and payables).
10. "Tax-Advantaged Domiciles" represent countries whose tax policies may be favorable for company incorporation.
11. Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the Portfolio Composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.

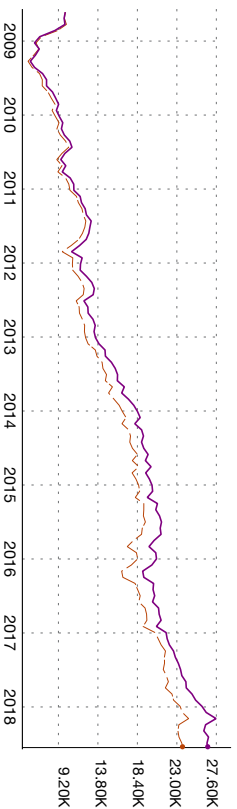


Fidelity Investments Institutional Services Company, Inc., 500 Salem Street, Smithfield, RI 02917.  
 Fidelity Brokerage Services LLC, Member NYSE, SIPC, 900 Salem Street, Smithfield, RI 02917.  
 728465.3.0

# Fidelity® Low-Priced Stock Fund - Class K (FLPKX)

Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ Fidelity® Low-Priced Stock Fund - Class K \$26,660 ■ Mid-Cap Value \$23,713



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

	Average Annual Total Returns					
	YTD (Monthly)	1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Fidelity® Low-Priced Stock Fund - Class K	0.92%	13.07%	8.17%	10.66%	10.30%	13.71%
Russell 2000	7.66%	17.57%	10.96%	12.46%	10.60%	9.92%
Mid-Cap Value	0.19%	8.86%	7.99%	10.12%	9.16%	--
Rank in Morningstar Category	14%	49%	39%	30%	--	--
# of Funds in Morningstar Category	409	365	307	221	--	--
Quarter-End (AS OF 6/30/2018)						
Fidelity® Low-Priced Stock Fund - Class K	13.07%	8.17%	10.66%	10.30%	13.71%	

## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)	2014	2015	2016	2017	2018
Fidelity® Low-Priced Stock Fund - Class K	7.75%	-0.45%	8.88%	20.79%	0.92%
Russell 2000	4.89%	-4.41%	21.31%	14.65%	7.66%
Mid-Cap Value	9.31%	-5.41%	18.06%	13.22%	0.19%

## Top 10 Holdings<sup>7</sup>

(AS OF 6/30/2018)



UNITEDHEALTH GROUP INC  
ROSS STORES INC  
SEAGATE TECHNOLOGY  
NEXT PLC  
BEST BUY CO INC  
METRO INC  
AETNA INC  
ANSYS INC  
UNUM GROUP  
AMGEN INC

% of Total Portfolio: 27.17%  
927 holdings as of 6/30/2018  
917 issuers as of 6/30/2018

## Morningstar® Snapshot\*\*3

(AS OF 6/30/2018)

Morningstar Category	Mid-Cap Value
Risk of this Category	
Overall Rating	★★★★★
Returns	
Expenses	

\*Data provided by Morningstar

## Equity StyleMap®\*\*6

(AS OF 4/30/2018)



## Details

Fund Inception	12/27/1989
NAV on 6/30/2018	\$54.97
Exp Ratio (Gross)	0.56% (\$5.80 per \$1000) 8/29/2017
Exp Ratio (Net)	0.58% (\$5.80 per \$1000) 8/29/2017
Management Fee	0.48%
Turnover Rate	9% 1/31/2018
Portfolio Net Assets (\$M)	\$36,281.52 6/30/2018
Share Class Net Assets (\$M)	\$7,627.37 6/30/2018

## Fund Manager(s)

Lead Manager: Joel C Tillinghast (since 12/27/1989)

Co-Manager: Team

## Volatility Measures

Beta	0.53
6/30/2018	

## Investment Approach

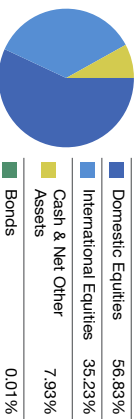
- Fidelity® Low-Priced Stock Fund implements an opportunistic approach, rooted in a strict valuation bias that focuses predominantly on small- and mid-cap companies trading at or below \$35 per share or with an earnings yield at or above the median for the Russell 2000® Index.
- Our investment process is based on the belief that many low-priced companies are mispriced and that there are opportunities in so-called "non-glamour" stocks.
- We seek to buy higher-quality companies with stable growth prospects and that trade at a discount to our estimation of intrinsic (fair) value.
- We supplement these holdings with stakes in firms for which we believe near-term prospects appear challenged, but where we see a meaningful disparity between price and value. We look for opportunities both within and outside the fund's benchmark.



Investment Approach (continued)

- In managing the fund, we invest with a long-term time horizon and global perspective, seeking to deliver attractive risk-adjusted returns by emphasizing companies we believe offer a degree of downside protection, assessed through rigorous analysis of each firm's income statement and balance sheet.

Asset Allocation<sup>7,8,9,10</sup>  
(AS OF 6/30/2018)



Regional Diversification<sup>7</sup>  
(AS OF 6/30/2018)

United States	64.75%
Europe	13.44%
Japan	8.90%
Emerging Markets	6.61%
Canada	4.11%
Asia-Pacific ex Japan	2.19%
Other	0.00%

Major Market Sectors<sup>7</sup>  
(AS OF 6/30/2018)

Portfolio Weight	Russell 2000
Consumer Discretionary	23.08%
Information Technology	17.13%
Health Care	14.08%
Financials	10.91%
Consumer Staples	8.98%
Industrials	7.14%
Energy	4.83%
Materials	3.42%
Utilities	1.79%
Real Estate	0.69%

Morningstar Ratings  
(AS OF 6/30/2018) Morningstar Category: MID-CAP VALUE

Overall	★★★★★	out of 365 funds
3 Yrs	★★★★★	out of 365 funds
5 Yrs	★★★★★	out of 307 funds
10 Yrs	★★★★★	out of 221 funds

The Morningstar Rating™ for funds, or "star rating", is calculated for funds with at least a three-year history. (Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.

Fund Overview

**Objective**  
Seeks capital appreciation.

**Strategy**  
Normally investing primarily in common stocks. Normally investing at least 80% of assets in low-priced stocks (those priced at or below \$35 per share or with an earnings yield at or above the median for the Russell 2000 Index), which can lead to investments in small and medium-sized companies. Earnings yield represents a stock's earnings per share for the most recent 12-months divided by current price per share. Potentially investing in stocks not considered low-priced. Investing in domestic and foreign issuers. Investing in either "growth" stocks or "value" stocks or both. Using fundamental analysis of factors such as each issuer's financial condition and industry position, as well as market and economic conditions, to select investments.

**Risk**  
Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks. The securities of smaller, less well-known companies can be more volatile than those of larger companies.

**Additional Disclosures**  
This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund. The Russell 2000® Index is an unmanaged market capitalization-weighted index of 2,000 small company stocks of U.S. domiciled companies. On May 9, 2008, an initial offering of the retirement (K) class took place. Returns and expenses prior to that date are those of the non-K, non-advisor class. Had K class expenses been reflected in the returns shown, total returns would have been higher.

Glossary Of Terms

Beta: A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's

Volatility Measures (continued)

R <sup>2</sup> 6/30/2018	0.70
Sharpe Ratio 6/30/2018	0.85
Standard Deviation 6/30/2018	8.83



Historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

**Exp Ratio (Gross):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. The expense ratio may be calculated using methodologies that differ from those used for investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

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**Turnover Rate:** The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

## Important Information

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

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares, the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units, the issuer of a stock fund is the company which issues the shares, the issuer of options such as separate accounts and strategies is the plan which makes them available, the issuer of a fixed return option is the insurance company or other company which offers the investment, the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date composite performance for the product was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

2. The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends.

3. Risk of this Category: Morningstar calculates these risk levels by looking at the Morningstar Risk of the funds in the Category over the previous 5-year period. Morningstar Risk is the difference between the Morningstar Return, based on fund total returns, and the Morningstar Risk Adjusted Return, based on fund total returns adjusted for performance volatility. The Category Risk Level is based on the equal weighted average Morningstar Risk of the funds in the category. Morningstar's Research Committee evaluates the Category Morningstar Risk and assigns the Category Risk Level after further qualitative judgment.

Overall Rating: The Overall Morningstar Rating<sup>™</sup> for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, which are based on risk-adjusted returns, as of the date stated.

Returns: This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar Category:

- top 10% - High
- next 22.5% - Above Average
- middle 35% - Average
- next 22.5% - Below Average
- bottom 10% - Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains. If any Cumulative total returns are reported as of the period indicated, Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's [%] sales charge. If sales charges were included, total returns would have been lower.

5. Percent Rank in Category is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. % Rank in Category is based on total returns which include reinvested dividends and capital gains. If

any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures. Past performance is no guarantee of future results.

6. Equity StyleMap<sup>®</sup> depictions of mutual fund characteristics are produced using data and calculations provided by Morningstar, Inc. StyleMaps<sup>SM</sup> estimate characteristics of a fund's equity holdings over two dimensions: market capitalization and valuation. The percentage of fund assets represented by these holdings is indicated beside each StyleMap. Current StyleMap characteristics are calculated each time Morningstar receives updated portfolio holdings from a fund and are denoted with a dot. Historical StyleMap characteristics are calculated for the shorter of either the past 3 years or the life of the fund, and are represented by the shading of the boxes previously occupied by the dot. StyleMap characteristics represent an approximate profile of the fund's equity holdings (e.g., domestic stocks, foreign stocks, and American Depositary Receipts), are based on historical data, and are not predictive of the fund's future investments. Although the data are gathered from reliable sources, accuracy and completeness cannot be guaranteed.

7. Any holdings, asset allocation, diversification breakdowns or other composition data shown are as of the date indicated and are subject to change at any time. They may not be representative of the fund's current or future investments. The Top Ten Holdings and Top 5 Issuers do not include money market instruments or futures contracts, if any. Depository receipts are normally combined with the underlying security. Some breakdowns may be intentionally limited to a particular asset class or other subset of the fund's entire portfolio, particularly in multi-asset class funds where the attributes of the equity and fixed income portions are different.

Under the asset allocation section, International (or foreign) assets may be reported differently depending on how an investment option reports its holdings. Some do not report international (or foreign) holdings here, but instead report them in a "Regional Diversification" section. Some report them in this section in addition to the equity, bond and other allocation shown. Others report international (or foreign) holding as a subset of the equity and bond allocations shown. If the allocation without the foreign component equals (or rounds to) 100%, then international (or foreign) is a subset of the equity and bond percentage shown.

Any remaining country allocations comprising less than one percent of the portfolio are combined in the OTHER category.

8. The percent of net assets invested in both domestic and foreign Equities (common stocks, preferred stocks, rights and warrants, convertible preferred stocks and stock index futures and options), Bond (all debt instruments, including investment grade, non-investment grade, non-rated securities and convertible bonds), and Cash & Net Other Assets (cash, repurchase agreements, receivables and payables).

9. "Tax-Advantaged Domiciles" represent countries whose tax policies may be favorable for company incorporation.

10. Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the Portfolio Composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.

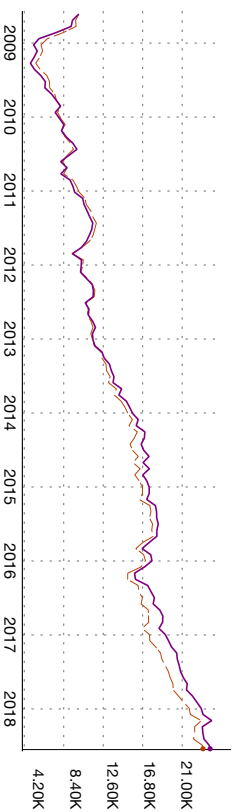


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# Fidelity® Mid-Cap Stock Fund - Class K (FKMCK)

Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ Fidelity® Mid-Cap Stock Fund - Class K \$24,046 ■ Mid-Cap Growth \$23,267



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

Monthly (AS OF 6/30/2018)	Average Annual Total Returns					
	YTD (Monthly)	1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Fidelity® Mid-Cap Stock Fund - Class K	3.56%	13.84%	9.51%	11.99%	9.17%	11.58%
S&P MidCap 400	3.49%	13.50%	10.89%	12.69%	10.78%	12.02%
Mid-Cap Growth	6.39%	18.06%	9.68%	12.31%	9.45%	--
Rank in Morningstar Category		81%	54%	58%	59%	--
# of Funds in Morningstar Category		607	541	480	344	--
Quarter-End (AS OF 6/30/2018)						
Fidelity® Mid-Cap Stock Fund - Class K		13.84%	9.51%	11.99%	9.17%	11.58%

## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)	2014	2015	2016	2017	2018
Fidelity® Mid-Cap Stock Fund - Class K	7.23%	-2.97%	15.10%	18.80%	3.56%
S&P MidCap 400	9.77%	-2.18%	20.74%	16.24%	3.49%
Mid-Cap Growth	7.00%	-0.95%	6.03%	23.91%	6.39%

## Top 10 Holdings<sup>7</sup>

(AS OF 6/30/2018)	% of Total Portfolio: 13.38%
BOSTON SCIENTIFIC CORP	
ARAMARK	
NVR INC	
ATMOS ENERGY CORP	
TIFFANY & CO	
AMPHENOL CORPORATION CL A	
WILLIAMS PARTNERS LP	
BRUNELLO CUCINELLI SPA	
KEYSIGHT TECHNOLOGIES INC	
LEIDOS HOLDINGS INC	
171 holdings as of 6/30/2018	
167 issuers as of 6/30/2018	

## Investment Approach

- Fidelity® Mid-Cap Stock Fund is a diversified domestic equity strategy focused on companies valued at \$1 billion to \$10 billion across the growth-to-value universe.
- Philosophically, we believe a company's stock price reflects the market's collective view of its future earnings power, but the collective view is often wrong.
- We believe bottom-up, fundamental analysis can identify those opportunities where our earnings forecasts deviate from consensus, and where the potential reward for being right is high.
- We look for growth stocks where we have a differentiated view on the magnitude or sustainability of the growth rate; cyclical stocks, based on differing expectations for the timing, duration or magnitude of the cycle; and intrinsic-value stocks, where we have a contrary assessment of the underlying asset value.

## Morningstar® Snapshot\*\*

(AS OF 6/30/2018)

Morningstar Category	Mid-Cap Growth
Risk of this Category	
Overall Rating	★★★★☆
Returns	
Expenses	

\*Data provided by Morningstar

## Equity StyleMap®\*\*6

(AS OF 5/31/2018)



## Details

Fund Inception	3/29/1994
NAV on 6/30/2018	\$37.98
Exp Ratio (Gross) 6/29/2018	0.51% (\$5.10 per \$1000)
Exp Ratio (Net) 6/29/2018	0.51% (\$5.10 per \$1000)
Management Fee	0.44%
Turnover Rate 4/30/2018	22%
Portfolio Net Assets (\$M) 6/30/2018	\$8,131.89
Share Class Net Assets (\$M) 6/30/2018	\$2,416.68

## Fund Manager(s)

Lead Manager: John D Roth (since 2/1/2011)  
 Co-Manager: Nicola Starford (since 6/20/2016)

## Volatility Measures

Beta 6/30/2018	0.84
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Investment Approach (continued)

- In constructing the portfolio, we size positions by assessing our conviction in the differentiated view on future earnings power versus its potential payoff.

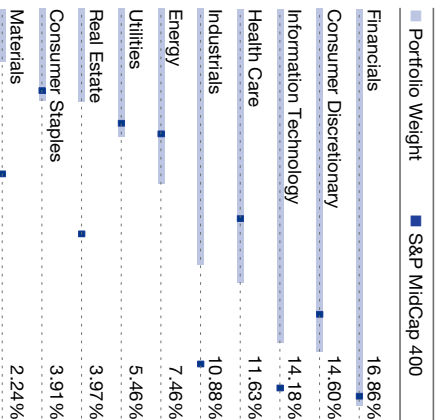
Asset Allocation<sup>7,8,9,10</sup>

(AS OF 6/30/2018)



Major Market Sectors<sup>7</sup>

(AS OF 6/30/2018)



Regional Diversification<sup>7</sup>

(AS OF 6/30/2018)

Region	Weight
United States	87.26%
Europe	8.67%
Emerging Markets	1.91%
Canada	1.16%
Asia-Pacific ex Japan	1.00%
Japan	0.00%
Other	0.00%

Volatility Measures (continued)

R <sup>2</sup> 6/30/2018	0.89
Sharpe Ratio 6/30/2018	0.88
Standard Deviation 6/30/2018	10.04

Morningstar Ratings

(AS OF 6/30/2018) Morningstar Category: MID-CAP GROWTH

Overall	★★★★☆	out of 541 funds
3 Yrs	★★★★☆	out of 541 funds
5 Yrs	★★★★☆	out of 480 funds
10 Yrs	★★★★☆	out of 344 funds

The Morningstar Rating™ for funds, or "star rating", is calculated for funds with at least a three-year history. (Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.

Fund Overview

Objective

Seeks long-term growth of capital.

Strategy

Normally investing at least 80% of assets in common stocks of companies with medium market capitalizations (companies with market capitalization similar to companies in the Russell Midcap Index or the S&P MidCap 400). Investing in either "growth" stocks or "value" stocks or both. Potentially investing in companies with smaller or larger market capitalization.

Risk

Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. The securities of smaller, less well-known companies can be more volatile than those of larger companies. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks.

Additional Disclosures

This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund. The Russell Midcap® Index is an unmanaged market capitalization-weighted index of 800 medium-capitalization stocks. The stocks are also members of the Russell 1000® Index. The S&P® MidCap 400 Index is an unmanaged market capitalization-weighted index of 400 medium-capitalization stocks. On May 9, 2008, an initial offering of the retirement (K) class took place. Returns and expenses prior to that date are those of the non-K, non-advisor class. Had K class expenses been reflected in the returns shown, total returns would have been higher.

Glossary Of Terms

Beta: A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

Exp Ratio (Gross): Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

Exp Ratio (Net): Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the net expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus, after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses. This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

Net Asset Value (NAV): The dollar value of one mutual fund's share, excluding any sales charges or redemption fees. The NAV is calculated by subtracting liabilities from the value of a fund's total assets and dividing it by the number of fund's shares outstanding.

Portfolio Net Assets (\$M): The difference between a portfolio's total assets and liabilities, including all share classes of the fund.

R2: A measurement of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark index or equivalent. R<sup>2</sup> is a proportion which ranges between 0.00 and 1.00. An R<sup>2</sup> of 1.00 indicates perfect correlation to the benchmark index, that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R<sup>2</sup> of 0.00 indicates no correlation. Therefore, the lower the R<sup>2</sup>, the more the fund's performance is affected by factors other than the market as measured by that benchmark index. An R<sup>2</sup> value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

S&P MidCap 400: S&P MidCap 400 Index is a market capitalization-weighted index of 400 mid cap stocks of U.S. companies chosen for market size, liquidity, and industry group representation.

Share Class Net Assets (\$M): The difference between the total assets and liabilities of a single share class of a fund.

Sharpe Ratio - Arithmetic: The Sharpe ratio is a measure of historical risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "Risk Free" rate used is the 90-day Treasury Bill rate.

Standard Deviation: Statistical measure of how much a return varies over an extended period of time. The more variable the returns, the larger the standard deviation. Investors may examine historical standard deviation in conjunction with historical returns to decide whether an investment's volatility would have been acceptable given the returns it would have produced. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility. Standard deviation does not indicate how an investment actually performed, but it does indicate the volatility of its returns over time. Standard deviation is annualized. The returns used for this calculation are not fund-adjusted.

Turnover Rate: The issuer of amounts or purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

## Important Information

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

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares, the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units, the issuer of a stock fund is the company which issues the shares, the issuer of options such as separate accounts and strategies is the plan which makes them available, the issuer of a fixed return option is the insurance company or other company which offers the investment; the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date composite performance for the product was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

2. The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends.

3. Risk of this Category: Morningstar calculates these risk levels by looking at the Morningstar Risk of the funds in the Category over the previous 5-year period. Morningstar Risk is the difference between the Morningstar Return, based on fund total returns, and the Morningstar Risk Adjusted Return, based on fund total returns adjusted for performance volatility. The Category Risk Level is based on the equal weighted average Morningstar Risk of the funds in the category. Morningstar's Research Committee evaluates the Category Morningstar Risk and assigns the Category Risk Level after further qualitative judgment.

Overall Rating: The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, which are based on risk-adjusted returns, as of the date stated.

Returns: This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar Category:

- top 10% - High
- next 22.5% - Above Average
- middle 35% - Average
- next 22.5% - Below Average
- bottom 10% - Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's [%] sales charge. If sales charges were included, total returns would have been lower.

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Two dimensions: market capitalization and valuation. The percentage of fund assets represented by these holdings is indicated beside each StyleMap. Current StyleMap characteristics are calculated each time Morningstar receives updated portfolio holdings from a fund and are denoted with a dot. Historical StyleMap characteristics are calculated for the shorter of either the past 3 years or the life of the fund, and are represented by the shading of the boxes (previously occupied by the dot). StyleMap characteristics represent an approximate profile of the fund's equity holdings (e.g., domestic stocks, foreign stocks, and American Depositary Receipts), are based on historical data, and are not predictive of the fund's future investments. Although the data are gathered from reliable sources, accuracy and completeness cannot be guaranteed.

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Any remaining country allocations comprising less than one percent of the portfolio are combined in the OTHER category.

8. The percent of net assets invested in both domestic and foreign Equities (common stocks, preferred stocks, rights and warrants, convertible preferred stocks and stock index futures and options), Bond (all debt instruments, including investment grade, non-investment grade, non-rated securities and convertible bonds), and Cash & Net Other Assets (cash, repurchase agreements, receivables and payables).
9. "Tax-Advantaged Domiciles" represent countries whose tax policies may be favorable for company incorporation.
10. Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the Portfolio Composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.

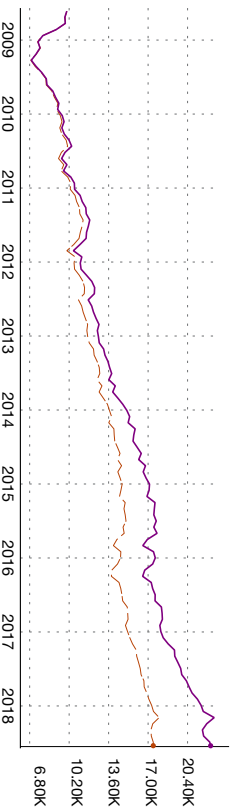


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# Fidelity® Puritan® Fund - Class K (FPJXX)

Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ Fidelity® Puritan® Fund - Class K \$22.435 ■ Allocation--50% to 70% Equity \$17.442



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

	Average Annual Total Returns					
	YTD (Monthly)	1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Monthly (AS OF 6/30/2018)						
Fidelity® Puritan® Fund - Class K	3.14%	12.76%	8.65%	10.50%	8.42%	10.98%
S&P 500	2.65%	14.37%	11.93%	13.42%	10.17%	--
Fid Puritan Composite Ixd	1.00%	8.34%	7.88%	8.97%	7.84%	--
Allocation--50% to 70% Equity	-0.11%	6.58%	5.59%	6.85%	6.27%	--
Rank in Morningstar Category	1%	3%	2%	4%	--	--
# of Funds in Morningstar Category	766	674	617	439	--	--
Quarter-End (AS OF 6/30/2018)						
Fidelity® Puritan® Fund - Class K	12.76%	8.65%	10.50%	8.42%	10.98%	

## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)	2014	2015	2016	2017	2018
Fidelity® Puritan® Fund - Class K	10.86%	1.82%	5.20%	18.86%	3.14%
S&P 500	13.69%	1.38%	11.96%	21.83%	2.65%
Fid Puritan Composite Ixd	10.62%	1.28%	8.31%	14.21%	1.00%
Allocation--50% to 70% Equity	6.21%	-1.93%	7.34%	13.21%	-0.11%

## Top 10 Holdings<sup>7</sup>

(AS OF 6/30/2018)	% of Total Portfolio: 20.35%
ALPHABET INC CL C	16.21
USTN 1.75% 06/30/22	1.82
APPLE INC	1.28
MICROSOFT CORP	1.28
AMAZON.COM INC	1.28
FACEBOOK INC CL A	1.28
JPMORGAN CHASE & CO	1.28
VISA INC CL A	1.28
UNITEDHEALTH GROUP INC	1.28
BANK OF AMERICA CORPORATION	1.28



## Investment Approach

- Fidelity® Puritan® Fund seeks income and capital growth consistent with reasonable risk, and has a neutral allocation of 60% equities and 40% bonds.
- The fundamental outlook and relative valuation of asset classes will generally be the main drivers of any deviation from the 60%/40% neutral allocation.
- Within the equity portfolio, we seek companies that will differentiate themselves from market expectations – and, as a result, be awarded a higher valuation multiple – over a horizon of 18 to 36 months through earnings-per-share growth and outperformance. Improving returns on invested capital, shareholder-friendly capital allocation, repositioning the business/product mix, and free-cash-flow yield.

- The investment-grade bond strategy seeks strong risk-adjusted performance through sector and security selection and yield-curve positioning. The fund also has a dedicated high-yield bond portfolio.

## Morningstar® Snapshot\*\*3

(AS OF 6/30/2018)

Morningstar Category	Allocation--50% to 70% Equity
Risk of this Category	LOWER HIGHER
Overall Rating	★★★★★
Returns	LOW AVG HIGH
Expenses	LOW AVG HIGH

\*Data provided by Morningstar

## Equity StyleMap®\*\*6

(AS OF 3/31/2018)



## Details

Fund Inception	4/16/1947
NAV on 6/30/2018	\$24.05
Exp Ratio (Gross)	0.46% (\$4.60 per \$1,000)
Exp Ratio (Net)	0.46% (\$4.60 per \$1,000)
Management Fee	0.39%
Turnover Rate	50%
Portfolio Net Assets (\$M)	\$28,106.89
Share Class Net Assets (\$M)	\$6,345.50

## Fund Manager(s)

Lead Manager: Ramtin Arani (since 2/1/2007)

Co-Manager: Team

## Portfolio Data

30-Day Yield <sup>12</sup>	1.59%
----------------------------	-------

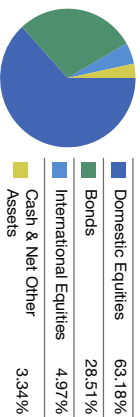


Investment Approach (continued)

considered out-of-benchmark.

Asset Allocation<sup>7,8,9,10</sup>

(AS OF 6/30/2018)



Top 5 Issuers<sup>7</sup>

(AS OF 6/30/2018)



Major Market Sectors<sup>7</sup>

(AS OF 6/30/2018)

Information Technology	27.82%
Consumer Discretionary	17.71%
Financials	14.71%
Health Care	14.71%
Industrials	8.13%
Energy	6.12%
Consumer Staples	5.43%
Materials	3.08%
Utilities	1.44%
Real Estate	0.70%

Regional Diversification<sup>7</sup>

(AS OF 6/30/2018)

United States	92.19%
Europe	4.11%
Canada	1.70%
Emerging Markets	1.59%
Other	0.29%
Asia-Pacific ex Japan	0.12%
Japan	0.00%

Portfolio Data (continued)

Duration 6/30/2018	4.77 Years
-----------------------	------------

Volatility Measures

Beta 6/30/2018	0.71
R <sup>2</sup> 6/30/2018	0.93

Sharpe Ratio 6/30/2018	1.07
Standard Deviation 6/30/2018	7.50

Morningstar Ratings

(AS OF 6/30/2018) Morningstar Category: ALLOCATION--50% TO 70% EQUITY

Overall	★★★★★	out of 674 funds
3 Yrs	★★★★★	out of 674 funds
5 Yrs	★★★★★	out of 617 funds
10 Yrs	★★★★★	out of 439 funds

The Morningstar Rating™ for funds, or "star rating," is calculated for funds with at least a three-year history. (Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.

Credit Quality<sup>7,11</sup>

(AS OF 6/30/2018)

U.S. Government	51.99%
AAA	0.46%
AA	1.09%
A	11.02%
BBB	18.34%
BB	9.11%
B	5.69%
CCC & Below	1.91%

Portfolio Diversification<sup>7,10</sup>

(AS OF 6/30/2018)

U.S. Treasury	32.41%
Investment-Grade Credit	20.52%
Mortgage Pass-Through	17.02%
High-Yield Credit	15.88%
Non-U.S. Developed	6.47%
Emerging Markets	2.92%
CMOs	1.67%
CMBS	1.27%
Asset-Backed Securities	0.89%
Municipal Bonds	0.88%

## Credit Quality (continued)

Short-Term Rated	0.00%
Not Rated/Not Available	0.33%
Cash & Net Other Assets	0.06%

## Fund Overview

### Objective

Seeks income and capital growth consistent with reasonable risk.

### Strategy

Investing approximately 60% of assets in stocks and other equity securities and the remainder in bonds and other debt securities, including lower-quality debt securities, when its outlook is neutral. Investing at least 25% of total assets in fixed-income senior securities (including debt securities and preferred stock). Engaging in transactions that have a leveraging effect on the fund.

### Risk

Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Fixed income investments entail interest rate risk (as interest rates rise bond prices usually fall), the risk of issuer default, issuer credit risk and inflation risk. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks. Lower-quality bonds can be more volatile and have greater risk of default than higher-quality bonds. Leverage can increase market exposure and magnify investment risk.

### Additional Disclosures

This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund. On May 9, 2008, an initial offering of the retirement (K) class took place. Returns and expenses prior to that date are those of the non-K, non-advisor class. Had K class expenses been reflected in the returns shown, total returns would have been higher.

## Glossary Of Terms

**30-Day Yield:** A standard yield calculation developed by the Securities and Exchange Commission for bond funds. The yield is calculated by dividing the net investment income per share earned during the 30-day period by the maximum offering price per share on the last day of the period. The yield figure reflects the dividends and interest earned during the 30-day period, after the deduction of the fund's expenses and includes any applicable waiver or reimbursement. Asset such waivers or reimbursements, the returns would have been lower. It is sometimes referred to as "SEC 30-Day Yield" or "standardized yield."

**Beta:** A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

**Duration:** Duration is a measure of a security's price sensitivity to changes in interest rates. Duration differs from maturity in that it considers a security's interest payments in addition to the amount of time until the security reaches maturity, and also takes into account certain maturity shortening features (e.g., demand features, interest rate resets, and call options) when applicable. Securities with longer durations generally tend to be more sensitive to interest rate changes than securities with shorter durations. A fund with a longer average duration generally can be expected to be more sensitive to interest rate changes than a fund with a shorter average duration.

**Exp Ratio (Gross):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**Exp Ratio (Net):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the net expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus, after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses. This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**Fid Puritan Composite Index:** Fidelity Puritan Composite Index is a hypothetical representation of the performance of the fund's general investment categories using a weighting of 60% equity and 40% bond. The following indexes are used to calculate the composite index: equity - the Russell 3000 Value Index for periods prior to July 1, 2008, and the Standard & Poor's 500 Index (S&P 500®) beginning July 1, 2008, and bond - the Bloomberg Barclays® U.S. Aggregate Index. The index weightings of the composite index are rebalanced monthly.

**Net Asset Value (NAV):** The dollar value of one mutual fund's share, excluding any sales charges or redemption fees. The NAV is calculated by subtracting liabilities from the value of a fund's total assets and dividing it by the number of fund's shares outstanding.

**Portfolio Net Assets (\$M):** The difference between a portfolio's total assets and liabilities, including all share classes of the fund.

**R<sup>2</sup>:** A measurement of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark index or equivalent. R<sup>2</sup> is a proportion which ranges between 0.00 and 1.00. An R<sup>2</sup> of 1.00 indicates perfect correlation to the benchmark index, that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R<sup>2</sup> of 0.00 indicates no correlation. Therefore, the lower the R<sup>2</sup>, the more the fund's performance is affected by factors other than the market as measured by that benchmark index. An R<sup>2</sup> value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

**S&P 500:** S&P 500 Index is a market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance.

**Share Class Net Assets (\$M):** The difference between the total assets and liabilities of a single share class of a fund.

**Sharpe Ratio - Arithmetic:** The Sharpe ratio is a measure of historical risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk free" rate used is the 90-day Treasury Bill rate.

Standard Deviation: Statistical measure of how much a return varies over an extended period of time. The more variable the returns, the larger the standard deviation. Investors may examine historical standard deviation in conjunction with historical returns to decide whether an investment's volatility would have been acceptable given the returns it would have produced. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility. Standard deviation does not indicate how an investment actually performed, but it does indicate the volatility of its returns over time. Standard deviation is annualized. The returns used for this calculation are not load-adjusted.

Turnover Rate: The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

## Important Information

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

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Generally, data on Fidelity mutual funds is provided by FMR, LLC, Morningstar ratings and data on non-Fidelity mutual funds is provided by Morningstar, Inc. and data on non-mutual fund products is provided by the product's investment manager, trustee or issuer or the plan sponsor whose plan is offering the product to participants. Although Fidelity believes the data gathered from these third-party sources is reliable, it does not review such information and cannot warrant it to be accurate, complete or timely. Fidelity is not responsible for any damages or losses arising from any use of this third-party information.

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares; the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units; the issuer of a stock, fund is the company which issues the shares; the issuer of options such as separate accounts and strategies is the plan which makes them available; the issuer of a fixed return option is the insurance company or other company which offers the investment; the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date commencing performance for the product, was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an Index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

2. The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends.

3. Risk of this Category: Morningstar calculates these risk levels by looking at the Morningstar Risk of the funds in the Category over the previous 5-year period. Morningstar Risk is the difference between the Morningstar Return, based on Fund Total Returns, and the Morningstar Risk-Adjusted Return, based on Fund Total Returns adjusted for performance volatility. The Category Risk Level is based on the equal weighted average Morningstar Risk of the funds in the category. Morningstar's Research Committee evaluates the Category Morningstar Risk and assigns the Category Risk Level after further qualitative judgment.

Overall Rating: The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, which are based on risk-adjusted returns, as of the date stated. Returns: This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar Category:

– Top 10% - High  
– Next 22.5% - Above Average  
– Middle 35% - Average  
– Next 22.5% - Below Average  
– Bottom 10% - Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains. If any, Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's 1% sales charge. If sales charges were included, total returns would have been lower.

5. Percent Rank in Category is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. % Rank in Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures. Past performance is no guarantee of future results.

6. Equity StyleMap® depictions of mutual fund characteristics are produced using data and calculations provided by Morningstar, Inc. StyleMaps™ estimate characteristics of a fund's equity holdings over two dimensions: market capitalization and valuation. The percentage of fund assets represented by these holdings is indicated beside each StyleMap. Current StyleMap characteristics are calculated each time Morningstar receives updated portfolio holdings from a fund and are denoted with a dot. Historical StyleMap characteristics are calculated for the shorter of either the past 3 years or the life of the fund, and are represented by the shading of the box(es) previously occupied by the dot. StyleMap characteristics represent an approximate profile of the fund's equity holdings (e.g., domestic stocks, foreign stocks, and American Depositary Receipts), are based on historical data, and are not predictive of the fund's future investments. Although the data are gathered from reliable sources, accuracy and completeness cannot be guaranteed.

7. Any holdings asset allocation, diversification breakdowns or other composition data shown are as of the date indicated and are subject to change at any time. They may not be representative of the fund's current or future investments. The Top Ten Holdings and Top 5 Issuers do not include money market instruments or futures contracts, if any. Depository receipts are normally combined with the underlying security. Some breakdowns may be intentionally limited to a particular asset class or other subset of the fund's entire portfolio, particularly in multi-asset class funds where the attributes of the equity and fixed income portions are different. Under the asset allocation section, International (or foreign) assets may be reported differently depending on how an investment option reports its holdings. Some do not report International (or foreign) holdings but instead report them in a Regional Diversification section. Some report them in this section in addition to the equity, bond and other allocation shown. Others report International (or foreign) holding as a subset of the equity and bond allocations shown. If the allocation without the foreign component equals (or rounds to) 100%, then International (or foreign) is a subset of the equity and bond percentage shown.

Any remaining category allocations comprising less than one percent of the portfolio are combined in the OTHER category.

8. The percent of net assets invested in both domestic and foreign Equities (common stocks, preferred stocks, rights and warrants, convertible preferred stocks and stock index futures and options), Bond (all debt instruments, including investment grade, non-investment grade, non-rated securities and convertible bonds), and Cash & Net Other Assets (cash, repurchase agreements, receivables and payables).

9. "Tax-Advantaged Domiciles" represent countries whose tax policies may be favorable for company incorporation.

10. Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the Portfolio Composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.

11. Credit ratings for a rated issuer or security are categorized using the highest credit rating among the following three Nationally Recognized Statistical Rating Organizations ("NRSRO"): Moody's Investors Service (Moody's), Standard & Poor's Rating Services (S&P), or Fitch, Inc. Securities that are not rated by any of these three NRSRO's (e.g. equity securities, if held) are categorized as Not Rated. All U.S. government securities are included in the U.S. Government category. The table information is based on the combined investments of the fund and its pro rata share of any investments in other Fidelity funds.

12. A standard yield calculation developed by the Securities and Exchange Commission for bond funds. The yield is calculated by dividing the net investment income per share earned during the 30-day

period by the maximum offering price per share on the last day of the period. The yield figure reflects the dividends and interest earned during the 30-day period, after the deduction of the fund's expenses. It is sometimes referred to as "SEC 30-Day Yield" or "standardized yield".

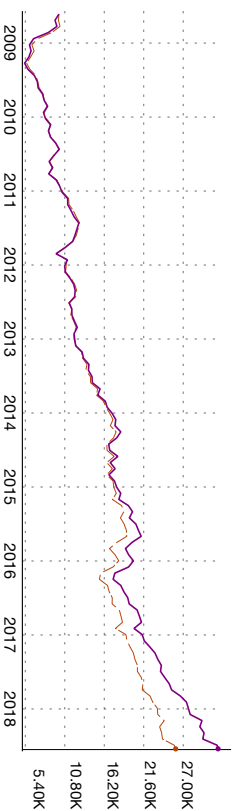


Fidelity Investments Institutional Services Company, Inc., 500 Salem Street, Smithfield, RI 02917.  
Fidelity Brokerage Services LLC, Member NYSE, SIPC, 900 Salem Street, Smithfield, RI 02917.  
728465.3.0

# Fidelity® Small Cap Growth Fund (FCPGX)

Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ Fidelity® Small Cap Growth Fund \$31,874 ■ Small Growth \$26,101



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

Monthly (AS OF 6/30/2018)	Average Annual Total Returns					
	YTD (Monthly)	1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Fidelity® Small Cap Growth Fund	14.03%	30.22%	15.17%	16.95%	12.29%	12.32%
Russell 2000 Growth	9.70%	21.86%	10.60%	13.65%	11.24%	10.00%
Small Growth	11.05%	22.70%	11.04%	12.76%	10.85%	--
Rank in Morningstar Category	14%	11%	5%	23%	--	--
# of Funds in Morningstar Category	701	606	534	404	--	--
Quarter-End (AS OF 6/30/2018)						
Fidelity® Small Cap Growth Fund	30.22%	15.17%	16.95%	12.29%	12.32%	

## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)

Year	2014	2015	2016	2017	2018
Fidelity® Small Cap Growth Fund	3.86%	5.79%	10.97%	29.01%	14.03%
Russell 2000 Growth	5.60%	-1.38%	11.32%	22.17%	9.70%
Small Growth	2.44%	-2.41%	11.20%	21.50%	11.05%

## Top 10 Holdings<sup>7</sup>

(AS OF 6/30/2018)



CARGURUS INC CL A
2U INC
ISHARES RUSSELL 2000 GR ETF
WEIGHT WATCHERS INTL INC
STAWRS.COM INC
GENERIC HOLDINGS INC
INSOLET CORP
ASGN INC
VAIL RESORTS INC
CANVCO INDUSTRIES INC

% of Total Portfolio: 15.47%  
167 holdings as of 6/30/2018  
166 issuers as of 6/30/2018

## Morningstar® Snapshot\*\*3

(AS OF 6/30/2018)

Morningstar Category	Small Growth
Risk of this Category	LOWER HIGHER
Overall Rating	★★★★★
Returns	LOW AVG HIGH
Expenses	LOW AVG HIGH

\*Data provided by Morningstar

## Equity StyleMap®\*\*6

(AS OF 4/30/2018)



## Details

Fund Inception	11/3/2004
NAV on 6/30/2018	\$28.20
Exp Ratio (Gross)	1.09% (\$10.90 per \$1,000) 8/29/2017
Exp Ratio (Net)	1.09% (\$10.90 per \$1,000) 8/29/2017
Management Fee	0.81%
Turnover Rate	97% 1/31/2018
Portfolio Net Assets (\$M)	\$4,517.67 6/30/2018
Share Class Net Assets (\$M)	\$3,196.20 6/30/2018

## Fund Manager(s)

Co-Manager: Team

## Volatility Measures

Beta	0.79
R <sup>2</sup>	0.91
6/30/2018	

## Investment Approach

- Fidelity® Small Cap Growth Fund seeks small-cap companies with above-average growth prospects and that are trading at reasonable valuations.
- We believe that changes in expectations about future earnings drive stocks, and companies with secure competitive positions in growing markets tend to experience positive earnings revisions over time.
- Within the inherently volatile small-cap growth universe, we believe the companies that one chooses to avoid are just as important as those one owns. As a result, we employ a valuation discipline and focus on higher-quality businesses, especially those that are sound allocators of shareholder capital.
- Lastly, we employ a disciplined portfolio construction framework, so as to focus the fund's risk/return profile on stock selection, our core competency.

## Asset Allocation<sup>7,8,9,10</sup>

(AS OF 6/30/2018)



## Regional Diversification<sup>7</sup>

(AS OF 6/30/2018)

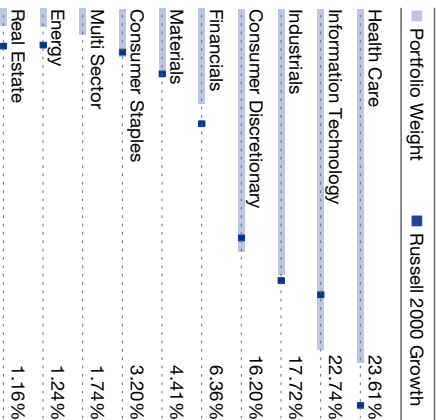
United States	95.25%
Europe	3.56%
Asia-Pacific ex Japan	0.65%
Canada	0.48%
Other	0.06%
Emerging Markets	0.00%
Japan	0.00%

## Volatility Measures (continued)

Sharpe Ratio	1.20
6/30/2018	
Standard Deviation	12.07
6/30/2018	

## Major Market Sectors<sup>7</sup>

(AS OF 6/30/2018)



## Morningstar Ratings

(AS OF 6/30/2018) Morningstar Category: SMALL GROWTH

Overall	★★★★★	out of 606 funds
3 Yrs	★★★★★	out of 606 funds
5 Yrs	★★★★★	out of 534 funds
10 Yrs	★★★★★	out of 404 funds

The Morningstar Rating<sup>SM</sup> for funds, or 'star rating', is calculated for funds with at least a three-year history. (Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.

## Fund Overview

### Objective

Seeks capital appreciation.

### Strategy

Normally investing at least 80% of assets in securities of companies with small market capitalizations (companies with market capitalizations similar to companies in the Russell 2000 Index or the Standard & Poor's Small Cap 600 Index). Investing in companies that FMR believes have above-average growth potential (stocks of these companies are often called 'growth' stocks). Normally investing primarily in common stocks.

### Risk

Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. The securities of smaller, less well-known companies can be more volatile than those of larger companies. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks.

### Additional Disclosures

This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund. The Russell 2000<sup>®</sup> Index is an unmanaged market capitalization-weighted index of 2,000 small company stocks of U.S. domiciled companies. The S&P Small Cap 600<sup>®</sup> Index is a registered service mark of The McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates. It is a market capitalization-weighted index of 600 small-capitalization stocks.

## Glossary Of Terms

**Beta:** A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

**Exp Ratio (Gross):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

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through a reduction in the investment's rate of return. For a mutual fund, the net expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus, after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses. This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

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**Portfolio Net Assets (\$M):** The difference between a portfolio's total assets and liabilities, including all share classes of the fund.

**R<sup>2</sup>:** A measurement of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark index or equivalent. R<sup>2</sup> is a proportion which ranges between 0.00 and 1.00. An R<sup>2</sup> of 1.00 indicates perfect correlation to the benchmark index, that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R<sup>2</sup> of 0.00 indicates no correlation. Therefore, the lower the R<sup>2</sup>, the more the fund's performance is affected by factors other than the market as measured by that benchmark index. An R<sup>2</sup> value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

**Russell 2000 Growth:** The Russell 2000® Growth Index is an unmanaged market capitalization-weighted index of growth-oriented stocks of U.S. domiciled companies that are included in the Russell 2000 Index. Growth-oriented stocks tend to have higher price-to-book ratios and higher forecasted growth values.

**Share Class Net Assets (\$M):** The difference between the total assets and liabilities of a single share class of a fund.

**Sharpe Ratio - Arithmetic:** The Sharpe ratio is a measure of historical risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk free" rate used is the 90-day Treasury Bill rate.

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**Turnover Rate:** The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

## Important Information

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

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares; the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units; the issuer of a stock fund is the company which issues the shares; the issuer of options such as separate accounts and strategies is the plan which makes them available; the issuer of a fixed return option is the insurance company or other company which offers the investment; the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date commencing performance for the product was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

2. The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends.

3. Risk of this Category: Morningstar calculates these risk levels by looking at the Morningstar Risk of the funds in the Category over the previous 5-year period. Morningstar Risk is the difference between the Morningstar Return, based on fund total returns, and the Morningstar Risk Adjusted Return, based on fund total returns adjusted for performance volatility. The Category Risk Level is based on the equal weighted average Morningstar Risk of the funds in the category. Morningstar's Research Committee evaluates the Category Morningstar Risk and assigns the Category Risk Level after further qualitative judgment.

**Overall Rating:** The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, which are based on risk-adjusted returns, as of the date stated.

**Returns:** This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar Category:

- top 10% - High
- next 22.5% - Above Average
- middle 35% - Average
- next 22.5% - Below Average
- bottom 10% - Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's 1% sales charge. If sales charges were included, total returns would have been lower.

5. Percent Rank in Category is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. % Rank in Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures. Past performance is no guarantee of future results.

6. Equity StyleMap® depictions of mutual fund characteristics are produced using data and calculations provided by Morningstar, Inc. StyleMaps™ estimate characteristics of a fund's equity holdings over two dimensions: market capitalization and valuation. The percentage of fund assets represented by these holdings is indicated beside each StyleMap. Current StyleMap characteristics are calculated each time Morningstar receives updated portfolio holdings from a fund and are denoted with a dot. Historical StyleMap characteristics are calculated for the shorter of either the past 3 years or the life of the fund, and are represented by the shading of the box(es) previously occupied by the dot. StyleMap characteristics represent an approximate profile of the fund's equity holdings (e.g., domestic stocks, foreign stocks, and American Depositary Receipts), are based on historical data, and are not predictive of the fund's future investments. Although the data are gathered from reliable sources, accuracy and completeness cannot be guaranteed.



7. Any holdings, asset allocation, diversification breakdowns or other composition data shown are as of the date indicated and are subject to change at any time. They may not be representative of the fund's current or future investments. The Top Ten Holdings and Top 5 Issuers do not include money market instruments or futures contracts, if any. Depository receipts are normally combined with the underlying security. Some breakdowns may be intentionally limited to a particular asset class or other subset of the fund's entire portfolio, particularly in multi-asset class funds where the attributes of the equity and fixed income portions are different. Under the asset allocation section, international (or foreign) assets may be reported differently depending on how an investment option reports its holdings. Some do not report international (or foreign) holdings here, but instead report them in a "Regional Diversification" section. Some report them in this section in addition to the equity, bond and other allocation shown. Others report international (or foreign) holding as a subset of the equity and bond allocations shown. If the allocation without the foreign component equals (or rounds to) 100%, then international (or foreign) is a subset of the equity and bond percentage shown.

Any remaining country allocations comprising less than one percent of the portfolio are combined in the OTHER category.

8. The percent of net assets invested in both domestic and foreign Equities (common stocks, preferred stocks, rights and warrants, convertible preferred stocks and stock index futures and options), Bond (all debt instruments, including investment grade, non-investment grade, non-rated securities and convertible bonds), and Cash & Net Other Assets (cash, repurchase agreements, receivables and payables).

9. "Tax-Advantaged Domiciles" represent countries whose tax policies may be favorable for company incorporation.

10. Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the Portfolio Composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.

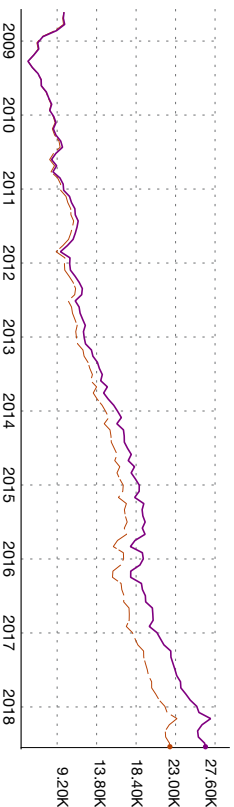


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# Fidelity® Total Market Index Fund - Premium Class (FSTVX)

Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ Fidelity® Total Market Index Fund - Premium Class \$26,554 ■ Large Blend \$22,379



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

	Average Annual Total Returns					
	YTD (Monthly)	1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Fidelity® Total Market Index Fund - Premium Class	3.23%	14.79%	11.56%	13.22%	10.26%	7.53%
DJ US Total Stk. Mkt	3.25%	14.79%	11.56%	13.22%	10.28%	7.51%
Large Blend	1.58%	12.58%	9.93%	11.73%	9.08%	--
Rank in Morningstar Category		20%	22%	19%	16%	--
# of Funds in Morningstar Category		1353	1166	1042	776	--
Quarter-End (AS OF 6/30/2018)						
Fidelity® Total Market Index Fund - Premium Class	14.79%	11.56%	13.22%	10.26%	7.53%	

## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)	2014	2015	2016	2017	2018
Fidelity® Total Market Index Fund - Premium Class	12.45%	0.46%	12.66%	21.15%	3.23%
DJ US Total Stk. Mkt	12.47%	0.44%	12.62%	21.16%	3.25%
Large Blend	10.96%	-1.07%	10.37%	20.44%	1.58%

## Top 10 Holdings<sup>8</sup>

(AS OF 6/30/2018)	Percentage
APPLE INC	17.35%
MICROSOFT CORP	
AMAZON.COM INC	
FACEBOOK INC CL A	
BERKSHIRE HATHAWAY INC CL B	
JPMORGAN CHASE & CO	
EXXON MOBIL CORP	
ALPHABET INC CL C	
ALPHABET INC CL A	
JOHNSON & JOHNSON	
% of Total Portfolio: 17.35%	
3402 holdings as of 6/30/2018	
3375 issuers as of 6/30/2018	

## Investment Approach

- Fidelity® Total Market Index Fund is a diversified domestic all-cap equity strategy that seeks to closely track the aggregate returns and characteristics of the Dow Jones U.S. Total Stock Market Index<sup>SM</sup>.
- The Dow Jones U.S. Total Stock Market Index<sup>SM</sup> is a market-capitalization-weighted index that includes all U.S. companies with readily available prices across all market-cap sizes.
- The fund employs an optimization approach that relies on historical data and correlations to build a portfolio of securities that closely matches the composition and characteristics of the benchmark. As part of this approach, a proxy security may be used in instances where it may be suboptimal or impractical to hold the same security as the index, such as foreign ownership restrictions, round-lot

## Morningstar® Snapshot\*\*

(AS OF 6/30/2018)

Morningstar Category	Large Blend
Risk of this Category	
Overall Rating	★★★★☆
Returns	
Expenses	

\*Data provided by Morningstar

## Equity StyleMap®\*\*6

(AS OF 5/31/2018)



## Details

Fund Inception	11/5/1997
NAV on 6/30/2018	\$78.56
Exp Ratio (Gross) 4/28/2018	0.035% (\$0.35 per \$1000)
Exp Ratio (Net) 4/28/2018	0.035% (\$0.35 per \$1000)
Management Fee	0.015%
Turnover Rate 2/28/2018	2%
Portfolio Net Assets (\$M) 6/30/2018	\$53,445.40
Share Class Net Assets (\$M) 6/30/2018	\$28,259.43

## Fund Manager(s)<sup>7</sup>

Primary Manager: Goede Capital Management (since 8/4/2003)

## Volatility Measures

Beta 6/30/2018	1.00
----------------	------

Investment Approach (continued)

size constraints, compliance limitations, and liquidity and tax issues.

Asset Allocation<sup>8</sup> 9,10,11

(AS OF 6/30/2018)

Domestic Equities	99.28%
International Equities	0.73%
Cash & Net Other Assets	-0.01%
Bonds	0.00%

Regional Diversification<sup>8</sup>

(AS OF 6/30/2018)

United States	99.27%
Europe	0.48%
Emerging Markets	0.20%
Canada	0.03%
Asia-Pacific ex Japan	0.01%
Other	0.01%
Japan	0.00%

Volatility Measures (continued)

R <sup>2</sup> 6/30/2018	1.00
Sharpe Ratio 6/30/2018	1.06
Standard Deviation 6/30/2018	10.30

Morningstar Ratings

(AS OF 6/30/2018) Morningstar Category: LARGE BLEND

Overall	★★★★★	out of 1,166 funds
3 Yrs	★★★★★	out of 1,166 funds
5 Yrs	★★★★★	out of 1,042 funds
10 Yrs	★★★★★	out of 776 funds

Major Market Sectors<sup>8</sup>  
(AS OF 6/30/2018)

Portfolio Weight	DU US Total Stk Mkt
Information Technology	24.63%
Financials	14.28%
Health Care	13.67%
Consumer Discretionary	13.18%
Industrials	10.21%
Consumer Staples	6.22%
Energy	6.06%
Real Estate	3.84%
Materials	3.06%
Utilities	2.90%

(AS OF 6/30/2018)

The Morningstar Rating™ for funds, or "star rating", is calculated for funds with at least a three-year history. (Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.

Fund Overview

Objective

Seeks to provide investment results that correspond to the total return of a broad range of United States stocks.

Strategy

Normally investing at least 80% of assets in common stocks included in the Dow Jones U.S. Total Stock Market Index, which represents the performance of a broad range of U.S. stocks.

Risk

Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments.

Additional Disclosures

This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund. The Dow Jones U.S. Total Stock Market Index is an unmanaged market capitalization-weighted index of over 5,000 U.S. equity securities which contains all actively traded common stocks with readily available price data. Returns prior to October 14, 2005 are those of the Investor Class and reflect the Investor Class' expense ratio. Had the Premium Class' expense ratio been reflected, total returns would have been higher.

Glossary Of Terms

Beta: A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

DU US Total Stk Mkt: Dow Jones U.S. Total Stock Market Index <sup>SM</sup> is a float-adjusted market capitalization-weighted index of all equity securities of U.S. headquartered companies with readily available price data.

Exp Ratio (Gross): Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other

Investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**Exp Ratio (Net):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the net expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus, after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses. This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**Net Asset Value (NAV):** The dollar value of one mutual fund's share, excluding any sales charges or redemption fees. The NAV is calculated by subtracting liabilities from the value of a fund's total assets and dividing it by the number of fund's shares outstanding.

**Portfolio Net Assets (\$M):** The difference between a portfolio's total assets and liabilities, including all share classes of the fund.

**R<sup>2</sup>:** A measurement of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark, index or equivalent. R<sup>2</sup> is a proportion which ranges between 0.00 and 1.00. An R<sup>2</sup> of 1.00 indicates perfect correlation to the benchmark index; that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R<sup>2</sup> of 0.00 indicates no correlation. Therefore, the lower the R<sup>2</sup>, the more the fund's performance is affected by factors other than the market as measured by that benchmark index. An R<sup>2</sup> value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

**Share Class Net Assets (\$M):** The difference between the total assets and liabilities of a single share class of a fund.

**Sharpe Ratio - Arithmetic:** The Sharpe ratio is a measure of historical risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk free" rate used is the 90-day Treasury Bill rate.

**Standard Deviation:** Statistical measure of how much a return varies over an extended period of time. The more variable the returns, the larger the standard deviation. Investors may examine historical standard deviation in conjunction with historical returns to decide whether an investment's volatility would have been acceptable given the returns it would have produced. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility. Standard deviation does not indicate how an investment actually performed, but it does indicate the volatility of its returns over time. Standard deviation is annualized. The returns used for this calculation are not load-adjusted.

**Turnover Rate:** The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

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7. The fund is managed by Geode Capital Management, LLC. Consistent with its investment objectives, the fund may hire or terminate money managers at any time without prior notification. See the prospectus for details.
8. Any holdings, asset allocation, diversification, breakdowns or other composition data shown are as of the date indicated and are subject to change at any time. They may not be representative of the fund's current or future investments. The Top Ten Holdings and Top 5 Issuers do not include money market instruments or futures contracts, if any. Depository receipts are normally combined with the underlying security. Some breakdowns may be intentionally limited to a particular asset class or other subset of the fund's entire portfolio, particularly in multi-asset class funds where the attributes of the equity and fixed income portions are different.
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- Any remaining country allocations comprising less than one percent of the portfolio are combined in the OTHER category.
9. The percent of net assets invested in both domestic and foreign Equities (common stocks, preferred stocks, rights and warrants, convertible preferred stocks and stock index futures and options), Bond (all debt instruments, including investment grade, non-investment grade, non-rated securities and convertible bonds), and Cash & Net Other Assets (cash, repurchase agreements, receivables and payables).
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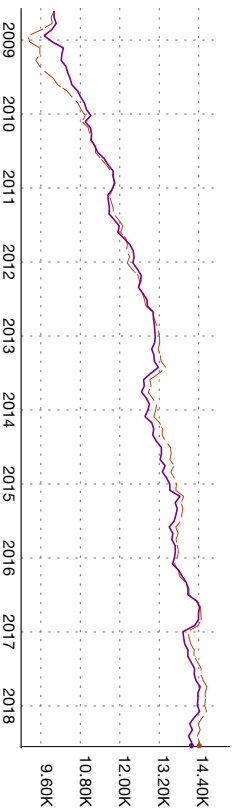


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728465.3.0

# Fidelity® U.S. Bond Index Fund - Premium Class (FSITX)

Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ Fidelity® U.S. Bond Index Fund - Premium Class \$14,176 ■ Intermediate-Term Bond \$14,409



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

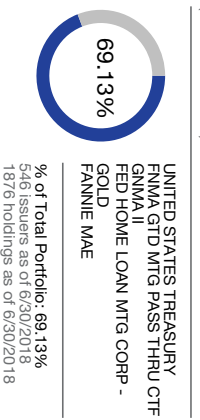
## Performance<sup>2,4,5</sup>

Monthly (AS OF 6/30/2018)	Average Annual Total Returns					
	YTD (Monthly)	1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Fidelity® U.S. Bond Index Fund - Premium Class	-1.73%	-0.62%	1.63%	2.19%	3.55%	5.84%
BBgBarc U.S. Agg Bond	-1.62%	-0.40%	1.72%	2.27%	3.72%	5.93%
Intermediate-Term Bond	-1.55%	-0.36%	1.68%	2.20%	3.89%	--
Rank in Morningstar Category		61%	53%	52%	70%	--
# of Funds in Morningstar Category		999	878	778	563	--
Quarter-End (AS OF 6/30/2018)						
Fidelity® U.S. Bond Index Fund - Premium Class		-0.62%	1.63%	2.19%	3.55%	5.84%

## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)	2014	2015	2016	2017	2018
Fidelity® U.S. Bond Index Fund - Premium Class	5.93%	0.59%	2.49%	3.47%	-1.73%
BBgBarc U.S. Agg Bond	5.97%	0.55%	2.65%	3.54%	-1.62%
Intermediate-Term Bond	5.18%	-0.26%	3.23%	3.71%	-1.55%

## Top 5 Issuers<sup>6</sup>



## Investment Approach

- Fidelity® U.S. Bond Index Fund is a diversified fixed-income strategy that seeks to closely track the returns and characteristics of the benchmark Bloomberg Barclays U.S. Aggregate Bond Index.
- Given the large number of securities in the index (roughly 10,000) and the significant cost and liquidity challenges associated with full replication, we use "stratified sampling" techniques in constructing the portfolio. This approach involves defining and maintaining an "optimal" subset of constituent securities that, in aggregate, mirrors the chief characteristics of the index – including maturity, duration, sector allocation, credit quality and other factors.
- The Bloomberg Barclays U.S. Aggregate Bond Index is an unmanaged market-value-weighted index for U.S.-dollar-denominated investment-grade fixed-rate debt issues, including government, corporate, asset-backed and mortgage-backed securities with maturities of at least one year.

## Morningstar® Snapshot\*\*

(AS OF 6/30/2018)

Morningstar Category	Intermediate-Term Bond
Risk of this Category	
Overall Rating	★★★★☆
Returns	
Expenses	

\*Data provided by Morningstar

## Details

Fund Inception	3/8/1990
NAV on 6/30/2018	\$11.24
Exp Ratio (Gross) 10/30/2017	0.045% (\$0.45 per \$1,000)
Exp Ratio (Net) 10/30/2017	0.045% (\$0.45 per \$1,000)
Management Fee	0.02%
Turnover Rate 2/28/2018	52%
Portfolio Net Assets (\$M) 6/30/2018	\$38,459.79
Share Class Net Assets (\$M) 6/30/2018	\$8,924.99
Fund Manager(s)	
Co-Manager:	Team

## Portfolio Data

30-Day Yield* 6/30/2018	3.10%
Weighted Avg Maturity 6/30/2018	8.10 Years
Duration 6/30/2018	5.93 Years



**Portfolio Diversification<sup>6,7</sup>**

(AS OF 6/30/2018)

■ Portfolio Weight	■ BBgBarc U.S. Agg Bond
U.S. Treasury	42.06%
MBS Pass-Through	27.32%
Corporate	22.93%
Other Government Related (U.S. & Non-U.S.)	4.31%
CMBS	1.76%
U.S. Agency	0.99%
Cash	0.69%
ABS	0.34%
Net Other Assets	-0.40%
CMOs	0.00%
Additional Diversification (AS OF 6/30/2018)	
Futures, Options, and Swaps	0.00%

**Regional Diversification<sup>6</sup>**

(AS OF 6/30/2018)

U.S.	92.85%
Foreign	7.15%

**Volatility Measures**

Beta 6/30/2018	1.03
R <sup>2</sup> 6/30/2018	0.99
Sharpe Ratio 6/30/2018	0.36
Standard Deviation 6/30/2018	2.75

**Morningstar Ratings**

(AS OF 6/30/2018) Morningstar Category: INTERMEDIATE-TERM BOND

Overall	★★★★★	out of 878 funds
3 Yrs	★★★★★	out of 878 funds
5 Yrs	★★★★★	out of 778 funds
10 Yrs	★★★★★	out of 563 funds

The Morningstar Rating™ for funds, or "star rating", is calculated for funds with at least a three-year history. Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.

**Credit Quality<sup>6,8</sup>**

(AS OF 6/30/2018)

U.S. Government	71.00%
AAA	3.99%
AA	4.51%
A	11.29%
BBB	8.70%
BB	0.11%
B	0.00%
CCC & Below	0.00%
Short-Term Rated	0.00%
Not Rated/Not Available	0.11%
Cash & Net Other Assets	0.29%



## Fund Overview

### Objective

Seeks to provide investment results that correspond to the aggregate price and interest performance of the debt securities in the Bloomberg Barclays U.S. Aggregate Bond Index.

### Strategy

Normally investing at least 80% of the fund's assets in bonds included in the Bloomberg Barclays U.S. Aggregate Bond Index. Using statistical sampling techniques based on duration, maturity, interest rate sensitivity, security structure, and credit quality to attempt to replicate the returns of the Index using a smaller number of securities. Engaging in transactions that have a leveraging effect on the fund, including investments in derivatives - such as swaps (interest rate, total return, and credit default) and futures contracts - and forward-selling securities, to adjust the fund's risk exposure. Investing in Fidelity's central funds (specialized investment vehicles used by Fidelity funds to invest in particular security types or investment disciplines).

### Risk

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 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. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks. The fund can invest in securities that may have a leveraging effect (such as derivatives and forward-selling securities) which may increase market exposure, magnify investment risks, and cause losses to be realized more quickly.

### Additional Disclosures

This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund. The Bloomberg Barclays U.S. Aggregate Bond Index is an unmanaged market value-weighted index for U.S. dollar denominated investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year. Returns prior to May 4, 2011 are those of the Investor Class and reflect the Investor Class' expense ratio. Had the Premium Class' expense ratio been reflected, total returns would have been higher.

## Glossary Of Terms

**30-Day Yield:** A standard yield calculation developed by the Securities and Exchange Commission for bond funds. The yield is calculated by dividing the net investment income per share earned during the 30-day period by the maximum offering price per share on the last day of the period. The yield figure reflects the dividends and interest earned during the 30-day period, after the deduction of the fund's expenses and includes any applicable waiver or reimbursement. Absent such waivers or reimbursements, the returns would have been lower. It is sometimes referred to as "SEC 30-Day Yield" or "standardized yield."

**BEBarc U.S. Agg Bond:** The Bloomberg Barclays U.S. Aggregate Bond Index is an unmanaged market value-weighted index for U.S. dollar denominated investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year.

**Beta:** A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

**Duration:** Duration is a measure of a security's price sensitivity to changes in interest rates. Duration differs from maturity in that it considers a security's interest payments in addition to the amount of time until the security reaches maturity, and also takes into account certain maturity shortening features (e.g., demand features, interest rate resets, and call options) when applicable. Securities with longer durations generally tend to be more sensitive to interest rate changes than securities with shorter durations. A fund with a longer average duration generally can be expected to be more sensitive to interest rate changes than a fund with a shorter average duration.

**Exp Ratio (Gross):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**Exp Ratio (Net):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the net expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus, after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses. This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**Net Asset Value (NAV):** The dollar value of one mutual fund's share, excluding any sales charges or redemption fees. The NAV is calculated by subtracting liabilities from the value of a fund's total assets and dividing it by the number of fund's shares outstanding.

**Portfolio Net Assets (\$M):** The difference between a portfolio's total assets and liabilities, including all share classes of the fund.

**R<sup>2</sup>:** A measurement of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark index or equivalent. R<sup>2</sup> is a proportion which ranges between 0.00 and 1.00. An R<sup>2</sup> of 1.00 indicates perfect correlation to the benchmark index, that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R<sup>2</sup> of 0.00 indicates no correlation. Therefore, the lower the R<sup>2</sup>, the more the fund's performance is affected by factors other than the market as measured by that benchmark index. An R<sup>2</sup> value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

**Share Class Net Assets (\$M):** The difference between the total assets and liabilities of a single share class of a fund.

**Sharpe Ratio - Arithmetic:** The Sharpe ratio is a measure of historical risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk-free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk-free" rate used is the 90-day Treasury Bill rate.

**Standard Deviation:** Statistical measure of how much a return varies over an extended period of time. The more variable the returns, the larger the standard deviation. Investors may examine historical standard deviation in conjunction with historical returns to decide whether an investment's volatility would have been acceptable given the returns it would have produced. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility. Standard deviation does not indicate how an investment actually performed, but it does indicate the volatility of its returns over time. Standard deviation is annualized. The returns used for this calculation are not load-adjusted.

**Turnover Rate:** The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

Weighted Average Maturity (WAM). This is a weighted average of all the maturities of the securities held in a fund. WAM can be used as a measure of sensitivity to interest rate changes and markets changes. Generally, the longer the maturity, the greater the sensitivity to such changes. WAM is based on the dollar-weighted average length of time until principal payments must be paid. Depending on the types of securities held in a fund, certain maturity shortening devices (e.g., demand features, interest rate resets, and call options) may be taken into account when calculating the WAM.

## Important Information

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

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares; the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units; the issuer of a stock fund is the company which issues the shares; the issuer of options such as separate accounts and strategies is the plan which makes them available; the issuer of a fixed return option is the insurance company or other company which offers the investment; the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date composite performance for the product was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

2. The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends.

3. Risk of this Category: Morningstar calculates these risk levels by looking at the Morningstar Risk of the funds in the Category over the previous 5-year period. Morningstar Risk is the difference between the Morningstar Return, based on fund total returns, and the Morningstar Risk Adjusted Return, based on fund total returns adjusted for performance volatility. The Category Risk Level is based on the equal weighted average Morningstar Risk of the funds in the category. Morningstar's Research Committee evaluates the Category Morningstar Risk and assigns the Category Risk Level after further qualitative judgment.

Overall Rating: The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, which are based on risk-adjusted returns, as of the date stated.

Returns: This rating is based on a fund's Morningstar Return (its annualized return in excess of the return of the 90-day U.S. Treasury Bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve, in each Morningstar Category:

—top 10%: High  
—next 22.5%: Above Average  
—middle 35%: Average  
—next 22.5%: Below Average  
—bottom 10%: Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's 1% sales charge. If sales charges were included, total returns would have been lower.

5. Percent Rank in Category is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. % Rank in Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures. Past performance is no guarantee of future results.

6. Any holdings, asset allocation, diversification breakdowns or other composition data shown are as of the date indicated and are subject to change at any time. They may not be representative of the fund's current or future investments. The Top Ten Holdings and Top 5 Issuers do not include money market instruments or futures contracts, if any. Depository receipts are normally combined with the underlying security. Some breakdowns may be intentionally limited to a particular asset class or other subset of the fund's entire portfolio, particularly in multi-asset class funds where the attributes of the equity and fixed income portions are different.

Under the asset allocation section, international (or foreign) assets may be reported differently depending on how an investment option reports its holdings. Some do not report international (or foreign) holdings here, but instead report them in a "Regional Diversification" section. Some report them in this section in addition to the equity, bond and other allocation shown. Others report international (or foreign) holding as a subset of the equity and bond allocations shown. If the allocation without the foreign component equals (or rounds to) 100%, then international (or foreign) is a subset of the equity and bond percentage shown.

Any remaining country allocations comprising less than one percent of the portfolio are combined in the OTHER category.

7. Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the Portfolio Composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.

8. Credit ratings for a rated issuer or security are categorized using the highest credit rating among the following three Nationally Recognized Statistical Rating Organizations ("NRSRO"): Moody's Investors Service (Moody's), Standard & Poor's Rating Services (S&P), or Fitch, Inc. Securities that are not rated by any of these three NRSRO's (e.g. equity securities, if held) are categorized as Not Rated. All U.S. government securities are included in the U.S. Government category. The table information is based on the combined investments of the fund and its pro rata share of any investments in other Fidelity funds.

9. A standard yield calculation developed by the Securities and Exchange Commission for bond funds. The yield is calculated by dividing the net investment income per share earned during the 30-day period by the maximum offering price per share on the last day of the period. The yield figure reflects the dividends and interest earned during the 30-day period, after the deduction of the fund's expenses. It is sometimes referred to as "SEC 30-Day Yield" or "standardized yield".

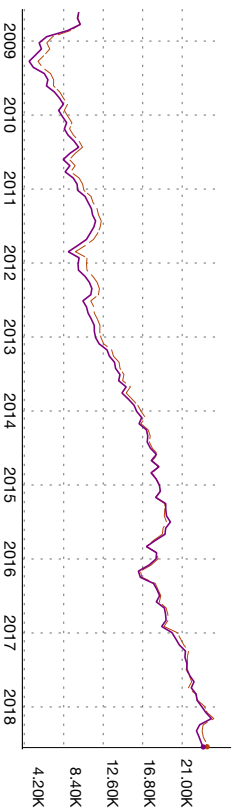


Fidelity Investments Institutional Services Company, Inc., 500 Salem Street, Smithfield, RI 02917.  
Fidelity Brokerage Services LLC, Member NYSE, SIPC, 900 Salem Street, Smithfield, RI 02917.  
7284653.0

# Fidelity® Value Fund - Class K (FVLKX)

Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ Fidelity® Value Fund - Class K \$23,358 ■ Mid-Cap Value \$23,713



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

Monthly (AS OF 6/30/2018)	YTD (Monthly)	Average Annual Total Returns				
		1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Fidelity® Value Fund - Class K	-0.68%	7.13%	6.67%	10.40%	8.85%	12.16%
Russell Midcap Value	-0.16%	7.60%	8.80%	11.27%	10.06%	--
Mid-Cap Value	0.19%	8.86%	7.99%	10.12%	9.16%	--
Rank in Morningstar Category		68%	74%	47%	53%	--
# of Funds in Morningstar Category		409	365	307	221	--
Quarter-End (AS OF 6/30/2018)						
Fidelity® Value Fund - Class K		7.13%	6.67%	10.40%	8.85%	12.16%

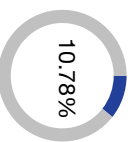
## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)

2014	2015	2016	2017	2018	
Fidelity® Value Fund - Class K	11.85%	-6.41%	16.19%	15.78%	-0.68%
Russell Midcap Value	14.75%	-4.78%	20.00%	13.34%	-0.16%
Mid-Cap Value	9.31%	-5.41%	18.06%	13.22%	0.19%

## Top 10 Holdings<sup>7</sup>

(AS OF 6/30/2018)



PPL CORPORATION  
SEMPRA ENERGY  
DISCOVER FIN SVCS  
AMERICAN TOWER CORP  
PUBLIC STORAGE  
WELLS FARGO & CO  
US BANK CORP DEL  
AMERINTLSE FINANCIAL INC  
MORAVIA INDUSTRIES INC  
LEIDOS HOLDINGS INC

% of Total Portfolio: 10.78%  
239 holdings as of 6/30/2018  
236 issuers as of 6/30/2018

## Morningstar® Snapshot<sup>\*\*3</sup>

(AS OF 6/30/2018)

Morningstar Category	Mid-Cap Value
Risk of this Category	
Overall Rating	★★★★★
Returns	
Expenses	

\*Data provided by Morningstar

## Equity StyleMap<sup>®\*\*6</sup>

(AS OF 5/31/2018)



## Details

Fund Inception	12/11/1978
NAV on 6/30/2018	\$12.04
Exp Ratio (Gross) 12/30/2017	0.51% (\$5.10 per \$1000)
Exp Ratio (Net) 12/30/2017	0.51% (\$5.10 per \$1000)
Management Fee	0.44%
Turnover Rate 4/30/2018	79%
Portfolio Net Assets (\$M) 6/30/2018	\$8,119.83
Share Class Net Assets (\$M) 6/30/2018	\$1,168.02

## Fund Manager(s)

Lead Manager: Matt H Friedman (since 5/1/2010)  
Co-Manager: Team

## Volatility Measures

Beta 6/30/2018	1.03
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## Investment Approach

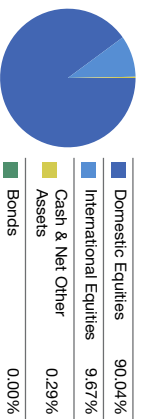
- Fidelity® Value Fund is a core mid-cap value U.S. equity strategy diversified across sectors.
- The fund is managed by a lead portfolio manager and a team of sector portfolio managers. It leverages value-focused sector experts, supported by Fidelity's deep research infrastructure, combined with disciplined portfolio construction in an attempt to deliver attractive risk-adjusted returns over the long term.
- The sector-based structure preserves each manager's individual creativity and accountability, which is core to Fidelity's investment culture. The team approach is characterized by a value-oriented investment philosophy – centered on undervalued, high-quality companies with strong competitive positions and superior returns on invested capital – that results in consistent style and portfolio characteristics.
- Our long-term focus often leads us to firms with recurring revenues and the demonstrated ability to

## Investment Approach (continued)

grow earnings and cash flow over multiyear periods.

### Asset Allocation<sup>7,8,9,10</sup>

(AS OF 6/30/2018)



### Regional Diversification<sup>7</sup>

(AS OF 6/30/2018)

Region	Percentage
United States	90.34%
Europe	5.29%
Canada	2.29%
Emerging Markets	1.78%
Asia-Pacific ex Japan	0.31%
Japan	0.00%
Other	-0.01%

## Volatility Measures (continued)

R <sup>2</sup> 6/30/2018	0.94
Sharpe Ratio 6/30/2018	0.54
Standard Deviation 6/30/2018	11.25

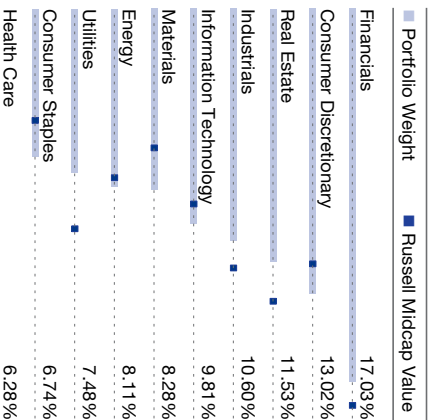
## Morningstar Ratings

(AS OF 6/30/2018) Morningstar Category: MID-CAP VALUE

Overall	★★★★☆	out of 365 funds
3 Yrs	★★★★☆	out of 365 funds
5 Yrs	★★★★☆	out of 307 funds
10 Yrs	★★★★☆	out of 221 funds

The Morningstar Rating™ for funds, or "star rating", is calculated for funds with at least a three-year history. (Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.



## Fund Overview

### Objective

Seeks capital appreciation.

### Strategy

Investing in securities of companies that possess valuable fixed assets or that FMR believes are undervalued in the marketplace in relation to factors such as assets, earnings, or growth potential (stocks of these companies are often called "value" stocks). Normally investing primarily in common stocks.

### Risk

Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Foreign securities are subject to interest rate, currency/exchange rate, economic, and political risks. Value stocks can perform differently than other types of stocks and can continue to be undervalued by the market for long periods of time.

### Additional Disclosures

This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund. On May 9, 2008, an initial offering of the retirement (K) class took place. Returns and expenses prior to that date are those of the non-K, non-advisor class. Had K class expenses been reflected in the returns shown, total returns would have been higher.

## Glossary Of Terms

Beta: A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

Exp Ratio (Gross): Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.



Exp Ratio (Net): Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the net expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus, after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses. This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

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Portfolio Net Assets (\$M): The difference between a portfolio's total assets and liabilities, including all share classes of the fund.

R<sup>2</sup>: A measurement of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark, index or equivalent. R<sup>2</sup> is a proportion which ranges between 0.00 and 1.00. An R<sup>2</sup> of 1.00 indicates perfect correlation to the benchmark index, that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R<sup>2</sup> of 0.00 indicates no correlation. Therefore, the lower the R<sup>2</sup>, the more the fund's performance is affected by factors other than the market as measured by that benchmark index. An R<sup>2</sup> value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

Russell Midcap Value: The Russell Midcap® Value Index is an unmanaged market capitalization-weighted index of medium-capitalization value-oriented stocks of U.S. domiciled companies that are included in the Russell Midcap Index. Value-oriented stocks tend to have lower price-to-book ratios and lower forecasted growth values.

Share Class Net Assets (\$M): The difference between the total assets and liabilities of a single share class of a fund.

Sharpe Ratio - Arithmetic: The Sharpe ratio is a measure of historical risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk free" rate used is the 90-day Treasury Bill rate.

Standard Deviation: Statistical measure of how much a return varies over an extended period of time. The more variable the returns, the larger the standard deviation. Investors may examine historical standard deviation in conjunction with historical returns to decide whether an investment's volatility would have been acceptable given the returns it would have produced. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility. Standard deviation does not indicate how an investment actually performed, but it does indicate the volatility of its returns over time. Standard deviation is annualized. The returns used for this calculation are not load-adjusted.

Turnover Rate: The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

## Important Information

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

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Generally, data on Fidelity mutual funds is provided by FMR, LLC, Morningstar ratings and data on non-Fidelity mutual funds is provided by Morningstar, Inc. and data on non-mutual fund products is provided by the product's investment manager, trustee or issuer or the plan sponsor whose plan is offering the product to participants. Although Fidelity believes the data gathered from these third-party sources is reliable, it does not review such information and cannot warrant it to be accurate, complete or timely. Fidelity is not responsible for any damages or losses arising from any use of this third-party information.

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares; the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units; the issuer of a company fund is the company which issues the shares; the issuer of options such as separate accounts and strategies is the plan which makes them available; the issuer of a fixed return option is the insurance company or other company which offers the investment; the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date composite performance for the product was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an Index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

2. The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends.

3. Risk of this Category: Morningstar calculates these risk levels by looking at the Morningstar Risk of the funds in the Category over the previous 5-year period. Morningstar Risk is the difference between the Morningstar Return, based on fund total returns, and the Morningstar Risk Adjusted Return, based on fund total returns adjusted for performance volatility. The Category Risk Level is based on the equal weighted average Morningstar Risk of the funds in the category. Morningstar's Research Committee evaluates the Category Morningstar Risk and assigns the Category Risk Level after further qualitative judgment.

Overall Rating: The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, which are based on risk-adjusted returns, as of the date stated.

Returns: This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar Category:

- top 10% - High
- next 22.5% - Above Average
- middle 35% - Average
- next 22.5% - Below Average
- bottom 10% - Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's [%] sales charge. If sales charges were included, total returns would have been lower.

5. Percent Rank in Category is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. % Rank in Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures. Past performance is no guarantee of future results.

6. Equity StyleMap® depictions of mutual fund characteristics are produced using data and calculations provided by Morningstar, Inc. StyleMaps® estimate characteristics of a fund's equity holdings over two dimensions: market capitalization and valuation. The percentage of fund assets represented by these holdings is indicated beside each StyleMap. Current StyleMap characteristics are calculated each time Morningstar receives updated portfolio holdings from a fund and are denoted in a dot. Historical StyleMap characteristics are calculated for the share or either the past 3 years or the life of the fund, and are represented by the shading of the box(es) previously occupied by the dot. StyleMap characteristics represent an approximate profile of the fund's equity holdings (e.g., domestic stocks, foreign stocks, and American Depositary Receipts), are based on historical data, and are not predictive of the fund's future investments. Although the data are gathered from reliable sources, accuracy and

completeness cannot be guaranteed.

7. Any holdings, asset allocation, diversification, breakdowns or other composition data shown are as of the date indicated and are subject to change at any time. They may not be representative of the fund's current or future investments. The Top Ten Holdings and Top 5 Issuers do not include money market instruments or futures contracts, if any. Depository receipts are normally combined with the underlying security. Some breakdowns may be intentionally limited to a particular asset class or other subset of the fund's entire portfolio, particularly in multi-asset class funds where the attributes of the equity and fixed income portions are different. Under the asset allocation section, "International (or foreign) assets may be reported differently depending on how an investment option reports its holdings. Some do not report international (or foreign) holdings here, but instead report them in a "Regional Diversification" section. Some report them in this section in addition to the equity, bond and other allocation shown. Others report international (or foreign) holding as a subset of the equity and bond allocations shown. If the allocation without the foreign component equals (or rounds to) 100%, then international (or foreign) is a subset of the equity and bond percentage shown.

Any remaining country allocations comprising less than one percent of the portfolio are combined in the OTHER category.

8. The percent of net assets invested in both domestic and foreign Equities (common stocks, preferred stocks, rights and warrants, convertible preferred stocks and stock index futures and options), Bond (all debt instruments, including investment grade, non-investment grade, non-rated securities and convertible bonds), and Cash & Net Other Assets (cash, repurchase agreements, receivables and payables),

9. "Tax-Advantaged Domiciles" represent countries whose tax policies may be favorable for company incorporation.

10. Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the Portfolio Composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.

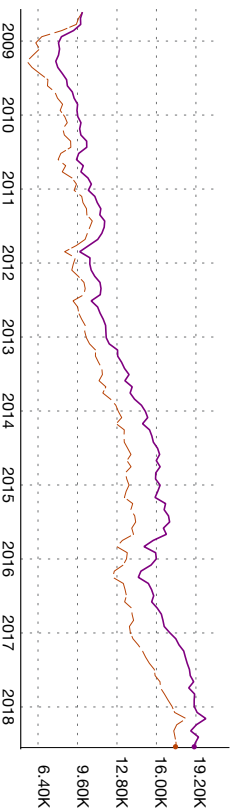


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# Franklin Mutual Global Discovery Fund Class Z (MDISX)

Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ Franklin Mutual Global Discovery Fund Class Z \$19,011 ■ World Large Stock \$17,512



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

Monthly (AS OF 6/30/2018)	YTD (Monthly)	Average Annual Total Returns				
		1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Franklin Mutual Global Discovery Fund Class Z	-1.48%	1.44%	4.70%	7.18%	6.64%	11.31%
MSCI World (N)	0.43%	11.09%	8.48%	9.94%	6.26%	7.67%
World Large Stock	0.18%	10.28%	7.91%	9.21%	6.18%	--
Rank in Morningstar Category		97%	90%	79%	38%	--
# of Funds in Morningstar Category		872	721	596	343	--
Quarter-End (AS OF 6/30/2018)						
Franklin Mutual Global Discovery Fund Class Z		1.44%	4.70%	7.18%	6.64%	11.31%

## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)

2014 2015 2016 2017 2018

Franklin Mutual Global Discovery Fund Class Z

5.33% -3.36% 12.86% 9.84% -1.48%

MSCI World (N)

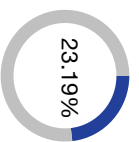
4.94% -0.87% 7.51% 22.40% 0.43%

World Large Stock

2.79% -1.69% 5.54% 23.61% 0.18%

## Top 10 Holdings<sup>7</sup>

(AS OF 5/31/2018)



Medtronic PLC  
Time Warner Inc  
El Lilly and Co  
Royal Philips NV  
Merck & Co Inc  
Novartis AG ADR  
Royal Dutch Shell PLC Class A  
Accor SA  
GlaxoSmithKline PLC  
Walt Disney Co

% of Total Portfolio: 23.19%  
125 holdings as of 5/31/2018

## Fund Overview

### Objective

The investment seeks capital appreciation.

### Strategy

The fund invests primarily in equity securities (including securities convertible into, or that the investment manager expects to be exchanged for, common or preferred stock) of U.S. and foreign companies that the investment manager believes are available at market prices less than their value based on certain recognized or objective criteria (intrinsic value). The equity securities in which the fund invests are primarily common stock. The fund may invest substantially and potentially up to 100% of its assets in foreign securities.

## Fund Manager(s)

Manager: Team

## Volatility Measures

Beta 0.85  
6/30/2018

## Equity StyleMap<sup>®\*\*6</sup>

(AS OF 5/31/2018)



## Details

Fund Inception	12/31/1992
NAV on 6/30/2018	\$31.94
Exp Ratio (Gross) 5/1/2018	0.96% (\$9.60 per \$1,000)
Exp Ratio (Net) 5/1/2018	0.96% (\$9.60 per \$1,000)
Management Fee	0.81%
Turnover Rate 12/31/2017	17.5%
Portfolio Net Assets (\$M) 6/30/2018	\$19,350.78
Share Class Net Assets (\$M) 6/30/2018	\$6,435.68



## Fund Overview (continued)

### Risk

Foreign securities are subject to interest-rate, currency-exchange-rate, economic, and political risks, all of which may be magnified in emerging markets. Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, economic or other developments. Additional risk information for this product may be found in the prospectus or other product materials, if available.

### Additional Disclosures

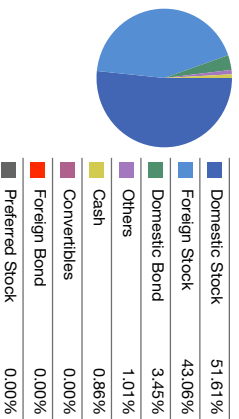
This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund.

## Volatility Measures (continued)

R <sup>2</sup> 6/30/2018	0.84
Sharpe Ratio 6/30/2018	0.42
Standard Deviation 6/30/2018	9.67

## Asset Allocation<sup>7</sup>

(AS OF 5/31/2018)



## Regional Diversification<sup>7,8</sup>

(AS OF 5/31/2018)

United States	54.21%
Eurozone	16.55%
United Kingdom	14.59%
Europe - ex Euro	5.62%
Asia - Developed	2.76%
Japan	2.14%
Middle East	1.78%
Asia - Emerging	1.56%
Canada	0.79%
Africa	0.00%

## Morningstar Ratings

(AS OF 6/30/2018) Morningstar Category: WORLD LARGE STOCK

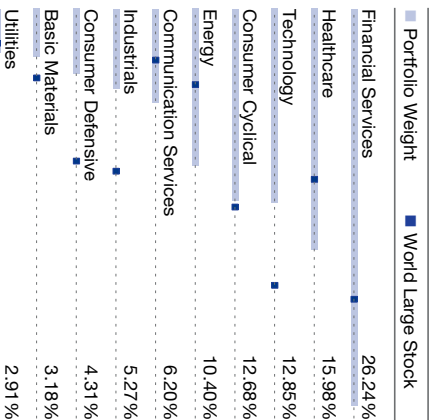
Overall	★★★★★	out of 721 funds
3 Yrs	★★★★★	out of 721 funds
5 Yrs	★★★★★	out of 596 funds
10 Yrs	★★★★★	out of 343 funds

The Morningstar Rating™ for funds, or "star rating", is calculated for funds with at least a three-year history. (Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.

## Major Market Sectors<sup>7</sup>

(AS OF 5/31/2018)



## Glossary Of Terms

Beta: A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

Exp Ratio (Gross): Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment vehicles. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

Exp Ratio (Net): Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the net expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus, after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses. This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

MSCI World (N): The MSCI World Index (Net) is an unmanaged market capitalization-weighted index that is designed to represent the performance of developed stock markets throughout the world and assumes the highest possible withholding taxes are applicable.

Net Asset Value (NAV): The dollar value of one mutual fund's share, excluding any sales charges or redemption fees. The NAV is calculated by subtracting liabilities from the value of a fund's total assets and dividing it by the number of fund's shares outstanding.

Portfolio Net Assets (\$M): The difference between a portfolio's total assets and liabilities, including all share classes of the fund.

R<sup>2</sup>: A measurement of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark index or equivalent. R<sup>2</sup> is a proportion which ranges between 0.00 and 1.00. An R<sup>2</sup> of 1.00 indicates perfect correlation to the benchmark index, that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R<sup>2</sup> of 0.00 indicates no correlation. Therefore, the lower the R<sup>2</sup>, the more the fund's performance is affected by factors other than the market, as measured by that benchmark index. An R<sup>2</sup> value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

Share Class Net Assets (\$M): The difference between the total assets and liabilities of a single share class of a fund.

Sharpe Ratio - Arithmetic: The Sharpe ratio is a measure of historical risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk free" return rate) and dividing by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk free" rate used is the 90-day Treasury Bill rate.

Standard Deviation: Statistical measure of how much a return varies over an extended period of time. The more variable the returns, the larger the standard deviation. Investors may examine historical standard deviation in conjunction with historical returns to decide whether an investment's volatility would have been acceptable given the returns it would have produced. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility. Standard deviation does not indicate how an investment actually performed, but it does indicate the volatility of its returns over time. Standard deviation is annualized. The returns used for this calculation are not load-adjusted.

Turnover Rate: The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares; the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units; the issuer of a stock fund is the company which issues the shares; the issuer of options such as separate accounts and strategies is the plan which makes them available; the issuer of a fixed return option is the insurance company or other company which offers the investment; the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date composite performance for the product was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an Index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

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Overall Rating: The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, which are based on risk-adjusted returns, as of the date stated.

Returns: This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury Bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar Category:

- top 10% - High
- top 22.5% - Above Average
- middle 35% - Average
- next 22.5% - Below Average
- bottom 10% - Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's [%] sales charge. If sales charges were included, total returns would have been lower.

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8. Please note Regional Diversification Information is based on the equity components only.

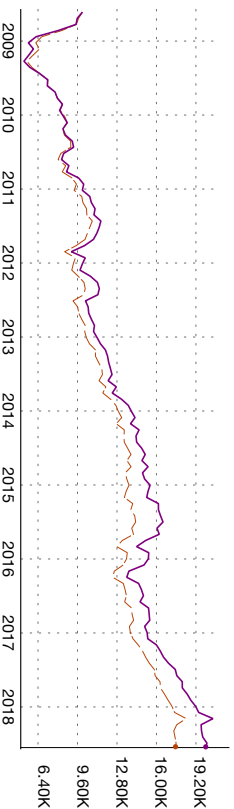


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# Janus Henderson Global Research Fund Class I (JWWFEX)

Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ Janus Henderson Global Research Fund Class I \$19,929 ■ World Large Stock \$17,512



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

	Average Annual Total Returns					
	YTD (Monthly)	1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Janus Henderson Global Research Fund Class I	2.59%	12.92%	7.49%	10.52%	7.14%	9.13%
MSCI World (N)	0.43%	11.09%	8.48%	9.94%	6.26%	6.55%
MSCI AC World (N)	-0.43%	10.73%	8.19%	9.41%	5.80%	6.51%
World Large Stock	0.18%	10.28%	7.91%	9.21%	6.18%	--
Rank in Morningstar Category	25%	53%	26%	29%	--	--
# of Funds in Morningstar Category	872	721	596	343	--	--
Quarter-End (AS OF 6/30/2018)						
Janus Henderson Global Research Fund Class I	12.92%	7.49%	10.52%	7.14%	9.13%	

## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)

	2014	2015	2016	2017	2018
Janus Henderson Global Research Fund Class I	7.40%	-2.13%	2.05%	26.98%	2.59%
MSCI World (N)	4.94%	-0.87%	7.51%	22.40%	0.43%
MSCI AC World (N)	4.16%	-2.36%	7.86%	23.97%	-0.43%
World Large Stock	2.79%	-1.69%	5.54%	23.61%	0.18%

## Top 10 Holdings<sup>7</sup>

(AS OF 3/31/2018)

Alphabet Inc C	17.46%
Amazon.com Inc	
JPMorgan Chase & Co	
Safrair SA	
Coca-Cola Co	
The Estee Lauder Companies Inc Class A	
Mastercard Inc A	
British American Tobacco PLC	
Visa Inc Class A	
Wells Fargo & Co	
% of Total Portfolio: 17.46%	
104 holdings as of 3/31/2018	

## Fund Overview

### Objective

The investment seeks long-term growth of capital.

### Strategy

The fund pursues its investment objective by investing primarily in common stocks selected for their growth potential. It may invest in companies of any size located anywhere in the world, from larger, well-established companies to smaller, emerging growth companies. The fund typically invests at least 40% of its net assets in securities of issuers or companies that are economically tied to different countries throughout the world, excluding the United States. It may have significant exposure to emerging markets. The fund may also invest in foreign equity

## Morningstar® Snapshot\*\*

(AS OF 6/30/2018)

Morningstar Category	World Large Stock
Risk of this Category	LOWER  HIGHER
Overall Rating	★★★★★
Returns	LOW  AVG  HIGH
Expenses	LOW  AVG  HIGH

\*Data provided by Morningstar

## Equity StyleMap®\*\*6

(AS OF 3/31/2018)



## Details

Fund Inception	2/25/2005
NAV on 6/30/2018	\$81.92
Exp Ratio (Gross)	0.65%
1/2/6/2018	(\$6.50 per \$1000)
Exp Ratio (Net)	0.65%
1/2/6/2018	(\$6.50 per \$1000)
Management Fee	0.53%
Turnover Rate	48%
9/30/2017	
Portfolio Net Assets (\$M)	\$2,819.24
6/30/2018	
Share Class Net Assets (\$M)	\$169.62
6/30/2018	

## Fund Manager(s)

Manager: Carmel Wellso (since 12/15/2014)

## Portfolio Data

30-Day Yield <sup>10</sup>	0.00%
8/31/2017	

## Fund Overview (continued)

**Strategy**  
and debt securities.

### Risk

Foreign securities are subject to interest-rate, currency-exchange-rate, economic, and political risks, all of which may be magnified in emerging markets. Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, economic or other developments. Additional risk information for this product may be found in the prospectus or other product materials, if available.

### Additional Disclosures

This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund.

The analysis on these pages may be based, in part, on adjusted historical returns for periods prior to the class's actual inception of 07/06/2009. These calculated returns reflect the historical performance of the oldest share class of the fund, with an inception date of 02/25/2005, adjusted to reflect the fees and expenses of this share class (when this share class fees and expenses are higher). Please refer to a fund's prospectus for information regarding fees and expenses. These adjusted historical returns are not actual returns. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the fund itself.

## Volatility Measures

Beta 6/30/2018	1.06
R <sup>2</sup> 6/30/2018	0.92
Sharpe Ratio 6/30/2018	0.59
Standard Deviation 6/30/2018	11.55

## Morningstar Ratings<sup>9</sup>

(AS OF 6/30/2018) Morningstar Category: WORLD LARGE STOCK

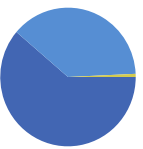
<b>Overall</b>	★★★★★	★	out of 721 funds
<b>3 Yrs</b>	★★★★★	★★	out of 721 funds
<b>5 Yrs</b>	★★★★★	★★	out of 596 funds
<b>10 Yrs</b>	★★★★★	★★	out of 343 funds

The Morningstar Rating™ for funds, or "star rating", is calculated for funds with at least a three-year history. Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.

## Asset Allocation<sup>7</sup>

(AS OF 3/31/2018)



Domestic Stock	61.23%
Foreign Stock	38.04%
Cash	0.73%
Convertibles	0.00%
Domestic Bond	0.00%
Foreign Bond	0.00%
Others	0.00%
Preferred Stock	0.00%

## Regional Diversification<sup>7,8</sup>

(AS OF 3/31/2018)

United States	61.68%
Eurozone	12.69%
United Kingdom	6.23%
Japan	5.71%
Asia - Developed	4.98%
Asia - Emerging	4.22%
Canada	2.58%
Europe - ex Euro	1.18%
Latin America	0.73%
Africa	0.00%

## Major Market Sectors<sup>7</sup>

(AS OF 3/31/2018)

Portfolio Weight	World Large Stock
Financial Services	20.85%
Technology	18.61%
Consumer Cyclical	12.66%
Healthcare	12.41%
Industrials	11.97%
Consumer Defensive	8.51%
Energy	7.31%
Basic Materials	3.99%
Utilities	1.76%
Real Estate	1.19%

## Glossary Of Terms

**30-Day Yield:** A standard yield calculation developed by the Securities and Exchange Commission for bond funds. The yield is calculated by dividing the net investment income per share earned during the 30-day period by the maximum offering price per share on the last day of the period. The yield figure reflects the dividends and interest earned during the 30-day period, after the deduction of the fund's expenses and includes any applicable waiver or reimbursement. Absent such waivers or reimbursements, the returns would have been lower. It is sometimes referred to as "SEC 30-Day Yield" or "standardized yield."

**Beta:** A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the

movements in a fund's returns and movements in a benchmark index.

**Exp. Ratio (Gross):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**Exp. Ratio (Net):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the net expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus, after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses. This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**MSCI AC World (NI):** The MSCI ACWI Index (Net) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 45 country indices comprising 24 developed and 21 emerging market country indices. It is not possible to invest directly in the index. Performance data shown for the index is net of dividend tax withholding.

**MSCI World (NI):** The MSCI World Index (Net) is an unmanaged market capitalization-weighted index that is designed to represent the performance of developed stock markets throughout the world and assumes the highest possible withholding taxes are applicable.

**Net Asset Value (NAV):** The dollar value of one mutual fund's share, excluding any sales charges or redemption fees. The NAV is calculated by subtracting liabilities from the value of a fund's total assets and dividing it by the number of fund's shares outstanding.

**Portfolio Net Assets (\$M):** The difference between a portfolio's total assets and liabilities, including all share classes of the fund.

**R<sup>2</sup>:** A measurement of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark index or equivalent. R<sup>2</sup> is a proportion which ranges between 0.00 and 1.00. An R<sup>2</sup> of 1.00 indicates perfect correlation to the benchmark index, that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R<sup>2</sup> of 0.00 indicates no correlation. Therefore, the lower the R<sup>2</sup>, the more the fund's performance is affected by factors other than the market as measured by that benchmark index. An R<sup>2</sup> value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

**Share Class Net Assets (\$M):** The difference between the total assets and liabilities of a single share class of a fund.

**Sharpe Ratio - Arithmetic:** The Sharpe ratio is a measure of historical risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk free" rate used is the 90-day Treasury Bill rate.

**Standard Deviation:** Statistical measure of how much a return varies over an extended period of time. The more variable the returns, the larger the standard deviation. Investors may examine historical standard deviation in conjunction with historical returns to decide whether an investment's volatility would have been acceptable given the returns it would have produced. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility. Standard deviation does not indicate how an investment actually performed, but it does indicate the volatility of its returns over time. Standard deviation is annualized. The returns used for this calculation are not load-adjusted.

**Turnover Rate:** The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

## Important Information

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

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares, the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units, the issuer of a stock fund is the company which issues the shares, the issuer of options such as separate accounts and strategies is the plan which makes them available, the issuer of a fixed return option is the insurance company or other company which offers the investment, the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date composite performance for the product was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

2. The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends.

3. Risk of this Category: Morningstar calculates these risk levels by looking at the Morningstar Risk of the funds in the Category over the previous 5-year period. Morningstar Risk is the difference between the Morningstar Return, based on fund total returns, and the Morningstar Risk Adjusted Return, based on fund total returns adjusted for performance volatility. The Category Risk Level is based on the equal weighted average Morningstar Risk of the funds in the category. Morningstar's Research Committee evaluates the Category Morningstar Risk and assigns the Category Risk Level after further qualitative judgment.

Overall Rating: The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, which are based on risk-adjusted returns, as of the date stated.

Returns: This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury Bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar Category:

- top 10% - High
- next 22.5% - Above Average
- middle 35% - Average
- next 22.5% - Below Average
- bottom 10% - Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's [x%] sales charge. If sales charges were included,



total returns would have been lower.

Except for Life of Fund returns, the analysis on these pages may be based, in part, on adjusted historical returns for periods prior to the class's actual inception of 7/6/2009. These calculated returns reflect the historical performance of the oldest share class of the fund, with an inception date of 2/25/2005, adjusted to reflect the fees and expenses of this share class (when this share class's fees and expenses are higher.) Please refer to a fund's prospectus for information regarding fees and expenses. These adjusted historical returns are not actual returns. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the fund itself.

5. Percent Rank in Category is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. % Rank in Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures. Past performance is no guarantee of future results.

6. Equity StyleMap<sup>®</sup> depictions of mutual fund characteristics are produced using data and calculations provided by Morningstar, Inc. StyleMaps<sup>SM</sup> estimate characteristics of a fund's equity holdings over two dimensions: market capitalization and valuation. The percentage of fund assets represented by these holdings is indicated beside each StyleMap. Current StyleMap characteristics are calculated each time Morningstar receives updated portfolio holdings from a fund and are denoted with a dot. Historical StyleMap characteristics are calculated for the shorter of either the past 3 years or the life of the fund, and are represented by the shading of the box(es) previously occupied by the dot. StyleMap characteristics represent an approximate profile of the fund's equity holdings (e.g., domestic stocks, foreign stocks, and American Depositary Receipts), are based on historical data, and are not predictive of the fund's future investments. Although the data are gathered from reliable sources, accuracy and completeness cannot be guaranteed.

7. Any holdings, asset allocation, diversification breakdowns or other composition data shown are as of the date indicated and are subject to change at any time. They may not be representative of the fund's current or future investments. Some breakdowns may be intentionally limited to a particular asset class or other subset of the fund's entire portfolio, particularly in multi-asset class funds where the attributes of the equity and fixed income portions are different. Under the asset allocation section, International (or foreign) assets may be reported differently, depending on how an investment options reports its holdings. Some do not report International (or foreign) holdings here, but instead report them in a "Regional Diversification" section. Some report them in this section as an to the equity, bond and other allocation shown. Others report International (or foreign) holdings as a subset of the equity and bond allocations shown. If the allocation without the foreign component (or round to) 100%, then International (or foreign) is a subset of the equity and bond percentage shown.

8. Please note Regional Diversification information is based on the equity components only.

9. The analysis on these pages may be based, in part, on adjusted historical returns for periods prior to the class's actual inception of 7/6/2009. These calculated returns reflect the historical performance of the oldest share class of the fund, with an inception date of 2/25/2005, adjusted to reflect the fees and expenses of this share class (when this share class's fees and expenses are higher.) Please refer to a fund's prospectus for information regarding fees and expenses. These adjusted historical returns are not actual returns. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the fund itself.

10. A standard yield calculation developed by the Securities and Exchange Commission for bond funds. The yield is calculated by dividing the net investment income per share earned during the 30-day period by the maximum offering price per share on the last day of the period. The yield figure reflects the dividends and interest earned during the 30-day period, after the deduction of the fund's expenses. It is sometimes referred to as "SEC 30-Day Yield" or "standardized yield".

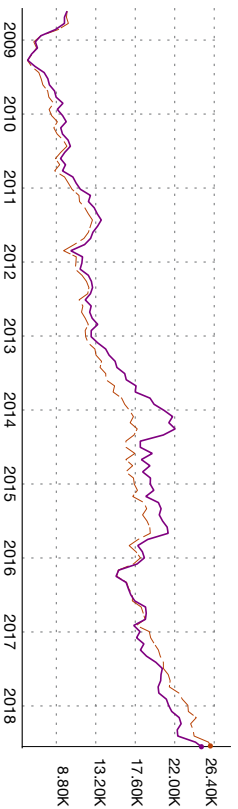


Fidelity Investments Institutional Services Company, Inc., 500 Salem Street, Smithfield, RI 02917.  
Fidelity Brokerage Services LLC, Member NYSE, SIPC, 900 Salem Street, Smithfield, RI 02917.  
728465.3.0

# Morgan Stanley Institutional Fund, Inc. Small Company Growth Portfolio Class IS (MFLIX)

Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ Morgan Stanley Institutional Fund, Inc. Small Company Growth Portfolio Class IS \$25.205 ■ Small Growth \$26.101



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

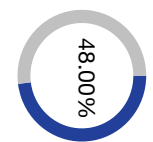
Monthly (AS OF 6/30/2018)	Average Annual Total Returns					
	YTD (Monthly)	1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Morgan Stanley Institutional Fund, Inc. Small Company Growth Portfolio Class IS	16.33%	23.12%	6.01%	8.72%	9.69%	10.95%
Russell 2000 Growth	9.70%	21.86%	10.60%	13.65%	11.24%	8.39%
Small Growth	11.05%	22.70%	11.04%	12.76%	10.85%	--
Rank in Morningstar Category		45%	95%	96%	73%	--
# of Funds in Morningstar Category		701	606	534	404	--
Quarter-End (AS OF 6/30/2018)						
Morgan Stanley Institutional Fund, Inc. Small Company Growth Portfolio Class IS		23.12%	6.01%	8.72%	9.69%	10.95%

## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)	2014	2015	2016	2017	2018
Morgan Stanley Institutional Fund, Inc. Small Company Growth Portfolio Class IS	-9.63%	-9.52%	-0.28%	22.08%	16.33%
Russell 2000 Growth	5.60%	-1.38%	11.32%	22.17%	9.70%
Small Growth	2.44%	-2.41%	11.20%	21.50%	11.05%

## Top 10 Holdings<sup>7</sup>

(AS OF 3/31/2018)



- Coupa Software Inc
- HealthEquity Inc
- Shake Shack Inc
- athenahealth Inc
- Oktta Inc A
- Cotiviti Holdings Inc
- Ellie Mae Inc
- Shutterstock Inc
- Overstock.com Inc
- WageWorks Inc

% of Total Portfolio: 48.00%  
49 holdings as of 3/31/2018

## Fund Overview

### Objective

The investment seeks long-term capital appreciation by investing primarily in growth-oriented equity securities of small capitalization companies.

### Strategy

The fund invests primarily in established and emerging companies with capitalizations within the range of companies included in the Russell 2000® Growth Index. It normally invests at least 80% of its assets in equity securities of small capitalization companies. The fund may invest up to 25% of its total assets in foreign securities.

## Morningstar® Snapshot<sup>3</sup>

(AS OF 6/30/2018)

Morningstar Category: Small Growth

Risk of this Category: LOWER HIGHER

Overall Rating: ★★★★★

Returns: LOW AVG HIGH

Expenses: LOW AVG HIGH

<sup>3</sup>Data provided by Morningstar

## Equity StyleMap<sup>®6</sup>

(AS OF 3/31/2018)



## Details

Fund Inception	11/1/1989
NAV on 6/30/2018	\$12.75
Exp Ratio (Gross) 4/30/2018	1.09% (\$10.90 per \$1000)
Exp Ratio (Net) 4/30/2018	0.93% (\$9.30 per \$1000)
Management Fee	0.92%
Contractual Exp Waiver (Dated) 4/30/2018	0.16%
Redemption Fee	2.00%
Redemption Period	30 days
Turnover Rate 12/31/2017	97%
Portfolio Net Assets (\$M) 6/30/2018	\$289.25
Share Class Net Assets (\$M) 6/30/2018	\$118.15

## Fund Overview (continued)

### Risk

The securities of smaller, less well-known companies can be more volatile than those of larger companies. Growth stocks can perform differently from the market as a whole and can be more volatile than other types of stocks. Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, economic or other developments. These risks may be magnified in foreign markets. Additional risk information for this product may be found in the prospectus or other product materials, if available.

### Additional Disclosures

This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund.

The Russell 2000 Growth Index is an unmanaged market capitalization-weighted index of growth-oriented stocks of U.S. domiciled companies that are included in the Russell 2000 Index. Growth-oriented stocks tend to have higher price-to-book ratios and higher forecasted growth values.

The analysis on these pages may be based, in part, on adjusted historical returns for periods prior to the class's actual inception of 09/13/2013. These calculated returns reflect the historical performance of the oldest share class of the fund, with an inception date of 11/01/1989, adjusted to reflect the fees and expenses of this share class (when this share class's fees and expenses are higher). Please refer to a fund's prospectus for information regarding fees and expenses. These adjusted historical returns are not actual returns. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the fund itself.

## Fund Manager(s)

Lead Manager: David S. Cohen (since 1/31/2002)

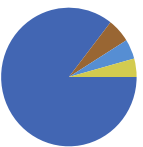
Manager: Team

## Volatility Measures

Beta	0.87
6/30/2018	
R <sup>2</sup>	0.67
6/30/2018	
Sharpe Ratio	0.35
6/30/2018	
Standard Deviation	15.49
6/30/2018	

## Asset Allocation<sup>7</sup>

(AS OF 3/31/2018)



Domestic Stock	85.53%
Preferred Stock	5.59%
Foreign Stock	4.59%
Cash	4.29%
Convertibles	0.00%
Domestic Bond	0.00%
Foreign Bond	0.00%
Others	0.00%

## Regional Diversification<sup>7,8</sup>

(AS OF 3/31/2018)

United States	94.91%
Asia - Emerging	1.83%
Australasia	1.54%
Eurozone	0.99%
Latin America	0.73%
Africa	0.00%
Asia - Developed	0.00%
Canada	0.00%
Europe - Emerging	0.00%
Europe - ex Euro	0.00%

## Major Market Sectors<sup>7</sup>

(AS OF 3/31/2018)

Portfolio Weight	Small Growth
Technology	53.27%
Consumer Cyclical	25.42%
Basic Materials	8.49%
Healthcare	5.28%
Industrials	3.88%
Financial Services	3.66%
Communication Services	0.00%
Consumer Defensive	0.00%
Energy	0.00%
Real Estate	0.00%

## Morningstar Ratings<sup>9</sup>

(AS OF 6/30/2018) Morningstar Category: SMALL GROWTH

Overall	★★★★★	out of 606 funds
3 Yrs	★★★★★	out of 606 funds
5 Yrs	★★★★★	out of 534 funds
10 Yrs	★★★★★	out of 404 funds

The Morningstar Rating™ for funds, or "star rating", is calculated for funds with at least a three-year history. (Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

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Beta: A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

Contractual Expiry Waiver (Date): Represents the contractual amount the fund company waives or assumes in order to keep the fund's actual (real) expenses low. This waiver is subject to an expiration date. Reference the fund's prospectus for more details.

Exp Ratio (Gross): Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

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Net Asset Value (NAV): The dollar value of one mutual fund's share, excluding any sales charges or redemption fees. The NAV is calculated by subtracting liabilities from the value of a fund's total assets and dividing it by the number of fund's shares outstanding.

Portfolio Net Assets (\$M): The difference between a portfolio's total assets and liabilities, including all share classes of the fund.

R<sup>2</sup>: A measurement of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark index or equivalent. R<sup>2</sup> is a proportion which ranges between 0.00 and 1.00. An R<sup>2</sup> of 1.00 indicates perfect correlation to the benchmark index, that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R<sup>2</sup> of 0.00 indicates no correlation. Therefore, the lower the R<sup>2</sup>, the more the fund's performance is affected by factors other than the market as measured by that benchmark index. An R<sup>2</sup> value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

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Share Class Net Assets (\$M): The difference between the total assets and liabilities of a single share class of a fund.

Sharpe Ratio - Arithmetic: The Sharpe ratio is a measure of historical risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk free" rate used is the 90-day Treasury Bill rate.

Short-Term Redemption Fee: This fee is charged when money is withdrawn from a fund within a specified time period deemed "short-term," by the fund, commonly 30, 180, or 365 days. Please refer to the fund's prospectus for further details.

Standard Deviation: Statistical measure of how much a return varies over an extended period of time. The more variable the returns, the larger the standard deviation. Investors may examine historical standard deviation in conjunction with historical returns to decide whether an investment's volatility would have been acceptable given the returns it would have produced. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility. Standard deviation does not indicate how an investment actually performed, but it does indicate the volatility of its returns over time. Standard deviation is annualized. The returns used for this calculation are not load-adjusted.

Turnover Rate: The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

## Important Information

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

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares; the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units; the issuer of a stock fund is the company which issues the shares; the issuer of options such as separate accounts and strategies is the plan which makes them available; the issuer of a fixed return option is the insurance company or other company which offers the investment; the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date composite performance for the product was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

2. The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends.

3. Risk of this Category: Morningstar calculates these risk levels by looking at the Morningstar Risk of the funds in the Category over the previous 5-year period. Morningstar Risk is the difference between the Morningstar Return, based on fund total returns, and the Morningstar Risk Adjusted Return, based on fund total returns adjusted for performance volatility. The Category Risk Level is based on the equal weighted average Morningstar Risk of the funds in the category. Morningstar's Research Committee evaluates the Category Morningstar Risk and assigns the Category Risk Level after further qualitative judgment.

Overall Rating: The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, which are based on risk-adjusted returns, as of the date stated.

Returns: This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury Bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar Category:

- top 10% - High
- next 22.5% - Above Average
- middle 35% - Average
- next 22.5% - Below Average
- bottom 10% - Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains. If any Cumulative total returns are reported as of the period indicated, Life of Fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's [%] sales charge. If sales charges were included, total returns would have been lower.

Except for Life of Fund returns, the analysis on these pages may be based, in part, on adjusted historical returns for periods prior to the class's actual inception of 9/13/2013. These calculated returns reflect the historical performance of the oldest share class of the fund, with an inception date of 11/17/1989, adjusted to reflect the fees and expenses of this share class (when this share class fees and expenses

are higher.) Please refer to a fund's prospectus for information regarding fees and expenses. These adjusted historical returns are not actual returns. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the fund itself.

5. Percent Rank in Category is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. % Rank in Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures. Past performance is no guarantee of future results.

6. Equity StyleMap<sup>®</sup> depictions of mutual fund characteristics are produced using data and calculations provided by Morningstar, Inc. StyleMaps<sup>SM</sup> estimate characteristics of a fund's equity holdings over two dimensions: market capitalization and valuation. The percentage of fund assets represented by these holdings is indicated beside each StyleMap. Current StyleMap characteristics are calculated each time Morningstar receives updated portfolio holdings from a fund and are denoted with a dot. Historical StyleMap characteristics are calculated for the shorter of either the past 3 years or the life of the fund, and are represented by the shading of the box(es) previously occupied by the dot. StyleMap characteristics represent an approximate profile of the fund's equity holdings (e.g., domestic stocks, foreign stocks, and American Depositary Receipts), are based on historical data, and are not predictive of the fund's future investments. Although the data are gathered from reliable sources, accuracy and completeness cannot be guaranteed.

7. Any holdings, asset allocation, diversification breakdowns or other composition data shown are as of the date indicated and are subject to change at any time. They may not be representative of the fund's current or future investments. Some breakdowns may be intentionally limited to a particular asset class or other subset of the fund's entire portfolio, particularly in multi-asset class funds where the attributes of the equity and fixed income portions are different.

Under the asset allocation section, "International (or foreign) assets" may be reported differently, depending on how an investment options reports its holdings. Some do not report International (or foreign) holdings here, but instead report them in a "Regional Diversification" section. Some report them in this section as an to the equity, bond and other allocation shown. Others report International (or foreign) holdings as a subset of the equity and bond allocations shown. If the allocation without the foreign component (or round to) 100%, then International (or foreign) is a subset of the equity and bond percentage shown.

8. Please note Regional Diversification information is based on the equity components only.

9. The analysis on these pages may be based, in part, on adjusted historical returns for periods prior to the class's actual inception of 9/13/2013. These calculated returns reflect the historical performance of the oldest share class of the fund, with an inception date of 11/1/1989, adjusted to reflect the fees and expenses of this share class (when this share class's fees and expenses are higher.) Please refer to a fund's prospectus for information regarding fees and expenses. These adjusted historical returns are not actual returns. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the fund itself.

10. Expense caps and waivers are limits that the fund company has placed on the level of the expenses borne by the fund until 4/30/2019 and indicates the maximum level of expenses (with certain exceptions) that the fund would be paying until that time. After the expiration date, the expense cap and/or waiver may be terminated or revised, which may lower the fund's yield and return.

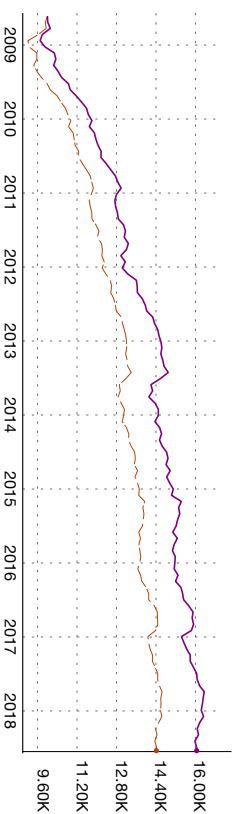


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# PIMCO Total Return Fund Institutional Class (PTTRX)

Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ PIMCO Total Return Fund Institutional Class \$16,052 ■ Intermediate-Term Bond \$14,409



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

	YTD (Monthly)	Average Annual Total Returns				
		1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
PIMCO Total Return Fund Institutional Class	-1.71%	-0.12%	2.10%	2.49%	4.85%	7.14%
BBgBarc U.S. Agg Bond	-1.62%	-0.40%	1.72%	2.27%	3.72%	6.23%
Intermediate-Term Bond	-1.55%	-0.36%	1.68%	2.20%	3.89%	--
Rank in Morningstar Category		31%	27%	33%	12%	--
# of Funds in Morningstar Category		999	878	778	563	--
Quarter-End (AS OF 6/30/2018)						
PIMCO Total Return Fund Institutional Class	-0.12%	2.10%	2.49%	4.85%	7.14%	

## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)

	2014	2015	2016	2017	2018
PIMCO Total Return Fund Institutional Class	4.69%	0.73%	2.60%	5.13%	-1.71%
BBgBarc U.S. Agg Bond	5.97%	0.55%	2.65%	3.54%	-1.62%
Intermediate-Term Bond	5.18%	-0.26%	3.23%	3.71%	-1.55%

## Top 10 Holdings<sup>6</sup>

(AS OF 3/31/2018)

US 5 Year Note (CBT) June18	4%
US 10 Year Note (CBT) June18	4%
Euro OAT June18	3%
Pimco Fds	3%
Federal National Mortgage Association	4%
Euro BUND Future June18	3%
CdX I930 5y Ice	3%
Federal National Mortgage Association	3%
IFS JPY 030000 03/18/16-10Y CME Pay	3%
Federal National Mortgage Association	3.5%

% of Total Portfolio: 100.84%  
8025 Holdings AS OF 3/31/2018

## Morningstar® Snapshot\*<sup>3</sup>

(AS OF 6/30/2018)

Morningstar Category	Intermediate-Term Bond
Risk of this Category	
Overall Rating	★★★★★
Returns	
Expenses	

\*Data provided by Morningstar

## Details

Fund Inception	5/11/1987
NAV on 6/30/2018	\$9.97
Exp Ratio (Gross)	0.51% (\$5.10 per \$1000) 6/29/2018
Exp Ratio (Net)	0.46% (\$4.60 per \$1000) 6/29/2018
Management Fee	0.46%
Turnover Rate	635% 3/31/2018
Portfolio Net Assets (\$M)	\$70,555.04 6/30/2018
Share Class Net Assets (\$M)	\$53,236.37 6/30/2018

## Fund Manager(s)

Manager: Team

## Portfolio Data

30-Day Yield <sup>7</sup>	2.52%
6/30/2018	
Weighted Avg Maturity	5.76 Years
3/31/2018	

Duration	3.99 Years
3/31/2018	

## Fund Overview

### Objective

The investment seeks maximum total return, consistent with preservation of capital and prudent investment management.

### Strategy

The fund invests at least 65% of its total assets in a diversified portfolio of Fixed Income Instruments of varying maturities, which may be represented by forwards or derivatives such as options, futures contracts, or swap agreements. It invests primarily in investment-grade debt securities, but may invest up to 20% of its total assets in high yield securities. It may invest up to 30% of its total assets in securities denominated in foreign currencies, and may invest beyond this limit in U.S. dollar-denominated securities of foreign issuers.



Fund Overview *(continued)*

## Risk

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 bonds also carry inflation 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. Additional risk information for this product may be found in the prospectus or other product materials, if available.

## Additional Disclosures

This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund.

Asset Allocation<sup>6</sup>

(AS OF 3/31/2018)

Domestic Bond	94.12%
Foreign Bond	38.08%
Others	9.08%
Preferred Stock	0.17%
Convertibles	0.15%
Cash	-41.59%
Domestic Stock	0.00%
Foreign Stock	0.00%

Portfolio Diversification<sup>6</sup>

(AS OF 3/31/2018)

Portfolio Weight	Intermediate-Term Bond
Government Related	22.74%
Cash & Equivalents	20.24%
Agency Mortgage-Backed	16.85%
Future/Forward	13.38%
Corporate Bond	6.86%
Government	6.44%
Asset-Backed	5.65%
Swap	4.55%
Covered Bond	1.22%
Non-Agency Residential Mortgage-Backed	1.17%

## Glossary Of Terms

**30-Day Yield:** A standard yield calculation developed by the Securities and Exchange Commission for bond funds. The yield is calculated by dividing the net investment income per share earned during the 30-day period by the maximum offering price per share on the last day of the period. The yield figure reflects the dividends and interest earned during the 30-day period, after the deduction of the fund's expenses and includes any applicable waiver or reimbursement. Absent such waivers or reimbursements, the returns would have been lower. It is sometimes referred to as "SEC 30-Day Yield" or "standardized yield."

**Bloomberg U.S. Agg Bond:** The Bloomberg Barclays U.S. Aggregate Bond Index is an unmanaged market value-weighted index for U.S. dollar denominated investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year.

**Beta:** A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

**Duration:** Duration is a measure of a security's price sensitivity to changes in interest rates. Duration differs from maturity in that it considers a security's interest payments in addition to the amount of time until the security reaches maturity, and also takes into account certain maturity shortening features (e.g., demand features, interest rate resets, and call options) when applicable. Securities with longer durations generally tend to be more sensitive to interest rate changes than securities with shorter durations. A fund with a longer average duration generally can be expected to be more sensitive to interest

## Volatility Measures

Beta	0.91
6/30/2018	
R <sup>2</sup>	0.71
6/30/2018	
Sharpe Ratio	0.51
6/30/2018	
Standard Deviation	2.84
6/30/2018	

## Morningstar Ratings

(AS OF 6/30/2018) Morningstar Category: INTERMEDIATE-TERM BOND

Overall	★★★★★	out of 878 funds
3 Yrs	★★★★★	out of 878 funds
5 Yrs	★★★★★	out of 778 funds
10 Yrs	★★★★★	out of 563 funds

The Morningstar Rating™ for funds, or "star rating", is calculated for funds with at least a three-year history. Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.

rate changes than a fund with a shorter average duration.

**Exp Ratio (Gross):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**Exp Ratio (Net):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the net expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus, after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses. This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**Net Asset Value (NAV):** The dollar value of one mutual fund's share, excluding any sales charges or redemption fees. The NAV is calculated by subtracting liabilities from the value of a fund's total assets and dividing it by the number of fund's shares outstanding.

**Portfolio Net Assets (\$M):** The difference between a portfolio's total assets and liabilities, including all share classes of the fund.

**R<sup>2</sup>:** A measurement of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark index or equivalent. R<sup>2</sup> is a proportion which ranges between 0.00 and 1.00. An R<sup>2</sup> of 1.00 indicates perfect correlation to the benchmark index. That is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R<sup>2</sup> of 0.00 indicates no correlation. Therefore, the lower the R<sup>2</sup>, the more the fund's performance is affected by factors other than the market as measured by that benchmark index. An R<sup>2</sup> value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

**Share Class Net Assets (\$M):** The difference between the total assets and liabilities of a single share class of a fund.

**Sharpe Ratio - Arithmetic:** The Sharpe ratio is a measure of historical risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk free" rate used is the 90-day Treasury Bill rate.

**Standard Deviation:** Statistical measure of how much a return varies over an extended period of time. The more variable the returns, the larger the standard deviation. Investors may examine historical standard deviation in conjunction with historical returns to decide whether an investment's volatility would have been acceptable given the returns it would have produced. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility. Standard deviation does not indicate how an investment actually performed, but it does indicate the volatility of its returns over time. Standard deviation is annualized. The returns used for this calculation are not load-adjusted.

**Turnover Rate:** The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

**Weighted Average Maturity (WAM):** This is a weighted average of all the maturities of the securities held in a fund. WAM can be used as a measure of sensitivity to interest rate changes and markets changes. Generally, the longer the maturity, the greater the sensitivity to such changes. WAM is based on the dollar-weighted average length of time until principal payments must be paid. Depending on the types of securities held in a fund, certain maturity shortening devices (e.g., demand features, interest rate resets, and call options) may be taken into account when calculating the WAM.

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- top 10% - High
- next 22.5% - Above Average
- middle 35% - Average
- next 22.5% - Below Average
- bottom 10% - Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

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7. A standard yield calculation developed by the Securities and Exchange Commission for bond funds. The yield is calculated by dividing the net investment income per share earned during the 30-day period by the maximum offering price per share on the last day of the period. The yield figure reflects the dividends and interest earned during the 30-day period, after the deduction of the fund's expenses. It is sometimes referred to as "SEC 30-Day Yield" or "standardized Yield".

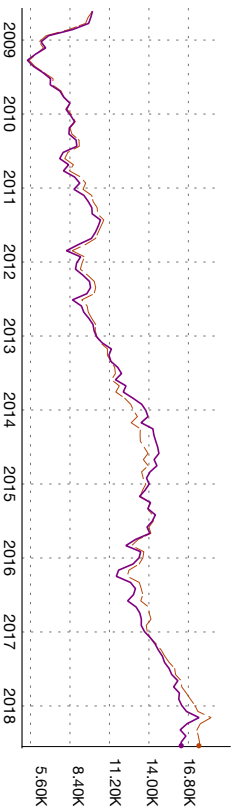


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728465.3.0

# Templeton Growth Fund Class R6 (FTGFX)

Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ Templeton Growth Fund Class R6 \$16,299 ■ World Large Stock \$17,512



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

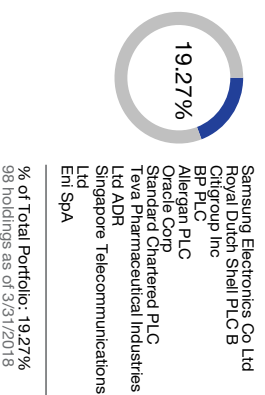
## Performance<sup>2,4,5</sup>

	Average Annual Total Returns					
	YTD (Monthly)	1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Templeton Growth Fund Class R6	-2.20%	4.33%	5.54%	6.99%	5.01%	11.98%
MSCI AC World (N)	-0.43%	10.73%	8.19%	9.41%	5.80%	--
World Large Stock	0.18%	10.28%	7.91%	9.21%	6.18%	--
Rank in Morningstar Category	88%	81%	80%	76%	--	--
# of Funds in Morningstar Category	872	721	596	343	--	--
Quarter-End (AS OF 6/30/2018)	4.33%	5.54%	6.99%	5.01%	11.98%	
Templeton Growth Fund Class R6						

## Calendar Year Returns<sup>2,4</sup>

	2014	2015	2016	2017	2018
Templeton Growth Fund Class R6	-1.55%	-6.17%	9.51%	18.20%	-2.20%
MSCI AC World (N)	4.16%	-2.36%	7.86%	23.97%	-0.43%
World Large Stock	2.79%	-1.69%	5.54%	23.61%	0.18%

## Top 10 Holdings<sup>7</sup>



## Morningstar® Snapshot<sup>\*\*3</sup>

(AS OF 6/30/2018)

Morningstar Category	World Large Stock
Risk of this Category	
Overall Rating	★★★★★
Returns	
Expenses	

\*Data provided by Morningstar

## Equity StyleMap<sup>®\*\*6</sup>

(AS OF 3/31/2018)



## Details

Fund Inception	11/29/1954
NAV on 6/30/2018	\$26.62
Exp Ratio (Gross) 1/1/2018	0.72% (\$7.20 per \$1000)
Exp Ratio (Net) 1/1/2018	0.72% (\$7.20 per \$1000)
Management Fee	0.66%
Turnover Rate 8/31/2017	29.17%
Portfolio Net Assets (\$M) 6/30/2018	\$13,249.69
Share Class Net Assets (\$M) 6/30/2018	\$1,767.13

## Fund Manager(s)

Lead Manager: Norman J. Boersma (since 3/1/2011)

Manager: Team

## Volatility Measures

Beta 6/30/2018 1.13

## Fund Overview

### Objective

The investment seeks long-term capital growth.

### Strategy

The fund invests predominantly in the equity securities of companies located anywhere in the world, including developing markets. The equity securities in which the fund primarily invests are common stock. The fund may invest in companies of any size, including small and medium capitalization companies. Although the fund seeks investments across a number of regions, countries and sectors, from time to time, based on economic conditions, the fund may have significant positions in particular regions, countries or sectors.

### Risk

Foreign securities are subject to interest-rate, currency-exchange-rate, economic, and political risks, all of which may be magnified in emerging markets. Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, economic or other developments. Additional risk information for this

## Fund Overview (continued)

**Risk**  
product may be found in the prospectus or other product materials, if available.

**Additional Disclosures**  
This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund.

The analysis on these pages may be based, in part, on adjusted historical returns for periods prior to the class's actual inception of 05/01/2013. These calculated returns reflect the historical performance of the oldest share class of the fund, with an inception date of 11/29/1954, adjusted to reflect the fees and expenses of this share class (when this share class's fees and expenses are higher). Please refer to a fund's prospectus for information regarding fees and expenses. These adjusted historical returns are not actual returns. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the fund itself.

## Volatility Measures (continued)

R <sup>2</sup> 6/30/2018	0.90
Sharpe Ratio 6/30/2018	0.39
Standard Deviation 6/30/2018	12.65

## Morningstar Ratings<sup>9</sup>

(AS OF 6/30/2018) Morningstar Category: WORLD LARGE STOCK

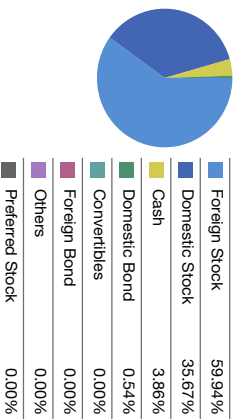
Overall	★★★★★	out of 721 funds
3 Yrs	★★★★★	out of 721 funds
5 Yrs	★★★★★	out of 596 funds
10 Yrs	★★★★★	out of 343 funds

The Morningstar Rating™ for funds, or "star rating," is calculated for funds with at least a three-year history. (Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.

## Asset Allocation<sup>7</sup>

(AS OF 3/31/2018)



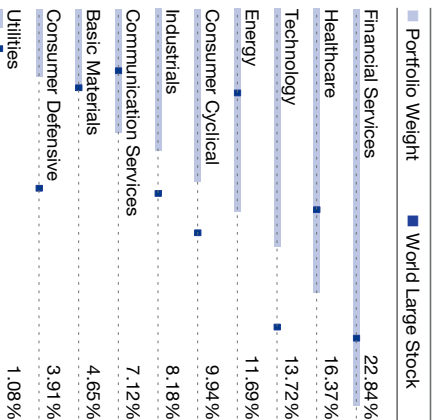
## Regional Diversification<sup>7,8</sup>

(AS OF 3/31/2018)

United States	37.31%
Eurozone	18.41%
United Kingdom	13.40%
Asia - Developed	7.58%
Asia - Emerging	6.75%
Japan	6.07%
Europe - ex Euro	5.40%
Canada	2.71%
Middle East	1.87%
Europe - Emerging	0.51%

## Major Market Sectors<sup>7</sup>

(AS OF 3/31/2018)



## Glossary Of Terms

**Beta:** A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

**Exp Ratio (Gross):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

**Exp Ratio (Net):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the net expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus, after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses. This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for



mutual funds.

MSCI AC World (N): The MSCI ACWI Index (Net) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 45 country indices comprising 24 developed and 21 emerging market country indices. It is not possible to invest directly in the index. Performance data shown for the index is net of dividend tax withholding.

Net Asset Value (NAV): The dollar value of one mutual fund's share, excluding any sales charges or redemption fees. The NAV is calculated by subtracting liabilities from the value of a fund's total assets and dividing it by the number of fund's shares outstanding.

Portfolio Net Assets (\$M): The difference between a portfolio's total assets and liabilities, including all share classes of the fund.

R<sup>2</sup>: A measure of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark index or equivalent. R<sup>2</sup> is a proportion which ranges between 0.00 and 1.00. An R<sup>2</sup> of 1.00 indicates perfect correlation to the benchmark index; that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R<sup>2</sup> of 0.00 indicates no correlation. Therefore, the lower the R<sup>2</sup>, the more the fund's performance is affected by factors other than the market as measured by that benchmark index. An R<sup>2</sup> value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

Share Class Net Assets (\$M): The difference between the total assets and liabilities of a single share class of a fund.

Sharpe Ratio - Arithmetic: The Sharpe ratio is a measure of historical risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk free" rate used is the 90-day Treasury Bill rate.

Standard Deviation: Statistical measure of how much a return varies over an extended period of time. The more variable the returns, the larger the standard deviation. Investors may examine historical standard deviation in conjunction with historical returns to decide whether an investment's volatility would have been acceptable given the returns it would have produced. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility. Standard deviation does not indicate how an investment actually performed, but it does indicate the volatility of its returns over time. Standard deviation is annualized. The returns used for this calculation are not load-adjusted.

Turnover Rate: The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

## Important Information

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

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares; the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units; the issuer of a stock fund is the company which issues the shares; the issuer of options such as separate accounts and strategies is the plan which makes them available; the issuer of a fixed return option is the insurance company or other company which offers the investment; the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date composite performance for the product was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

2. The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends.

3. Risk of this Category: Morningstar calculates these risk levels by looking at the Morningstar Risk of the funds in the Category over the previous 5-year period. Morningstar Risk is the difference between the Morningstar Return, based on fund total returns, and the Morningstar Risk Adjusted Return, based on fund total returns adjusted for performance volatility. The Category Risk Level is based on the equal weighted average Morningstar Risk of the funds in the category. Morningstar's Research Committee evaluates the Category Morningstar Risk and assigns the Category Risk Level after further qualitative judgment.

Overall Rating: The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Returns metrics, which are based on risk-adjusted returns, as of the date stated.

Returns: This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar Category:

- top 10% - High
- next 22.5% - Above Average
- middle 35% - Average
- next 22.5% - Below Average
- bottom 10% - Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains. If any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's 1% sales charge. If sales charges were included, total returns would have been lower.

Except for Life of Fund returns, the analysis on these pages may be based, in part, on adjusted historical returns for periods prior to the class's actual inception of 5/11/2013. These calculated returns reflect the historical performance of the oldest share class of the fund, with an inception date of 11/29/1954, adjusted to reflect the fees and expenses of this share class (when this share class was first offered and expenses are higher.) Please refer to a fund's prospectus for information regarding fees and expenses. These adjusted historical returns are not actual returns. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the fund itself.

5. Percent Rank in Category: Is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. % Rank in Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures. Past performance is no guarantee of future results.

6. Equity StyleMap™ depictions of mutual fund characteristics are produced using data and calculations provided by Morningstar, Inc. StyleMaps™ estimate characteristics of a fund's equity holdings over two dimensions: market capitalization and valuation. The percentage of fund assets represented by these holdings is indicated beside each StyleMap. Current StyleMap characteristics are calculated each time Morningstar receives updated portfolio holdings from a fund and are denoted with a dot. Historical StyleMap characteristics are calculated for the shorter of either the past 3 years or the life of the fund, and are represented by the shading of the box(es) previously occupied by the dot. StyleMap characteristics represent an approximate profile of the fund's equity holdings (e.g., domestic stocks, foreign stocks, and American Depositary Receipts), are based on historical data, and are not predictive of the fund's future investments. Although the data are gathered from reliable sources, accuracy and



completeness cannot be guaranteed.

7. Any holdings, asset allocation, diversification breakdowns or other composition data shown are as of the date indicated and are subject to change at any time. They may not be representative of the fund's current or future investments. Some breakdowns may be intentionally limited to a particular asset class or other subset of the fund's entire portfolio, particularly in multi-asset class funds where the attributes of the equity and fixed income portions are different. Under the asset allocation section, "International (or foreign) assets may be reported differently depending on how an investment options reports its holdings. Some do not report international (or foreign) holdings here, but instead report them in a "Regional Diversification" section. Some report them in this section as an to the equity, bond and other allocation shown. Others report international (or foreign) holdings as a subset of the equity and bond allocations shown. If the allocation without the foreign component (or round to) 100%, then international (or foreign) is a subset of the equity and bond percentage shown.
8. Please note Regional Diversification information is based on the equity components only.
9. The analysis on these pages may be based, in part, on adjusted historical returns for periods prior to the class's actual inception of 5/1/2013. These calculated returns reflect the historical performance of the oldest share class of the fund, with an inception date of 11/29/1984, adjusted to reflect the fees and expenses of this share class (when this share class's fees and expenses are higher). Please refer to a fund's prospectus for information regarding fees and expenses. These adjusted historical returns are not actual returns. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the fund itself.

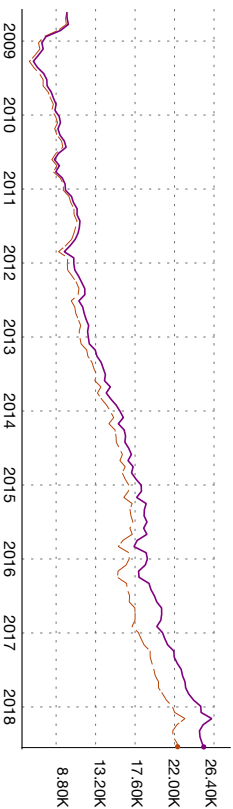


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# T. Rowe Price Dividend Growth Fund (PRDGX)

Hypothetical Growth of \$10,000<sup>1,2</sup> (6/30/2008-6/30/2018)

■ T. Rowe Price Dividend Growth Fund \$25,366 ■ Large Blend \$22,379



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

## Performance<sup>2,4,5</sup>

	Average Annual Total Returns					
	YTD (Monthly)	1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
T. Rowe Price Dividend Growth Fund	1.63%	10.82%	10.98%	12.31%	9.76%	9.69%
S&P 500	2.65%	14.37%	11.93%	13.42%	10.17%	9.57%
Large Blend	1.58%	12.58%	9.93%	11.73%	9.08%	--
Rank in Morningstar Category		75%	40%	49%	36%	--
# of Funds in Morningstar Category		1353	1166	1042	776	--
Quarter-End (AS OF 6/30/2018)						
T. Rowe Price Dividend Growth Fund	10.82%	10.98%	12.31%	9.76%	9.69%	

## Calendar Year Returns<sup>2,4</sup>

(AS OF 6/30/2018)

	2014	2015	2016	2017	2018
T. Rowe Price Dividend Growth Fund	12.34%	2.36%	11.62%	19.32%	1.63%
S&P 500	13.69%	1.38%	11.96%	21.83%	2.65%
Large Blend	10.96%	-1.07%	10.37%	20.44%	1.58%

## Top 10 Holdings<sup>7</sup>

(AS OF 3/31/2018)



Microsoft Corp  
JPMorgan Chase & Co  
United Health Group Inc  
Visa Inc Class A  
Berkon, Dickson and Co  
Danaher Corp  
Thermo Fisher Scientific Inc  
Apple Inc  
Pfizer Inc  
Wells Fargo & Co

% of Total Portfolio: 23.24%  
109 holdings as of 3/31/2018

## Morningstar® Snapshot<sup>3</sup>

(AS OF 6/30/2018)

Morningstar Category	Large Blend
Risk of this Category	
Overall Rating	★★★★★
Returns	
Expenses	

\*Data provided by Morningstar

## Equity StyleMap®\*\*6

(AS OF 3/31/2018)



## Details

Fund Inception	12/30/1992
NAV on 6/30/2018	\$43.81
Exp Ratio (Gross)	0.64% (\$6.40 per \$1000)
Exp Ratio (Net)	0.64% (\$6.40 per \$1000)
Management Fee	0.49%
Turnover Rate	15.5% 12/31/2017
Portfolio Net Assets (\$M)	\$8,763.85 6/30/2018
Share Class Net Assets (\$M)	\$6,184.96 6/30/2018

## Fund Manager(s)

Lead Manager: Thomas J. Huber (since 3/31/2000)

## Portfolio Data

30-Day Yield <sup>9</sup>	0.00%
6/29/2018	

## Fund Overview

### Objective

The investment seeks dividend income and long-term capital growth primarily through investments in stocks.

### Strategy

The fund normally invests at least 65% of its total assets in stocks, with an emphasis on stocks that have a strong track record of paying dividends or that are expected to increase their dividends over time. T. Rowe Price believes that a track record of dividend increases can be an excellent indicator of financial health and growth prospects, and that over the long term, income can contribute significantly to total return.

### Risk

Value and growth stocks can perform differently from other types of stocks. Growth stocks can be more volatile. Value stocks can continue to be undervalued by the market for long periods of time. Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, economic or other developments. These risks may be magnified in foreign markets. Additional risk information for this product may be found in the prospectus or other product materials, if available.

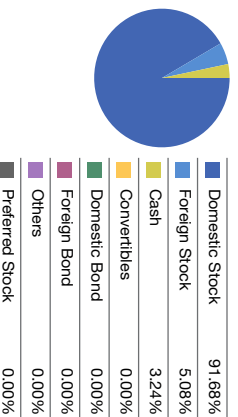
## Fund Overview (continued)

### Additional Disclosures

This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund.

### Asset Allocation<sup>7</sup>

(AS OF 3/31/2018)



### Regional Diversification<sup>7,8</sup>

(AS OF 3/31/2018)

United States	94.75%
Canada	2.47%
Europe - ex Euro	1.97%
United Kingdom	0.51%
Asia - Emerging	0.30%
Africa	0.00%
Asia - Developed	0.00%
Australasia	0.00%
Europe - Emerging	0.00%
Eurozone	0.00%

### Volatility Measures

Beta	0.87
6/30/2018	
R <sup>2</sup>	0.96
6/30/2018	
Sharpe Ratio	1.14
6/30/2018	
Standard Deviation	9.04
6/30/2018	

### Morningstar Ratings

(AS OF 6/30/2018) Morningstar Category: LARGE BLEND

Overall	★★★★★	out of 1,166 funds
3 Yrs	★★★★★	out of 1,166 funds
5 Yrs	★★★★★	out of 1,042 funds
10 Yrs	★★★★★	out of 776 funds

The Morningstar Rating™ for funds, or "star rating", is calculated for funds with at least a three-year history. Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund 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.

Past performance is no guarantee of future results.

### Major Market Sectors<sup>7</sup>

(AS OF 3/31/2018)

Portfolio Weight	Large Blend
Financial Services	20.97%
Healthcare	18.40%
Technology	12.81%
Industrials	12.23%
Consumer Defensive	10.02%
Consumer Cyclical	9.70%
Utilities	5.00%
Energy	3.94%
Basic Materials	2.97%
Communication Services	2.36%

## Glossary Of Terms

**30-Day Yield:** A standard yield calculation developed by the Securities and Exchange Commission for bond funds. The yield is calculated by dividing the net investment income per share earned during the 30-day period by the maximum offering price per share on the last day of the period. The yield figure reflects the dividends and interest earned during the 30-day period, after the deduction of the fund's expenses and includes any applicable waiver or reimbursement. Absent such waivers or reimbursements, the returns would have been lower. It is sometimes referred to as "SEC 30-Day Yield" or "standardized yield."

**Beta:** A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R<sup>2</sup> which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

**Exp Ratio (Gross):** Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

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S&P 500: S&P 500 Index is a market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance.

Share Class Net Assets (\$M): The difference between the total assets and liabilities of a single share class of a fund.

Sharpe Ratio - Arithmetic: The Sharpe ratio is a measure of historical, risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk-free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk-free" rate used is the 90-day Treasury Bill rate.

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Turnover Rate: The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

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Generally, the issuer of a mutual fund is the fund or trust which issues the shares, the issuer of collective investment trusts is the underlying trust or investment vehicle which issues the units, the issuer of a stock fund is the company which issues the shares, the issuer of options such as separate accounts and strategies is the plan which makes them available, the issuer of a fixed return option is the insurance company or other company which offers the investment, the issuer of an annuity contract is the insurance company and/or the insurance company separate account.

1. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date composite performance for the product was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.

2. The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends.

3. Risk of this Category: Morningstar calculates these risk levels by looking at the Morningstar Risk of the funds in the Category over the previous 5-year period. Morningstar Risk is the difference between the Morningstar Return, based on fund total returns, and the Morningstar Risk Adjusted Return, based on fund total returns adjusted for performance volatility. The Category Risk Level is based on the equal weighted average Morningstar Risk of the funds in the category. Morningstar's Research Committee evaluates the Category Morningstar Risk and assigns the Category Risk Level after further qualitative judgment.

Overall Rating: The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, which are based on risk-adjusted returns, as of the date stated.

Returns: This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar Category:

- top 10% - High
- next 22.5% - Above Average
- middle 35% - Average
- next 22.5% - Below Average
- bottom 10% - Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

4. Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's [x%] sales charge. If sales charges were included, total returns would have been lower.

5. Percent Rank in Category is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. % Rank in Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures. Past performance is no guarantee of future results.

6. Equity StyleMap® depictions of mutual fund characteristics are produced using data and calculators provided by Morningstar, Inc. StyleMaps™ estimate characteristics of a fund's equity holdings over two dimensions: market capitalization and valuation. The percentage of fund assets represented by these holdings is indicated beside each StyleMap. Current StyleMap characteristics are calculated each time Morningstar receives updated portfolio holdings from a fund and are denoted with a dot. Historical StyleMap characteristics are calculated for the shorter of either the past 3 years or the life of the fund, and are represented by the shading of the boxes previously occupied by the dot. StyleMap characteristics represent an approximate profile of the fund's equity holdings (e.g., domestic stocks, foreign stocks, and American Depositary Receipts), are based on historical data, and are not predictive of the fund's future investments. Although the data are gathered from reliable sources, accuracy and completeness cannot be guaranteed.

7. Any holdings, asset allocation, diversification breakdowns or other composition data shown are as of the date indicated and are subject to change at any time. They may not be representative of the fund's current or future investments. Some breakdowns may be intentionally limited to a particular asset class or other subset of the fund's entire portfolio, particularly in multi-asset class funds where the attributes of the equity and fixed income portions are different.

Under the asset allocation section, "International (or foreign) assets may be reported differently, depending on how an investment options reports its holdings. Some do not report international (or foreign) holdings here, but instead report them in a "Regional Diversification" section. Some report them in this section as an to the equity, bond and other allocation shown. Others report international (or foreign) holding as a subset of the equity and bond allocations shown. If the allocation without the foreign component (or round to) 100%, then international (or foreign) is a subset of the equity and bond percentage shown.

8. Please note Regional Diversification information is based on the equity components only.

9. A standard yield calculation developed by the Securities and Exchange Commission for bond funds. The yield is calculated by dividing the net investment income per share earned during the 30-day period

By the maximum offering price per share on the last day of the period. The yield figure reflects the dividends and interest earned during the 30-day period, after the deduction of the fund's expenses. It is sometimes referred to as "SEC 30-Day Yield" or "standardized yield".



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## Important Additional Information

This presentation is for the sole use of CITY OF FRESNO and may not be distributed to the public or plan participants.

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***Before investing in any investment option, consider the investment objectives, risks, charges, and expenses. Contact Fidelity for a mutual fund or variable annuity prospectus or, if available, a summary prospectus. For information on fixed annuities, contact Fidelity to request a fact sheet. Read them carefully.***

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# YourPlan review

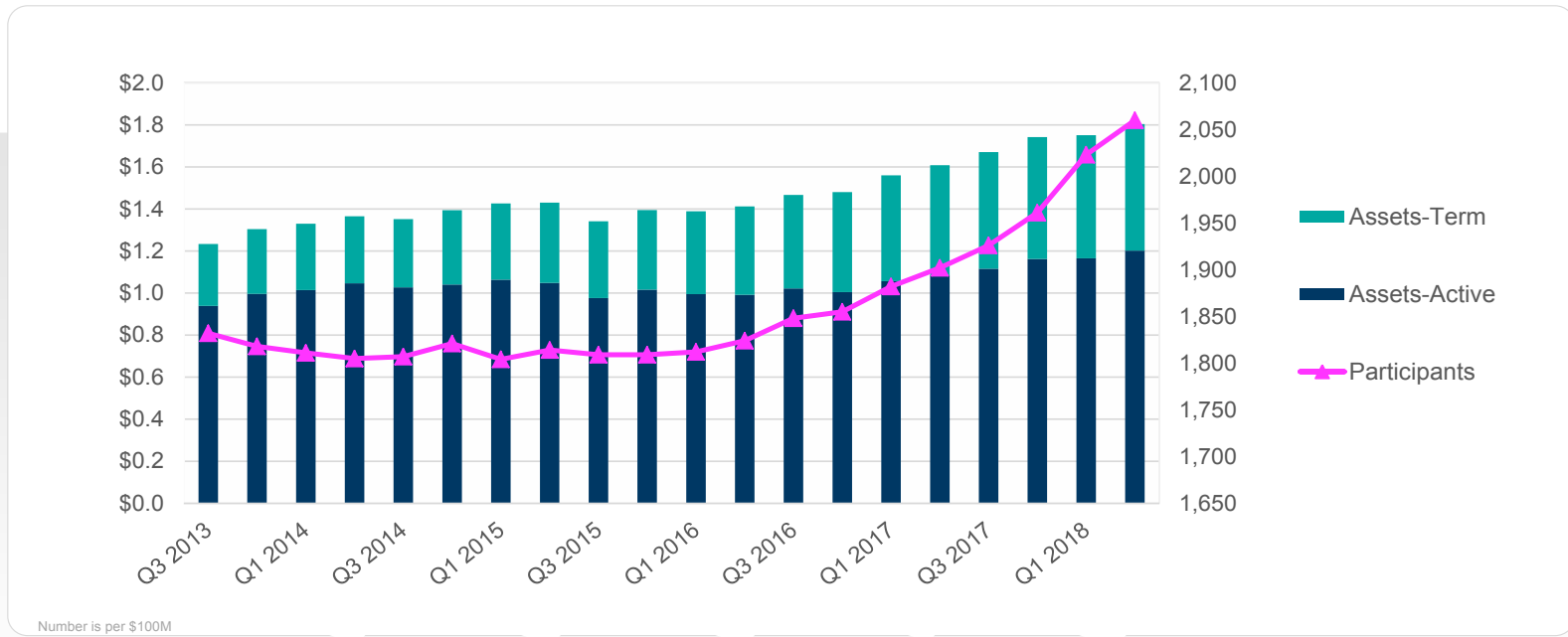
CITY OF FRESNO  
DEFERRED COMPENSATION PLAN  
Presented by:  
Shawn Crosgrove



June 30, 2018

The YourPlan Review includes information pertaining to Defined Contribution plans.  
This document was originally prepared for plan sponsor use only

## Asset and Participant Count Trends



Total Participants	Active Participants	Participants Terminated with Balances	Total Participant Assets
<b>2,060</b>	<b>1,419</b>	<b>641</b>	<b>\$180,353,305</b>

As of 06/30/2018

Total Eligible Participants 3,320, Total Contributing: 1,339 or 40.3% up from 38.5%



## Cash Flow Summary

		06/2018	12/2017	12/2016
Cash Inflow	<b>Plan Beginning Balance</b>	<b>\$174,206,612</b>	<b>\$148,015,268</b>	<b>\$139,505,631</b>
	Contributions <sup>1</sup>	\$4,355,977	\$7,560,412	\$6,816,631
	Employee	\$3,853,577	\$6,988,230	\$6,336,110
	Pre-Tax	\$3,557,755	\$6,660,686	\$6,100,461
	Roth	\$295,822	\$327,544	\$235,649
	Rollover	\$502,400	\$572,182	\$480,521
	Loan Repayments	\$664,533	\$1,297,721	\$1,368,501
	Interest on Loans	\$83,426	\$158,262	\$148,931
	Revenue Credit	\$15,000	\$30,000	\$30,000
	<b>Total Cash Inflow</b>	<b>\$5,118,936</b>	<b>\$9,046,395</b>	<b>\$8,364,063</b>
Cash outflow	Loan Withdrawals	(\$753,705)	(\$1,587,964)	(\$1,458,576)
	Withdrawals	(\$4,214,555)	(\$8,677,017)	(\$7,067,108)
	Transaction-based Fees	(\$9,379)	(\$14,207)	(\$11,053)
	<b>Total Cash Outflow</b>	<b>(\$4,977,639)</b>	<b>(\$10,279,188)</b>	<b>(\$8,536,736)</b>
	<b>Net Cash Flow</b>	<b>\$141,297</b>	<b>(\$1,232,792)</b>	<b>(\$172,674)</b>
<b>Market Action/Other<sup>2</sup></b>	<b>\$6,005,396</b>	<b>\$27,424,136</b>	<b>\$8,682,310</b>	
	<b>Plan Ending Balance</b>	<b>\$180,353,305</b>	<b>\$174,206,612</b>	<b>\$148,015,268</b>

<sup>1</sup>Contributions are comprised of all employee and employer sources, including rollovers into the plan.

<sup>2</sup>Other includes Dividends, Interest, Forfeiture credits

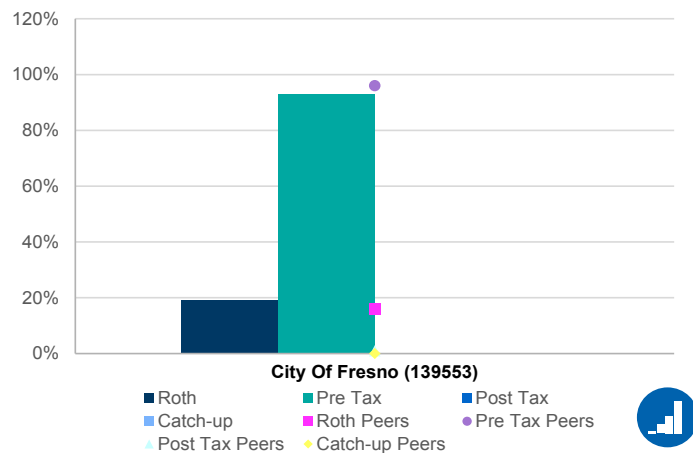
This page is a general summary of Cash Flow. Refer to your trial Balance for detailed analysis of line item cash in and cash out.

## Enrollment Information

Plan 35801	2Q 2018	1Q 2018	4Q 2017	3Q 2017
<b>Total new participants enrolled</b>	45	42	65	33

## Savings: Deferral Type

**DEFERRAL TYPE** – Participants who made contributions by deferral type and those who made catch-up contributions as of 6/30/2018



Roth	Pre Tax	Post Tax	Catch-up
19%	93%	0%	0%

Roth Peers	Pre Tax Peers	Post Tax Peers	Catch-up Peers
16%	96%	1%	0%

### CONTRIBUTOR COUNT

Total Contributors	Roth	Pre Tax	Post Tax	Catch-up
1,482	252	1,230	0	0

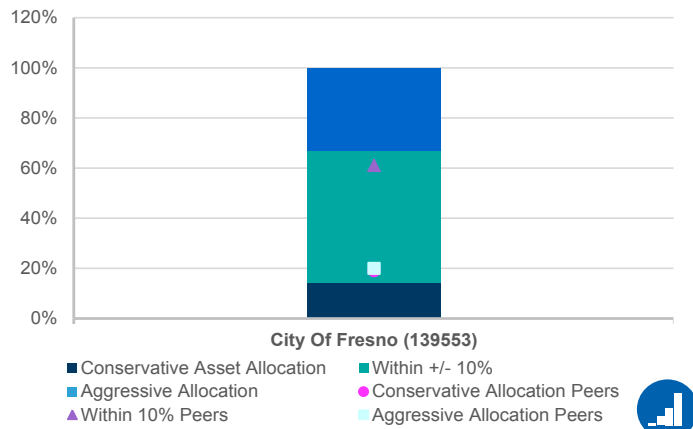
Catch-up represents eligible participants who have met a statutory or plan-imposed limit and are making additional Roth and/or pre-tax elective deferrals pursuant to an age-50 catch-up election.

Data from Fidelity Executive Insights as of 6/30/2018. Peer set is for 9 clients in TEM - Public Sector peer. Active participants only.



# Asset Allocation

**ASSET ALLOCATION** – Participants with an age appropriate equity allocation, or at least 80% invested in a single target date fund, or enrolled in a managed account as of 06/30/2018



Asset Allocation  
**53%**

Peers Top Performers  
**61% 78%**

Age Aggressive  
**33%**

Age Aggressive Peers  
**20%**

Age Appropriate  
**53%**

Age Appropriate Peers  
**61%**

Age Conservative  
**14%**

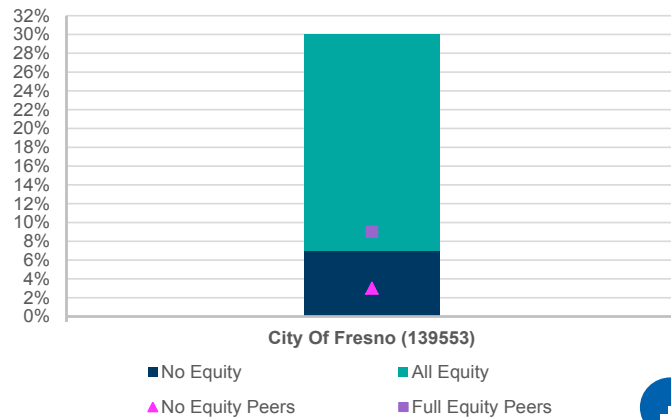
Age Conservative Peers  
**19%**

## ASSET ALLOCATION

Total Active Participants	Age Aggressive	Age Appropriate	Age Conservative
<b>1,419</b>	<b>470</b>	<b>753</b>	<b>196</b>

# Extreme Allocation

**EXTREME ALLOCATION** – Participants who held either 0% or 100% equity allocations as of 06/30/2018



All Equity  
**23%**

All Equity Peers  
9%

No Equity  
**7%**

No Equity Peers  
3%

## EXTREME ALLOCATION

Total Active Participants

**1,419**

All Equity

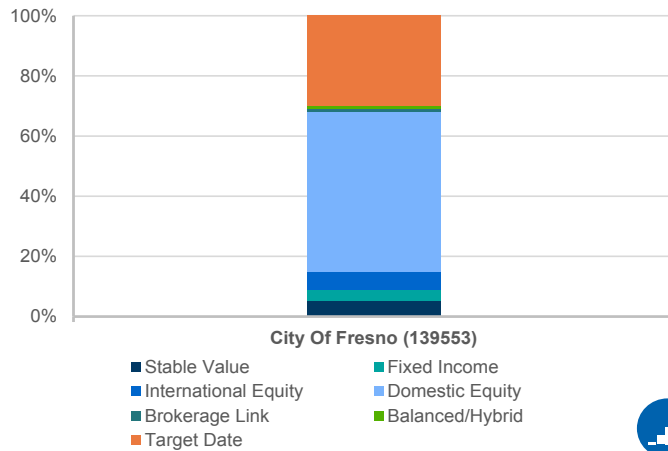
**321**

No Equity

**103**

# Asset Funds by Type

**ASSET FUNDS BY TYPE** – Percentage of assets by fund type as of 06/30/2018



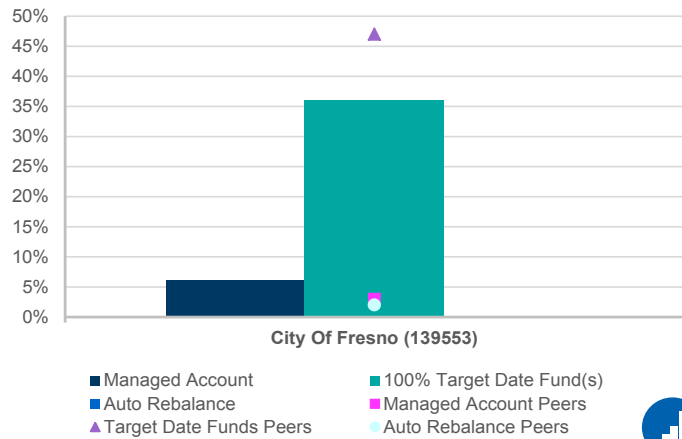
<b>Stable Value</b>	<b>Fixed Income</b>	<b>International Equity</b>
<b>5%</b>	<b>4%</b>	<b>6%</b>
<b>Domestic Equity</b>	<b>Brokerage Link</b>	<b>Balanced/Hybrid</b>
<b>53%</b>	<b>1%</b>	<b>1%</b>
<b>Target Date</b>		
<b>30%</b>		

**ASSET FUNDS BY TYPE (000)** – Total Assets \$120,193

Stable Value	Fixed Income	International Equity	Domestic Equity	Brokerage Link	Balanced/Hybrid	Target Date
\$5,976	\$4,271	\$7,496	\$63,714	\$1,178	\$1,240	\$36,318

# Auto Diversified Solutions

**AUTO DIVERSIFIED SOLUTIONS** – Participants enrolled by program as of 06/30/2018



Managed Account	100% Target Date Fund(s)	Auto Rebalance
<b>6%</b>	<b>36%</b>	<b>0%</b>

Managed Account Peers	Target Date Fund Peers	Auto Rebalance Peers
<b>3%</b>	<b>47%</b>	<b>2%</b>

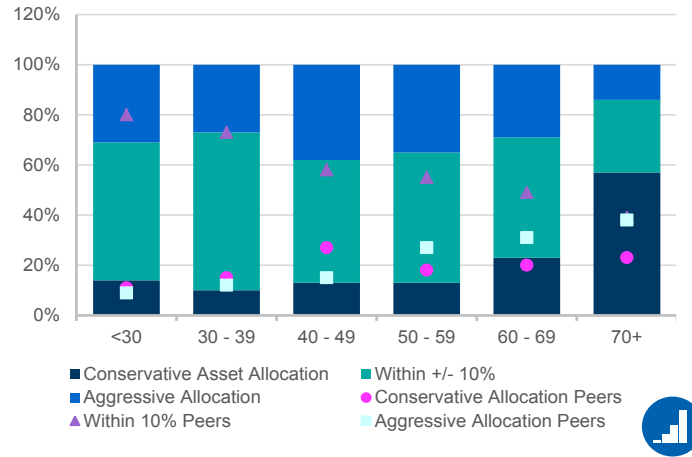
## AUTO DIVERSIFIED SOLUTIONS

Total Active Participants	Managed Account	100% Target Date Fund(s)	Auto Rebalance
<b>1,419</b>	<b>79</b>	<b>513</b>	<b>0</b>

# Asset Allocation

## AGE VIEW

**ASSET ALLOCATION** – Participants with an age appropriate equity allocation, or at least 80% invested in a single target date fund, or enrolled in a managed account as of 06/30/2018



### ASSET ALLOCATION

Age	Age Aggressive	Peers	Age Appropriate	Peers	Age Conservative	Peers
<30	31%	9%	55%	80%	14%	11%
30 - 39	27%	12%	63%	73%	10%	15%
40 - 49	38%	15%	49%	58%	13%	27%
50 - 59	35%	27%	52%	55%	13%	18%
60 - 69	29%	31%	48%	49%	23%	20%
70+	14%	38%	29%	39%	57%	23%

AGE	<30	30 - 39	40 - 49	50 - 59	60 - 69	70+
Age Aggressive	28	83	172	143	43	1
Age Appropriate	50	192	221	217	71	2
Age Conservative	13	30	60	54	35	4

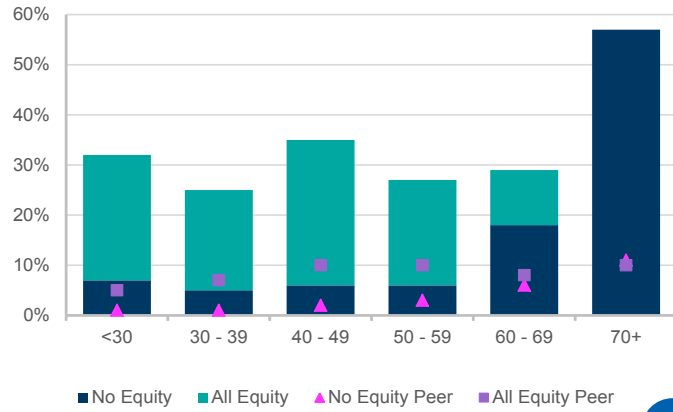
Unknown data is not displayed.

Data from Fidelity Executive Insights as of 06/30/2018. Peer set is for 9 clients in TEM - Public Sector peer. Active participants only.

# Extreme Allocation

## AGE VIEW

**EXTREME ALLOCATION** – Participants who held either 0% or 100% equity allocations as of 06/30/2018



### EXTREME ALLOCATION

Age	All Equity	Peers	No Equity	Peers
<30	25%	5%	7%	1%
30 - 39	20%	7%	5%	1%
40 - 49	29%	10%	6%	2%
50 - 59	21%	10%	6%	3%
60 - 69	11%	8%	18%	6%
70+	0%	10%	57%	11%

AGE	<30	30 - 39	40 - 49	50 - 59	60 - 69	70+
All Equity	23	61	132	88	17	0
No Equity	6	14	29	23	27	4

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Data from Fidelity Executive Insights as of 06/30/2018. Peer set is for 9 clients in TEM - Public Sector peer. Active participants only.

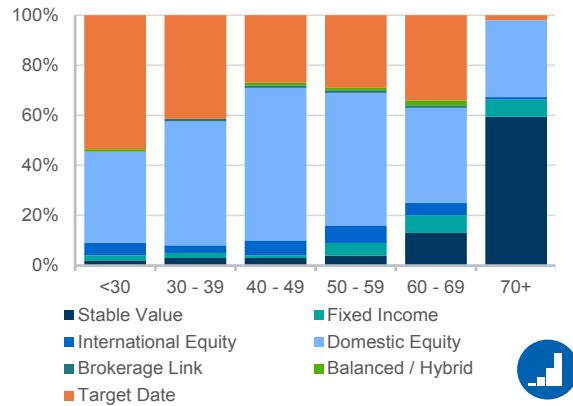




# Asset Funds by Type

## AGE VIEW

**ASSET FUNDS BY TYPE** – Percentage of assets by fund type as of 06/30/2018



**ASSET FUNDS BY TYPE<sup>1</sup>**

Age	Stable Value	Fixed Income	International Equity	Domestic Equity	Brokerage Link	Balanced / Hybrid	Target Date
<30	2%	2%	5%	36%	0%	1%	53%
30 – 39	3%	2%	3%	49%	1%	0%	41%
40 – 49	3%	1%	6%	61%	1%	1%	27%
50 – 59	4%	5%	7%	53%	1%	1%	29%
60 – 69	13%	7%	5%	38%	1%	2%	34%
70+	60%	7%	1%	31%	0%	0%	2%

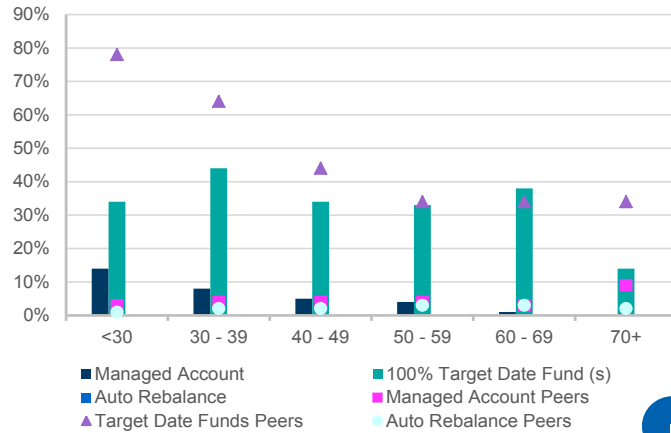
<sup>1</sup>Asset types with <1% not displayed in the table: Short Term, Annuity, Company Stock, Blended, Specialty, Other  
Unknown data is not displayed.

Data from Fidelity Executive Insights as of 06/30/2018. Peer set is for 9 clients in TEM - Public Sector peer. Active participants only.

# Auto Diversified Solutions

## AGE VIEW

**AUTO DIVERSIFIED SOLUTIONS** – Participants enrolled by program as of 06/30/2018



**AUTO DIVERSIFIED SOLUTIONS**

Age	Managed Account	Peers	100% Target Date Fund(s)	Peers	Auto Rebalance	Peers
<30	14%	3%	34%	78%	0%	1%
30 - 39	8%	4%	44%	64%	0%	2%
40 - 49	5%	4%	34%	44%	0%	2%
50 - 59	4%	4%	33%	34%	0%	3%
60 - 69	1%	3%	38%	34%	0%	3%
70+	0%	9%	14%	34%	0%	2%

AGE	<30	30 - 39	40 - 49	50 - 59	60 - 69	70+
Managed Account	13	25	22	17	2	0
100% Target Date Fund(s)	31	135	152	138	56	1
Auto Rebalance	0	0	0	0	0	0

Unknown data is not displayed.

Data from Fidelity Executive Insights as of 06/30/2018. Peer set is for 9 clients in TEM - Public Sector peer. Active participants only.

## Plan Assets by Fund

Fund	Total Assets	% of Plan Assets	Change from Prior Year	Net Contribution	Net Exchanges	# Holding Fund <sup>2</sup>	% Holding Fund <sup>2</sup>
FID GROWTH CO K	\$27,929,659	15.5%	30.4%	\$744,506	\$3,632,982	602	29.2%
FID CONTRAFUND K	\$21,826,787	12.1%	5.7%	\$360,915	-\$900,815	485	23.5%
MELLON STABLE VAL M	\$19,669,120	10.9%	-1.9%	\$340,088	\$66,178	611	29.7%
FID FREEDOM 2020 K	\$11,857,623	6.6%	-6.7%	\$256,798	-\$419,622	192	9.3%
FID FREEDOM 2030 K	\$9,158,748	5.1%	8.0%	\$409,792	\$346,380	176	8.5%
FID FREEDOM 2025 K	\$8,719,216	4.8%	-3.5%	\$234,205	-\$440,005	117	5.7%
ARTISAN MID CAP INST	\$8,121,668	4.5%	0.4%	\$164,874	-\$542,143	292	14.2%
FID LOW PRICED STK K	\$6,400,859	3.5%	-2.5%	\$96,897	-\$254,292	224	10.9%
FID 500 INDEX PR	\$4,541,873	2.5%	8.1%	\$128,544	\$197,834	246	11.9%
PIM TOTAL RT INST	\$4,530,992	2.5%	-6.0%	\$69,098	-\$118,903	235	11.4%
FID FREEDOM 2035 K	\$4,081,865	2.3%	-2.1%	\$234,519	-\$288,794	122	5.9%
FID FREEDOM 2040 K	\$3,854,339	2.1%	-4.5%	\$210,501	-\$367,618	118	5.7%

As of 06/30/2018

## Plan Assets by Fund

Fund	Total Assets	% of Plan Assets	Change from Prior Year	Net Contribution	Net Exchanges	# Holding Fund <sup>2</sup>	% Holding Fund <sup>2</sup>
FID EQUITY INCOME K	\$3,574,252	2.0%	-5.5%	\$43,073	-\$105,084	135	6.6%
FID CAPITAL & INCOME	\$3,529,759	2.0%	8.2%	\$53,071	\$277,001	122	5.9%
J H GLB RESEARCH I	\$3,384,846	1.9%	3.2%	\$9,011	\$63,595	263	12.8%
FKLN MTL GLB DISC Z	\$3,253,427	1.8%	-15.9%	\$126,911	-\$574,860	286	13.9%
FID FREEDOM 2015 K	\$3,228,009	1.8%	-9.1%	\$34,893	-\$233,065	44	2.1%
DAVIS NY VENTURE Y	\$3,078,148	1.7%	1.5%	\$62,935	-\$62,170	214	10.4%
BROKERAGELINK	\$2,968,709	1.6%	-6.7%	\$11,565	-\$226,517	48	2.3%
FID FREEDOM 2010 K	\$2,604,512	1.4%	0.0%	\$15,670	\$761	56	2.7%
FID DIVERSIFD INTL K	\$2,481,618	1.4%	-10.0%	\$74,491	-\$257,682	234	11.4%
ABF SM CAP VAL INST	\$2,463,374	1.4%	2.8%	\$40,000	-\$2,677	95	4.6%
FID PURITAN K	\$2,397,529	1.3%	-4.6%	\$31,754	-\$209,763	98	4.8%
FID VALUE K	\$2,254,789	1.3%	-5.0%	\$35,960	-\$97,298	100	4.9%

As of 06/30/2018

## Plan Assets by Fund

Fund	Total Assets	% of Plan Assets	Change from Prior Year	Net Contribution	Net Exchanges	# Holding Fund <sup>2</sup>	% Holding Fund <sup>2</sup>
FID FREEDOM 2045 K	\$1,949,239	1.1%	3.0%	\$146,298	-\$13,551	89	4.3%
FID MID CAP STOCK K	\$1,640,097	0.9%	-0.1%	\$30,704	-\$19,004	170	8.3%
FID SMALL CAP GROWTH	\$1,264,398	0.7%	303.4%	\$43,018	\$845,863	173	8.4%
TRP DIV GROWTH	\$1,226,351	0.7%	-10.4%	\$24,558	-\$185,436	74	3.6%
FID TOT MKT IDX PR	\$1,214,436	0.7%	-4.6%	\$27,320	-\$131,721	33	1.6%
FID EXT MKT IDX PR	\$1,171,942	0.6%	9.0%	\$36,792	-\$7,524	100	4.9%
FID INTL INDEX PR	\$962,355	0.5%	10.7%	\$49,605	\$94,085	126	6.1%
FID FREEDOM 2050 K	\$907,425	0.5%	8.7%	\$80,614	-\$1,735	57	2.8%
FID FREEDOM INC K	\$893,871	0.5%	-7.8%	\$13,013	-\$33,412	32	1.6%
ABF LG CAP VAL INST	\$871,874	0.5%	28.3%	\$28,531	\$172,825	124	6.0%
FID US BOND IDX PR	\$708,583	0.4%	-17.6%	\$22,598	-\$130,983	128	6.2%
MSIF SM CO GRTH IS	\$647,434	0.4%	0.9%	\$0	-\$71,444	44	2.1%

As of 06/30/2018

## Plan Assets by Fund

Fund	Total Assets	% of Plan Assets	Change from Prior Year	Net Contribution	Net Exchanges	# Holding Fund <sup>2</sup>	% Holding Fund <sup>2</sup>
FID FREEDOM 2005 K	\$458,508	0.3%	3.5%	\$10,445	\$4,000	6	0.3%
TEMPLETON GROWTH R6	\$286,993	0.2%	-4.5%	\$898	-\$5,905	22	1.1%
FID FREEDOM 2055 K	\$155,542	0.1%	23.8%	\$31,482	\$13,682	28	1.4%
FID FREEDOM 2060 K	\$82,535	0.0%	11.1%	\$20,028	-\$13,163	15	0.7%

As of 06/30/2018

## Single-Investment Option Holders

Fund held as a single investment	Asset class	Active/Terminated participants holding this fund as their only investment, by age						
		Total	<30	30-39	40-49	50-59	60-69	70+
MELLON STABLE VAL M	Stable Value	94 / 123	5 / 1	14 / 1	28 / 11	20 / 13	24 / 61	3 / 36
FID GROWTH CO K	Large Cap Growth	72 / 6	13 / 1	19 / 1	31 / 0	9 / 1	0 / 3	0 / 0
FID CONTRAFUND K	Large Cap Growth	17 / 4	2 / 0	4 / 0	4 / 0	5 / 0	2 / 1	0 / 3
FID 500 INDEX PR	Large Cap Blend	11 / 0	0 / 0	3 / 0	2 / 0	5 / 0	1 / 0	0 / 0
ARTISAN MID CAP INST	Mid-Cap Growth	7 / 2	0 / 0	0 / 0	2 / 0	4 / 0	1 / 0	0 / 2
PLUS 21 MORE INVESTMENT OPTIONS	-	16 / 18	2 / 0	2 / 1	2 / 2	8 / 3	1 / 4	1 / 8
TARGET DATE FUNDS	-	485 / 104	31 / 1	127 / 5	139 / 19	132 / 28	55 / 39	1 / 12
BROKERAGELINK	-	4 / 1	0 / 0	0 / 0	3 / 0	1 / 0	0 / 1	0 / 0
OVERALL	-	706 / 258	53 / 3	169 / 8	211 / 32	184 / 45	84 / 109	5 / 61

As of 06/30/2018

For plans that offer Fidelity BrokerageLink, it will appear as a fund (rather than a product offering) for purposes of providing plan data.



## Target Date Fund (TDF) Analysis

Target Date Holders (Active/Terminated)	Number of Active / Terminated participants holding the TDF funds described				
	June 2018	12/2017	12/2016	12/2015	12/2014
Target Date Funds (TDF) balance	\$47,951,432	\$48,934,573	\$41,383,817	\$35,475,058	\$34,439,446
Participants with Single TDF – inside range <sup>1</sup>	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0
Participants with Single TDF – outside range <sup>2</sup>	485 / 104	466 / 104	442 / 89	388 / 76	366 / 77
Participants with allocations to multiple TDFs <sup>3</sup>	28 / 6	30 / 6	27 / 6	21 / 4	16 / 5
Participants with allocation to TDF and non-TDF Funds <sup>4</sup>	224 / 117	228 / 111	217 / 105	222 / 98	242 / 75

<sup>1</sup>Participant holds a balance in one TDF and the birthdate falls within the range on file in Fidelity's recordkeeping system for that fund.

<sup>2</sup>Participant holds a balance in one TDF fund and the birthdate falls outside the range on file in Fidelity's recordkeeping system for that fund.

<sup>3</sup>Participant holds a balance in more than one TDF

<sup>4</sup>Participant holds a balance in a TDF and another fund

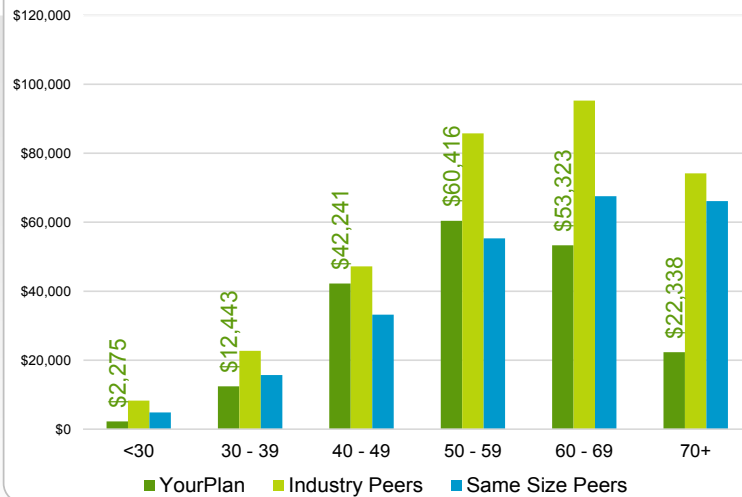
For documents including multiple plans, participants who are Active in at least one plan will be counted with Active participant totals

As of 6/30/2018



## Participant Median Balances

Median Balance Per Participant, as of 06/30/2018



Your Plan's Median Participant Average Annual Returns

Age	1 Year	3 Year	5 Year	
<30	11.10%	8.79%	9.03%	
30 - 39	11.06%	8.79%	10.09%	
40 - 49	11.05%	8.78%	10.04%	
50 - 59	9.52%	7.78%	9.17%	
60 - 69	7.30%	6.52%	7.48%	
70+	5.59%	5.37%	6.28%	
<b>Overall</b>	<b>10.97%</b>	<b>7.92%</b>	<b>9.29%</b>	
Benchmark Annual Returns		1 Year	3 Year	5 Year
S&P® 500 Index		14.37%	11.93%	13.42%
BBgBarc U.S. Agg Bond		-0.40%	1.72%	2.27%
3 Month T-Bill		1.33%	0.64%	0.39%

S&P 500 Index is a market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance.

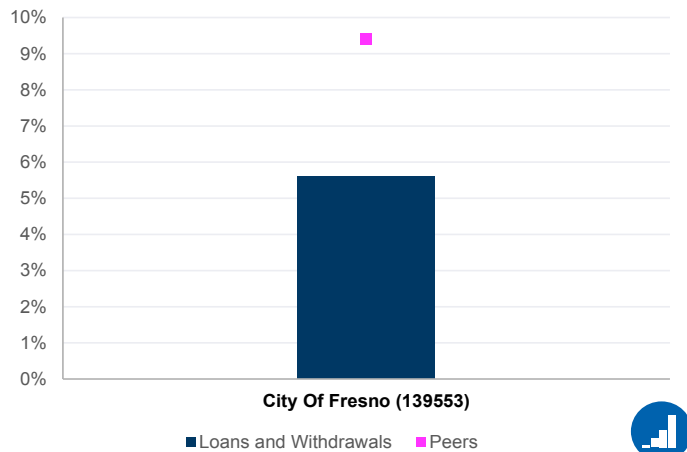
The Bloomberg Barclays U.S. Aggregate Bond Index is an unmanaged market value-weighted index for U.S. dollar denominated investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year.

The 3-Month Treasury Bill Index is an unmanaged weighted average of rates on brokered trades of fixed-rate obligations of the U.S. Treasury with maturities of 3 months. It excludes zero coupon strips.

\*Please see "Fund Holdings Glossary" for information regarding plan peer size and industry comparisons.

## Loans & Withdrawals

**LOANS & WITHDRAWALS** – Participants who took a loan or withdrawal during the 12 months ending 06/30/2018



Loans & Withdrawals

**5.6%**

Peers

9.4%

Top Performers

1.6%

### LOANS & WITHDRAWALS

Total Active Participants

**1,419**

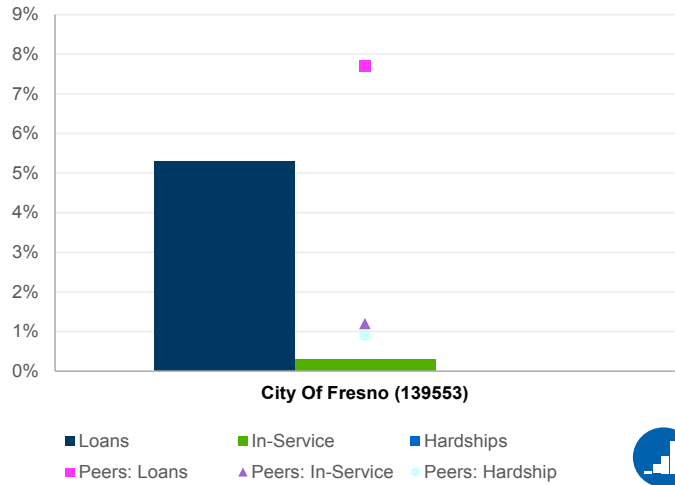
Taking Loan or Withdrawal

**79**

Data from Fidelity Executive Insights as of 06/30/2018. Peer set is for 9 clients in TEM - Public Sector peer. Active participants only.

# Withdrawals by Type

**WITHDRAWALS BY TYPE** – Types of withdrawals taken during the 12 months ending 06/30/2018



Loans	In-Service	Hardships
<b>5.3%</b>	<b>0.3%</b>	<b>0.0%</b>

Loans Peers	In-Service Peers	Hardships Peers
<b>7.7%</b>	<b>1.2%</b>	<b>0.9%</b>

## WITHDRAWALS BY TYPE

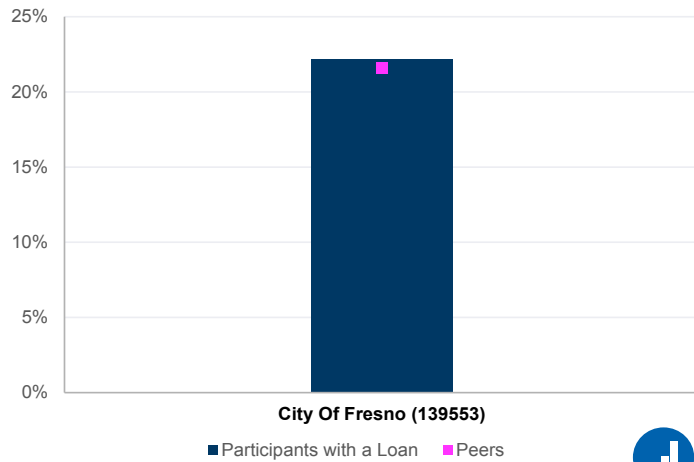
Total Active Participants	Loans	In-Service	Hardships
<b>1,419</b>	<b>75</b>	<b>4</b>	<b>0</b>



Data from Fidelity Executive Insights as of 06/30/2018. Peer set is for 9 clients in TEM - Public Sector peer. Active participants only.

## Participants with a Loan

**PARTICIPANTS WITH A LOAN** – Participants who held a loan as of 06/30/2018



Participants with a Loan  
**22.2%**

Peers  
**21.6%**

### PARTICIPANTS HOLDING A LOAN

Total Active Participants

**1,419**

Loans

**315**

Data from Fidelity Executive Insights as of 06/30/2018. Peer set is for 9 clients in TEM - Public Sector peer. Active participants only.

## City Of Fresno – Workplace Participant Services

Phone Metrics/Year	June 2018	2017	2016	2015	2014
Number of Calls Handled	675	1,429	1,247	1,488	1,253
Average Speed of Answer	36.3	24.4	11.3	56.6	21.4
Abandonment Rate	1.5%	1.4%	0.8%	3.0%	1.2%
Associate Satisfaction	89%	93%	100%	64%	100%
CEI Survey Count	9	14	14	11	14

### Legend

**Number of Calls Handled** – number of calls handled. Includes all plans included in Fidelity client

**Average Speed of Answer** – in seconds

**Abandonment Rate** – % of calls Offered but not Handled (customer prompts for an associate, but hangs up before an associate answers)

**Associate Satisfaction (CEI)** – how satisfied were you with the service you received from the phone representative?

**CEI Survey** – count of optional surveys completed by customers after an interaction with WPS. Scores represent Top 2 Box (Very Satisfied & Satisfied)

Note: Call counts include all plans that are part of your Fidelity relationship

## City Of Fresno – Digital Channel Usage

Overall Visits	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Industry Peers	Same Size Peers
Unique Visitors	1,061	1,368	1,153	1,064	1,074	1,067	890	884	1,048	1,146
Visits per Visitor	9	18	16	15	14	14	13	13	8	5
% Mobile Visits	58%	27%	26%	21%	21%	20%	15%	17%	35%	32%
Mobile Phone Visits	5,714	6,763	4,990	3,279	3,212	3,036	1,781	1,833	2,792	1,978
Tablet Visits	574	1,180	1,023	1,206	1,231	1,083	736	982	465	320
Desktop Visits	3,627	16,677	12,940	11,458	11,067	10,900	9,432	8,232	4,760	3,809
Home Page Visits	4,858	5,122	4,372	3,964	4,777	4,939	3,411	4,003	5,723	4,247
Home Page Exit % <sup>1</sup>	18.1%	20.9%	20.6%	16.8%	16.6%	15.9%	11.8%	12.8%	18.0%	19.6%
Overall Visits	9,915	24,620	18,959	15,986	15,510	15,019	11,949	11,047	8,017	6,107

Industry peer comparison used: TEM - Public Sector

E-mail/Benefit Information	June
E-mail Rate – Total	87.62%
Employer email Rate	0.10%
Employee Provided email	87.62%

<sup>1</sup>Exit rate is the rate of Homepage visits that end on the Home Page

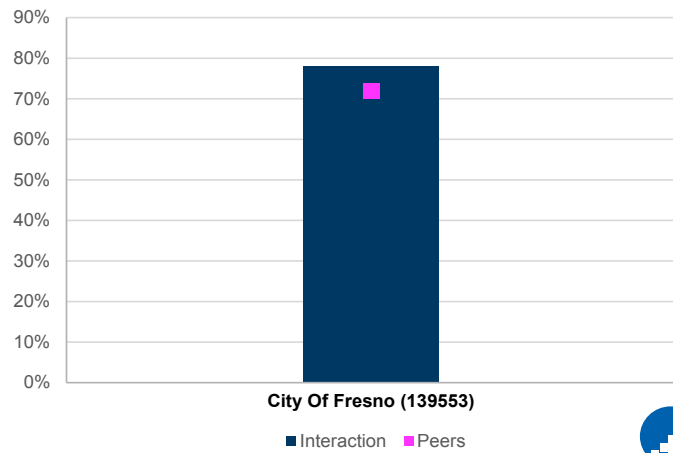
Note: Digital Channel Usage statistics include all plans that are part of your Fidelity relationship





## Participant Interactions

**PARTICIPANT INTERACTIONS** – Participants who contacted Fidelity at least once during the 12 months ending 06/30/2018



Interaction  
**78%**

Peers  
**72%**

Top Performers  
**78%**

### PARTICIPANT INTERACTIONS

Total Active Participants

**1,419**

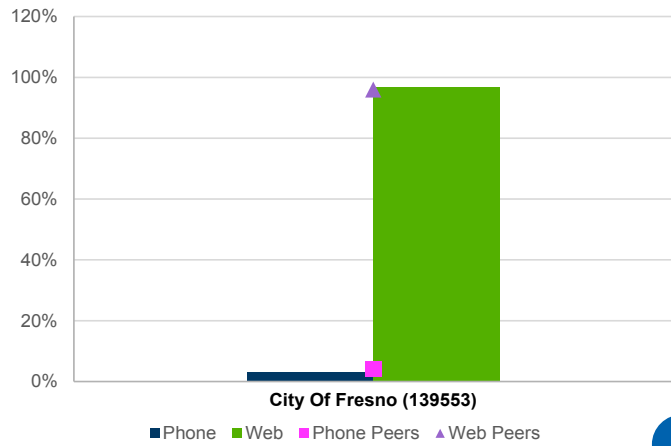
Participants Interacting

**1,100**

Data from Fidelity Executive Insights as of 06/30/2018. Peer set is for 9 clients in TEM - Public Sector peer. Active participants only.

# Interactions by Channel

**INTERACTIONS BY CHANNEL** – Participant interactions by channel during the 12 months ending 06/30/2018



Phone  
**3%**

Web  
**97%**

Phone Peers  
**4%**

Web Peers  
**96%**

## PARTICIPANT INTERACTIONS BY CHANNEL

Total Interactions	Phone	Web
<b>22,140</b>	<b>742</b>	<b>21,398</b>

Data from Fidelity Executive Insights as of 06/30/2018. Peer set is for 9 clients in TEM - Public Sector peer. Active participants only.

## Important Additional Information

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## Important Information about Executive Insights

Catch up represents eligible participants who have met a statutory or plan-imposed limit and are making additional Roth and/or pre-tax elective deferrals pursuant to an age-50 catch-up election.

Employer contributions are based on the last 12 months and include matching contributions and profit sharing contributions made by the employer on behalf of the participant.

Age appropriate equity allocation is defined as the participant's current age and equity holdings in a retirement portfolio compared with an example table containing age-based equity holding percentages based on an equity glide path. The Fidelity Equity Glide Path is an example we use for this measure and is a range of equity allocations that may be generally appropriate for many investors saving for retirement and planning to retire around ages 65 to 67. It is designed to become more conservative as participants approach retirement and beyond. The glide path begins with 90% equity holdings within a retirement portfolio at age 25 continuing down to 24% equity holdings at age 93. Equities are defined as domestic equity, international equity, company stock, and the equity portion of blended investment options. Age appropriate equity allocations are capped at 95% of the retirement portfolio.

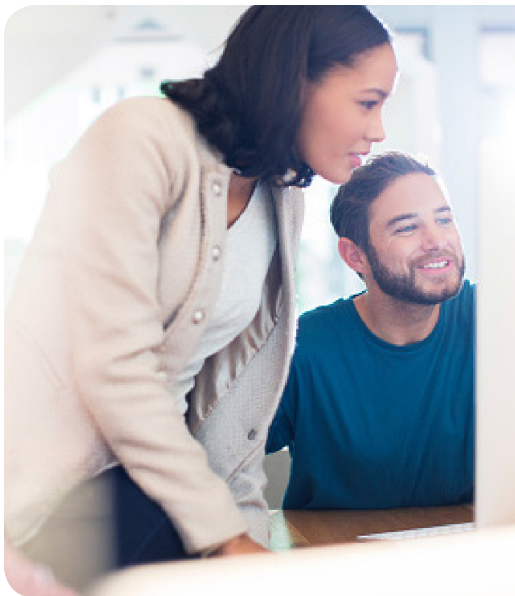
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## Automatic Solutions for Plan Design

Helping you improve plan and employee  
outcomes

Presented by: Shawn Crosgrove

## Establish a plan design to help improve participant outcomes

Driving retirement goals for your employees - and plan - depends on three factors:



Get employees  
in the plan

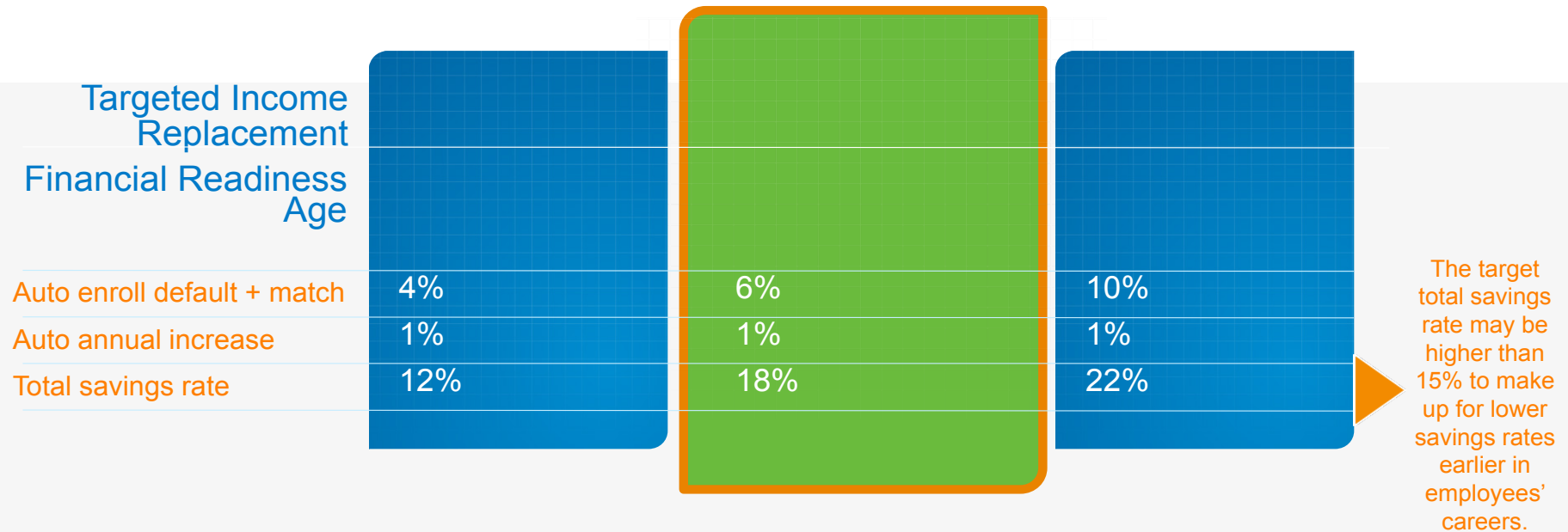


Get them  
saving enough



And, get them  
thinking about  
asset allocation

## Using auto solutions as stepping stones to better outcomes

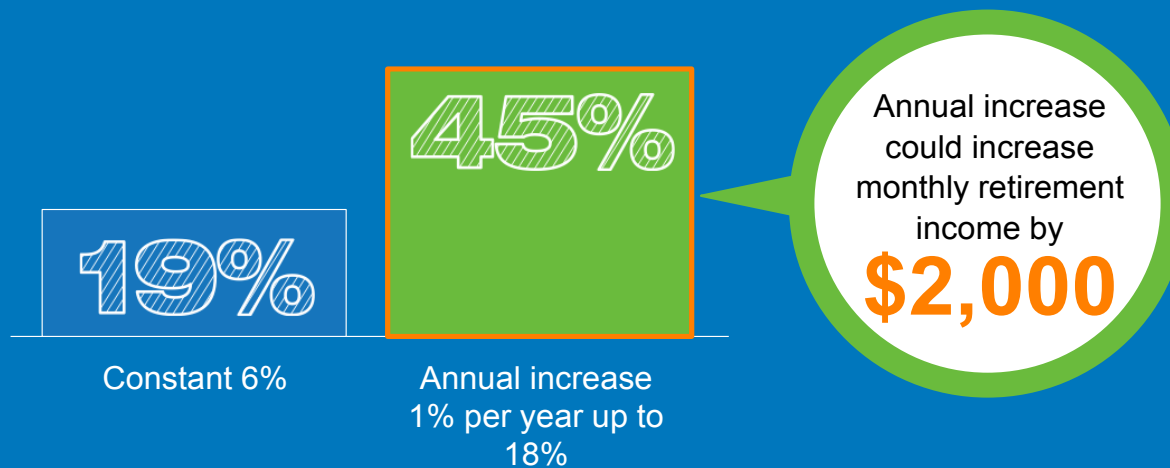


The auto solutions plan designs shown are based on the respective income replacement targets, but do not assume a constant savings rate throughout the working horizon. Target total savings rate includes both employer and employee contributions. For example, a hypothetical participant who starts with a 6% total annual savings at age 25 would need to increase her savings rate every year by 1% until she reaches the 18% target, including employer contributions, in order to replace 45% of pre-retirement annual income at age 67. Similarly a 4% starting rate at age 25 with 1% annual increase and 12% target would replace 40% at age 70, and a 10% starting rate at age 25 with 1% annual increase and 22% final target would replace 50% of pre-retirement annual income at age 65. Plan and IRS contribution limits have not been taken into consideration. Applies to eligible employees only.



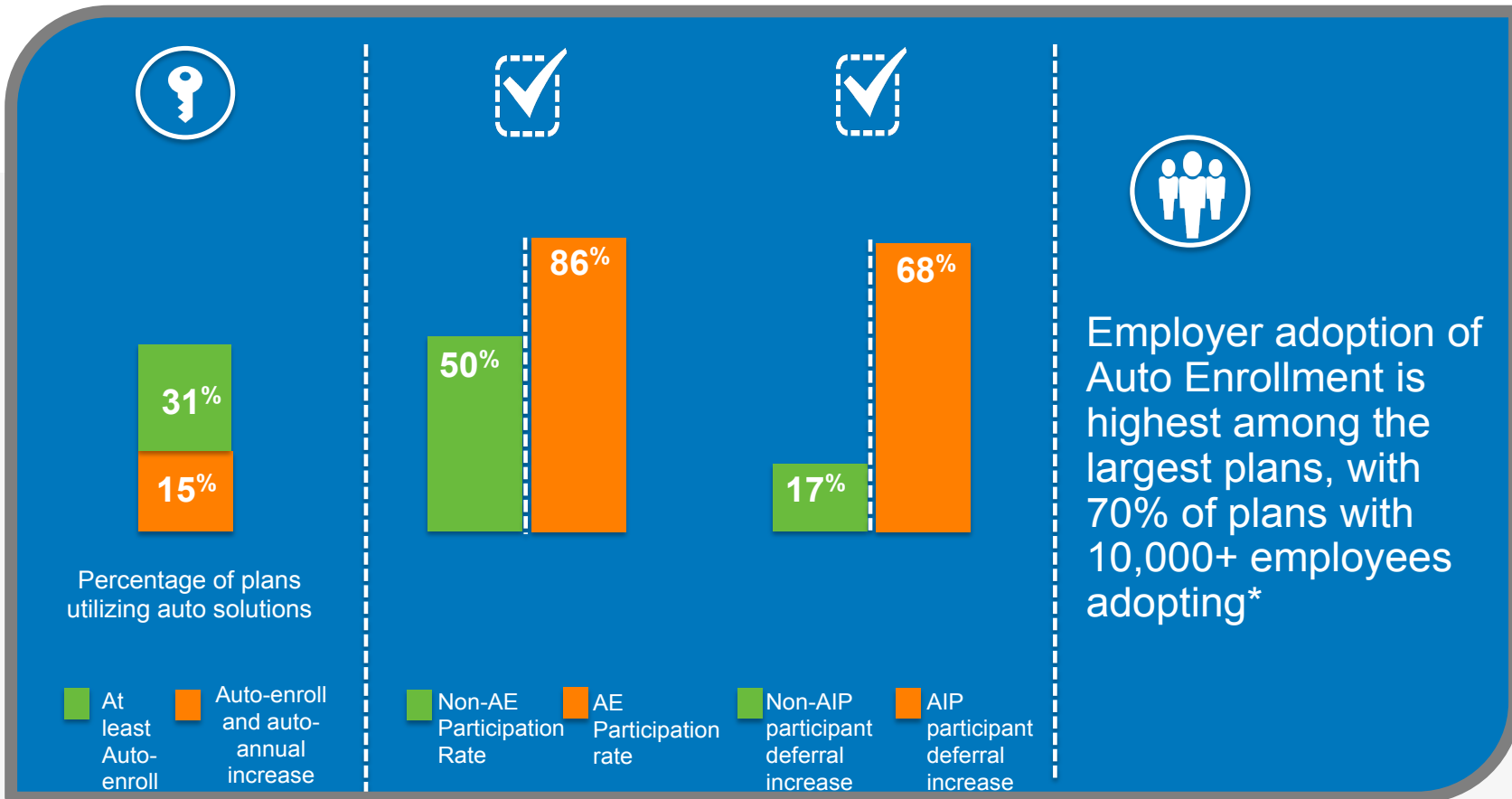
## Annual increase can help bridge the gap

### Income Replacement at Age 67 with and without Annual Increase Starting at 6% savings



These illustrations are based on a participant starting salary of \$50k at age 25, and salary increases of 1.5% annually until age 67, with ending salary at \$92,060 and a planning age through 93. One scenario assumes a constant 6% total annual savings rate, while the other assumes a starting savings rate of 6% and a 1% annual deferral increase up to 18% including employer contributions. The income replacement estimates are based on multiple market simulations based on historical market data, assuming poor market conditions to support a 90% confidence level of success. These simulations take into account the volatility that a variety of asset allocations might experience under different market conditions. The income replacement estimates were found to be fairly consistent for a 90% confidence level of success where the average equity allocation over the investment horizon was more than 50% for the hypothetical portfolio. Volatility of the stocks, bonds and short-term asset classes is based on the historical annual data from 1926 through the most recent year-end data available from Ibbotson Associates, Inc. Stocks (domestic and foreign) are represented by Ibbotson Associates SBBI S&P 500® Total Return Index, bonds are represented by Ibbotson Associates SBBI U.S. Intermediate Term Government Bonds Total Return Index, and short term are represented by Ibbotson Associates SBBI 30-day U.S. Treasury Bills Total Return Index, respectively. It is not possible to invest directly in an index. All indices include reinvestment of dividends and interest income. All calculations are purely hypothetical and a suggested income replacement estimate is not a guarantee of future results. Remember, past performance is no guarantee of future results. Performance returns for actual investments will generally be reduced by fees or expenses not reflected in these hypothetical calculations. Returns also will generally be reduced by taxes.

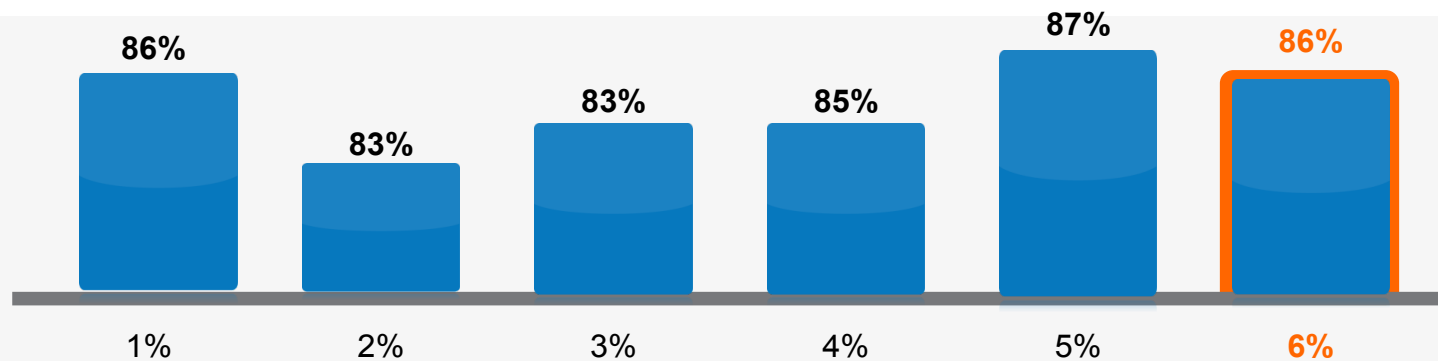
## Auto Solutions adoption and participant behavior



All information unless otherwise noted on this slide is based on Fidelity Investments record kept data of corporate defined contribution (DC) plans, nearly 22,100 plans and 14.5 million participants as of 12/31/16.

## When you help employees save more, they tend to stick with it

The vast majority of auto enrollees stay in plan at initial savings rates of up to 6%.



**84%** Average participation rate for plans with auto enrollment\*

All information unless otherwise noted on this slide is based on Fidelity Investments record kept data of corporate defined contribution (DC) plans, nearly 22,100 plans and 14.5 million participants as of 12/31/16.

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## Using Auto Services to help employees get a healthy start

30% of plans offer it and most need help aligning to target outcomes



### Starting Savings

**6%**

Suggested starting total savings rate

**40%**

of plans offer a starting total savings rate (employee + employer) of 6% or more



### Ongoing Savings

**1%**

Annual increase up to a total savings rate of 18%

**Nearly 1/2**

of auto enroll enabled plans also offer plan sponsor directed annual increase



### Asset Allocation

**87%**

use target date or some type of balanced fund

## Four flexible options you can tailor for your plan

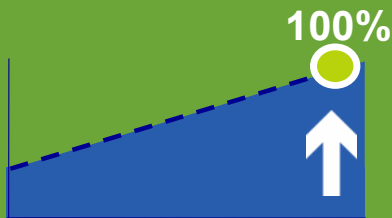
Auto enrollment combined with auto increase helps keep employee savings on track.



### Automatic enrollment

Applies to newly eligible employees or targeted segments of your veteran population

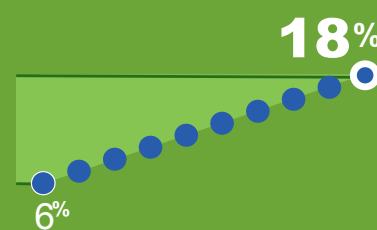
*Over time your overall participation approaches*



### Plan sponsor-directed automatic annual increase

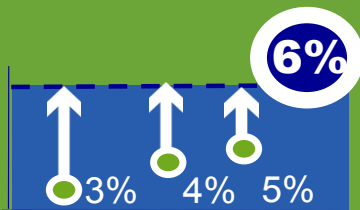
You set an annual, automatic increase in deferral rate for any portion of your population

*Incremental annual increases*



### One-time increase

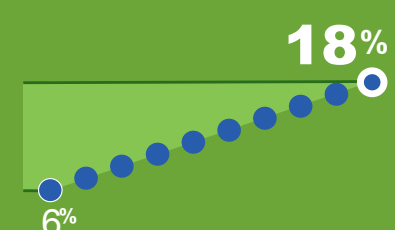
Bumps up all targeted participants to a minimum savings rate that you select.



### Employee-directed automatic annual increase

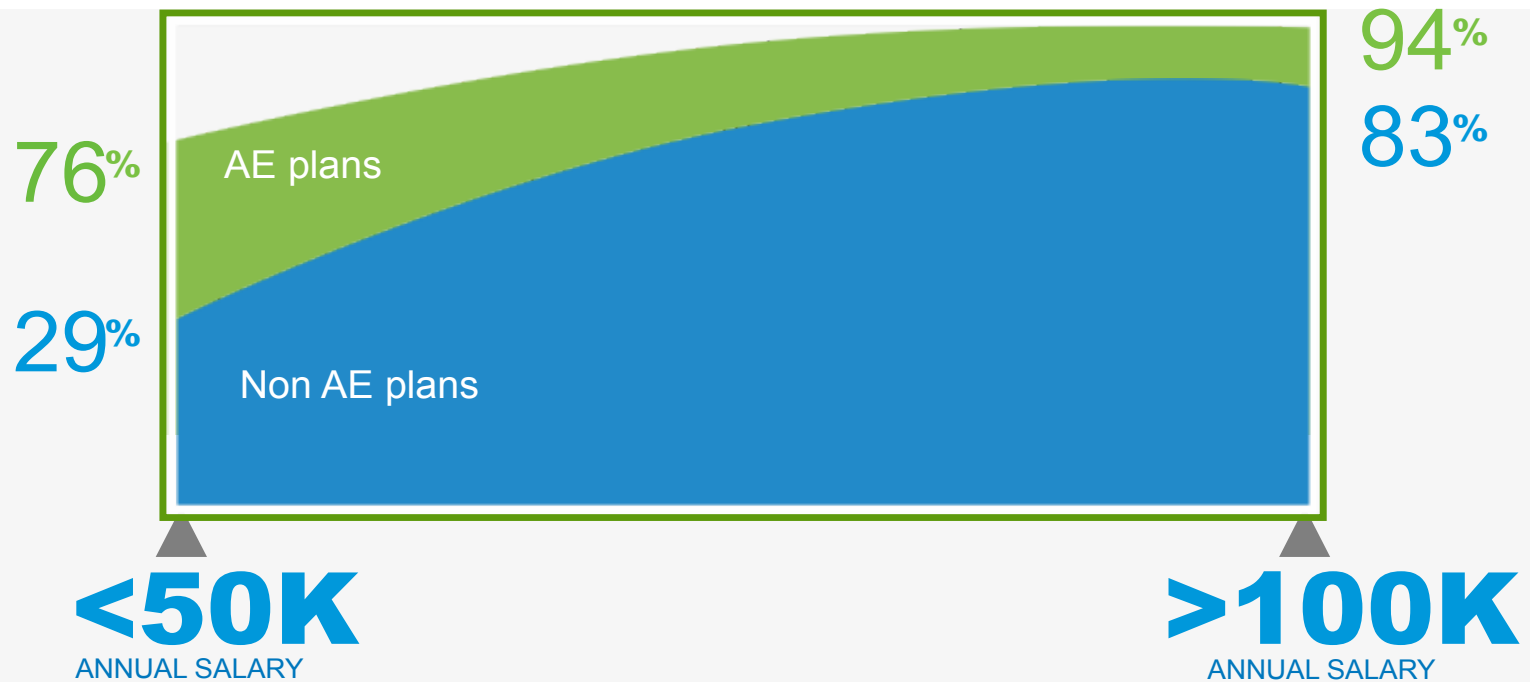
Participants select the percentage of their annual deferral increase

*Incremental annual increases*



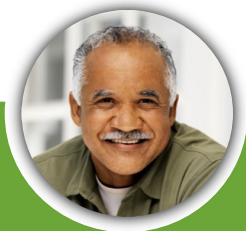
## Auto enrollment helps those who need it most

Participation rates in plans with and without auto enrollment by annualized salary



Based on analysis of 21,600 Fidelity recordkept corporate DC plans and 13.5M participants as of 3/31/17

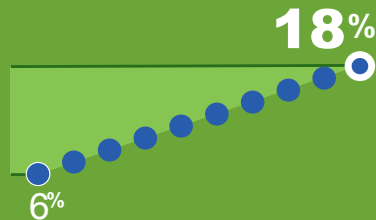
## Adding annual increase can keep employees' savings rates on track



### Plan sponsor-directed automatic annual increase

You set an annual, automatic increase in deferral rate for any portion of your population

*Incremental annual increases*



### WHY ADD ANNUAL INCREASE?

- Lets you proactively and systematically increase employee deferral rates by increments to all participants or targeted groups
- Extends auto increase to all participants—beyond those who are auto enrolled
- Available to plans with or without automatic enrollment

### TIP

How much is right for your plan? Fidelity believes a 1–2% annual increase up to a total savings rate of 18% is a good starting point.

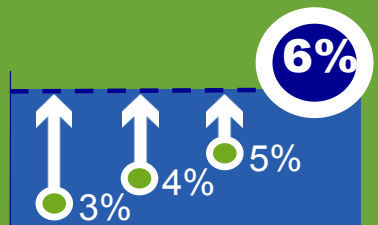


## Adding a one-time increase can help immediately address low savings rates



### One-time increase with Auto Advance

Bumps up all targeted participants to a minimum savings rate that you select



### WHY ADD ONE-TIME INCREASE?

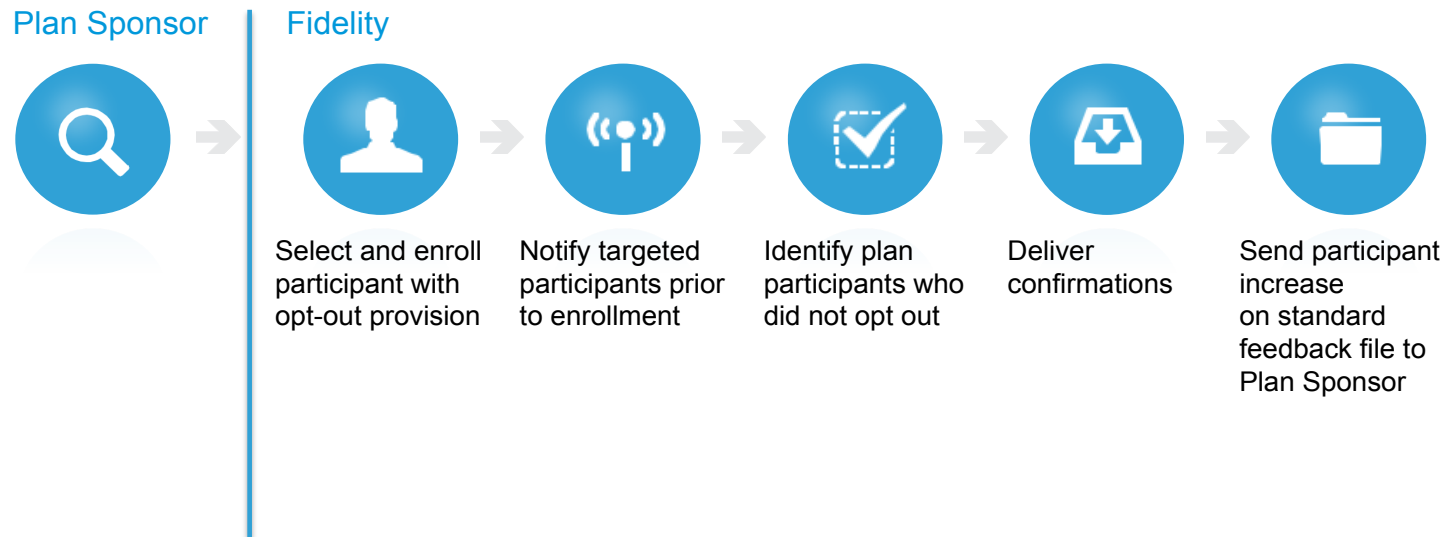
- Immediately addresses low savings rate issues.
- Can be tailored to include or exclude specific groups.
- Helps ensure all deferring participants or targeted participants are at your target rate as of your target date.
- Can be targeted to active participants, automatically enrolled participants, or both
- Can target employees by hire or after-certain dates.
- Available to all plans, with or without automatic enrollment.

### TIP

How much is right for your plan? Consider boosting employees up to your plan's match rate.

## How it works: plan sponsor annual increase program

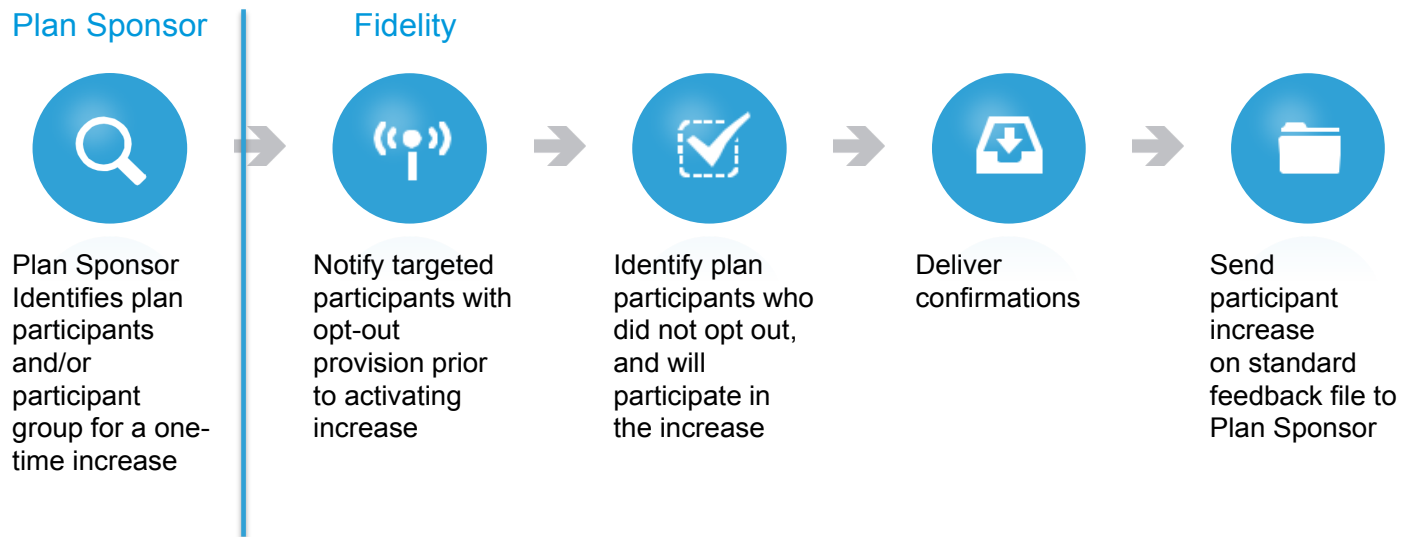
Increases the savings rate of participants by a predefined % each year



**TIP** How much is right for your plan?  
Fidelity believes a 1–2% annual increase up to a total savings rate of 18% is a good starting point.

## How it works: one-time increase with Auto Advance

Immediately increases the deferral rate to a targeted savings rate



## Glossary of Terms

### INCOME REPLACEMENT RATE

The income replacement rate is the percentage of pre-retirement income than an individual should target replacing in retirement. The income replacement targets are based on Consumer Expenditure Survey 2011 (BLS), Statistics of Income 2011 Tax Stat, IRS 2014 tax brackets and Social Security Benefit Calculators. The 45% income replacement target assumes no pension income and a retirement and social security claiming age of 67 which is the full social security benefit age for those born in 1960 or later. For an earlier retirement and claiming age, this target goes up due to lower social security retirement benefits. Similarly, the target goes down for a later retirement age. For a retirement age of 65, this target is defined as 50% of pre-retirement annual income and for a retirement age of 70, this target is defined as 40% of pre-retirement income.

### FINANCIAL READINESS AGE

The readiness age targets are defined as the anticipated age at which an individual could reach a certain income replacement target from various retirement income sources excluding social security. These income replacement targets are as follows: 55% if the readiness age is less than or equal to 63, 50% if it is from 64 to 66, 45% if it is 67 or 68 and 40% if it 69 or higher. The readiness age targets are developed assuming age-based asset allocations consistent with the equity glide path of a typical target date retirement fund, a 15% savings rate, a 1.5% constant real wage growth, a planning age through 93. Fidelity developed the readiness age targets through multiple market simulations based on historical market data, assuming poor market conditions to support a 90% confidence level of success.

### SAVINGS FACTOR

The savings factor is a multiple of salary that an individual should aim to have saved by a given age. For example, you should aim to have saved 1X your current salary by age 30. Fidelity developed a series of salary multiplier targets corresponding to different ages assuming a retirement age of 67, a 15% savings rate, a 1.5% constant real wage growth, and a planning age through 93 and an income replacement target of 45% of pre-retirement income (assumes no pension income). The replacement income target is defined as 45% of pre-retirement income and assumes no pension income. Fidelity developed the salary multipliers through multiple market simulations based on historical market data, assuming an asset mix of greater than or equal to 50% equity, and poor market conditions to support a 90% confidence level of success. The final salary multiplier is calculated to be 10X of pre-retirement income and assumes a retirement age of 67. For an earlier retirement age, this target goes up due to lower social security retirement benefits and a longer retirement horizon. Similarly, the target goes down for a later retirement age. For a retirement age of 65, this target is defined as 12X and for a retirement age of 70, this target is defined as 8X.

---

*Savings Factor and Financial Readiness Age are based on simulations based on historical market data, assuming poor market conditions to support a 90% confidence level of success. These simulations take into account the volatility that a typical target date asset allocation might experience under different market conditions. Poor market conditions means that 90% of the time the asset allocation performed at least as well, while 10% of the time a similar asset allocation failed to perform as well. The analysis assumes a level of diversity within each asset class consistent with a market index benchmark that may differ from the diversity of your own portfolio. Please note that the projections do not reflect the impact of any transaction costs or management and servicing fees. Volatility of the stocks, bonds and short-term asset classes is based on the historical annual data from 1926 through the most recent year-end data available from Ibbotson Associates, Inc. Stocks (domestic and foreign) are represented by Ibbotson Associates S&P 500® Total Return Index, bonds are represented by Ibbotson Associates S&P U.S. Intermediate Term Government Bonds Total Return Index, and short term are represented by Ibbotson Associates 30-day U.S. Treasury Bills Total Return Index, respectively. It is not possible to invest directly in an index. All indices include reinvestment of dividends and interest income. All calculations are purely hypothetical and a suggested salary multiplier is not a guarantee of future results; it does not reflect the return of any particular investment or take into consideration the composition of a participant's particular account. The salary multiplier is intended only to be one source of information that may help you assess your retirement income needs. Remember, past performance is no guarantee of future results. Performance returns for actual investments will generally be reduced by fees or expenses not reflected in these hypothetical calculations. Returns also will generally be reduced by taxes.*

## Important Additional Information

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Keep in mind that investing involves risk. The value of your investment will fluctuate over time and you may gain or lose money.

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# What Works and What's Next on QDIAs?

Mar. 8, 2018

**Derek Young**  
*Head of Investment Client Strategy*

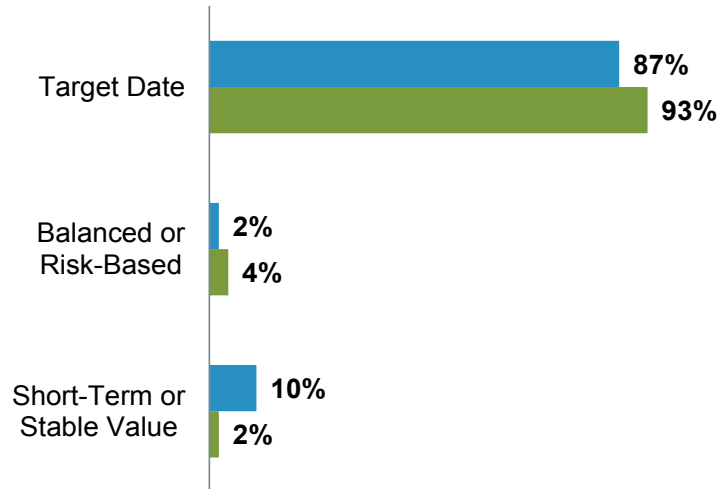
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# Default Fund Landscape

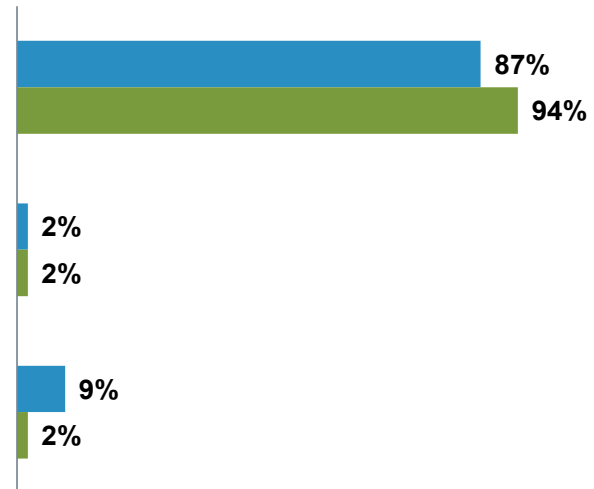
## CORPORATE DC

■ % of Plans Offering as Default



## TAX EXEMPT

■ % of Participants in a Plan Offering as Default



**87%** of corporate DC plans with **TDF default** have an actively managed solution

**77%** of tax-exempt plans with **TDF default** have an actively managed solution

Source: PWIS DC ex TEM: 22,100 plans, 14.5M participants as of 12/31/2016 and TEM ex. DC plans, 2,200 TEM Plans, 5.2M Participants for TEM as of 12/31/16.

2 For plan sponsor and institutional use only.





# Supporting a Range of Investors

**8 in 10**  
don't have the  
skill, will,  
and time<sup>1</sup>



**6 in 10**  
are do-it-yourself investors<sup>2</sup>



**5 in 10**  
are not engaged<sup>2</sup>

<sup>1</sup> Quick Questions/Investment Mix microsite was launched 8/6/13 to 1,851 targeted Fidelity Workplace Investing participant population; data as of 1/17/14. Participants were asked simple questions to determine their level of engagement or skill with regards to managing their workplace savings. Participant answers to these questions helped categorize them in two buckets: participants who manage their money on their own (22%) and participants who would like help managing their money (78%).

<sup>2</sup> Based on Fidelity analysis of 21,174 corporate DC plans (including advisor-sold DC) and 13 million participants as of 3/31/2014.

<sup>3</sup> For plan sponsor and institutional use only.



# Key Contributors to Retirement Readiness

Plan sponsors, plan participants, and investment managers all play a role



## Plan sponsors

Choose plan design features that encourage enrollment, higher levels of savings, a company match, and investment options that support diverse employee needs and preferences.

## Plan participants

Employees must be actively engaged to ensure they're contributing appropriately for their future goals and performing regular financial wellness check-ups.

## Investment managers

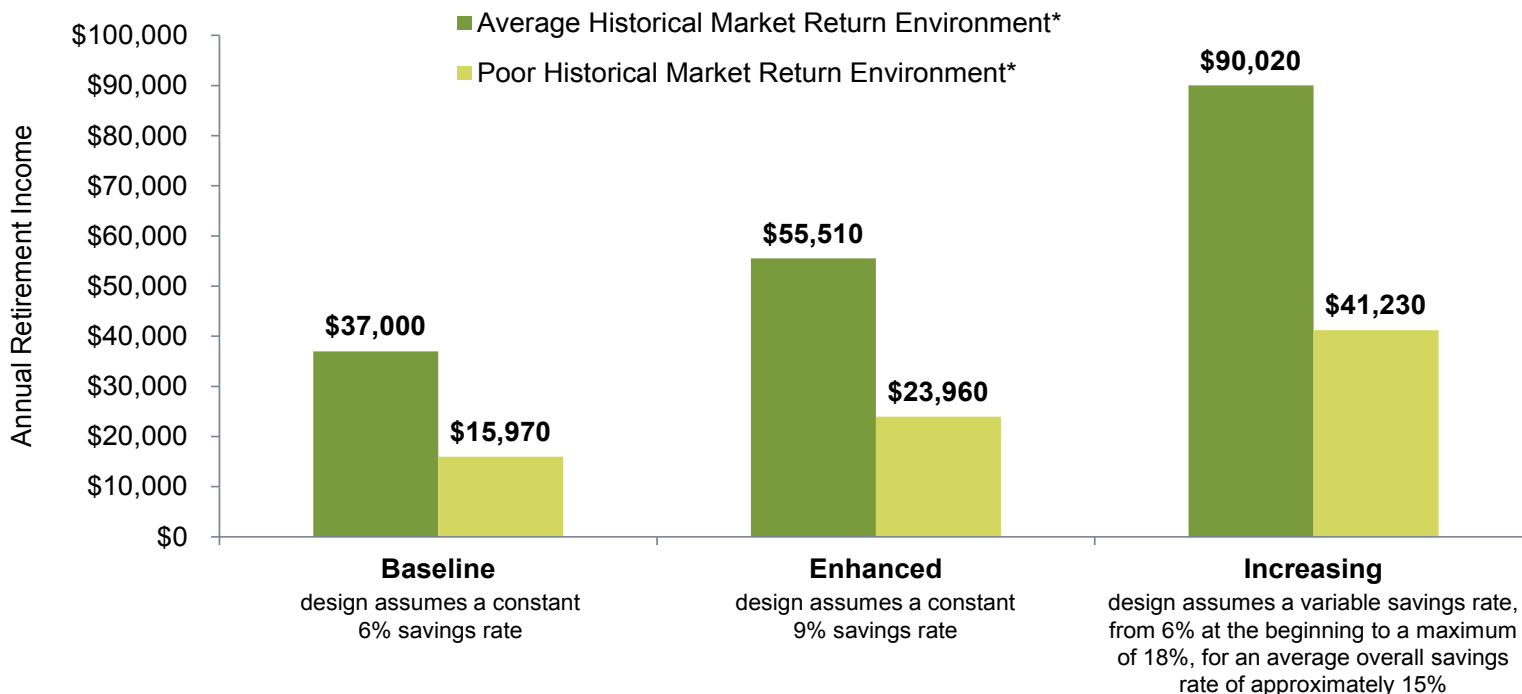
Seeks to provide returns on the investment options in a plan, while clearly communicating their philosophy about the goal and approach of their target date fund.

For illustrative purposes only.

4 For plan sponsor and institutional use only.

# Plan Design Can Impact Participant Outcomes

## Higher savings rates generally resulted in greater retirement income



\* Based on Fidelity Target Date Funds "Through" glide path.

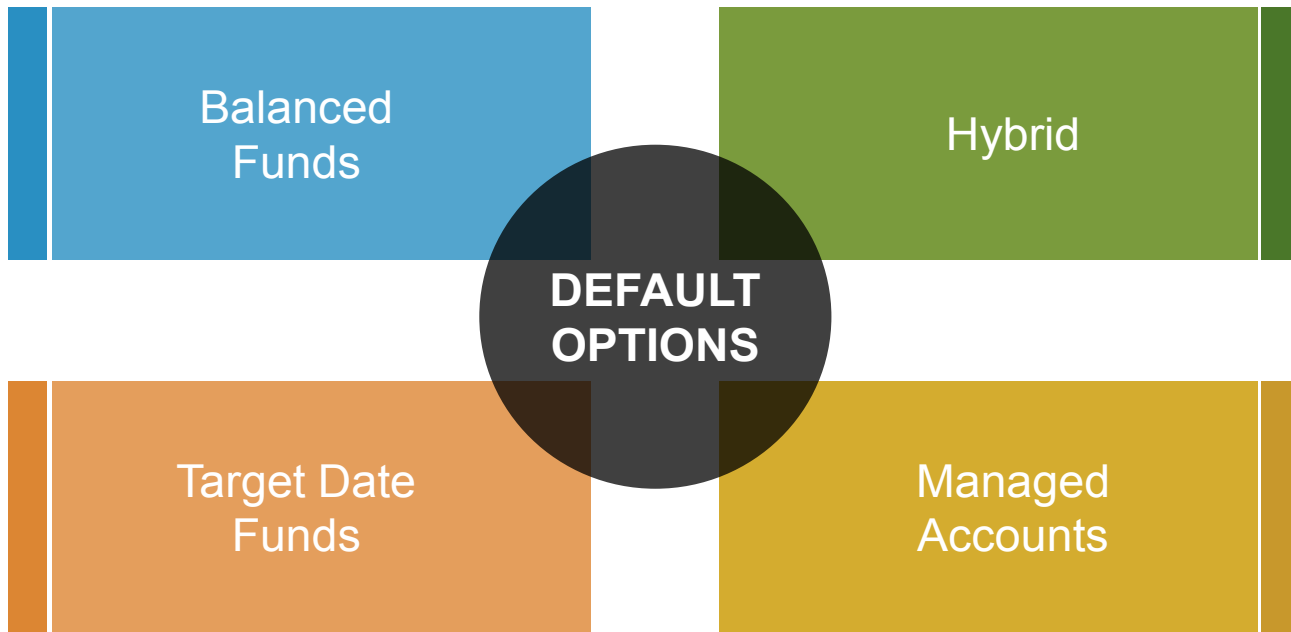
<sup>3</sup> See important information section for assumptions and analysis. Monte Carlo simulations are mathematical methods used to estimate the likelihood of a particular outcome based on market performance historical analysis. Historical performance simulations are conducted to determine the probability that a portfolio may experience a certain minimum level of performance given market volatility. Each Monte Carlo simulation reproduces a random set of results by generating a random return for the scenario. When analyzed together, these results suggest a probability of occurrence. For the purposes of our Monte Carlo simulations, we randomly generate a series of hundreds of returns for a given scenario.

5 For plan sponsor and institutional use only.



# Default Investment Options

Continuing to evolve to meet the unique needs of participants



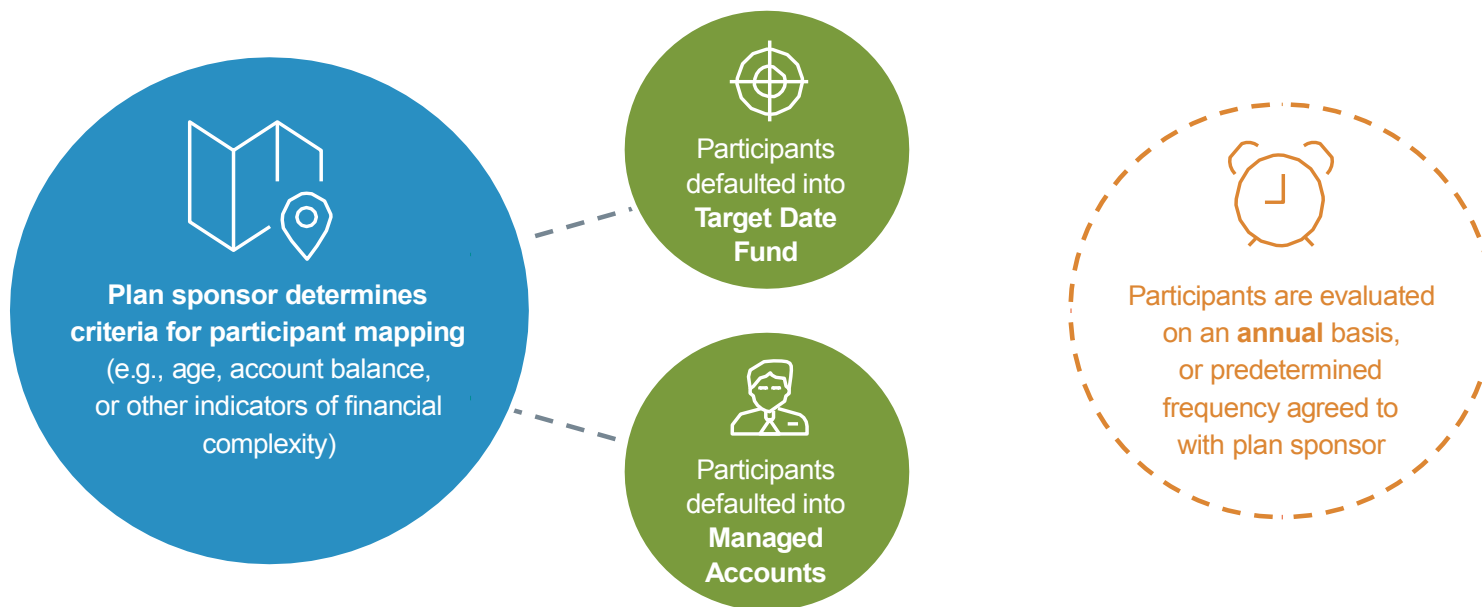
For illustrative purposes only.

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# Meeting Participants' Diverse Retirement Needs

Fidelity Smart QDIA, taking plan design and QDIA beyond a one-size-fits-all solution



Participants that are defaulted into the managed account during the annual evaluation are given notice with the option to “opt out” of the default to the managed account as part of the QDIA communications process. Participants can opt out of their selected default if they choose, switching to the other QDIA or a different option within the plan.

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# Important Information

**Before investing in any mutual fund, please carefully consider the investment objectives, risks, charges, and expenses. For this and other information, call or write Fidelity for a free prospectus or, if available, a summary prospectus. Read it carefully before you invest.**

Investing involves risk, including the risk of loss.

<sup>3</sup> Assumptions used in this analysis – Participant: starting age - 25, retirement age - 67; retirement planning age - 93; starting salary - \$50,000, final preretirement salary - \$92,061 (1.5% annual increase). Glide paths: Fidelity's "through" glide path was used as a proxy for "through" glide paths in the marketplace as of April 30, 2016. Plan design savings assumptions: Baseline - 6%; Enhanced - 9%; Increasing - approximately 15% on average over an investor's full career. Market return environments: average and poor historical markets use historical market data from Morningstar for period beginning 1926 through Dec. 31, 2015; lower-yielding market returns forecast scenario uses fixed returns of 5.9% for stocks, 1.8% for bonds, 0.1% for cash. Stocks (domestic), bonds, and short-term assets (cash) are represented by the S&P 500®, U.S. intermediate-term government bonds, and 30-day U.S. Treasury bills, respectively. Monte Carlo simulation: a mathematical method used to estimate the likelihood of a particular outcome based on market performance historical analysis. Historical performance simulations are conducted to determine the probability that a portfolio may experience a certain minimum level of performance given market volatility. Each Monte Carlo simulation reproduces a random set of results by generating a random return for the scenario. When analyzed together, these results suggest a probability of occurrence. For the purposes of our Monte Carlo simulations, we randomly generate a series of hundreds of returns for a given scenario. Monte Carlo 90% confidence level: means that in 90% of the historical market scenarios run, a similar equity glide path, performed at least as well as the results shown. Monte Carlo 50% confidence level: means that in 50% of the historical market scenarios run, a similar equity glide path, performed at least as well as results shown and 50% failed to reach the results shown. IMPORTANT: The projections regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Results may vary with each use and over time. The results generated are based on the assumptions indicated above and are for illustrative plan scenario analysis only; they are not intended for use by individual investors or plan participants. Source: Fidelity Investments.

Target date funds are designed for investors expecting to retire around the year indicated in each fund's name. The funds are managed to gradually become more conservative over time as they approach the target date. The investment risk of each target date fund changes over time as the fund's asset allocation changes. They are subject to the volatility of the financial markets, including that of equity and fixed income investments in the U.S. and abroad, and may be subject to risks associated with investing in high-yield, small-cap, and foreign securities. Principal invested is not guaranteed at any time, including at or after the funds' target dates.

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SAFEGUARDING THE TRUST:

## How Fidelity Protects Client Information

### Our goal: safeguarding the trust

Very few things make business leaders feel more threatened than the continued tidal wave of attacks against customer and employee information. Over 291,000 phishing website attacks were observed in the first half of 2017.<sup>1</sup> In addition, over 15 million consumers lost \$16 billion to identity theft in 2016.<sup>2</sup> All of this comes at great cost to businesses, with the estimated total cost of a data breach now averaging \$3.6 million,<sup>3</sup> and sometimes putting at risk the executive leadership of the affected company.

That's why it's important to know your employee and client information is protected. With over 23,900 employers trusting Fidelity to protect the information and accounts of their 29 million employees,<sup>4</sup> information security is something we take very seriously — it's paramount to the trust you place in us.

To safeguard that trust, our approach goes beyond a tactical response to emerging threats. Fidelity's strategic program begins with a firm-wide focus and integrated approach to protect your data, and protect and engage your employees.

Now, let's dig deeper into how we protect your data.

#### PROTECT YOUR DATA



Certified, defense-in-depth security solutions

#### PROTECT YOUR EMPLOYEE



Industry-leading\* fraud protection and prevention

#### ENGAGE YOUR EMPLOYEE



What sponsors can do to help



"At Fidelity, we strive to put the interests of our customers first, including protecting their personal information. This is what they expect of us, and it is of critical importance to deliver the best customer experience in the financial service industry."

*Abby Johnson,  
Chairman and CEO*





## PROTECT YOUR DATA:

### Enterprise information security and risk management


Fidelity's security governance begins at the top, with board-level commitment to protecting our clients and the firm. From there, implementation is monitored by executive cyber and technology leaders, delivered by business-focused cybersecurity and technology risk teams, and put into practice by Fidelity associates.



Fidelity aligns its security governance approach to the National Institute of Standards and Technology, or NIST, Cybersecurity Framework. The framework's core consists of five concurrent and continuous functions—Identify, Protect, Detect, Respond, and Recover. These functions are core elements of Fidelity's overall information security strategy.

### Managing the Risks to Your Information

Identify	Protect	Detect	Respond	Recover
Identify the right strategy that removes risk and enables best-in-class service:	Develop preventive process & technology to protect critical assets:	Run capabilities to detect and respond to cyber events:	Rapid response through Incident Management protocols:	Regularly tested Resiliency and Recovery programs:
<ul style="list-style-type: none"><li>✓ Asset Management</li><li>✓ Policies &amp; Procedures</li><li>✓ Governance &amp; Risk Mgmt. Strategy</li><li>✓ Supply Chain Risk Management</li></ul>	<ul style="list-style-type: none"><li>✓ Access Control</li><li>✓ Secure Development Lifecycle</li><li>✓ Data Loss Prevention</li><li>✓ Malware Protection</li><li>✓ Encryption</li></ul>	<ul style="list-style-type: none"><li>✓ Security Intelligence</li><li>✓ Security Operations Center</li><li>✓ Detection Processes</li><li>✓ Penetration Tests &amp; Vulnerability Scans</li></ul>	<ul style="list-style-type: none"><li>✓ Response Planning — Cyber Playbook</li><li>✓ Privacy Analysis</li><li>✓ Forensic Analysis</li><li>✓ Breach Notification</li><li>✓ Incident Mitigation</li></ul>	<ul style="list-style-type: none"><li>✓ 24x7x365 Business Continuity</li><li>✓ 24x7x365 Disaster Recovery</li><li>✓ Planning &amp; Testing</li><li>✓ Communications</li></ul>

 200+ documented and certified security controls aligned to the NIST Cybersecurity Framework, supported by 800+ security professionals

## Our approach: defense in-depth controls aligned to ISO 27001

To maximize the protection of our clients' sensitive information, Fidelity institutes a comprehensive security governance and controls framework aligned to the International Organization for System (ISMS) standard.



The ISO 27001 control domains, along with a sampling of our audited controls, are detailed below.



### INFORMATION SECURITY POLICIES

Fidelity has established comprehensive protection and clear accountability for Fidelity private and proprietary information assets through an extensive system of 45+ policies and standards. This includes information assets that are proprietary to Fidelity, private to our clients, and all other private and proprietary information assets and resources subject to legal, regulatory, and compliance protection. Fidelity also has a mature information security awareness and training program, including mandatory training, to ensure that all Fidelity associates are aware of and comply with the provisions of these policies.



### ORGANIZATION OF INFORMATION SECURITY

Fidelity's technology risk management program is supported by a Chief Information Security Officer (CISO) and a dedicated staff of over 800 security professionals. The technology risk management program is tailored to the protection of client data across Fidelity applications, databases, systems, and processes.



### HUMAN RESOURCES SECURITY

Fidelity executes a multi-layer Human Resources security program. Individuals employed by Fidelity are required to have an identification badge and sign a Non-Disclosure, Confidentiality Agreement and Code of Ethics acknowledgment. Individuals are also required to complete a comprehensive background check that may include fingerprinting, criminal record, credit history, and reference background checks, as permitted by law.



### ASSET MANAGEMENT

Fidelity has established its Securing Private and Proprietary Information (SP2I) Program, designed to educate associates on the methods to classify, label, handle, and dispose of confidential information and all types of media. A matrix has been developed to instruct employees on the appropriate methods of handling information, such as distribution, discussion, mailing, copying, storage, and destruction. This matrix includes how each type of information classification should be handled in each of the above methods. Fidelity employees are required to take and successfully pass an SP2I course that confirms understanding.



### ACCESS CONTROL

Fidelity implements a multi-layered access management program that includes documented, approved job roles; access appropriate to role reviews; and is supported by mature authentication, authorization, and accounting standards. Access policies, procedures, and controls ensure that only authorized personnel are granted access to client data. Access is authorized and granted based on the concept of least privilege, and limited to those having a business need for such access. Access requests are authorized and tracked through a formal access management system, and appropriate management approvals are required to enable system access. Associate access is reviewed periodically and access is removed upon termination or transfer out of appropriate job roles. Fidelity has also established and maintains appropriate authentication credentials for access to Fidelity information systems. The strength and sophistication of these credentials is commensurate with the inherent risk and/or value of the information or the resource. Fidelity corporate standards mandate the length and complexity of credentials, how often passwords are changed, and the number of invalid attempts before account lockout.



### CRYPTOGRAPHY

Fidelity has established a cryptography policy and techniques used to protect Fidelity information and information with which Fidelity has been entrusted. This includes approved algorithms and key lengths, e.g. AES-256, requirements for key lifecycle management, and requirements for key and certificate verification. Additionally, Fidelity has established processes and technologies to encrypt confidential client data during external transmission, removable media, and recordkeeping systems where client data is stored.



### PHYSICAL AND ENVIRONMENTAL SECURITY

Fidelity has implemented robust physical security measures to control physical access to systems or output that contains client data. Fidelity maintains full-time, professional security personnel to staff Fidelity data centers seven days a week, 24 hours a day. Security includes cameras covering entry points into the secured data center and parking areas. Fidelity Security provides monitoring of emergency systems, access control to the data center, and employee safety programs. Badge access is required to enter general office space. Two-factor access (badge and keypad) is required for highly sensitive areas that include the data centers.



### OPERATIONS SECURITY

Fidelity executes a mature suite of controls and procedures that include change management, protection from malware, information backup, technical vulnerability management, data leakage prevention, hardened perimeter and infrastructure, backups and logging, and monitoring of numerous defense-in-depth security and risk mitigation technologies.



### COMMUNICATIONS SECURITY

Fidelity has established network security and information transfer controls that ensure the protection of information and information assets. These controls include, but are not limited to, firewalls, intrusion detection and prevention systems, Distributed Denial of Service (DDoS) mitigation, multiple layers of threat detection and advanced malware prevention, proxy servers, and secure file transfer technologies.



### SYSTEM ACQUISITION, DEVELOPMENT, AND MAINTENANCE

Fidelity's procedures and development methodologies incorporate security into the systems development lifecycle. This includes, but is not limited to, security training of application developers, and secure code reviews and penetration tests of externally facing applications.



### SUPPLIER RELATIONSHIPS

Fidelity's vendor risk management program includes technology risk reviews of Fidelity suppliers that process sensitive information, including those that process or store client data. These reviews are conducted on a regular basis and follow a comprehensive risk questionnaire derived from Fidelity security policies, ISO 27001, and other industry best practices. Contract language is drafted to include information security and privacy provisions in addition to the standard business agreements.



### INCIDENT MANAGEMENT

Fidelity has established comprehensive Information Security incident management processes to include documented and tested cyber playbooks to address cyber events. Fidelity has defined processes in place to identify potential threats, assess any risk exposure, report risks to management, and protect business operations. Where deemed appropriate, personnel will preserve the necessary evidence, inform legal authorities, and perform forensic analyses. Our incident response process is also ISO 20000 certified.



### BUSINESS RESILIENCY

Fidelity has a comprehensive business resiliency program, including both disaster recovery and business continuity. Fidelity focuses both on preventing outages through redundancy of telecommunications, systems, and business operations, and on recovery strategies in the event of loss. The business resiliency process includes business resiliency and disaster recovery planning, testing, and ongoing training.



### COMPLIANCE

Fidelity conducts business in a highly regulated environment, adopting corporate-level policies and procedures that promote awareness of applicable privacy laws and regulations, ensure compliance with all requirements, and align internal programs with appropriate action. Fidelity proactively monitors the cyber regulatory environment and has implemented practices consistent with direction from the SEC, FINRA, HIPAA, GLBA, MA 201 CMR 17.00, NY DFS, and other regulatory authorities.

## Independent assurance through annual external audits

Fidelity maintains a comprehensive external audit program to provide independent assurance over the IT and Security control environment by validating and testing controls each year. Audits include Systems and Organizational Controls, or SOC 1 (Type II), SOC 3 (SysTrust).



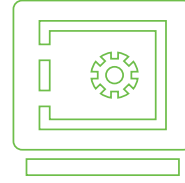
The annual SOC 1 audit is performed by one of the big four accounting firms for Payroll Services and for the Fidelity Data Centers in addition to our Defined Contribution (DC), Defined Benefits (DB), Health and Welfare (H&W), and Stock Plan Services (SPS) lines of business. Although the audit reports are distributed annually, the auditing firm inspects the control environment throughout the year. Any exceptions are addressed by a management action plan and monitored through resolution. The audit results have been unqualified. SOC 1 reports are provided upon request to existing clients on an annual basis. These audits include, but are not limited to, validating the following security controls:

- User access is assigned according to the user's job function, and access privileges are reviewed on a periodic basis
- Access is removed when an employee transfers to a new role or leaves the firm
- Implementation of firewall solutions with mature security administration processes
- Performance of regular vulnerability scans
- Physical and environment security controls in data center environments
- Systems development and maintenance; change and incident management; and network management controls

The SOC 1 audits are complemented by an annual SysTrust review based on the American Institute of Certified Public Accountants (AICPA) Trust Services Criteria. The SysTrust (SOC 3) Services Report attests that Fidelity maintains effective controls over the availability, confidentiality, integrity, and security of the network environment. This report is also available to clients.

## Comprehensive business resiliency

Fidelity has established and maintains a comprehensive, enterprise-level ISO 22301 certified business resiliency program. Fidelity focuses both on preventing outages through redundancy of telecommunications, systems, and business operations, and on recovery strategies in the event of loss. The business resiliency process includes ongoing business continuity and disaster recovery planning, testing, and training.



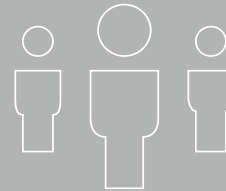
Highlights of the program include but are not limited to:

- Two U.S.-based, redundant data centers with redundant power, cooling, and network connectivity, and intelligent load-balancing
- Semi-annual Disaster Recovery tests of Fidelity's critical mainframe environment, distributed databases, mid-tier applications, and web portal infrastructures
- Dedicated 24x7x365 Business Resiliency teams
- Geographically dispersed customer-facing business processes
- Mandatory review, testing, and approval of plans at least annually

Fidelity's Enterprise Resiliency program has been certified ISO 22301 compliant by BSI Americas.

## PROTECT YOUR EMPLOYEES: Fidelity's Industry-Leading Customer Protection Program<sup>5</sup>

The customer protection program focuses on protecting individual customers from account compromise, fraud, and identity theft. Key security features and controls to help ensure your employee accounts are safe are described below.



### Customer Authentication

**Strong passwords:** Fidelity adheres to strict guidelines for setting passwords. Guidelines include mandatory password length and complexity (with a visual password strength meter); protection against using an SSN as a password; and password lockout after a prescribed number of failed attempts. Passwords are stored encrypted using a one-way algorithm. Customer service associates can unblock or reset passwords, but not see them. When a new password is established, Fidelity delivers a change confirmation to the user to ensure that they are aware of all password-related transactions.

### Fraud Detection and Prevention

Fidelity is supported by a robust fraud monitoring solution that detects unauthorized account activity. Unusual account login or transaction activity is investigated by risk professionals. Customer assets are protected in accordance with [Fidelity's Customer Protection Guarantee](#),<sup>6</sup> posted on NetBenefits® and Fidelity.com.

To help ensure accounts are not fraudulently accessed, Fidelity closely monitors the environment, looking for email addresses and/or passwords that may have been included in a data breach of another third party. We then compare this data to customer login credentials for NetBenefits®. If there is a match, we will notify impacted employees by email, block their access to NetBenefits® as a precaution, and require the employee to establish a new password.

### ENGAGE YOUR EMPLOYEES:

#### What HR Payroll & Benefit Administrators can do to help

As cyber criminals become more sophisticated, it's important for Fidelity, HR Payroll & Benefit Administrators, and employees to work together to keep plan data, employee accounts, and personal information safe.



Because many of the fraud protection features rely on Fidelity's ability to alert or properly authenticate employees, two of the most critical ways sponsors can help are, first, encourage employees to set up online access to their Fidelity NetBenefits® account, and second, provide an up-to-date mobile phone number and email address.

Additionally, Fidelity offers resources for administrators to use to help educate employees on topics such as identity theft protection and recovery, phishing, safe online habits, and more.

See Fidelity's [top 5 ways to protect your account checklist](#) on the HR Payroll & Benefits Administrators site® for additional resources and information, or contact your Fidelity representative to learn more.



## Safeguarding the trust: a summary

Safeguarding the trust our clients place in us is Fidelity's foremost priority. Information Security represents a strategic risk to organizations, not just to their information. Our comprehensive approach to addressing this risk is founded on a well-established, executive-sponsored, NIST-aligned governance framework; a dedicated, expert security organization; a comprehensive set of protective, detective, and corrective controls; and independent audit assurance through the SOC 1 (Type II) and SOC 3 (SysTrust) standards. This is all complemented by a highly resilient infrastructure and a dedicated customer protection program. Fidelity's market-leading approach is independently tested, verified, and validated by our external audit partners. Additionally, Fidelity continuously seeks to enhance the protection of our individual customers and your employees, with a particular focus on the prevention of fraud and identity theft. Yet we can't do it alone. A critical part of protecting employee accounts is ensuring employees are registering their online accounts, providing updated digital contact information, and taking other steps to help prevent phishing and fraud. Educating and encouraging employees to take control can help make it more difficult for them to become a target of fraud.

We are honored by our clients' trust.

Fidelity Investments — the most trusted provider of lifetime investment solutions.

<sup>1</sup> APWG Phishing Activity Trends Report, 1st Half 2017.

<sup>2</sup> LifeLock 2017 Identity Theft Statistics

<sup>3</sup> 2017 Ponemon Cost of Data Breach Study

<sup>4</sup> Fidelity recordkept data as of 1/31/2018.

<sup>5</sup> 2017 User Authentication and Security Practices research by Corporate Insight. Fidelity ranked No. 1 in online and phone channel security out of 11 brokerage firms.

<sup>6</sup> The [Fidelity Customer Protection Guarantee](#) does not alter any agreements that you have with Fidelity and is offered under the laws of Massachusetts. This document contains specialized and proprietary information belonging to Fidelity Investments. It is for the internal use of HR Payroll & Benefit Administrator only, and may not be copied or disseminated to third parties without the permission of Fidelity Investments.

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**REPORT TO THE DEFERRED COMPENSATION BOARD**

August 21, 2018

FROM: Robert T. Theller, Retirement Administrator

BY: Kathleen Riley Brown, Assistant Retirement Administrator

SUBJECT: REVIEW, DISCUSS AND CONSIDER FUND EVALUATION ANALYSIS AND RECOMMENDATIONS ON COMPLIANCE OF THE DEFERRED COMPENSATION PLAN INVESTMENT OPTIONS AND REVIEW OF THE BOARD'S INVESTMENT OBJECTIVES AND POLICY STATEMENT

**BACKGROUND:**

In accordance with the Board's Investment Objectives and Policy Statement guidelines (attached), the Board reviewed the performance and universe rankings of each fund at its meeting on February 22, 2018. Based upon staff's analysis of performance and universe rankings, and information provided by Ms. Joan Steel of Fidelity, the Board concluded that it would retain watch status for Fidelity Equity-Income and Fidelity Low-Priced Stock Fund and designate watch status for Artisan Mid Cap Fund.

As of June 30, 2018, the funds designated by the Board to be on Watch status show the following performance for the three and five year periods based on performance rankings and Morningstar star ratings:

<u>Fund Name</u>	<u>Objective</u>	<u>Date Watch Status</u>
1) Fidelity Equity-Income	Below Benchmark	2/25/2009
2) Fidelity Low Priced Stock	Above Benchmark	2/23/2017
3) Artisan Mid Cap Fund	Below Benchmark	2/22/2018

In addition to the Investment Review provided by Fidelity Investments, the attached Fund Analysis Report provides the following information for each of the Plan's investment options:

- Performance, historical return and risk results versus the appropriate benchmarks;
- Fees and expense levels;
- Sharpe and Beta measurements; and
- Morningstar Rankings for three and five-year periods.

**Page 2**  
**Report to the Deferred Compensation Board**  
**August 21, 2018**

**Investment Objective and Policy Statement**

The Plan's investment objective is to make available a broad range of diversified investment options that have varying degrees of risk and return. The selection is intended to make it possible for the individual participant to achieve a balanced portfolio consistent with modern portfolio theory.

*Investment Options and Review Criteria:*

In accordance with the Board's Investment Policy, the Plan Administrator and Third Plan Provider track performance of the Investment Options on a quarterly basis and fully review these options at least annually. The annual review will include, but not be limited to, evaluations of the following:

- Historical return and risk results versus the appropriate benchmarks;
- Any changes in process, philosophy, and/or personnel; and,
- Fees and expense levels.

The analysis classifies [three and five-year] performance of each fund in one of three categories, based upon a benchmark of the top 50<sup>th</sup> percentile of retail fund in the asset class on the Morningstar database:

- Above Benchmark
- Below Benchmark
- Neutral

The policy of the Board is to review all of our investment options on an annual basis. Each fund is measured opposite the benchmarks and objectives that have been established. As a result of the review *each year*, conclusions are reached with respect to each current investment option and consideration given for new options:

1. The fund will be retained for the next twelve months.
2. The fund will be placed on a "watch list" when the overall fund rating is "at" or "below" benchmark. A fund on the "watch list" may be put on probation at any time in the future.
3. The fund will be placed on probation when the overall fund rating is below benchmark.
4. The fund will be closed to new contributions because it no longer meets the investment criteria.
5. New funds will be added for two reasons:
  - a. To replace a closed fund, or
  - b. To provide additional choices for participants.

**Page 3**  
**Report to the Deferred Compensation Board**  
**August 21, 2018**

Each investment option will be compared to recognized, appropriate indices and within universes of mutual funds and investment options with similar styles. Performance will be considered over a full market cycle of a three-to-five year period. In general, each investment alternative should outperform median returns for similar investment alternatives as shown by Morningstar Category.

***Evaluation as of June 30, 2018***

In addition to those funds on Watch status, the following fund(s) have not met the overall objectives as defined by the Board's current Investment Policy and show below benchmark or neutral classifications based upon a benchmark ranking which is below the top 50<sup>th</sup> percentile for three or five-year periods as of June 30, 2018:

➤ Fidelity US Bond Index	- Below Benchmark
➤ ABF Large Cap Value	- Below Benchmark
➤ Fidelity Value Fund	- Neutral
➤ Fid Mid Cap	- Below Benchmark
➤ MSIF SM CO Growth	- Below Benchmark*Frozen to new \$
➤ Fidelity Diversified Int'l	- Below Benchmark
➤ FKLN Mutual Global Discovery	- Below Benchmark
➤ Janus Global	- Neutral
➤ Templeton Growth	- Below Benchmark

**Actions for Consideration**

Based upon the Board's Investment Objectives and Policy Statement, the Board may take action to classify each investment option in one of the following categories:

1. The fund will be retained for the next twelve months.
2. The fund will be placed on a "watch list" when the overall fund rating is "at" or "below" benchmark. The Benchmark is the 50th percentile of retail funds in the asset class on the Morningstar database. A fund on the "watch list" may be put on probation at any time in the future.
3. The fund will be placed on probation when the overall fund rating is below benchmark.
4. The fund will be closed to new contributions because it no longer meets the investment criteria.

Joan Steel, of Fidelity Investments, will provide a thorough review of any changes in process, philosophy, and/or personnel surrounding the funds with neutral or below benchmark performance before the Board considers any further actions. The Board may want to review these issues with Fidelity, to determine if there are any reasons to consider further actions with regard to underperforming funds as of June 30, 2018.

**SUMMARY OF RECOMMENDATIONS:**

1. Staff is recommending that the Board consider at a minimum the following actions based upon review of benchmark performance for the three and five-year periods as of June 30, 2018:

	<u>Date Watch Designated</u>	<u>Action Recommended</u>
➤ AB Large Cap Value	8/30/2018	Designate Watch Status
➤ Fidelity Equity-Income	2/25/2009	Replace/Retain Watch
➤ Fidelity Low Priced Stock	2/23/2017	Remove Watch – Above B.
➤ Fidelity Value Fund	2/23/2018	Monitor - Neutral
➤ Artisan Mid-Cap	2/23/2018	Retain Watch Status
➤ Fidelity Diversified Intl.	8/30/2018	Monitor–Below Benchmark
➤ Janus Global Research Fund	8/30/2018	Monitor – Neutral
➤ Mutual Global Discovery	8/30/2018	Designate Watch-Below B.
➤ Templeton Growth	8/30/2018	Designate Watch-Below B.

Fidelity has planned to be make a presentation to the Boards about proposed investment options in an effort to replace under performing funds and reduce the overall number of investment options while ensuring that asset categories are well represented.

2. MSIF Small Company Growth Fund was frozen to new money in February 2017, and as of June 30, 2018, performance is Below Benchmark with rankings of 95% and 96% respectively; and 1-star ratings. The Board may want to consider a replacement for this fund given the poor performance.
3. Staff recommends continuing the practice of notifying participants about the funds placed on watch due to benchmark underperformance as it discloses information and gives merit to participants conducting a thorough review of their overall allocations to various investment options in the City of Fresno Deferred Compensation Plan.



## **REPORT TO THE DEFERRED COMPENSATION BOARD**

August 21, 2018

FROM: Robert T. Theller, Retirement Administrator

A handwritten signature in green ink, appearing to read "R. Theller", positioned to the right of the "FROM:" line.

BY: Kathleen Riley Brown, Assistant Retirement Administrator

SUBJECT: REVIEW, DISCUSS AND CONSIDER DEFERRED COMPENSATION PLAN DOCUMENT CHANGES FOR CITY COUNCIL ADOPTION

### **BACKGROUND:**

The City Council adopted the Deferred Compensation Plan Document with those modifications, on October 9, 2014, to allow Roth Contributions and Roth In-Plan Conversion features which had been recently allowed in 457 Government sponsored deferred compensation plans.

During the last year and a half, Staff conducted a thorough review of the City of Fresno Deferred Compensation Plan Document, meeting with Jeffrey Cardell and TJ Miller to ensure certain provisions of the Plan met the needs and intentions of the City's Personnel Department.

The attached Plan document has been modified to include corrections for a few provisions of the IRS code related to 457 Plans which were inadvertently misstated; while the remaining modifications aim to clarify and update certain provisions of the Plan as needed.

The City Attorney's Office has thoroughly reviewed the attached proposed revisions to the Plan document.

### **RECOMMENDATION:**

Staff is recommending that the Board review the proposed Plan document and provide direction to recommend that the City Council approve and adopt the restated document.





# **CITY OF FRESNO DEFERRED COMPENSATION PLAN DOCUMENT**

**CITY OF FRESNO**

~~October 9, 2014\_~~  
\*\*\*\*, 2018

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# CITY OF FRESNO DEFERRED COMPENSATION PLAN DOCUMENT

## ARTICLE I PLAN ESTABLISHED

**01-01 Plan Established.** The Employer hereby amends and restates the City of Fresno Deferred Compensation Plan Document ("Plan"). The Plan consists of the provisions set forth in this document which is amended and restated pursuant to the Economic Growth and Tax Relief Reconciliation Act of 2001, Pension Protection Act of 2006 ("PPA"), and American Taxpayer Relief Act of 2012 ("ATRA"). It is intended that the Plan shall qualify as an Eligible Deferred Compensation Plan within the meaning of Section 457(b) of the Internal Revenue Code of 1986 as amended ("IRC") sponsored by an Eligible Governmental Employer.

## ARTICLE II PURPOSE

**2-1 Primary Purpose.** The primary purpose of the Plan is to provide retirement income and other deferred benefits to the Employees of the Employer and the Employees' Beneficiaries in accordance with the provisions of Section 457 of the IRC, and Government Code Sections 53212 et seq.

**2-2 Agreement.** The Plan shall be an agreement solely between the Employer and participating Employees. The Employer has established a Trust in the Trust Agreement, to hold all assets of the Plan for the exclusive benefit of Participants and Beneficiaries. The Trust shall comply with IRC Section 457(g) and constitute a valid trust under applicable state law. The powers and duties of the Trustee are set forth in the Trust Agreement.

**2-3 Tax Status not Guaranteed.** The Employer, and the Deferred Compensation Board which administers the Plan, do not, and cannot, represent or guarantee that any particular federal and state income, payroll, or other tax consequences will occur by reason of an Employee's participation in this Plan. The Participant shall consult with his own attorney or other representative regarding all tax or other consequences of participation in this Plan.



**ARTICLE III  
DEFINITIONS**

The following terms when used herein, shall have the following meaning:

**3-1 Account** means the bookkeeping account maintained for each Participant reflecting the cumulative amount of the Participant's Deferred Compensation, including any income, gains, losses, or increases or decreases in market value attributable to the investment of the Participant's Deferred Compensation, any transfers for the Participant's benefit, any distributions to the Participant or the Participant's Beneficiary, and any fees or expenses charged against such Participant's Deferred Compensation.

**3-2 Accumulated Deferrals** means compensation deferred under the Plan, adjusted until date of payment by income received, increases or decreases in investment value, fees and any prior distributions made.

**3-3 Automatic Distribution Date**, on or after January 1, 2002, means April 1 of the calendar year after the Plan year the Participant attains the age of 70 1/2 , or if later, a Severance Event.

**3-4 Beneficiary** means any person, trust, corporation or firm, or the estate of the Participant, or any combination of the foregoing designated by the Participant to receive benefits under the Plan. ~~Designation shall be made initially on the City of Fresno Participation Agreement executed by the Participant, unless otherwise provided.~~ Beneficiary may mean singular or plural, primary or contingent.

**3-5 Compensation** means all payments made to the Employee by the Employer as remuneration for services rendered.

**3-6 Deferred Compensation** means the amount of Participant's compensation which the Participant and the Employer mutually agree to defer in accordance with the provisions of this Plan, or any other amount which the Employer agrees to credit to a Participant's Account under this Plan. ~~When used in the context of deferrals of Compensation, "defer(s)", "deferral" or "deferred" means, individually or collectively, Pre-Tax Deferrals and Roth Contributions, as applicable. "Deferred Compensation" means the aggregate Pre-Tax Deferrals and Roth Contributions made from a Participant's Compensation, which said Participant has elected to defer in accordance with the provisions of this Plan.~~ Deferred Compensation" means the aggregate Pre-Tax Deferrals and Roth Contributions made from a Participant's Compensation, which said Participant has elected to defer in accordance with the provisions of this Plan. When used in the context of deferrals of Compensation, "defer(s)", "deferral" or "deferred" means, individually or collectively, Pre-Tax Deferrals and Roth Contributions, as applicable.

**3-7 Deferred Compensation Board** means the Deferred Compensation Board which shall administer the City of Fresno Deferred Compensation Plan. The Deferred Compensation Board shall consist of five members selected as follows:

- (a) One member from the Finance Department appointed by the City Manager with the approval of the City Council; and
- (b) One member from any City department appointed by the City Manager with the approval of the City Council; and
- (c) Two members elected by and from the plan Participants who have a non-zero balance in their Deferred Compensation Account (active or any other status); and
- (d) A fifth member chosen by the previously designated four members from the qualified electors of Fresno County not connected with the City of Fresno or the Plan.

The members elected by and from the Plan Participants shall serve a term of four years, whose terms shall be staggered. The remaining members shall serve at the pleasure of the appointing or electing authority.

**3-8 Eligible Employee** means any full time permanent Employee or City Councilmember of the City or any other Employee eligible for the City's pension system. Permanent part time City employees are also eligible to participate in this Deferred Compensation Plan.

**3-9 Eligible Retirement Plan** means any account, annuity, plan or trust as defined in IRC Section 402(c)(8)(B).

**3-10 Eligible Rollover Distribution** means any distribution as defined in IRC Section 402(c)(4)(E).

**3-11 Eligible Tax Favored Vehicle** shall mean a plan within the meaning of IRC Sections 401(a), 401(k), 457(b), 403 (b) as defined in Section 402(c)(8)(B), of the Internal Revenue Code, or Individual Retirement Arrangement, or qualified defined benefit plan as defined by IRC Section 415(n)(3)(A).

**3-12 Employer** means the City of Fresno.

**3-13 Includible Compensation** means compensation for services performed for the Employer, as defined in IRC Section 457(e)(5).

**3-14 IRC** means the Internal Revenue Code of 1986, as amended from time to time.

**3-15 Normal Retirement Age** means age 70 1/2, unless the Participant has elected an alternate Normal Retirement Age by written instrument delivered to the Deferred Compensation Board prior to a Severance Event. A Participant's Normal Retirement Age determines the period during which a Participant may utilize the 457 Catch-Up Dollar Limitation set forth in Article VI. Once a Participant has to any extent utilized the catch-up limitation in Article VI, his Normal Retirement Age cannot be changed.

A Participant's alternate Normal Retirement Age may not be earlier than the earliest date that the Participant will become eligible to retire and receive unreduced retirement benefits under his or her respective City of Fresno Retirement System (Fire and Police Retirement System or Employees' Retirement System), and may not be later than the date the Participant will attain age 70 1/2.

If a Participant continues employment after attaining age 70 1/2, not having previously elected an alternate Normal Retirement Age, the Participant's alternate Normal Retirement Age shall not be later than the mandatory retirement age, if any, established by the Employer, or the age at which the Participant actually has a Severance Event if the Employer has no mandatory retirement age.

If the Participant will not become eligible to receive benefits under his or her respective City Retirement System, the Participant's alternate Normal Retirement Age may not be earlier than attainment of age 50 for Participants who are members of the Fire and Police Retirement System, and age 55 for Participants who are members of the City Employees' Retirement System or are Permanent Part time Employees.

**3-16 Participant** means any member of the Plan who has elected, pursuant to the Plan, to defer a portion of his compensation, and who fulfills the requirements of participation in the Plan.

**3-17 Participation Agreement** means the agreement, including any amendments and modifications thereof, executed and filed by an Eligible Employee with the Employer pursuant to Article V, in which the Eligible Employee elects to become a Participant in the Plan.

**3-18 Participation Account** means the account and subaccounts established and maintained for a Participant under the Plan to which there is recorded, as applicable, the Participant's Pre-Tax Deferrals, Roth Contributions, Deferred Compensation Eligible Deferred Compensation Plan Transfers, Rollover Contributions and Roth In-Plan Contributions, if any, and any interest, dividends, gains, losses, earnings or expenses or the like thereon. A Participant's Participation Account shall be divided into the following subaccounts, as applicable: the Pre-Tax Deferral Subaccount, the Roth Contribution Subaccount, the Eligible Deferred Compensation Plan Transfer Subaccount, the Rollover Subaccount and the Roth In-Plan Rollover Subaccount.

**3-19 Plan Year** means the calendar year.

**3-20 Qualified Domestic Relations Order or "QDRO"** means any judgment, decree or order as defined in IRC Section 414(p).

**3-21 Required Beginning Date** means April 1 of the calendar year following the later of: (a) the calendar year in which the Participant attains age 70 1/2; or (b) the calendar year in which the Participant retires or leaves City service.

**3-22 Rollover Amount** means that portion of an Eligible Rollover Distribution from this Plan that, by election of the prospective distributee, is transferred directly or indirectly to an Eligible Retirement Plan.

**3-23 Roth Contribution(s)** means contributions made pursuant to the Participant's Participation Agreement that (i) the Participant irrevocably designates at the time of the contribution election as post-tax Roth contributions that are being made from Compensation on an after-tax basis; and (ii) the Employer treats as includible in the Participant's gross income in the year deferred.

**3-24 Roth Contribution Subaccount** means the subaccount established within a Participation Account to which a Participant's Roth Contributions are recorded, as applicable, and any interest, dividends, gains, losses, earnings or expenses or the like thereon.

**3-25 Roth In-Plan Rollover Contribution** means the portion of an Eligible Rollover Distribution from the Plan that a Participant elects to have allocated to the Roth In-Plan Rollover SubAccountSubaccount within the Participant's Participation Account.

**3-26 Roth In-Plan Rollover SubAccountSubaccount** means the subaccount established within a Participant's Participation Account to which a Participant's Roth In-Plan Rollover Contributions are recorded, as applicable, and any interest, dividends, gains, losses, earnings or expenses or the like thereon.

**3-27 Severance Event** means severance of the Participant's employment with the Employer that constitutes a separation of service within the meaning of IRC Sections 414(u), 402(e)(4)(A)(iii), and 457(d)(1)(A)(ii) or on account of the Participant's death or retirement. In general, a Participant will be deemed to have severed his or her employment as of the date of his or her last payroll.

**3-28 State Law** means any statutes, court decisions, executive orders, administrative rulings, regulations or other proclamations having the force of law in the State of California.

**3-29 Trust** means the funding vehicle established pursuant to IRC Section 457(g) which shall consist of all assets of the Plan held by the Trustee pursuant to the terms of the Trust Agreement.

**3-30 Trust Agreement** means the agreement by and between the City of Fresno, as the Sponsor, and the Trustee which governs the operation of the Trust

**3-31 Trustee** means such individual(s) or entity designated by the Sponsor with the duties and responsibilities set forth in the Trust Agreement.

#### ARTICLE IV ADMINISTRATION

**4-1 Administered by Deferred Compensation Board.** This Plan shall be administered by the City of Fresno ~~Deferred Compensation~~-Deferred Compensation Board which shall represent the Employer and all participants in all matters concerning the administration of this Plan.

**4-2 Deferred Compensation Board Duties and Responsibilities.**

**(a) Deferred Compensation Board to Adopt Rules and Regulations.** The Deferred Compensation Board shall have full power and authority to adopt rules and regulations for the administration of the Plan, and to interpret, alter, amend, or revoke any rules and regulations so adopted.

**(b) Deferred Compensation Board Action Fair and Reasonable.** Every action taken by the Deferred Compensation Board shall be presumed to be a fair and reasonable exercise of the authority vested in or the duties imposed upon it. The Deferred Compensation Board and its individual members shall be deemed to have exercised their fiduciary duties with reasonable care, diligence, and prudence and to have acted impartially as to all persons interested, unless the contrary may be proven by affirmative evidence.

**4-3 Deferred Compensation Board Powers.**

(a) Plan Prevails. In the event any form or other document used in administering this Plan, including but not limited to Participation Agreement and marketing materials, conflicts with the terms of the Plan, the terms of the Plan shall prevail.

(b) Decision Binding. The Deferred Compensation Board is authorized to

CITY OF FRESNO'S DEFERRED COMPENSATION PLAN DOCUMENT

determine any matters concerning the rights of any Participant under this Plan, and such determination shall be binding on the Participant and any Beneficiary thereof.

(c) Deferred Compensation Board to Interpret. The Deferred Compensation Board is authorized to construe this Plan and resolve any ambiguity in the Plan. The Plan and any form or other document used in administering the Plan shall be interpreted, and this Plan shall be administered, so as to comply with IRC Section 457, as amended, and the regulations of the Treasury Department promulgated thereunder.

(d) Deferred Compensation Board May Require Court Order. The Deferred Compensation Board or the Employer, if in doubt concerning the correctness of their action in making a payment of accumulated deferrals, may suspend

(d) payment until satisfied as to the correctness of the payment or the person to receive the payment or to allow the filing in any state court of competent jurisdiction of a civil action seeking a determination of the amounts to be paid and the persons to receive them. The Deferred Compensation Board and the Employer shall comply with the final orders of the court in any such suit, and the Participant, or the Participant and the Participant's Beneficiary, consent to be bound thereby. Whenever payment of accumulated deferrals is suspended pursuant to this section, the time for a Participant or Beneficiary making any election under Article VIII of this Plan, shall not begin until amount(s) and person(s) entitled are determined either by written agreement of all parties concerned or by a court judgment that has become final.

(e) Delegation of Authority. The Deferred Compensation Board may delegate its functions to be performed under this Plan to any designee with legal authority to perform such functions.

ARTICLE V  
PARTICIPATION IN THE PPLAN

**5-1 Enrollment in the Plan.** An Employee may elect to become a Participant in the Plan by executing and delivering a Participation Agreement approved by the Deferred Compensation Board or its designee, ~~and delivered to the Employer.~~

**5-2 Investment Options.** As part of the Participation Agreement, the

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Participant shall be responsible for contacting the Trustee directly to select his/her investment option(s) from among those selected by the Deferred Compensation Board in its sole discretion from time to time, and to designate the amount of compensation to be deferred and whether such deferral is a Pre-Tax Deferral or a Roth Contribution or consists of both Pre-Tax Deferrals and Roth contributions. The amount(s) requested must equal at least ten (\$10.00) dollars per pay period and shall continue until changed or revoked pursuant to Section 05-06 of this Plan.

**5-3 Deferral.** By executing the Participation Agreement, the Participant consents to the Employer taking the necessary actions to defer that portion of his or her Compensation which the Participant has specified is to be deferred from the Participant's gross compensation for each pay period. The Participant shall indicate whether such deferral is a Pre-Tax Deferral, a Roth Contribution, or consists of both Pre-Tax Deferrals and Roth Contributions, in which case the Participant shall designate specific amounts for each, as applicable. Deferral of compensation shall occur as soon as administratively possible after completing the Participation Agreement, or on such other date as may be permitted under the IRC.

**5-35-4 Investment Vehicle Election and Direction of Investments.**

(a) Investment Options. The Deferred Compensation Board shall establish such Investment Options as it deems necessary to provide Participants with a diversified range of alternatives. Each Investment Option shall be based upon its investment performance as well as its ability to provide a range of investment diversification under the Plan. The Deferred Compensation Board shall specify the investment objectives and characteristics of each Investment Option and the corresponding investment portfolio or portfolios and shall provide eligible Employees with a written description of each available Investment Option. The Deferred Compensation Board, in its sole discretion, may add, eliminate, or consolidate Investment Options and corresponding investment portfolios from time to time. In the event that an Investment Option is eliminated, the Deferred Compensation Board shall provide prior notice of such elimination, and if the Participants whose accounts were wholly or partially allocated to that Investment Option do not make a re-allocation, the Deferred Compensation Board shall reallocate such amounts to the available Investment Option or Investment Options that the Deferred Compensation Board in its sole discretion deems most comparable to the eliminated Investment Option.

(b) Experience of Loss. In the event that the selected investment vehicle experiences a loss, the Participant's accumulated deferrals payable hereunder shall likewise reflect a loss, rather than income, for the period.

(c) Actions of Deferred Compensation Board. Any such action by the Deferred Compensation Board in investment funds, or approving of any such investment funds, shall not be considered to be either an endorsement or guarantee of any investment, nor shall it be considered to attest to financial soundness or the suitability of any investment for the purpose of meeting future obligations.

**5-45-5 Designation of Beneficiary.** A Participant may designate ~~by the Participation Agreement, delivered to the Employer,~~ a Beneficiary subject to Federal and California law, to receive any benefits which may be payable under the Plan upon the death of such Participant. A Participant may at any time, ~~amend his or her Participation Agreement to change the designated Beneficiary(ies) or~~ update his or her beneficiaries using online access provided by the Plan. Any change in the beneficiary designation, filed in proper form, shall become effective as of the date of delivery ~~to the Deferred Compensation Board.~~

**5-6 Modification of deferral or investment option(s).** A Participant may on a prospective basis change his/her deferral amount, change the deferrals designated as Pre-Tax Deferrals or Roth Contributions, change investment options, suspend or revoke participation in the Plan, or reinstate participation at any time. The Participant shall be responsible for contacting and notifying the Trustee of any modifications. Changes in the amount of the deferral must equal at least five (\$5.00) dollars per pay period.

**5-5**

Investment changes may be made at any time subject to the terms of the Trustee/mutual fund provider(s). The requested change shall become effective at the earliest possible payroll period which allows sufficient time for the order to be processed through the City payroll section.

**ARTICLE VI  
LIMITATION ON DEFERRALS**

**6-1 Deferral Limitation.** Except as provided in Section 06-02, relating to catch-up provisions, the maximum amount of the Annual Deferral compensation of any Participant which may be deferred under the Plan for each any calendar year, shall not exceed the lesser of (1) 100% of the Participant's includible compensation or (2) ~~\$1718,500~~ in the year ~~2014~~2018 (and \$18,000 in 2015-2017), and thereafter adjusted for the calendar year to reflect increases in the cost-of-living, in accordance with IRC Section 457(e)(15) and 415(d). The Participant acknowledges the right of the Deferred Compensation Board to disallow deferral of compensation under the Plan in excess of the limitations set forth in this Section.

However, the Deferred Compensation Board shall have no duty or assume or incur any



**CITY OF FRESNO'S DEFERRED COMPENSATION PLAN DOCUMENT**

liability for failure to assure that amounts deferred are in compliance with such limitations.

**6-2 Catch-up Provisions.**

(a) Age 50 Plus Catch-up Provision. Pursuant to IRC Section 414(v), A Participant who will attain age 50 or more by the end of the calendar year is permitted to elect an additional amount of Annual Deferrals, up to the maximum age 50 catch-up Annual Deferrals for the year, which is:

(i) A specified dollar limit as provided in IRC Section 414(v). Those dollar limits are, an additional \$6,000 in the year 2017, thereafter adjusted for the calendar year to reflect increases in the cost of living in accordance with IRC Sections 457(e)(15) and 415 (d).

The age fifty plus catch-up contributions can be made beginning in the year in which the Participant reaches age fifty and for as many years as the Participant desires; however, the age fifty plus catch-up contribution may not be used in the same year as the Special Section 457 Catch-up Provision for which the additional contributions permitted under IRC Section 457(b)(3) applies to such Participant, to the extent required by applicable statute or regulations.

(b) ~~Normal~~ Special Section 457 Catch-up Provision. Special 457(b) catch-up contributions, permitted by the plan, allows a participant for 3 years prior to the normal retirement age (as specified in the plan) to contribute the lesser of: (1) twice the annual limit (\$37,000 in 2018 and \$36,000 in 2015 – 2017) or (2) the basic annual limit plus the amount of the basic limit not used in prior years (the underutilized maximum amounts for prior years - only allowed if not using age 50 plus catch-up contributions).

Notwithstanding any provision in this Article to the contrary, with respect to any one or more of the three (3) taxable years ending before the date of the Participant's Normal Retirement Age, such Participant may elect to have Deferred Compensation contributed to the Plan in an amount not to exceed the lesser of (1) twice the dollar amount of the Deferral Limitation established in Section 6.01, or (2) the Underutilized Limitation. For purposes of this subsection, the Underutilized Limitation with respect to a Participant shall be equal to the sum of: the Deferral Limitation for the taxable year, and the excess of (i) lesser (ii) where:

(i) equals the sum of the limitations set forth in IRC Section 457(b)(2) for all taxable years on or after December 31, 1978 in which the Participant was eligible to participate in this Plan or any other eligible deferred compensation plan sponsored by an entity within the State of California, and (ii) equals the

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sum of all Deferred Compensation made on behalf of such Participant for such taxable years plus his/her deferred compensation under any other eligible deferred compensation plan sponsor by an entity within the State of California.

~~(a) — Age 50 Plus Catch-up Provision. Pursuant to IRC Section 414(v), Participants turning age 50 by the end of the Plan year (or such other date as the Treasury Department may require by regulations) may contribute additional annual contributions each year, which shall be the lesser of:~~

~~(i) — Compensation reduced by elective deferrals made to other plans; or~~

~~(ii) — A specified dollar limit as provided in IRC Section 414(v). Those dollar limits are, an additional \$5,500 in the year 2014, thereafter adjusted for the calendar year to reflect increases in the cost of living in accordance with IRC Sections 457(e)(15) and 415 (d).~~

~~The age fifty catch-up contributions can be made beginning in the year in which the Participant reaches age fifty and for as many years as the Participant desires; however, the age fifty catch-up contribution may not be used in the same year as the Normal Catch-up Provision for which the additional contributions permitted under IRC Section 457(b)(3) applies to such Participant, to the extent required by applicable statute or regulations.~~

**ARTICLE VII  
TRANSFERS AND ELIGIBLE ROLLOVERS**

**7-1 Rollover Contributions.**

(a) Eligible Deferred Compensation Plans: The direct transfer and/or rollover contribution of an Eligible Rollover Distribution from another eligible deferred compensation plan (as defined in IRC Section 457(b)) shall be accepted and allocated to a Participant's Account under this Plan provided that such amounts are in cash or other property acceptable to the Deferred Compensation Board. The Deferred Compensation Board may request proof that the prior plan is an eligible deferred compensation plan under IRC Section 457(b). Direct transfer and/or rollover contribution amounts shall not be subject to the limitations of Article VI; provided, however, that the actual amount deferred during the calendar year under both the prior plan and the Plan shall be taken into account in calculating the deferral limitations for that year. For purposes of determining the limitations set forth in Article VI, years

(a) of eligibility to participate in the prior plan and deferrals under the prior plan shall be taken into account to the extent required by IRC Section 457.

(b) Other Eligible Retirement Plans: The direct transfer and/or rollover contribution of an Eligible Rollover Distribution from another Eligible

Retirement Plan (other than an eligible deferred compensation plan) shall be accepted and allocated to a Participant's Account under this Plan provided that such amounts are in cash or other property acceptable to the Deferred Compensation Board. The Deferred Compensation Board may request verification that the prior plan is an Eligible Retirement Plan. Direct transfer and rollover contribution amounts shall not be subject to the limitations of Article VI. In addition, in order for Eligible Rollover Distributions to be accepted by this Plan.

(b) —

(c) ~~The~~ Deferred Compensation Board may request verification that (1) the amounts to be transferred are not subject to a QDRO, and (2) spousal consent, if required, to transfer such amounts from the prior plan, has been obtained.

Amounts shall be identified as to source and nature (such as non-deductible employee contributions, elective deferral amounts and deemed elective deferral amounts subject to the provisions of IRC Section 401(k), employer contributions,

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etc.) Any amounts accepted for contribution under this Section 07-01(b) shall be allocated to one or more sub-accounts within the Participant's Account. The sub-account(s) will share in the investment gains and losses experienced by the Account as a whole; however, it will be ~~separat~~separately accounted for taxation and distribution purposes as required under IRC\_

Section 457.

**7-2 Transfers to Certain Plans for the Purchase of Service Credit.**

(a) Direct Trustee to Trustee Transfer: Any Participant who is also a Participant in a defined benefit governmental plan (as defined in IRC Section 414(d)) may have a direct trustee to trustee transfer made from this Plan to the defined benefit governmental plan if the transferred assets are used for:

- (i) the purchase of service credits (as defined in IRC 415(n)(3)(A)) in the defined benefit governmental plan; or
- (ii) a repayment of a cash out from the defined benefit governmental plan which meets the requirements of IRC Section 415(k)(3).

(b) Application for Transfer: If the conditions in subsections (i) and (ii) of this Section are met and the Participant wishes to transfer his/her account, he/she shall complete any application form and/or other documents as may be required by the Deferred Compensation Board.

(c) Administrative Rules: The Deferred Compensation Board shall prescribe such rules consistent with the provisions of Subsections (i) and (ii) of this Section concerning plan-to-plan transfers as in its sole judgment it deems desirable for the orderly administration of the Plan.

**7-3 Roth In-Plan Rollover Contributions.** The Plan, to the extent permitted by the IRC and otherwise pursuant to procedures established by the Plan, will accept Roth In-Plan Rollover Contributions with such amounts to be credited to the Participant's Roth In-Plan Rollover Subaccount. The Participant shall, in the time and manner prescribed by the Plan, specify the amount to be rolled over as a Roth In-Plan Rollover Contribution.

**ARTICLE VIII  
DISTRIBUTION OF BENEFITS**

**8-1 Inactive De Minimis Accounts.**

(a) Voluntary Withdrawals: A Participant currently employed with the City of Fresno shall be entitled to request a withdrawal of his/her account, other than that portion attributable to a rollover of contributions, provided that:

(i) the total amount credited to the Participant's account does not exceed \$5,000 (or the amount as may be revised by the Internal Revenue Service and/or Department of Labor);

(ii) the Participant has not authorized Deferred Compensation under the Plan during the two (2) year period immediately preceding such request; and

(iii) the Participant has not previously applied for a withdrawal under this Section.

The amount of the Participant's account attributable to rollover contributions shall not be considered in determining whether the Participant's account is less than \$5,000.

**8-2 Distribution ~~Upon~~upon the Death of Participant or Beneficiary.**

Should the Participant die at any time, accumulated deferrals shall be paid to the Beneficiary designated by the Participant's Participation Agreement. ~~\_\_\_\_\_~~ If no Beneficiary is designated ~~as provided in the Participation Agreement~~, or if the designated Beneficiary does not survive a period of thirty days, then a lump sum shall be paid, to the surviving spouse, or if none, a lump sum shall be paid to the estate of the Participant.

~~8-3~~ **8-3 Elections Regarding Distribution.** Each participant (or in the event of death, each Beneficiary other than an organization, estate, or trust) shall direct the Trustee regarding the details of paying out his/her account. A Participant electing to commence distribution shall have the opportunity to designate the extent to which the distribution should be taken in whole or in part from subaccounts within the Participant's Participation Account in which Roth Contributions, Roth In-Plan Rollover

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Contributions or Eligible Deferred Compensation Plan Transfers or Rollover Contributions from Qualified Roth Contribution Programs are held, as applicable. In the absence of such designation, the distribution shall be taken pro rata from the subaccounts within the Participant's Participation Account. The Participant/Beneficiary may change this direction from time to time within the distribution rules that apply to all qualified plans and within the constraints of the Trustee. Any amount payable to [an](#)  
#



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organization, estate, or trust shall be paid in a lump sum as prescribed in Sections 08-02 and 08-04(c).

**8-4** Distribution of Deferrals.

(a) General Rule. Upon retirement or severance from employment with the City of Fresno, and assuming a request is made to the Trustee, payment will be made in at least annual, quarterly, or monthly payments as requested by the Participant.

(b) Distribution to Participant. Payment must be sufficiently rapid to satisfy the minimum required distribution rules under the Internal Revenue Code regulations.

(c) Distribution to Beneficiary.

(i) When distribution begins prior to the Participant's death, the payout must be made at least as rapidly as it were as being made to the Participant. When the Beneficiary is an organization, estate or trust, then payment will be payable in a lump sum.

(ii) When distribution does not begin prior to the Participant's death, and is to be made:

(1) To an organization, estate or trust, then payment will be payable in one lump sum.

(2) To the Participant's surviving spouse, whether as designated Beneficiary, or by default, then payment will be made by the Trustee as directed by the spouse within the minimum distribution rules under the IRC regulations.

(3) Notwithstanding anything in this Plan to the contrary, distributions from the Plan will be made in compliance with the minimum distribution rules and applicable sections of the IRC.

(3) —

**8-5** Eligible Rollover Distributions.

(a) Election Procedure. If all or any portion of a prospective distribution is an Eligible Rollover Distribution, the prospective distributee shall have the right to elect to have all or any portion of the Eligible Rollover Distribution treated as a Rollover Amount. Subject to satisfaction of the requirements of IRC Section 457(e)(16) and this Section, Rollover Amounts shall be delivered

directly by this Plan to an Eligible Retirement Plan as designated by the distributee. The Plan permits non-spouse rollovers described in IRC Section 402 (c)(11). Any such transfers shall also comply with all applicable rules and regulations issued by the Internal Revenue Service.

(b) Effect of Delivery of Rollover Amounts. Each prospective distributee, by electing to have any portion of his/her Eligible Rollover Distribution treated as a Rollover Amount, agrees that, upon transmittal as instructed of the funds to which such election applies, the Deferred Compensation Board shall be released from all duties, obligations responsibilities, and liabilities in connection with the amount so transmitted. The Deferred Compensation Board shall not be responsible ~~for~~ ~~to~~ ~~see~~ ~~to~~ the crediting or application of the funds so transferred.

**8-6 Unforeseeable Emergency. General:** In the event an unforeseeable emergency occurs, a Participant may apply to the Deferred Compensation Board to request a withdrawal of a portion of his/her account as necessary to satisfy the emergency need. If the application is approved by the Deferred Compensation Board, the Participant shall be paid only such amount as the Deferred Compensation Board deems necessary to meet the emergency need. Payment shall not be made to the extent that the financial hardship may be relieved (1) through reimbursement or compensation by insurance or otherwise, (2) by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship), or (3) by cessation of Deferred Compensation under the Plan.

An unforeseeable emergency shall be deemed to involve only circumstances of severe financial hardship to the Participant resulting from a sudden unexpected illness, accident, or disability of the Participant or of a dependent (as defined in IRC Section 152) of the Participant, loss of the Participant's property due to casualty, or other

similar extraordinary and unforeseeable circumstances arising as a result of an event beyond the control of the Participant.

The circumstances that will constitute an unforeseeable emergency will depend upon the facts of each case. Examples of what shall not be considered to be unforeseeable emergencies include the wish to finance a child's college education or the desire to purchase a home.

**8-7 Qualified Domestic Relations Orders - General.** Parties to a divorce or termination of registered domestic partnership will be required to file a joinder with the Plan, notifying the [CityPlan](#) that a divorce or termination of registered domestic partnership is pending. Upon receipt of the final judgment, decree or order which is made pursuant to a state domestic relations and/or community property law ("Court Order"), the Trustee, within a reasonable period after receipt of such Court Order will

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make the

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appropriate changes on the Plan data base in accordance with such Order as a Qualified Domestic Relations Order ("QDRO").

- (a) Segregation of Account/Payment - The Trustee, upon receipt of instructions from the Deferred Compensation Board, will segregate in a separate account in the Plan, the amounts which are payable to the Alternate Payee pursuant to the QDRO.
- (b) Status, Rights and Privileges of Alternate Payee - Except as otherwise provided herein, an Alternate Payee shall have the status and rights of a Beneficiary under this Plan to the exclusion of all other rights associated with Participants under this Plan.
- (c) Exceptions to General Rule - Notwithstanding the provisions of Section 08-07(b), the Alternate Payee shall have the following rights and privileges under this Plan:
  - (i) The right to receive payment under the terms of the QDRO qualified domestic relations order at the time and manner specified in the QDRO; provided, however, that such payment may not be made in a form which is not available to Participants under the Plan; and
  - (ii) The right to direct the manner in which Plan amounts allocated to such Alternate Payee are invested.
- (d) Qualified Domestic Relations Order Expenses - Any expense related to the administration of a QDRO shall be assessed against the Participant's account and the Alternate Payee's account in percentages equal to the percentage split of assets in the QDRO.

**ARTICLE IX**  
**LOANS TO PARTICIPANTS**

**9-1 Loans to Participants.** A Participant may take a loan from his/her Account subject to the terms and conditions of this Section 9-01 and the IRC. The maximum amount that the Plan can permit as a loan is the lesser of (1) \$50,000 or 50% of your vested account balance.

- a) Amount That Can Be Borrowed. If no other Plan loan is outstanding (or has been outstanding at any time during the prior one-year period), a

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Participant may borrow up to the following amounts:

<u>Vested Account Balance</u> <u>(in Plan from which loan taken)</u>	<u>Maximum Loan Amount</u>
<u>Less than \$2,000</u>	<u>No loan available</u>
<u>\$2,000 - \$100,000</u>	<u>50% of vested account balance</u>
<u>Over \$100,000</u>	<u>\$50,000</u>

If another Plan loan has been outstanding at any time during the prior one-year period, the Maximum Loan Amount shall be the lesser of: (a) \$50,000 reduced by the highest outstanding balance of any other loan from the Plan during the one-year period ending the day before the newest loan is made; or (b) 50% of the vested account balance amount in the Plan, reduced by the current outstanding balance of any other loan from the Plan. However, no loan is available if the resulting tentative Maximum Loan Amount is less than \$1,000.

A loan that has defaulted and is "deemed distributed" will be considered an outstanding loan for the purpose of calculating loan availability and the loan currently outstanding.

~~(a) Limitation on Amount. No Participant shall, under any circumstance, be entitled to loans aggregating in excess of the lesser of:~~

~~(1) \$50,000, reduced by the excess (if any) of:~~

~~the highest outstanding balance of loans to such Participant from the Plan during the 1-year period ending on the day before the date on which such loan was made, less~~over

~~(A) the outstanding balance of loans from the Plan on the date on which such loan was made, or~~

~~(2) one-half (1/2) of the value of the Participant's adjusted vested interest in his/her Account as of the Valuation Date coincident with or immediately preceding the date on which the loan is made.~~

~~(3) The minimum Loan amount is \$1,000.~~

(b) Equality of Borrowing Opportunity. Loans shall be made available on a reasonably equivalent basis to all Participants who are active City employees who have a minimum balance of \$2,000 in their Deferred Compensation

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Account. A loan may not be made to a Participant after his/her separation from City service. If a Participant's date of separation from City service occurs after he/she has requested a loan but before the loan is actually made to the Participant, the Participant's **request for a loan shall automatically be cancelled.** No loans may be made to a beneficiary or an Alternate Payee as named by QDRO.

(c) Pledge of Security. Each loan to a Participant shall be secured by the pledge of the amounts allocated to his/her Account equal to initial outstanding balance of such loan.

(d) Loan Forms. The Participant shall complete all forms required by the Deferred Compensation Board in order to process the loan including, but not limited to: pledge of security, spousal consent, and acknowledgement of loan terms. Participants shall submit paperwork for automatic electronic payments (ACH) from a personal bank account directly to the Plan administrator.

(e) Interest Rate. Interest shall be charged at prime plus 1%, designed to provide the Plan with a return commensurate with interest rates charged by persons in the business of lending money under similar circumstances.

(f) Loan Term. Loans shall be for terms not to exceed five (5) years from the date of the loan, except that loans taken for the purpose of acquiring any dwelling unit which is to be used as a principal residence of the Participant may be for periods not to exceed fifteen (15) years. Loan payments may continue after the employee leaves City service until such time as the loan is paid in full or until such time as a payment is in default, at which time the loan becomes payable in full. Loans shall be non-renewable and non-extendable.

(g) Amortization. Loans shall provide for substantially level amortization of principal and interest by monthly automatic deduction (ACH) from the Participant's personal bank account.

(h) Prepayment. The Participant shall be permitted to repay the loan in whole or in part at any time prior to maturity, without penalty.

(i) Defaults and Remedies. During the term of the loan, if no portion of a loan payment is made within 60 days of the date such payment is due, or if any balance remains outstanding 60 days after the end of the term of the loan, the loan shall be considered in default. In the event of default by a participant, the outstanding balance of the loan shall be reported to the Internal Revenue Service as a deemed distribution. Interest accrued from the date of the last loan repayment to the deemed distribution date is also reported to the Internal Revenue Service. Once a participant defaults on a loan, no future plan loans will be allowed.

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(j) Loan Procedures. All Plan loans shall be made and administered by the Deferred Compensation Board in accordance with the rules and procedures that the Deferred Compensation Board may establish from time to time, which are hereby incorporated into the Plan by reference.

(k) Outstanding Loans. A participant may have no more than one loan outstanding at any time. [Issuance of a new loan will be permitted 60 days after the full repayment of the prior loan.](#)

(l) Payment of Fees. The participant shall be responsible for the payment of fees to cover the cost of administering his/her loan. Payment shall be made by deduction from the Participant's Deferred compensation account.

(m) Suspension of Repayment

(i) [Military Service and Disaster Relief](#). Loan repayment shall be suspended [by Fidelity](#) without penalty for any period during which a Participant is serving on active duty in the uniformed services of the United States [or for periods specified by the IRC for any given disaster relief efforts](#).

(i) \_\_\_\_\_

(ii) Other Leaves of Absence. In the event of an employer approved unpaid leave of absence for any other reason, the participant may suspend principal installments and interest payments otherwise due for the duration of the leave or one year, whichever is shorter.

(iii) Upon termination of a repayment suspension, the Participant may either: (1) make a one-time payment equal to the total amount that accumulated during the suspension, or (2) reamortize the loan.

(n) Other terms and conditions. The Deferred Compensation Board shall fix such other terms and conditions of the loan as it deems necessary to comply with the applicable laws, including maintaining the qualification of the Plan under IRC Section 457, and any applicable regulations.

## **ARTICLE X MISCELLANEOUS PROVISIONS**

**10-1 Leave of Absence.** If a Participant is on an approved leave of absence from the Employer, participation in this Plan shall continue.

**10-2 Termination of Plan.** The City of Fresno may, by appropriate action of the City Council, terminate this Plan. No such termination shall deprive a Participant or Beneficiary of any benefits to which the Participant or Beneficiary is entitled under this Plan immediately prior to the effective date of such termination.

**10-3 Amendment of Plan.** The City of Fresno may, by action of the City Council, amend this Plan. No amendment shall deprive any Participant or Beneficiary of any right or benefit to which the Participant or Beneficiary is entitled under this Plan immediately prior to the effective date of such amendment. To the extent there are legislative changes affecting IRC Section 457, this Plan shall be interpreted to allow implementation of mandatory changes.

**10-4 Non alienation of Benefits - Attachment.** Except as set forth in Section 08-06 with regard to Qualified Domestic Relations Orders, no Participant or Beneficiary shall have the right to alienate, anticipate, commute, pledge, encumber or assign any of the benefits or payments under this Plan, except the right to designate a Beneficiary as hereinabove provided. The rights of the Participant under this Plan shall not be subject to creditors of the Participant and shall be exempt from execution, attachment, prior assignment, or any other judicial relief or order for the benefit of any creditors or other third persons having claims against the Participant.

**10-4** \_\_\_\_\_

**10-5 Plan Assets.** All amounts of compensation deferred under the Plan, all property and rights to property (including right as a beneficiary of a contract providing life insurance protection) purchased with such amounts, property or rights to property shall remain (until paid or made available to the Participant or the Participant's



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Beneficiary under the Plan) solely the property and rights of the Employer (without being restricted to the benefits under the Plan), and shall be held in trust for the Participants and NOT be subject to the claims of general creditors of the Employer.

**10-6 Participation by Deferred Compensation Board Members.** Members of the Deferred Compensation Board, who are otherwise eligible, may participate in the Plan under the same terms and conditions as apply to other Participants, but an individual member shall not participate in any Deferred Compensation Board action taken with respect to that member's participation.

**10-7 Employer Contributions.** The Employer may ~~pursuant to a changed or new Participation Agreement filed by a Participant as specified in Sections 05-01 through 05-06,~~ add additional deferred compensation for services to be rendered by the Employee to the Employer during any calendar month, provided:

- (a) The Employee has elected to have such additional compensation deferred, invested, and distributed, pursuant to this Plan, prior to the calendar month in which the compensation is earned; and
- (b) Such additional deferred compensation, when added to all other deferred compensation under the Plan, does not exceed the maximum deferral permitted under Article VI.

**10-8 Controlling Law.** This Plan shall be construed and enforced according to state law, applicable local law and the IRC, and shall be interpreted in a manner consistent with the maintenance of its status as an "eligible deferred compensation plan" as defined in IRC Section 457(b). Reference to any section of the IRC, state law, or local law shall be deemed to incorporate any required amendments of such section

**10-8** as necessary to maintain the status of this Plan as an eligible deferred compensation plan. The Employer reserves the right to take such action and do such things as are required to make the Plan, as administered, consistent with IRC Section 457.

**10-9 Suspension of Contributions.** The Trustee may temporarily suspend the acceptance of Deferred Compensation as necessary to facilitate appropriate administration of this Plan or to comply with any federal, state or local law. Written notice of such suspension shall be provided to all Participants and may accompany the distribution of payroll check. No such suspension shall deprive a Participant or Beneficiary of any right or benefit to which the Participant or Beneficiary is entitled under this Plan immediately prior to the effective date of such suspension.

**10-10 No Contract of Employment.** Neither the establishment of the Plan, nor the participation in the Plan, shall be construed as giving any Participant the right to be retained in the service of the City of Fresno.

**10-11 Severability of Provisions.** If any provision of this Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof, and this Plan shall be construed and enforced as if such provisions had not been included.

**10-12 Heirs, Assigns and Personal Representatives.** This Plan shall be binding upon the heirs, executors, administrators, successors and assigns of the parties; including each Participant and Beneficiary, present and future.

**10-13 Payments to Minors, Etc.** Any benefit payable to or for the benefit of a minor, an incompetent person or other person incapable of receipting therefore shall be deemed paid when paid to such person's guardian or to the party providing or reasonably appearing to provide for the care of such person, and such payment shall fully discharge the City of Fresno and the Deferred Compensation Board with respect thereto.

**10-14 Reliance on Data and Consents.** The Deferred Compensation Board, and all other persons or entities associated with the operation of the Plan, the administration, management of its assets, and the provision of benefits there may reasonably rely on the truth, accuracy and completeness of all data provided by a Participant, and/or Beneficiary, including, without limitation, data with respect to age, health and marital status. Furthermore, the Deferred Compensation Board, and all persons identified above may reasonably rely on all consents, elections and designations filed with the Plan or those associated with the operation of the Plan by any Participant or Beneficiary, or the representatives of such persons without duty to inquire into the genuineness of any such consent, election or designation.

None of the aforementioned persons or entities associated with the administration operation of the Plan, its assets and the benefits provided under the Plan shall have any duty to inquire into any such data, and all may rely on such data being current to the date of reference. It shall be the duty of the Participant or Beneficiary to advise the appropriate parties of any change in such data. The Deferred Compensation Board shall not be liable for the consequences of such change in data.

**10-15 Equal Access to Benefits, Rights and Features.** Any determination made by the Deferred Compensation Board with respect to the availability of benefits, rights and features under this Plan shall apply on a non-discriminatory basis allowing equal access for all Participants; provided, however, that such access may be limited by the terms of a collective bargaining agreement or individual employment contract.

**10-15**

**10-16 Claim Procedures.** Any dispute over payment from Accounts under the Plan shall be resolved by the Deferred Compensation Board pursuant to its written

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claims procedures. Such claims procedures shall comply with applicable state laws including, but not limited to, civil service rules and applicable collective bargaining agreements.

**10-17 Gender and Number.** The masculine pronoun, whenever used herein, shall include the feminine pronoun, and the singular shall include the plural, except where the context requires otherwise.

**10-18 Qualified Military Service.** This Plan will be administered in accordance with IRC Section 414(u) for Eligible Employees who return to work after absences from employment due to qualified military service. This includes make-up contributions that were not made during the Eligible Employee's period of qualified military service. Contributions made up will be subject to the annual contribution limitations for the year in which they relate, rather than the year they are made.

**10-19 Entire Agreement.** This Plan and the Participation Agreement, and any subsequently adopted amendment thereof, shall constitute the total agreement or contract between the Employer and the Participant regarding the Plan. No other communication or statement of any sort shall modify this Plan in any way or be relied upon by the parties to this Agreement.

END OF DOCUMENT



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**CITY OF FRESNO**

August 23, 2018

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# CITY OF FRESNO DEFERRED COMPENSATION PLAN DOCUMENT

## ARTICLE I PLAN ESTABLISHED

**01-01 Plan Established.** The Employer hereby amends and restates the City of Fresno Deferred Compensation Plan Document ("Plan"). The Plan consists of the provisions set forth in this document which is amended and restated pursuant to the Economic Growth and Tax Relief Reconciliation Act of 2001, Pension Protection Act of 2006 ("PPA"), and American Taxpayer Relief Act of 2012 ("ATRA"). It is intended that the Plan shall qualify as an Eligible Deferred Compensation Plan within the meaning of Section 457(b) of the Internal Revenue Code of 1986 as amended ("IRC") sponsored by an Eligible Governmental Employer.

## ARTICLE II PURPOSE

**2-1 Primary Purpose.** The primary purpose of the Plan is to provide retirement income and other deferred benefits to the Employees of the Employer and the Employees' Beneficiaries in accordance with the provisions of Section 457 of the IRC, and Government Code Sections 53212 et seq.

**2-2 Agreement.** The Plan shall be an agreement solely between the Employer and participating Employees. The Employer has established a Trust in the Trust Agreement, to hold all assets of the Plan for the exclusive benefit of Participants and Beneficiaries. The Trust shall comply with IRC Section 457(g) and constitute a valid trust under applicable state law. The powers and duties of the Trustee are set forth in the Trust Agreement.

**2-3 Tax Status not Guaranteed.** The Employer, and the Deferred Compensation Board which administers the Plan, do not, and cannot, represent or guarantee that any particular federal and state income, payroll, or other tax consequences will occur by reason of an Employee's participation in this Plan. The Participant shall consult with his own attorney or other representative regarding all tax or other consequences of participation in this Plan.

**ARTICLE III  
DEFINITIONS**

The following terms when used herein, shall have the following meaning:

**3-1 Account** means the bookkeeping account maintained for each Participant reflecting the cumulative amount of the Participant's Deferred Compensation, including any income, gains, losses, or increases or decreases in market value attributable to the investment of the Participant's Deferred Compensation, any transfers for the Participant's benefit, any distributions to the Participant or the Participant's Beneficiary, and any fees or expenses charged against such Participant's Deferred Compensation.

**3-2 Accumulated Deferrals** means compensation deferred under the Plan, adjusted until date of payment by income received, increases or decreases in investment value, fees and any prior distributions made.

**3-3 Automatic Distribution Date**, on or after January 1, 2002, means April 1 of the calendar year after the Plan year the Participant attains the age of 70 1/2 , or if later, a Severance Event.

**3-4 Beneficiary** means any person, trust, corporation or firm, or the estate of the Participant, or any combination of the foregoing designated by the Participant to receive benefits under the Plan. Beneficiary may mean singular or plural, primary or contingent.

**3-5 Compensation** means all payments made to the Employee by the Employer as remuneration for services rendered.

**3-6 Deferred Compensation** means the amount of Participant's compensation which the Participant and the Employer mutually agree to defer in accordance with the provisions of this Plan, or any other amount which the Employer agrees to credit to a Participant's Account under this Plan. "Deferred Compensation" means the aggregate Pre-Tax Deferrals and Roth Contributions made from a Participant's Compensation, which said Participant has elected to defer in accordance with the provisions of this Plan. When used in the context of deferrals of Compensation, "defer(s)", "deferral" or "deferred" means, individually or collectively, Pre-Tax Deferrals and Roth Contributions, as applicable.

**3-7 Deferred Compensation Board** means the Deferred Compensation Board which shall administer the City of Fresno Deferred Compensation Plan. The Deferred Compensation Board shall consist of five members selected as follows:

- (a) One member from the Finance Department appointed by the City Manager with the approval of the City Council; and

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- (b) One member from any City department appointed by the City Manager with the approval of the City Council; and
- (c) Two members elected by and from the plan Participants who have a non-zero balance in their Deferred Compensation Account (active or any other status); and
- (d) A fifth member chosen by the previously designated four members from the qualified electors of Fresno County not connected with the City of Fresno or the Plan.

The members elected by and from the Plan Participants shall serve a term of four years, whose terms shall be staggered. The remaining members shall serve at the pleasure of the appointing or electing authority.

**3-8 Eligible Employee** means any full time permanent Employee or City Councilmember of the City or any other Employee eligible for the City's pension system. Permanent part time City employees are also eligible to participate in this Deferred Compensation Plan.

**3-9 Eligible Retirement Plan** means any account, annuity, plan or trust as defined in IRC Section 402(c)(8)(B).

**3-10 Eligible Rollover Distribution** means any distribution as defined in IRC Section 402(c)(4)(E).

**3-11 Eligible Tax Favored Vehicle** shall mean a plan within the meaning of IRC Sections 401(a), 401(k), 457(b), 403 (b) as defined in Section 402(c)(8)(B), of the Internal Revenue Code, or Individual Retirement Arrangement, or qualified defined benefit plan as defined by IRC Section 415(n)(3)(A).

**3-12 Employer** means the City of Fresno.

**3-13 Includible Compensation** means compensation for services performed for the Employer, as defined in IRC Section 457(e)(5).

**3-14 IRC** means the Internal Revenue Code of 1986, as amended from time to time.

**3-15 Normal Retirement Age** means age 70 1/2, unless the Participant has elected an alternate Normal Retirement Age by written instrument delivered to the Deferred Compensation Board prior to a Severance Event. A Participant's Normal Retirement Age determines the period during which a Participant may utilize the 457 Catch-Up Dollar Limitation set forth in Article VI. Once a Participant has to any extent utilized the catch-up limitation in Article VI, his Normal Retirement Age cannot be changed.

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A Participant's alternate Normal Retirement Age may not be earlier than the earliest date that the Participant will become eligible to retire and receive unreduced retirement benefits under his or her respective City of Fresno Retirement System (Fire and Police Retirement System or Employees' Retirement System), and may not be later than the date the Participant will attain age 70 1/2.

If a Participant continues employment after attaining age 70 1/2, not having previously elected an alternate Normal Retirement Age, the Participant's alternate Normal Retirement Age shall not be later than the mandatory retirement age, if any, established by the Employer, or the age at which the Participant actually has a Severance Event if the Employer has no mandatory retirement age.

If the Participant will not become eligible to receive benefits under his or her respective City Retirement System, the Participant's alternate Normal Retirement Age may not be earlier than attainment of age 50 for Participants who are members of the Fire and Police Retirement System, and age 55 for Participants who are members of the City Employees' Retirement System or are Permanent Part time Employees.

**3-16 Participant** means any member of the Plan who has elected, pursuant to the Plan, to defer a portion of his compensation, and who fulfills the requirements of participation in the Plan.

**3-17 Participation Agreement** means the agreement, including any amendments and modifications thereof, executed and filed by an Eligible Employee with the Employer pursuant to Article V, in which the Eligible Employee elects to become a Participant in the Plan.

**3-18 Participation Account** means the account and subaccounts established and maintained for a Participant under the Plan to which there is recorded, as applicable, the Participant's Pre-Tax Deferrals, Roth Contributions, Deferred Compensation Eligible Deferred Compensation Plan Transfers, Rollover Contributions and Roth In-Plan Contributions, if any, and any interest, dividends, gains, losses, earnings or expenses or the like thereon. A Participant's Participation Account shall be divided into the following subaccounts, as applicable: the Pre-Tax Deferral Subaccount, the Roth Contribution Subaccount, the Eligible Deferred Compensation Plan Transfer Subaccount, the Rollover Subaccount and the Roth In-Plan Rollover Subaccount.

**3-19 Plan Year** means the calendar year.

**3-20 Qualified Domestic Relations Order or "QDRO"** means any judgment, decree or order as defined in IRC Section 414(p).

**3-21 Required Beginning Date** means April 1 of the calendar year following the later of: (a) the calendar year in which the Participant attains age 70 1/2; or (b) the calendar year in which the Participant retires or leaves City service.

**3-22 Rollover Amount** means that portion of an Eligible Rollover Distribution from this Plan that, by election of the prospective distributee, is transferred directly or indirectly to an Eligible Retirement Plan.

**3-23 Roth Contribution(s)** means contributions made pursuant to the Participant's Participation Agreement that (i) the Participant irrevocably designates at the time of the contribution election as post-tax Roth contributions that are being made from Compensation on an after-tax basis; and (ii) the Employer treats as includible in the Participant's gross income in the year deferred.

**3-24 Roth Contribution Subaccount** means the subaccount established within a Participation Account to which a Participant's Roth Contributions are recorded, as applicable, and any interest, dividends, gains, losses, earnings or expenses or the like thereon.

**3-25 Roth In-Plan Rollover Contribution** means the portion of an Eligible Rollover Distribution from the Plan that a Participant elects to have allocated to the Roth In-Plan Rollover Subaccount within the Participant's Participation Account.

**3-26 Roth In-Plan Rollover Subaccount** means the subaccount established within a Participant's Participation Account to which a Participant's Roth In-Plan Rollover Contributions are recorded, as applicable, and any interest, dividends, gains, losses, earnings or expenses or the like thereon.

**3-27 Severance Event** means severance of the Participant's employment with the Employer that constitutes a separation of service within the meaning of IRC Sections 414(u), 402(e)(4)(A)(iii), and 457(d)(1)(A)(ii) or on account of the Participant's death or retirement. In general, a Participant will be deemed to have severed his or her employment as of the date of his or her last payroll.

**3-28 State Law** means any statutes, court decisions, executive orders, administrative rulings, regulations or other proclamations having the force of law in the State of California.

**3-29 Trust** means the funding vehicle established pursuant to IRC Section 457(g) which shall consist of all assets of the Plan held by the Trustee pursuant to the terms of the Trust Agreement.

**3-30 Trust Agreement** means the agreement by and between the City of Fresno, as the Sponsor, and the Trustee which governs the operation of the Trust

**3-31 Trustee** means such individual(s) or entity designated by the Sponsor with the duties and responsibilities set forth in the Trust Agreement.



**ARTICLE IV  
ADMINISTRATION**

**4-1 Administered by Deferred Compensation Board.** This Plan shall be administered by the City of Fresno Deferred Compensation Board which shall represent the Employer and all participants in all matters concerning the administration of this Plan.

**4-2 Deferred Compensation Board Duties and Responsibilities.**

**(a) Deferred Compensation Board to Adopt Rules and Regulations.** The Deferred Compensation Board shall have full power and authority to adopt rules and regulations for the administration of the Plan, and to interpret, alter, amend, or revoke any rules and regulations so adopted.

**(b) Deferred Compensation Board Action Fair and Reasonable.** Every action taken by the Deferred Compensation Board shall be presumed to be a fair and reasonable exercise of the authority vested in or the duties imposed upon it. The Deferred Compensation Board and its individual members shall be deemed to have exercised their fiduciary duties with reasonable care, diligence, and prudence and to have acted impartially as to all persons interested, unless the contrary may be proven by affirmative evidence.

**4-3 Deferred Compensation Board Powers.**

(a) Plan Prevails. In the event any form or other document used in administering this Plan, including but not limited to Participation Agreement and marketing materials, conflicts with the terms of the Plan, the terms of the Plan shall prevail.

(b) Decision Binding. The Deferred Compensation Board is authorized to determine any matters concerning the rights of any Participant under this Plan, and such determination shall be binding on the Participant and any Beneficiary thereof.

(c) Deferred Compensation Board to Interpret. The Deferred Compensation Board is authorized to construe this Plan and resolve any ambiguity in the Plan. The Plan and any form or other document used in administering the Plan shall be interpreted, and this Plan shall be administered, so as to comply with IRC Section 457, as amended, and the regulations of the Treasury Department promulgated thereunder.

(d) Deferred Compensation Board May Require Court Order. The Deferred Compensation Board or the Employer, if in doubt concerning the correctness of their action in making a payment of accumulated deferrals, may suspend

payment until satisfied as to the correctness of the payment or the person to receive the payment or to allow the filing in any state court of competent jurisdiction of a civil action seeking a determination of the amounts to be paid and the persons to receive them. The Deferred Compensation Board and the Employer shall comply with the final orders of the court in any such suit, and the Participant, or the Participant and the Participant's Beneficiary, consent to be bound thereby. Whenever payment of accumulated deferrals is suspended pursuant to this section, the time for a Participant or Beneficiary making any election under Article VIII of this Plan, shall not begin until amount(s) and person(s) entitled are determined either by written agreement of all parties concerned or by a court judgment that has become final.

(e) Delegation of Authority. The Deferred Compensation Board may delegate its functions to be performed under this Plan to any designee with legal authority to perform such functions.

## **ARTICLE V PARTICIPATION IN THE PLAN**

**5-1 Enrollment in the Plan.** An Employee may elect to become a Participant in the Plan by executing and delivering a Participation Agreement approved by the Deferred Compensation Board or its designee.

**5-2 Investment Options.** As part of the Participation Agreement, the Participant shall be responsible for contacting the Trustee directly to select his/her investment option(s) from among those selected by the Deferred Compensation Board in its sole discretion from time to time, and to designate the amount of compensation to be deferred and whether such deferral is a Pre-Tax Deferral or a Roth Contribution or consists of both Pre-Tax Deferrals and Roth contributions. The amount(s) requested must equal at least ten (\$10.00) dollars per pay period and shall continue until changed or revoked pursuant to Section 05-06 of this Plan.

**5-3 Deferral.** By executing the Participation Agreement, the Participant consents to the Employer taking the necessary actions to defer that portion of his or her Compensation which the Participant has specified is to be deferred from the Participant's gross compensation for each pay period. The Participant shall indicate whether such deferral is a Pre-Tax Deferral, a Roth Contribution, or consists of both Pre-Tax Deferrals and Roth Contributions, in which case the Participant shall designate specific amounts for each, as applicable. Deferral of compensation shall occur as soon as administratively possible after completing the Participation Agreement, or on such other date as may be permitted under the IRC.

**5-4 Investment Vehicle Election and Direction of Investments.**

(a) Investment Options. The Deferred Compensation Board shall establish such Investment Options as it deems necessary to provide Participants with a diversified range of alternatives. Each Investment Option shall be based upon its investment performance as well as its ability to provide a range of investment diversification under the Plan. The Deferred Compensation Board shall specify the investment objectives and characteristics of each Investment Option and the corresponding investment portfolio or portfolios and shall provide eligible Employees with a written description of each available Investment Option. The Deferred Compensation Board, in its sole discretion, may add, eliminate, or consolidate Investment Options and corresponding investment portfolios from time to time. In the event that an Investment Option is eliminated, the Deferred Compensation Board shall provide prior notice of such elimination, and if the Participants whose accounts were wholly or partially allocated to that Investment Option do not make a re-allocation, the Deferred Compensation Board shall reallocate such amounts to the available Investment Option or Investment Options that the Deferred Compensation Board in its sole discretion deems most comparable to the eliminated Investment Option.

(b) Experience of Loss. In the event that the selected investment vehicle experiences a loss, the Participant's accumulated deferrals payable hereunder shall likewise reflect a loss, rather than income, for the period.

(c) Actions of Deferred Compensation Board. Any such action by the Deferred Compensation Board in investment funds, or approving of any such investment funds, shall not be considered to be either an endorsement or guarantee of any investment, nor shall it be considered to attest to financial soundness or the suitability of any investment for the purpose of meeting future obligations.

**5-5 Designation of Beneficiary.** A Participant may designate a Beneficiary subject to Federal and California law, to receive any benefits which may be payable under the Plan upon the death of such Participant. A Participant may at any time update his or her beneficiaries using online access provided by the Plan. Any change in the beneficiary designation, filed in proper form, shall become effective as of the date of delivery.

**5-6 Modification of deferral or investment option(s).** A Participant may on a prospective basis change his/her deferral amount, change the deferrals designated as Pre-Tax Deferrals or Roth Contributions, change investment options, suspend or revoke participation in the Plan, or reinstate participation at any time. The Participant shall be responsible for contacting and notifying the Trustee of any modifications. Changes in the amount of the deferral must equal at least five (\$5.00) dollars per pay period.

Investment changes may be made at any time subject to the terms of the Trustee/mutual fund provider(s). The requested change shall become effective at the earliest possible payroll period which allows sufficient time for the order to be processed through the City payroll section.

## **ARTICLE VI LIMITATION ON DEFERRALS**

**6-1 Deferral Limitation.** Except as provided in Section 06-02, relating to catch-up provisions, the maximum amount of the Annual Deferral under the Plan for any calendar year, shall not exceed the lesser of (1) 100% of the Participant's includible compensation or (2) \$18,500 in the year 2018 (and \$18,000 in 2015-2017), and thereafter adjusted for the calendar year to reflect increases in the cost-of-living, in accordance with IRC Section 457(e)(15) and 415(d). The Participant acknowledges the right of the Deferred Compensation Board to disallow deferral of compensation under the Plan in excess of the limitations set forth in this Section.

However, the Deferred Compensation Board shall have no duty or assume or incur any liability for failure to assure that amounts deferred are in compliance with such limitations.

### **6-2 Catch-up Provisions.**

(a) Age 50 Plus Catch-up Provision. Pursuant to IRC Section 414(v), A Participant who will attain age 50 or more by the end of the calendar year is permitted to elect an additional amount of Annual Deferrals, up to the maximum age 50 catch-up Annual Deferrals for the year, which is:

(i) A specified dollar limit as provided in IRC Section 414(v). Those dollar limits are, an additional \$6,000 in the year 2017, thereafter adjusted for the calendar year to reflect increases in the cost of living in accordance with IRC Sections 457(e)(15) and 415 (d).

The age fifty plus catch-up contributions can be made beginning in the year in which the Participant reaches age fifty and for as many years as the Participant desires; however, the age fifty plus catch-up contribution may not be used in the same year as the Special Section 457 Catch-up Provision for which the additional contributions permitted under IRC Section 457(b)(3) applies to such Participant, to the extent required by applicable statute or regulations.

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(b) Special Section 457 Catch-up Provision. Special 457(b) catch-up contributions, permitted by the plan, allows a participant for 3 years prior to the normal retirement age (as specified in the plan) to contribute the lesser of: (1) twice the annual limit (\$37,000 in 2018 and \$36,000 in 2015 – 2017) or (2) the basic annual limit plus the amount of the basic limit not used in prior years (the underutilized maximum amounts for prior years -only allowed if not using age 50 plus catch-up contributions).

Notwithstanding any provision in this Article to the contrary, with respect to any one or more of the three (3) taxable years ending before the date of the Participant's Normal Retirement Age, such Participant may elect to have Deferred Compensation contributed to the Plan in an amount not to exceed the lesser of (1) twice the dollar amount of the Deferral Limitation established in Section 6.01, or (2) the Underutilized Limitation. For purposes of this subsection, the Underutilized Limitation with respect to a Participant shall be equal to the sum of: the Deferral Limitation for the taxable year, and the excess of (i) less (ii) where:

(i) equals the sum of the limitations set forth in IRC Section 457(b)(2) for all taxable years on or after December 31, 1978 in which the Participant was eligible to participate in this Plan or any other eligible deferred compensation plan sponsored by an entity within the State of California, and (ii) equals the sum of all Deferred Compensation made on behalf of such Participant for such taxable years plus his/her deferred compensation under any other eligible deferred compensation plan sponsor by an entity within the State of California.

**ARTICLE VII  
TRANSFERS AND ELIGIBLE ROLLOVERS**

**7-1 Rollover Contributions.**

(a) Eligible Deferred Compensation Plans: The direct transfer and/or rollover contribution of an Eligible Rollover Distribution from another eligible deferred compensation plan (as defined in IRC Section 457(b)) shall be accepted and allocated to a Participant's Account under this Plan provided that such amounts are in cash or other property acceptable to the Deferred Compensation Board. The Deferred Compensation Board may request proof that the prior plan is an eligible deferred compensation plan under IRC Section 457(b). Direct transfer and/or rollover contribution amounts shall not be subject to the limitations of Article VI; provided, however, that the actual amount deferred during the calendar year under both the prior plan and the Plan shall be taken into account in calculating the deferral limitations for that year. For purposes of determining the limitations set forth in Article VI, years

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of eligibility to participate in the prior plan and deferrals under the prior plan shall be taken into account to the extent required by IRC Section 457.

(b) Other Eligible Retirement Plans: The direct transfer and/or rollover contribution of an Eligible Rollover Distribution from another Eligible

Retirement Plan (other than an eligible deferred compensation plan) shall be accepted and allocated to a Participant's Account under this Plan provided that such amounts are in cash or other property acceptable to the Deferred Compensation Board. The Deferred Compensation Board may request verification that the prior plan is an Eligible Retirement Plan. Direct transfer and rollover contribution amounts shall not be subject to the limitations of Article VI. In addition, in order for Eligible Rollover Distributions to be accepted by this Plan.

(c) The Deferred Compensation Board may request verification that (1) the amounts to be transferred are not subject to a QDRO, and (2) spousal consent, if required, to transfer such amounts from the prior plan, has been obtained.

Amounts shall be identified as to source and nature (such as non-deductible employee contributions, elective deferral amounts and deemed elective deferral amounts subject to the provisions of IRC Section 401(k), employer contributions, etc.) Any amounts accepted for contribution under this Section 07-01(b) shall be allocated to one or more sub-accounts within the Participant's Account. The sub-account(s) will share in the investment gains and losses experienced by the Account as a whole; however, it will be separately accounted for taxation and distribution purposes as required under IRC Section 457.

**7-2 Transfers to Certain Plans for the Purchase of Service Credit.**

(a) Direct Trustee to Trustee Transfer: Any Participant who is also a Participant in a defined benefit governmental plan (as defined in IRC Section 414(d)) may have a direct trustee to trustee transfer made from this Plan to the defined benefit governmental plan if the transferred assets are used for:

(i) the purchase of service credits (as defined in IRC 415(n)(3)(A)) in the defined benefit governmental plan; or

(ii) a repayment of a cash out from the defined benefit governmental plan which meets the requirements of IRC Section 415(k)(3).

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(b) Application for Transfer: If the conditions in subsections (i) and (ii) of this Section are met and the Participant wishes to transfer his/her account, he/she shall complete any application form and/or other documents as may be required by the Deferred Compensation Board.

(c) Administrative Rules: The Deferred Compensation Board shall prescribe such rules consistent with the provisions of Subsections (i) and (ii) of this Section concerning plan-to-plan transfers as in its sole judgment it deems desirable for the orderly administration of the Plan.

**7-3 Roth In-Plan Rollover Contributions.** The Plan, to the extent permitted by the IRC and otherwise pursuant to procedures established by the Plan, will accept Roth In-Plan Rollover Contributions with such amounts to be credited to the Participant's Roth In-Plan Rollover Subaccount. The Participant shall, in the time and manner prescribed by the Plan, specify the amount to be rolled over as a Roth In-Plan Rollover Contribution.

**ARTICLE VIII  
DISTRIBUTION OF BENEFITS**

**8-1 Inactive De Minimis Accounts.**

(a) Voluntary Withdrawals: A Participant currently employed with the City of Fresno shall be entitled to request a withdrawal of his/her account, other than that portion attributable to a rollover of contributions, provided that:

(i) the total amount credited to the Participant's account does not exceed \$5,000 (or the amount as may be revised by the Internal Revenue Service and/or Department of Labor);

(ii) the Participant has not authorized Deferred Compensation under the Plan during the two (2) year period immediately preceding such request; and

(iii) the Participant has not previously applied for a withdrawal under this Section.

The amount of the Participant's account attributable to rollover contributions shall not be considered in determining whether the Participant's account is less than \$5,000.

**8-2 Distribution upon the Death of Participant or Beneficiary.** Should the Participant die at any time, accumulated deferrals shall be paid to the Beneficiary designated by the Participant. If no Beneficiary is designated, or if the designated Beneficiary does not survive a period of thirty days, then a lump sum shall be paid, to the surviving spouse, or if none, a lump sum shall be paid to the estate of the Participant.

**8-3 Elections Regarding Distribution.** Each participant (or in the event of death, each Beneficiary other than an organization, estate, or trust) shall direct the Trustee regarding the details of paying out his/her account. A Participant electing to commence distribution shall have the opportunity to designate the extent to which the distribution should be taken in whole or in part from subaccounts within the Participant's Participation Account in which Roth Contributions, Roth In-Plan Rollover Contributions or Eligible Deferred Compensation Plan Transfers or Rollover Contributions from Qualified Roth Contribution Programs are held, as applicable. In the absence of such designation, the distribution shall be taken pro rata from the subaccounts within the Participant's Participation Account. The Participant/Beneficiary may change this direction from time to time within the distribution rules that apply to all qualified plans and within the constraints of the Trustee. Any amount payable to an organization, estate, or trust shall be paid in a lump sum as prescribed in Sections 08-02 and 08-04(c).

**8-4 Distribution of Deferrals.**

(a) General Rule. Upon retirement or severance from employment with the City of Fresno, and assuming a request is made to the Trustee, payment will be made in at least annual, quarterly, or monthly payments as requested by the Participant.

(b) Distribution to Participant. Payment must be sufficiently rapid to satisfy the minimum required distribution rules under the Internal Revenue Code regulations.

(c) Distribution to Beneficiary.

(i) When distribution begins prior to the Participant's death, the payout must be made at least as rapidly as it were as being made to the Participant. When the Beneficiary is an organization, estate or trust, then payment will be payable in a lump sum.

(ii) When distribution does not begin prior to the Participant's death, and is to be made:

(1) To an organization, estate or trust, then payment will be payable in one lump sum.



(2) To the Participant's surviving spouse, whether as designated Beneficiary, or by default, then payment will be made by the Trustee as directed by the spouse within the minimum distribution rules under the IRC regulations.

(3) Notwithstanding anything in this Plan to the contrary, distributions from the Plan will be made in compliance with the minimum distribution rules and applicable sections of the IRC.

**8-5 Eligible Rollover Distributions.**

(a) Election Procedure. If all or any portion of a prospective distribution is an Eligible Rollover Distribution, the prospective distributee shall have the right to elect to have all or any portion of the Eligible Rollover Distribution treated as a Rollover Amount. Subject to satisfaction of the requirements of IRC Section 457(e)(16) and this Section, Rollover Amounts shall be delivered directly by this Plan to an Eligible Retirement Plan as designated by the distributee. The Plan permits non-spouse rollovers described in IRC Section 402 (c)(11). Any such transfers shall also comply with all applicable rules and regulations issued by the Internal Revenue Service.

(b) Effect of Delivery of Rollover Amounts. Each prospective distributee, by electing to have any portion of his/her Eligible Rollover Distribution treated as a Rollover Amount, agrees that, upon transmittal as instructed of the funds to which such election applies, the Deferred Compensation Board shall be released from all duties, obligations responsibilities, and liabilities in connection with the amount so transmitted. The Deferred Compensation Board shall not be responsible for the crediting or application of the funds so transferred.

**8-6 Unforeseeable Emergency. General:** In the event an unforeseeable emergency occurs, a Participant may apply to the Deferred Compensation Board to request a withdrawal of a portion of his/her account as necessary to satisfy the emergency need. If the application is approved by the Deferred Compensation Board, the Participant shall be paid only such amount as the Deferred Compensation Board deems necessary to meet the emergency need. Payment shall not be made to the extent that the financial hardship may be relieved (1) through reimbursement or compensation by insurance or otherwise, (2) by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship), or (3) by cessation of Deferred Compensation under the Plan.

An unforeseeable emergency shall be deemed to involve only circumstances of severe financial hardship to the Participant resulting from a sudden unexpected illness, accident, or disability of the Participant or of a dependent (as defined in IRC Section 152) of the Participant, loss of the Participant's property due to casualty, or other

similar extraordinary and unforeseeable circumstances arising as a result of an event beyond the control of the Participant.

The circumstances that will constitute an unforeseeable emergency will depend upon the facts of each case. Examples of what shall not be considered to be unforeseeable emergencies include the wish to finance a child's college education or the desire to purchase a home.

**8-7 Qualified Domestic Relations Orders - General.** Parties to a divorce or termination of registered domestic partnership will be required to file a joinder with the Plan, notifying the Plan that a divorce or termination of registered domestic partnership is pending. Upon receipt of the final judgment, decree or order which is made pursuant to a state domestic relations and/or community property law ("Court Order"), the Trustee, within a reasonable period after receipt of such Court Order will make the appropriate changes on the Plan data base in accordance with such Order as a Qualified Domestic Relations Order ("QDRO").

(a) Segregation of Account/Payment - The Trustee, upon receipt of instructions from the Deferred Compensation Board, will segregate in a separate account in the Plan, the amounts which are payable to the Alternate Payee pursuant to the QDRO.

(b) Status, Rights and Privileges of Alternate Payee - Except as otherwise provided herein, an Alternate Payee shall have the status and rights of a Beneficiary under this Plan to the exclusion of all other rights associated with Participants under this Plan.

(c) Exceptions to General Rule - Notwithstanding the provisions of Section 08-07(b), the Alternate Payee shall have the following rights and privileges under this Plan:

(i) The right to receive payment under the terms of the qualified domestic relations order at the time and manner specified in the QDRO; provided, however, that such payment may not be made in a form which is not available to Participants under the Plan; and

(ii) The right to direct the manner in which Plan amounts allocated to such Alternate Payee are invested.

(d) Qualified Domestic Relations Order Expenses - Any expense related to the administration of a QDRO shall be assessed against the Participant's account and the Alternate Payee's account in percentages equal to the percentage split of assets in the QDRO.

**ARTICLE IX**  
**LOANS TO PARTICIPANTS**

**9-1 Loans to Participants.** A Participant may take a loan from his/her Account subject to the terms and conditions of this Section 9-01 and the IRC. The maximum amount that the Plan can permit as a loan is the lesser of (1) \$50,000 or 50% of your vested account balance.

a) Amount That Can Be Borrowed. If no other Plan loan is outstanding (or has been outstanding at any time during the prior one-year period), a Participant may borrow up to the following amounts:

<u>Vested Account Balance</u> <u>(in Plan from which loan taken)</u>	<u>Maximum Loan Amount</u>
Less than \$2,000	No loan available
\$2,000 - \$100,000	50% of vested account balance
Over \$100,000	\$50,000

If another Plan loan has been outstanding at any time during the prior one-year period, the Maximum Loan Amount shall be the lesser of: (a) \$50,000 reduced by the highest outstanding balance of any other loan from the Plan during the one-year period ending the day before the newest loan is made; or (b) 50% of the vested account balance amount in the Plan, reduced by the current outstanding balance of any other loan from the Plan. However, no loan is available if the resulting tentative Maximum Loan Amount is less than \$1,000.

A loan that has defaulted and is "deemed distributed" will be considered an outstanding loan for the purpose of calculating loan availability and the loan currently outstanding.

(b) Equality of Borrowing Opportunity. Loans shall be made available on a reasonably equivalent basis to all Participants who are active City employees who have a minimum balance of \$2,000 in their Deferred Compensation Account. A loan may not be made to a Participant after his/her separation from City service. If a Participant's date of separation from City service occurs after he/she has requested a loan but before the loan is actually made to the Participant, the Participant's request for a loan shall automatically be cancelled. No loans may be made to a beneficiary or an Alternate Payee as named by QDRO.

(c) Pledge of Security. Each loan to a Participant shall be secured by the pledge of the amounts allocated to his/her Account equal to initial outstanding balance of such loan.

CITY OF FRESNO'S DEFERRED COMPENSATION PLAN DOCUMENT

(d) Loan Forms. The Participant shall complete all forms required by the Deferred Compensation Board in order to process the loan including, but not limited to: pledge of security, spousal consent, and acknowledgement of loan terms. Participants shall submit paperwork for automatic electronic payments (ACH) from a personal bank account directly to the Plan administrator.

(e) Interest Rate. Interest shall be charged at prime plus 1%, designed to provide the Plan with a return commensurate with interest rates charged by persons in the business of lending money under similar circumstances.

(f) Loan Term. Loans shall be for terms not to exceed five (5) years from the date of the loan, except that loans taken for the purpose of acquiring any dwelling unit which is to be used as a principal residence of the Participant may be for periods not to exceed fifteen (15) years. Loan payments may continue after the employee leaves City service until such time as the loan is paid in full or until such time as a payment is in default, at which time the loan becomes payable in full. Loans shall be non-renewable and non-extendable.

(g) Amortization. Loans shall provide for substantially level amortization of principal and interest by monthly automatic deduction (ACH) from the Participant's personal bank account.

(h) Prepayment. The Participant shall be permitted to repay the loan in whole or in part at any time prior to maturity, without penalty.

(i) Defaults and Remedies. During the term of the loan, if no portion of a loan payment is made within 60 days of the date such payment is due, or if any balance remains outstanding 60 days after the end of the term of the loan, the loan shall be considered in default. In the event of default by a participant, the outstanding balance of the loan shall be reported to the Internal Revenue Service as a deemed distribution. Interest accrued from the date of the last loan repayment to the deemed distribution date is also reported to the Internal Revenue Service. Once a participant defaults on a loan, no future plan loans will be allowed.

(j) Loan Procedures. All Plan loans shall be made and administered by the Deferred Compensation Board in accordance with the rules and procedures that the Deferred Compensation Board may establish from time to time, which are hereby incorporated into the Plan by reference.

(k) Outstanding Loans. A participant may have no more than one loan outstanding at any time. Issuance of a new loan will be permitted 60 days after the full repayment of the prior loan.

CITY OF FRESNO'S DEFERRED COMPENSATION PLAN DOCUMENT

(l) Payment of Fees. The participant shall be responsible for the payment of fees to cover the cost of administering his/her loan. Payment shall be made by deduction from the Participant's Deferred compensation account.

(m) Suspension of Repayment

(i) Military Service and Disaster Relief. Loan repayment shall be suspended by Fidelity without penalty for any period during which a Participant is serving on active duty in the uniformed services of the United States or for periods specified by the IRC for any given disaster relief efforts.

(ii) Other Leaves of Absence. In the event of an employer approved unpaid leave of absence for any other reason, the participant may suspend principal installments and interest payments otherwise due for the duration of the leave or one year, whichever is shorter.

(iii) Upon termination of a repayment suspension, the Participant may either: (1) make a one-time payment equal to the total amount that accumulated during the suspension, or (2) reamortize the loan.

(n) Other terms and conditions. The Deferred Compensation Board shall fix such other terms and conditions of the loan as it deems necessary to comply with the applicable laws, including maintaining the qualification of the Plan under IRC Section 457, and any applicable regulations.

**ARTICLE X  
MISCELLANEOUS PROVISIONS**

**10-1 Leave of Absence.** If a Participant is on an approved leave of absence from the Employer, participation in this Plan shall continue.

**10-2 Termination of Plan.** The City of Fresno may, by appropriate action of the City Council, terminate this Plan. No such termination shall deprive a Participant or Beneficiary of any benefits to which the Participant or Beneficiary is entitled under this Plan immediately prior to the effective date of such termination.

**10-3 Amendment of Plan.** The City of Fresno may, by action of the City Council, amend this Plan. No amendment shall deprive any Participant or Beneficiary of any right or benefit to which the Participant or Beneficiary is entitled under this Plan immediately prior to the effective date of such amendment. To the extent there are legislative changes affecting IRC Section 457, this Plan shall be interpreted to allow implementation of mandatory changes.

**10-4 Non alienation of Benefits - Attachment.** Except as set forth in Section 08-06 with regard to Qualified Domestic Relations Orders, no Participant or Beneficiary shall have the right to alienate, anticipate, commute, pledge, encumber or assign any of the benefits or payments under this Plan, except the right to designate a Beneficiary as hereinabove provided. The rights of the Participant under this Plan shall not be subject to creditors of the Participant and shall be exempt from execution, attachment, prior assignment, or any other judicial relief or order for the benefit of any creditors or other third persons having claims against the Participant.

**10-5 Plan Assets.** All amounts of compensation deferred under the Plan, all property and rights to property (including right as a beneficiary of a contract providing life insurance protection) purchased with such amounts, property or rights to property shall remain (until paid or made available to the Participant or the Participant's Beneficiary under the Plan) solely the property and rights of the Employer (without being restricted to the benefits under the Plan), and shall be held in trust for the Participants and NOT be subject to the claims of general creditors of the Employer.

**10-6 Participation by Deferred Compensation Board Members.** Members of the Deferred Compensation Board, who are otherwise eligible, may participate in the Plan under the same terms and conditions as apply to other Participants, but an individual member shall not participate in any Deferred Compensation Board action taken with respect to that member's participation.

**10-7 Employer Contributions.** The Employer may add additional deferred compensation for services to be rendered by the Employee to the Employer during any calendar month, provided:

(a) The Employee has elected to have such additional compensation deferred, invested, and distributed, pursuant to this Plan, prior to the calendar month in which the compensation is earned; and

(b) Such additional deferred compensation, when added to all other deferred compensation under the Plan, does not exceed the maximum deferral permitted under Article VI.

**10-8 Controlling Law.** This Plan shall be construed and enforced according to state law, applicable local law and the IRC, and shall be interpreted in a manner consistent with the maintenance of its status as an "eligible deferred compensation plan" as defined in IRC Section 457(b). Reference to any section of the IRC, state law, or local law shall be deemed to incorporate any required amendments of such section

as necessary to maintain the status of this Plan as an eligible deferred compensation plan. The Employer reserves the right to take such action and do such things as are required to make the Plan, as administered, consistent with IRC Section 457.

**10-9 Suspension of Contributions.** The Trustee may temporarily suspend the acceptance of Deferred Compensation as necessary to facilitate appropriate administration of this Plan or to comply with any federal, state or local law. Written notice of such suspension shall be provided to all Participants and may accompany the distribution of payroll check. No such suspension shall deprive a Participant or Beneficiary of any right or benefit to which the Participant or Beneficiary is entitled under this Plan immediately prior to the effective date of such suspension.

**10-10 No Contract of Employment.** Neither the establishment of the Plan, nor the participation in the Plan, shall be construed as giving any Participant the right to be retained in the service of the City of Fresno.

**10-11 Severability of Provisions.** If any provision of this Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof, and this Plan shall be construed and enforced as if such provisions had not been included.

**10-12 Heirs, Assigns and Personal Representatives.** This Plan shall be binding upon the heirs, executors, administrators, successors and assigns of the parties; including each Participant and Beneficiary, present and future.

**10-13 Payments to Minors, Etc.** Any benefit payable to or for the benefit of a minor, an incompetent person or other person incapable of receipting therefore shall be deemed paid when paid to such person's guardian or to the party providing or reasonably appearing to provide for the care of such person, and such payment shall fully discharge the City of Fresno and the Deferred Compensation Board with respect thereto.

**10-14 Reliance on Data and Consents.** The Deferred Compensation Board, and all other persons or entities associated with the operation of the Plan, the administration, management of its assets, and the provision of benefits there may reasonably rely on the truth, accuracy and completeness of all data provided by a Participant, and/or Beneficiary, including, without limitation, data with respect to age, health and marital status. Furthermore, the Deferred Compensation Board, and all persons identified above may reasonably rely on all consents, elections and designations filed with the Plan or those associated with the operation of the Plan by any Participant or Beneficiary, or the representatives of such persons without duty to inquire into the genuineness of any such consent, election or designation.

None of the aforementioned persons or entities associated with the administration operation of the Plan, its assets and the benefits provided under the Plan shall have any duty to inquire into any such data, and all may rely on such data being current to the date of reference. It shall be the duty of the Participant or Beneficiary to advise the appropriate parties of any change in such data. The Deferred Compensation Board shall not be liable for the consequences of such change in data.

**10-15 Equal Access to Benefits, Rights and Features.** Any determination made by the Deferred Compensation Board with respect to the availability of benefits, rights and features under this Plan shall apply on a non-discriminatory basis allowing equal access for all Participants; provided, however, that such access may be limited by the terms of a collective bargaining agreement or individual employment contract.

**10-16 Claim Procedures.** Any dispute over payment from Accounts under the Plan shall be resolved by the Deferred Compensation Board pursuant to its written claims procedures. Such claims procedures shall comply with applicable state laws including, but not limited to, civil service rules and applicable collective bargaining agreements.

**10-17 Gender and Number.** The masculine pronoun, whenever used herein, shall include the feminine pronoun, and the singular shall include the plural, except where the context requires otherwise.

**10-18 Qualified Military Service.** This Plan will be administered in accordance with IRC Section 414(u) for Eligible Employees who return to work after absences from employment due to qualified military service. This includes make-up contributions that were not made during the Eligible Employee's period of qualified military service. Contributions made up will be subject to the annual contribution limitations for the year in which they relate, rather than the year they are made.

**10-19 Entire Agreement.** This Plan and the Participation Agreement, and any subsequently adopted amendment thereof, shall constitute the total agreement or contract between the Employer and the Participant regarding the Plan. No other communication or statement of any sort shall modify this Plan in any way or be relied upon by the parties to this Agreement.

END OF DOCUMENT





Agenda Item: II-D

Deferred Compensation Board  
Meeting Date: 8/30/2018

## REPORT TO THE DEFERRED COMPENSATION BOARD

August 24, 2018

FROM: ROBERT T. THELLER, Retirement Administrator

A handwritten signature in green ink, appearing to read "R. Theller", is placed to the right of the "FROM:" line.

SUBJECT: ADOPT MODIFICATIONS TO THE DEFERRED COMPENSATION BOARD RULES AND REGULATIONS TO CHANGE TIME SCHEDULED FOR REGULAR MEETING DATES ON THE FOURTH THURSDAY OF FEBRUARY AND AUGUST

### BACKGROUND:

At its meeting on February 22, 2018, Shawn Cosgrove of Fidelity Investments expressed an interest in changing the start time of the Deferred Compensation Board's regularly scheduled meetings (fourth Thursday of February and August). The Board meetings commence at 3 p.m. which requires Fidelity to stay overnight in Fresno rather than being able to make it a day-trip from Salt Lake City due to the limited flight schedules available from Fresno Airport to Salt Lake City [direct flights arrive at 11:50 am and depart at 5:00 p.m.].

Attached for the Board's adoption is the City of Fresno Deferred Compensation Board Rules and Regulations, reflecting the proposed time change for the semi-annual regular Board meeting dates on the **fourth** Thursday of February and August to be held beginning at 1:30 p.m.

### RECOMMENDATION:

Staff recommends that the Board adopt the City of Fresno Deferred Compensation Board Rules and Regulations introduced on February 22, 2018, reflecting the proposed time change for the semi-annual regular Board meeting dates on the **fourth** Thursday of February and August to be held beginning at 1:30 p.m.

**CITY OF FRESNO**  
**DEFERRED COMPENSATION BOARD**  
**RULES AND REGULATIONS**  
**Revised August 30, 2018**

**CITY OF FRESNO  
DEFERRED COMPENSATION BOARD  
RULES AND REGULATIONS**

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**CITY OF FRESNO DEFERRED COMPENSATION BOARD**

**RULES AND REGULATIONS**

**ARTICLE 1. OFFICERS OF THE BOARD**

SECTION 1. Officers Designated. The officers of the Deferred Compensation Board shall be a Chair, a Vice-Chair and a Secretary who shall be members of the Board elected by the Board annually at the first regular meeting in August, and who shall serve at the pleasure of the Board.

SECTION 2. Powers and Duties of Officers.

(a) The Chair shall act as presiding officer at all meetings of the Board, swear in witnesses for all proceedings of the Board where sworn testimony is taken, and exercise and perform such other powers and duties as are conferred upon the Chair by law and these rules and regulations.

(b) The Vice-Chair shall have and perform all the powers and duties of the Chair in the absence of the Chair or whenever the Chair is unable for any reason to act.

(c) The Secretary shall:

(1) Keep and record the minutes of all meetings of the Deferred Compensation Board, and furnish a copy of the minutes of each regular meeting and subsequent special meeting to each member of the Board;

(2) Keep complete files of all communications to the Board, all pleadings and documents filed with the Board, and all other necessary records of the Board.

3) Act as custodian of the minutes and of all the books, documents, papers, and records of the Board;

(4) Perform such other duties as the Board may from time to time prescribe.

SECTION 3. Conflict of Interest Code. The Conflict of Interest Code set forth in section 2-901 of the Fresno Municipal Code constitutes the Board's Conflict of Interest Code.

## ARTICLE 2. MEETINGS

SECTION 1. Regular Meetings. The regular meetings of the Board shall be held on the fourth Thursday of February and August, at 1:30 p.m., at the City Hall of the City of Fresno or such other place as shall be determined by the Board at the previous regular meeting and announced by posting notice thereof on the official bulletin board at the City Hall. Whenever a regular meeting date falls on a holiday, such regular meeting shall be held at the same hour on the next regular business day, unless the Board fixes a different day for such meeting and the time and place is entered in the minutes of a previous regular meeting.

SECTION 2. Special Meetings. A special meeting may be held at any time at the call of the Chair, or, in the Chair's absence or inability or unwillingness to act, at the call of three (3) members of the Board. Notice of each special meeting shall be given by (1) posting a notice thereof in a location that is freely accessible to members of the public and (2) delivering personally or by mail or facsimile or electronic mail, a written notice thereof to each member of the Board and to each local newspaper of general circulation, radio or television station requesting notice in writing. Such notice must be posted and delivered personally or by mail or facsimile at least twenty-four (24) hours before the time of such meeting as specified in the notice. The call and notice shall specify the time and place of the special meeting and the business to be transacted and no other business shall be considered at such meeting. Such written notice may be dispensed with as to any member of the Board who at or prior to the time of the meeting convenes files with the Secretary a written waiver of notice. Such waiver may be given by telegram or facsimile. Such written notice may also be dispensed with as to any member who is actually present at the meeting at the time it convenes.

SECTION 3. Adjourned Meetings. The Board may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment. Less than a quorum may so adjourn from time to time. If all members are absent from any regular or adjourned regular meeting, the Secretary may declare the meeting adjourned to a stated time and place and shall cause a written notice of the adjournment to be given in the same manner as provided in Section 2 of this article for special meetings, unless such notice is waived as provided for special meetings. A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the regular, adjourned regular, special or adjourned special meeting was held within twenty-four (24) hours after the time of the adjournment. When a regular or adjourned regular meeting is adjourned as provided in this section, the resulting adjourned regular meeting is a regular meeting for all purposes. When an order of adjournment of any meeting fails to state the hour at which the adjourned meeting is to be held, it shall be held at the hour specified in these rules and regulations for regular meetings.

Whenever the Chair determines that the business for a meeting does not involve an action of the Board or involves an action which can reasonably and without prejudice be delayed to an ensuing meeting, the Chair may declare an adjourned meeting. The Chair shall first inform the members of the proposed action. If there is no objection therefrom, the Chair or the Chair's designee shall at the time and place set for the meeting, adjourn it to the next ensuing regular meeting.

SECTION 4. Presiding Officer. Duties. In the absence of both the Chair and the Vice-Chair from any meeting, the Secretary shall call the meeting to order and the Board shall elect from among the members present a temporary Chair who shall preside at the meeting until the Chair or Vice-Chair shall arrive at the meeting. The presiding officer shall have the power and duty to preserve strict order and decorum at all meetings. The Presiding Officer shall state, when appropriate, each question before a vote is called for thereon, announce the results of the vote on each matter, and shall decide all

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questions of order, subject, however, to an appeal to the Board, in which event a majority vote of the Board shall conclusively determine such question of order. The Presiding Officer shall be entitled to vote on all questions.

SECTION 5. Quorum. A majority of the members of the Board shall constitute a quorum for the transaction of business. Except as may be otherwise provided by law and by these rules and regulations, a majority of a quorum may decide all matters of business which come before the Board. In the event of the absence of both members elected by and from the Plan Participants or both members appointed by the City Manager with the approval of the Council, the Board shall not transact any business other than adopting the consent calendar appearing on the published agenda for the particular meeting and shall not adopt a change of fiscal or personnel policy unless there is an emergency as determined by all members present.

SECTION 6. Resolutions and Motions. The actions and decisions of the Board at any meeting shall be expressed by motion, duly seconded and voted upon by the members. The ayes, noes, and the members present and not voting shall be entered upon the minutes of the meeting. Unless a member states that he or she is not voting, silence shall be recorded as an affirmative vote.

SECTION 7. Order of Business. At the regular meetings of the Board, the following ordinarily shall be the order of business:

1. Call to Order
2. Roll Call
3. Approval of Minutes of Prior Meeting
4. Agenda Changes
5. Set Time and Date for Next Meeting
6. Board Initiated Items
7. General Discussion Items
8. Unscheduled Oral Communications/Public Comments
9. Adjournment

The Board shall provide an opportunity for public comment on any agenda item prior to taking action on that item. The presiding officer shall normally limit the comments of each member of the public to five (5) minutes. The presiding officer may vary the order of business whenever in his or her discretion it will expedite the conduct of the meeting.

SECTION 8. Other Rules for Conduct of Meetings. In the event any of the provisions in these rules and regulations conflict with the Brown Act, the latter shall govern. The latest edition of Robert's Rules of Order shall govern in all matters of procedure not otherwise provided for by law or in these rules and regulations.

SECTION 9. Agenda Proceedings.

- (a) Agenda. The order of business of the Board shall be conducted from a written agenda prepared by the Chair or the Chair's designee. Matters to be brought before the Board shall, if possible, be processed as provided in this section. The Chair shall decide what items of business shall be acted upon, and place such items of business on the agenda for any regular or special meeting of the Board. A Board member may request the Secretary to place any matter on the agenda, and it shall be so placed unless the Chair or Vice-Chair rules that the matter is not germane to Board business as provided by law. In the case of such ruling, the

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Secretary shall place the request and the ruling before the Board for its decision at the next regular meeting.

(b) Submittals. Employees, Plan participants, employee representatives, and other persons to whom this rule reasonably applies, shall submit in writing requests to appear and requests for consideration of matters to the Secretary by 10 a.m. of the fourteenth (14th) calendar day preceding any regular meeting at which the matter is to be considered or the appearance made. The written request shall, if possible, contain such information including rules and regulations and authorities involved, so as to allow a full consideration of the matter, including the jurisdiction of the Board to consider the matter.

(c) Posting and Distribution of Agenda. The Secretary will post the agenda of a regular meeting in a location freely accessible to the public at least seventy-two (72) hours before the time set for the meeting. The agendas and other materials to be considered by the Board shall be made available to the public when distributed to all or a majority of the Board in accordance with the Brown Act unless exempt from disclosure under the Public Records Act.

(d) Emergency Matters. In the event a matter to be considered or appearance is an emergency situation, the time limit, in accordance with the Brown Act may be waived by a majority vote of the Board, providing an attempt is made to comply with the other requirements of this section, and proof is first received as to the necessity of immediate consideration. In the event the need to take action arose subsequent to the posting of the agenda, the Board by a two-thirds (2/3) vote (or, if less than two-thirds (2/3) of the members are present, by an unanimous vote) may waive the time limits, subject to the same provisos as emergency matters. Unnecessary delay or lack of diligence shall not be a ground for immediate consideration. The matter may be heard and considered by the Board under such circumstances except that should harm occur to any person, or interference with the public service occur because of the failure to publicize and distribute the matter, the matter may be heard, but no action will be taken. In that event, however, the Board may request that any concerned parties either change their actions or cease from taking action until the matter can be fully heard and remedied.

(e) Tabled or Laid Over Matters. The Secretary will keep a record of tabled or laid over matters and scheduled hearings and shall list such items, together with any known suspended and future items, at the end of each agenda.

### ARTICLE 3. AD HOC COMMITTEES

SECTION 1. Committees. The Chair shall appoint such Ad Hoc Committees as the Board shall from time to time authorize to investigate and report to the Board on matters assigned to the committee.

SECTION 2. Committee Procedures. Each ad hoc committee may adopt rules of procedure consistent with these rules. Each ad hoc committee shall provide notice of its meetings and prepare and distribute agendas in the same manner as the Board. Board members who are not members of an ad hoc committee may attend meetings of that committee but shall not vote on ad hoc committee recommendations.

### ARTICLE 4. AMENDMENTS TO RULES

SECTION 1. Amendments to Rules and Regulations. These rules and regulations may be amended at any regular or special meeting of the Board by three affirmative votes when at least ten (10) days' written notice of the proposed presentation of such amendment at such meeting has been given all members of the Board in the manner prescribed herein for special meetings, or when announcement of the proposed presentation of such amendment was recorded in the minutes of the previous regular meeting of the Board.

### ARTICLE 5. DEFINITIONS

SECTION 1. Definitions of Terms. For the purposes of these rules and regulations certain words, phrases, and terms shall be construed as specified in this section.

- (a) "Deferred Compensation Board" shall mean the City of Fresno Deferred Compensation Board.
- (b) "Code" shall mean the Fresno Municipal Code.
- (c) "By Law" shall mean the Code, the Charter of the City of Fresno, the Constitution of the State of California, or any law of the State of California made applicable to chartered cities.
- (d) "day" shall mean calendar day. When a date by which an act is required to be performed under these rules falls on a Saturday, Sunday, or holiday, the date shall be extended to the next day that is not a Saturday, Sunday, or holiday.

### ARTICLE 6. ELECTIONS OF DEFERRED COMPENSATION BOARD MEMBERS

SECTION 1. Elected Plan Participant Members. Elected Plan Participant Board members shall be elected by and from the Plan Participants who have a non-zero balance in their Deferred Compensation Account.

SECTION 2. Term of Office. The term of office of an elected Plan participant Board member shall be four (4) years, with the term ending on the last day of June of the fourth year. The term of



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office of the elected members shall be staggered. The office of one of the elected members shall be filled for an initial two year term. Thereafter, the term of office for both elected Board members shall be for four year terms. Each appointed Board member shall serve until his or her replacement has been appointed by the City Manager and approved by the City Council. The Board member chosen by the other four (4) members shall serve until he or she resigns or is replaced by the other four Board members.

SECTION 3. Time for Holding Elections. Elections of Board members to be elected by and from the Plan Participants shall be conducted in the month of June of the last year of each such member's term of office; provided, that the first such election conducted pursuant to this article shall be held at a time and manner prescribed by the governing body of the Deferred Compensation Plan.

SECTION 4. Secretary Shall Conduct Election. The Secretary shall conduct the election pursuant to the rules set forth in this article. Whenever in this article any act is required to be performed by the Secretary, such act may be performed by the Secretary or any person acting under the Secretary's supervision.

SECTION 5. Notice of Election.

(a) The Secretary shall give notice of the election to be held not less than fifty (50) nor more than seventy-five (75) calendar days prior to the last day for receiving ballots. The notice shall be given by posting on the bulletin board in the lobby of the City Hall and at not less than four (4) other conspicuous places in and about the buildings and premises of the city as selected by the Secretary and distributed to all other relevant locations to the extent possible and distributed by mail to each Plan Participant.

(b) The notice shall be in substantially the following form:

"NOTICE OF ELECTION OF MEMBER OF  
City of Fresno Deferred Compensation Board

NOTICE IS HEREBY GIVEN that an election will be held among the Participants of the City of Fresno Deferred Compensation Plan to elect a Participant member of the Deferred Compensation Board for the term ending \_\_\_\_\_, 20\_\_.

All Participants of the Deferred Compensation Plan who have a nonzero balance in their Deferred Compensation Account are eligible to become candidates for membership on the Deferred Compensation Board. Any member desiring to become a candidate for election may obtain a nomination petition from the Secretary to the Deferred Compensation Board whose address is \_\_\_\_\_.

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Candidates may qualify for placement of their names on the ballot by filing with the Secretary, on or before 5:00 p.m. on \_\_\_\_\_, 20\_\_, a nomination petition, on the form obtained from the Secretary, signed by not less than 10 nor more than 20 Participants of the Deferred Compensation Plan.

Ballots will be mailed on or before \_\_\_\_\_, 20\_ to all Participants in the Deferred Compensation Plan addressed to each Participant's most recent home address contained in the Plan's records. If you do not receive a ballot by \_\_\_\_\_, 20\_, please telephone or visit the City's Retirement Office to obtain a ballot. Ballots must be returned in the envelope accompanying the ballot and addressed to the City's independent, outside auditor and received by the auditor on or before 5:00 p.m. on \_\_\_\_\_, 20\_.

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*Secretary of the Deferred Compensation Board*

SECTION 6. Elections: Summary of Timelines. The following information is provided to summarize specific dates for notices, petitions, issuance of petitions, receipt and counting of ballots, and the certification of the election results for elected employee Board members.

- (a) Time for Holding Election.  
Elections shall be conducted in the month of June of the last year of an elected Board member's term of office.
- (b) Notice of Election.  
Notice of the election shall be provided not less than fifty (50) nor more than seventy-five (75) calendar days prior to the last day for receiving ballots which is the second Friday in June.
- (c) Date for Issuance of Nomination Petitions.  
Petitions shall be available from the Secretary on and after the last Friday in April of the year of the election.
- (d) Petitions and Candidate Statements Due.  
Petitions and optional candidate statements are due not later than 5:00 p.m. on the second Friday in May of the year of the election.
- (e) Mailing of Ballots.  
Ballots shall be mailed not later than the last Friday in May of the year of the election.
- (f) Final Date for Receipt of Ballots.  
The last day for receiving ballots cast in the election shall be the second Friday in June of the year of the election.
- (g) Ballot counting date and time.  
The ballots shall be counted on the Tuesday following the last day for receiving the ballots at 9:00 a.m. at the Retirement Office.

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- (h) Certification of Election.  
The Secretary shall certify the results of the election on or before June 30 of the year of the election.
- (i) Swearing in of elected candidate.  
The candidate having received the highest number of votes for each office voted upon shall be deemed elected and shall be given the oath of office by the Secretary and assume his or her office on the first meeting date following June 30.

SECTION 7. Qualifications for Nominations.

(a) Candidates for participant membership on the Board may qualify for placement of their names on the ballot by filing with the Secretary, not later than the second Friday in May of the year of the election, a nomination petition signed by not less than ten (10) nor more than twenty (20) Participants in the Deferred Compensation Plan.

(b) The petition shall be on forms available from the Secretary on and after the last Friday in April of the year of the election. Any Participant of the Plan who is eligible to vote for the candidate may circulate a petition. No Participant shall sign the nomination petition of more than one (1) candidate, and if any Participant shall sign more than one petition, his or her signature shall count on only the first petition filed.

(c) In addition to his or her signature, each signer of a nomination petition shall add the date of his or her signature, the job title of his or her position with the city, and the department in which he or she is employed or from which he or she is retired or separated. If any of this material is absent, the signature shall be rejected.

(d) Every nomination petition filed with the Secretary shall have attached thereto a declaration, under penalty of perjury, of the person who circulated the petition that he or she saw the written signature of each of the Participants who signed the petition and that they are the signatures of the persons whose names they purport to be. Each such petition shall also be accompanied by a declaration of the candidate, under penalty of perjury, that the candidate will accept the nomination and will serve as a Deferred Compensation Board member if elected, and that the candidate wishes his or her name to be placed on the ballot in the form set forth in such declaration. The candidate may also submit a statement of 200 words or less giving the candidates qualifications and platform, which will be distributed with the ballots. Said statement must be submitted with the petition, or it will not be published.

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SECTION 8. Ballots.

(a) Voting shall be by sealed ballot. The names of the candidates who have qualified for placement on the ballot shall be listed in alphabetical order, and under the name of each candidate there shall appear the job title of the position in the city service held by the candidate or formerly held in the case of participants who are retired or separated from City service, except that if an incumbent is running, his or her name shall appear first on the ballot, and under his or her name shall appear the word "Incumbent." Each group of candidates shall be headed by the designation of the office and the words "Vote for one."

(b) The ballot shall contain instructions that the voter shall place no marks or writing upon the ballot except a mark in the box after the name of the candidate voted for.

(c) There shall be furnished with the ballot delivered to each voter an inner envelope, and an outer return envelope addressed to the City Clerk to receive ballots.. The ballot shall contain instructions that the voter, after marking his or her ballot, shall insert it into and shall seal the inner envelope but shall place no identifying marks thereon, and shall then insert the inner envelope into the outer envelope, write his or her name in the upper left-hand corner of the outer envelope, and mail or deliver the same to the City Clerk.

(d) The placing by a voter of any marks or writing on the ballot or inner envelope which identify the voter, or the failure of a voter to seal the inner envelope after placing the ballot therein, shall render the voter's ballot void.

SECTION 9. Roster of Participants. Mailing of Ballots.

(a) The Secretary shall cause to be prepared a roster of the active, retired, and separated employees who are Participants of the Deferred Compensation Plan as of May 1 of the year of the election and who are entitled to vote in the election. Such roster shall be prepared from the Trustee's records. Except as hereinafter provided, such roster shall govern in all questions of entitlement to be a candidate or to vote at the election.

(b) Not later than the last Friday in May of the year of the election the Secretary shall mail to each Participant whose name appears on the roster, at his or her home address as shown on the Administrator's records, one copy of the prepared ballot with envelopes and with optional candidate statements.

(c) Any Participant whose name was erroneously omitted from the roster or who, though his or her name is on the roster, claims he or she did not receive a ballot, and any employee who becomes a Participant after May 1, may personally request a ballot from the Secretary at any time prior to 12 o'clock noon on the last day for receiving ballots. If the Secretary finds the requesting person is a member entitled to vote and has not voted, the Secretary shall add the person's name and job title to the roster, if it was omitted therefrom, and shall deliver a ballot to the person, whereupon such person may cast his or her ballot and deliver it to the Secretary.

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SECTION 10. Procedure Upon Receipt of Ballots. Counting the Votes. Assumption of Office by Person Elected.

(a) On the Tuesday morning following the last day for receiving ballots, a representative from the Deferred Compensation Plan staff along with the Secretary shall check the name written on the outer envelope of each completed and returned ballot against the roster. If the name written on the outer envelope of the completed ballot appears on the roster, the outer envelope shall be removed and the inner envelope deposited unopened into a locked ballot box; otherwise, the ballot shall be rejected and placed, without opening the outer envelope, into a separate file or receptacle.

(b) On the Tuesday morning following the last day for receiving ballots, representative from the Deferred Compensation Plan staff and the Secretary shall commence the count of the votes. The count shall be conducted in the Office of the Secretary and may be witnessed by any candidate or other interested member(s). The votes cast for each candidate shall be recorded and totaled on a tally sheet.

(c) On or before June 30 of the year of the election the Secretary shall certify the results of the election. The certification shall show the total votes cast in the election and the votes cast for each candidate for each office voted upon. The Secretary shall post a copy of his or her certification on the bulletin board in the lobby of the City Hall and shall file a copy thereof with the Board, at its first meeting in August, for inclusion in the minutes.

(d) The candidate having received the highest number of votes for each office voted upon shall be deemed elected and shall be sworn by the Secretary and assume his or her office on the first meeting date following June 30.

SECTION 11. Preservation of Election Records. All records and papers, including the roster, outer envelopes, rejected ballots, tallied ballots and tally sheet shall be retained by the Secretary in accordance with the City's records retention schedule following the election and shall be available in the Office of the Secretary for inspection by any interested person.

SECTION 12. Elections to Fill Vacancies Occurring during Term. Consolidation of Elections.

(a) Whenever for any reason a vacancy occurs in the office of an elected Board member, including an impending vacancy as defined in subsection (c), the Board shall, not later than the next regular meeting after the vacancy occurs, call a special election to fill the vacancy, and shall adopt a calendar for the election based upon the same time schedule as established in this article for the conduct of regular elections, the last day for receiving ballots to be fixed as the second Friday of the second month following the month in which the call is made. Such special election shall be conducted in accordance with this article. On the first day of the month following the month in which the election is conducted, the person elected shall be sworn and take office for the unexpired term of the office.

(b) If any such vacancy occurs on or after April 1 of the year in which the term of the vacant office expires, no special election shall be called to fill the vacancy for the unexpired term. If any such vacancy, including an impending vacancy as defined in subsection (c), occurs not less than fifty-five (55) calendar days nor more than seventy-five (75) calendar days prior to

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the last day for receiving ballots in a regular or special election for the office of the other employee Board member, a special election shall not be called, but the election of a successor for the unexpired term shall be consolidated and held with such regular or special election, and the person elected shall be sworn and take office on the first meeting date following the month in which the election is held.

(c) An impending vacancy occurs on the day when a Board member files with the Secretary his or her written resignation from the office of Board member, and in such resignation fixes the effective date of his or her resignation at a future time which is on or prior to the date when the other employee Board member to be elected in a regular or special election will take office. A vacancy also occurs on the date the Board member ceases to be a Participant in the Plan by virtue of his or her receipt of the remainder of his or her Deferred Compensation Balance.

In the event such resignation is rescinded or amended to change the effective date to a time later than the date on which such other employee Board member will take office, and such rescission or amendment is in writing and the original or a true copy thereof is filed with the Secretary not later than the last day for posting of notice of such election, no impending vacancy shall be deemed to have occurred; otherwise, such resignation shall be deemed an irrevocable resignation of such employee Board from membership on the Board as of the effective date specified therein. If any such rescission or amendment is so filed with the Secretary after the Secretary has posted notice of the election to fill the impending vacancy, the Secretary shall immediately withdraw such notice and post a new notice stating that no election for that office will be held.

SECTION 13. Dispensing With Election Where Only One Qualified Candidate.

Whenever at the close of the time for filing nomination petitions only one candidate has qualified for placement on the ballot for the election of an employee Board member, the Secretary shall make a certification of that fact, naming the candidate, and shall post a copy of such certification on the bulletin board in the lobby of the City Hall. Upon the making and posting of such certification, such candidate shall be deemed elected to the office and no election shall be held for the office. The Secretary shall file a copy of such certification with the Board, at its next regular meeting, for inclusion in the minutes. The person so deemed elected shall be sworn and take office at the same time and in the same manner as if an election had been held.

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**HISTORY OF RULES AND REGULATIONS**

1. January 28, 2008, Adopted
2. February 25, 2009, amending: (1) Article 1, Section 1 and Section 3, (2) Article 2, Section 1, (3) Article 6, Section 10c and 10d
3. May 2014, amending: (1) Article 2, Section 1, (2) Article 6, Section 6i, (3) Article 6, Section 8c, (4) Article 6 Section 10d and (5) Article 6, Section 12b.
4. Introduced February 2018 and adopted August 30, 2018, amendments to Article 2, Section 1.





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## Another risk for plan sponsors: Accusation of breaching fiduciary rules

By Paula Aven Gladych

Published June 25 2018, 1:51pm EDT

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Getting people to invest in their workplace retirement plan is only half the battle. The more the industry does to improve participation rates, the more it opens plan sponsors up to risks.

In its research, Willis Towers Watson has found that 90% of retirement plans now offer automatic enrollment and 93% of plans are using target-date funds as their qualified default investment alternative, or the account that automatic deferrals are defaulted into.

"While that's all wonderful, having a large dollars flowing into a target-date series creates a new wrinkle of risk for plan sponsors," says Marina Edwards, a senior consultant in the Benefits Advisory and Compliance group of Willis Towers Watson's retirement practice in Chicago.

She says that it isn't out of the realm of possibility that plan sponsors could be sued based on their fiduciary selection of a QDIA. Plan participants could come back and say that a plan sponsor breached their fiduciary duty if their target-date outcomes are not as good as expected.

## Top priorities for 401(k) plan sponsors

Between an ever-changing regulatory environment and ongoing cost concerns, retirement plan sponsors have a lot on their plate.



"If that were to happen, would you be prepared to defend that lawsuit?" she asks.

Keeping those types of risk in mind, Edwards says that plan sponsors need to make sure they have documentation in their files about how they reviewed, selected and monitor the TDFs they offer and whether or not their investment strategy fits well with participant demographics.

She points out that the Department of Labor has issued guidelines on how to pick and monitor a QDIA, and plan sponsors should review that in context of their own plan participants. It is also important to focus on the glide path — the amount of risk taken on in the plan either to or through retirement — tied to QDIAs for they are not all set up the same. Plan sponsors need to make sure their committee has properly evaluated those differences and make sure they have an ongoing dialogue to maintain the target-date series they have chosen.

The Department of Labor specifies that a QDIA can be one of four types:

- A product with a mix of investments that takes into account the individual's age or retirement date, such as a target-date fund or life-cycle fund.

- An investment service that allocates contributions among existing plan options to provide an asset mix that takes into account the individual's age or retirement date, such as a professionally managed account.
- A product with a mix of investments that takes into account the characteristics of the group of employees as a whole, rather than each individual, like a balanced fund.
- A capital preservation product for only the first 120 days of participation.

A QDIA must either be managed by an investment manager, plan trustee, plan sponsor or a committee comprised primarily of employees of the plan sponsor that is a named fiduciary or be an investment company registered under the Investment Company Act of 1940, according to the DOL. In general, QDIAs are not supposed to invest participant contributions in employer securities.

Another popular plan design option is offering a Roth 401(k) or in-plan Roth conversions, Edwards says.

### **The Roth option**

With most people falling into a lower tax bracket until 2025, thanks to tax reform that was passed at the end of last year, now is a good time to take advantage of a Roth feature. Most 401(k) dollars go into a retirement account pre-tax and are taxed when they are withdrawn at retirement. Edwards recommends that plan participants have a mix of both pre-tax and after-tax retirement funds to achieve tax diversification within their 401(k) plan.

"It gives you a choice of which bucket to pull from in retirement when you are unsure what the tax brackets will be," she says.

She adds that Willis Towers Watson is working with recordkeepers to stress the importance of tax diversification within 401(k) plans and educating them on how they can convert some of their dollars to Roth without taking a full distribution.

Right now, if participants want to convert 401(k) dollars to a Roth, they have to take the money out, pay taxes on it and then reenroll the money in a Roth.

Many plan sponsors are now considering automatically enrolling plan participants into a Roth option.

This article originally appeared in Employee Benefit News.



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# Help protect employees against phishing and cyber fraud

Download resources to help prevent phishing and identity theft plus add security to their Fidelity accounts.

10/20/2017

Keeping plan sponsors and participants protected from potential online threats is a top priority for Fidelity. But we can't do it alone. An important part of our [commitment to customer protection](#) is offering resources to help educate and engage employees.

These resources offer tips on a few simple things you and your employees can do to keep their information and accounts secure.

## Toolkit

## What's included

### Top 5 ways to protect from cybercrime

### Top 5 ways to protect against cybercrime

- Email w/video: Don't be a target for cybercrime
- Checklist: Top 5 things you can do to protect your accounts



**Did you know that many of Fidelity's fraud prevention measures rely on participants doing their part?** Get the checklist to learn about the top 5 things participants should do to protect their Fidelity accounts.



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## Account security and identity theft:

### Digital contact information is crucial

#### Download account security toolkit:

- Email message: Update digital contact information
- Account security checklist
- *6 Steps to Take if Your Identity is Stolen* by Jean Chatzky
- Two-factor authentication flyer

Since most access and high-risk transaction protection measures require a valid email and/or mobile phone number, it's critical for employees to keep these updated.

Fidelity will request updates as part of the participant experience. Sponsors can help by reinforcing this need with the employee email in the toolkit.



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## Can your employees catch a phish?

#### Download phishing resources

- Infographic: Anatomy of a Phish
- Anatomy of a phish article
- How to catch a phish article

91% of all cyberattacks start with a phishing email\*. Use the infographic and news articles to help prevent attacks by encouraging employees to think twice before clicking on a link.



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## MyVoice: Faster and more

#### Download MyVoice email and flyer

**secure authentication via phone**

- "Security shouldn't be a hassle" email
- Introducing MyVoice flyer



With an eye on increasing both the security and convenience of your employees' phone experience, Fidelity is introducing [MyVoice](#). It confirms the employee's identity when when he or she calls us, so they can skip entering PINs and passwords and get things done right away.



Encourage your employees to protect their accounts by enabling their voiceprint when they call a representative. It takes less than a minute.

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Learn more about Fidelity's approach to customer protection on the [Prepared2Protect website](#).

Thank you for working together with us to help protect you and your employees' accounts.

\*Enterprise Phishing Susceptibility and Resiliency Report, 2016

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