

CITY OF FRESNO
DEFERRED COMPENSATION BOARD
AGENDA

Thursday, August 22, 2019

1:30 PM

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

**DEFERRED COMPENSATION BOARD
Frank H. Balekian, Jr., Vice Chair
Henry Fierro, Appointed Member
Steven Jolly, Board Member
David Newton, Elected Member
Yvonne Dedmore, Appointed Member**

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. 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.

CALL TO ORDER

ROLL CALL

APPROVE MINUTES

Approve Minutes of February 28, 2019, Regular Meeting of the Deferred Compensation Board.

[CITY OF FRESNO DEFERRED COMPENSATION BOARD - 28 Feb 2019 - Minutes - Pdf](#)

APPROVE AGENDA

Approve Agenda of August 22, 2019, Regular Meeting of the Deferred Compensation Board.

TIMED SCHEDULED HEARINGS AND MATTERS

3:00 pm Conduct annual election of Deferred Compensation Board Officers.
(Chair, Vice-Chair and Secretary)

A. CONSENT CALENDAR

1. 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. - Pdf](#)

B. STAFF INITIATED ITEMS

C. BOARD INITIATED ITEMS

1. Fidelity Service Review for the period ended June 30, 2019 presented by Fidelity Investments.
[Fidelity Service Review for the period ended June 30, 2019 presented by Fidelity Investments. - Pdf](#)
2. Review, discuss and consider Staff's 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.
[Review, discuss and consider Staff's 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. - Pdf](#)
3. Review, discuss and accept Investment Review Report as of June 30, 2019, 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
[Review, discuss and accept Investment Review Report as of June 30, 2019, 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 - Pdf](#)
4. Discussion for the Boards to consider RFP for Deferred Compensation Plan services.
5. Review and consider the impact of creating accounts for all eligible employees.

D. GENERAL DISCUSSION

E. INFORMATION ONLY ITEMS

F. UNSCHEDULED ORAL COMMUNICATIONS

G. PUBLIC COMMENTS

H. ADJOURNMENT

MINUTES
CITY OF FRESNO DEFERRED COMPENSATION BOARD

1:30 PM - Thursday, February 28, 2019

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

The CITY OF FRESNO DEFERRED COMPENSATION BOARD was called to order on Thursday, February 28, 2019, at 1:30 PM, in the Retirement Office, 2828 Fresno St., 2nd Fl., Board Chamber, Room 202, Fresno, CA 93721, with the following members present:

PRESENT: Frank Balekian, Jr., Steven Jolly, Henry Fierro, Yvonne Dedmore, and David Newton

ABSENT: None

STAFF PRESENT: Jennifer DeRuosi, Robert Theller, Pattie Laygo, Kathleen Riley Brown, Yvonne Timberlake, Andrea Ketch, and Phillip Carbajal

CALL TO ORDER

ROLL CALL

1:32 pm - Member Jolly arrived at 1:33 pm

APPROVE MINUTES

Approve Minutes of January 3, 2019, Special Meeting of the Deferred Compensation Board.

Moved by Yvonne Dedmore
Seconded by Henry Fierro

[Approve Minutes of January 3, 2019, Special Meeting of the Deferred Compensation Board.](#)

Aye: Frank Balekian, Jr., Henry Fierro, David Newton, and Yvonne Dedmore

Noes: None

Abstained: None

Absent: Steven Jolly

CARRIED. 4-0 on a recorded vote

APPROVE AGENDA

Approve Agenda of February 28, 2019, Regular Meeting of the Deferred Compensation Board.

Moved by Henry Fierro
Seconded by Yvonne Dedmore

Page 1 of 4

Approve agenda of February 28, 2019, Regular Meeting of the Deferred Compensation Board.

Aye: Frank Balekian, Jr., Henry Fierro, David Newton, and Yvonne Dedmore
Noes: None
Abstained: None
Absent: Steven Jolly

CARRIED. 4-0 on a recorded vote

TIMED SCHEDULED HEARINGS AND MATTERS

A. CONSENT CALENDAR

1. Approve date and time of the next Regular Meeting of the Deferred Compensation Board scheduled at 1:30 pm on Thursday, August 22, 2019.

Moved by Henry Fierro
Seconded by Yvonne Dedmore

Approve consent calendar of February 28, 2019, Regular Meeting of the Deferred Compensation Board.

Aye: Frank Balekian, Jr., Henry Fierro, David Newton, and Yvonne Dedmore
Noes: None
Abstained: None
Absent: Steven Jolly

CARRIED. 4-0 on a recorded vote

B. STAFF INITIATED ITEMS

1. Discussion by Plan Administrator regarding the use of Shell Accounts to communicate with non-enrolled employees.

The Board discussed privacy concerns of communications with responses by Dee Johnson, Communications Consultant with Fidelity and Jennifer DeRuosi, City Attorney's Office. Direction is made for staff to review communications methods and content with the City Attorney's Office, Finance and Human Resources.

C. BOARD INITIATED ITEMS

1. Consider Request by Trustee David Newton for Email and Communication to All City Employees

Discussion laid over pending further review of communication methods and potential policy revisions for the Boards review at the next meeting.

2. Review, discuss and accept Investment Review Report as of December 31, 2018, 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 Board received and accepted Investment Review Report presented by Joan Steel, Investment Consultant.

3. Review and discuss Fidelity Plan Review for the calendar year period ending December 31, 2018, presented by Fidelity Investments.

The Boards received and accepted the Fidelity Plan Review as of December 31, 2019, presented by Shawn Cosgrove.

4. 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.

The Boards reviewed and discussed recommendations presented by Fidelity and Staff. Direction is made to consider optimal line with stable value at the next meeting of the DC Board.

Moved by Steven Jolly
Seconded by Henry Fierro

To approve actions recommended by Staff based upon review of benchmark performance for the three and five-year periods as of December 31, 2018.

Aye: Frank Balekian, Jr., Steven Jolly, Henry Fierro, David Newton, and Yvonne Dedmore

Noes: None

Abstained: None

Absent: None

DULY CARRIED. 5-0 on a recorded vote

5. 2019 Communication Service Plan and Fidelity Service Review for the calendar year period ended December 31, 2018 presented by Fidelity Investments.

The Board reviewed and discussed the Communication Service Plan and Service Review presented by Dee Johnson of Fidelity Investments.

D. GENERAL DISCUSSION

E. INFORMATION ONLY ITEMS

F. UNSCHEDULED ORAL COMMUNICATIONS

G. PUBLIC COMMENTS

H. ADJOURNMENT

3:40 pm

Secretary/Deputy

Chair/Vice Chair



Meeting Date: August 22, 2019

REPORT TO CITY OF FRESNO DEFERRED COMPENSATION BOARD

August 2, 2019

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 the following participants establishing an Alternate Normal Retirement Age consistent with the City of Fresno's Deferred Compensation Plan provisions.

Robert Niel Anderson
Ernesto Garcia
Anthony Hernandez
Sandra L. Purvis
Don Robbins
Randy Schrey

Robert J. Berend
Craig L. Hansen
David Newton
Jess Ramirez
Bruce Robinson

RECOMMENDATION

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

Meeting Date: August 22, 2019

REPORT TO CITY OF FRESNO DEFERRED COMPENSATION BOARD

August 6, 2019

FROM: KATHLEEN RILEY BROWN, Assistant Administrator

SUBJECT: FIDELITY SERVICE REVIEW FOR THE PERIOD ENDED JUNE 30, 2019
PRESENTED BY FIDELITY INVESTMENTS.



YourPlan review

CITY OF FRESNO
DEFERRED COMPENSATION PLAN

Presented by:
Shawn Crosgrove

As of June 30, 2019



The YourPlan Review includes information pertaining to Defined Contribution plans.
This document was originally prepared for plan sponsor use only

EXECUTIVE SUMMARY



Defined Contribution Summary

As of Q2 2019	Your Plan Results	Your Plan Prior Year Results	Peer Group Average ¹	Peer Group Top Performers ¹
Participation Rate	40.9%	40.3%	75%	95%
Active Participants Deferring	82%	81%	61%	90%
Asset Allocation	55%	53%	74%	89%
Loans & Withdrawals	5%	6%	7%	2%
Interaction	77%	78%	59%	73%
Planning & Advice Engagement	16%	18%	13%	20%

Total Deferring / Total Eligible = Participation Rate %

12/31/2017: 1,261 / 3,276 = 38.5%

06/30/2018: 1,339 / 3,320 = 40.3%

12/31/2018: 1,344 / 3,399 = 39.5%

06/30/2019: 1,387 / 3,391 = 40.9%

¹Please see "Plan Trends Glossary" for information regarding plan peer size and industry comparisons.

Plan Trends – CITY OF FRESNO

Plan 35801	06/2019	12/2018	12/2016	12/2014	TEM - Public Sector Peers ¹	Same Size Peers ¹
Total Assets	\$190,360,883	\$165,067,558	\$148,015,268	\$139,426,409	\$314,929,145	\$331,575,158
Total Participants With a Balance	2,130	2,100	1,855	1,821	2,369	3,456
• Total Active Participants with a balance ²	1,477	1,444	1,252	1,290	1,821	2,505
• Terminated participants ²	653	656	603	531	559	971
• Active participants deferring ²	1,410	1,391	1,174	1,193	1,590	1,993
• Total Participants ²	2,130	2,100	1,855	1,821	3,008	4,107
• Participants who meet 402(g) limit	0	52	34	48	44	29
Average Balance	\$89,371	\$78,603	\$79,792	\$76,566	\$101,912	\$101,912
Median Balance	\$33,719	\$31,390	\$36,629	\$36,469	\$50,281	\$27,675
New Participants Enrolled²	66	100	66	52	37	114
Participant-Elected AIP Participants²	182	157	79	46	62	187

¹Please see "Plan Trends Glossary" for information regarding plan peer size and industry comparisons.

²See "Plan Trends Glossary" immediately after this section for definition of terms

Plan Trends – CITY OF FRESNO

Plan 35801	06/2019	12/2018	12/2016	12/2014	TEM - Public Sector Peers ¹	Same Size Peers ¹
Active Participants Deferring²	81.6%	82.7%	76.8%	76.1%	64.3%	61.0%
% Participants With Roth Deferral	23.0%	21.4%	8.5%	0.0%	9.4%	6.3%
• Median age of participants making Roth deferrals	41	41	42	0	39	40
Participants With Catch-up contribution	0	41	23	34	10	15
• Active Participants Age 50+ ²	670	655	642	691	2,037	1,527
Average Employee Dollar Contribution	\$2,898	\$5,538	\$4,978	\$4,737	\$4,260	\$3,619
Target Date Funds (TDF) Balance	\$50,916,884	\$44,580,873	\$41,383,817	\$34,439,446	\$90,934,423	\$141,092,240
• Single TDF participant - outside range	596	588	531	443	185	245
• Multiple TDF participants	35	34	33	21	251	153
• Multi-fund TDF participants	341	333	322	317	462	561
BrokerageLink Balance	\$4,744,615	\$3,829,085	\$2,566,969	\$1,686,922	\$16,069,265	\$10,461,193
• BrokerageLink participants	61	54	47	34	90	38
Fidelity® Personalized Planning & Advice Balance	\$5,872,662	\$3,551,335	\$0	\$0	\$4,929,195	\$6,004,647
• Fidelity® Personalized Planning & Advice # of participants	165	125	0	0	48	62
Average # of Funds Held²	3.60	3.48	2.74	2.84	4.35	2.81
Single Fund Holders (excluding TDF)²	367	384	319	360	210	222

¹Please see "Plan Trends Glossary" for information regarding plan peer size and industry comparisons.

²See "Plan Trends Glossary" immediately after this section for definition of terms

³From January through April the peer measures are from 2 calendar years prior.

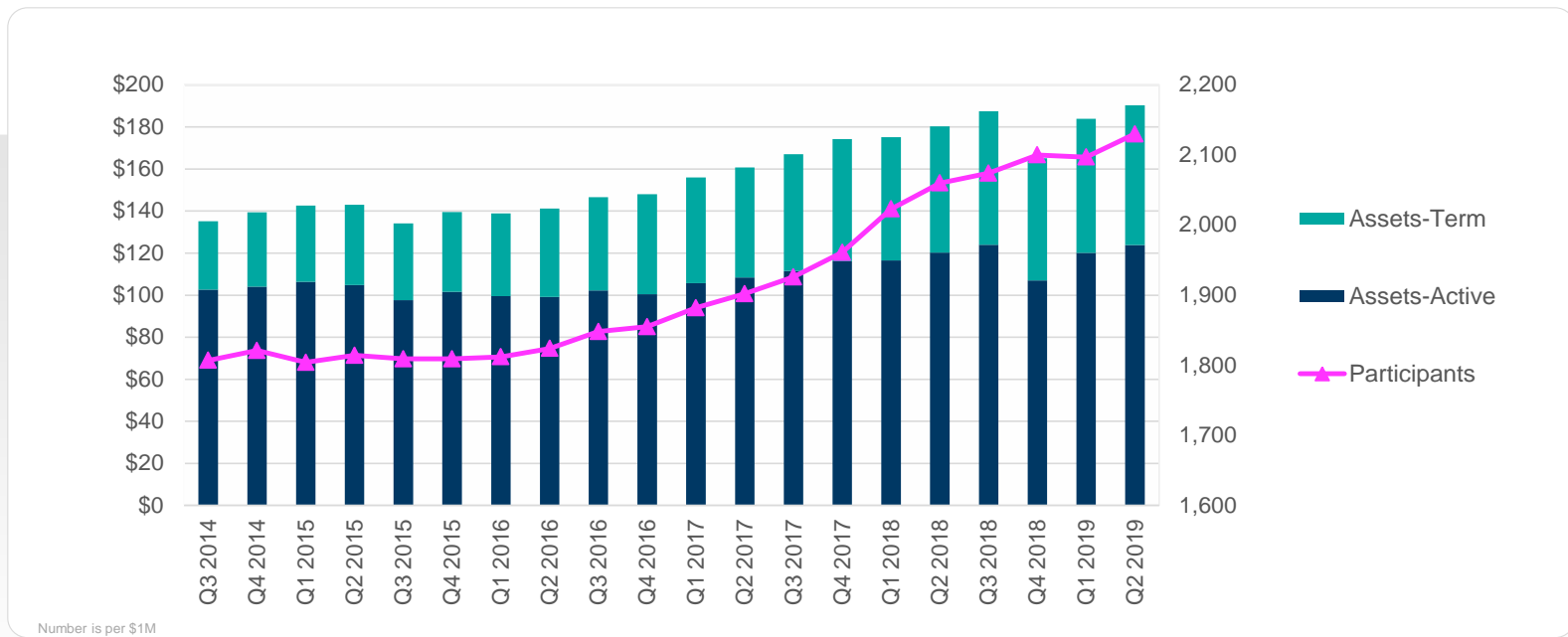
Plan Trends – CITY OF FRESNO

Plan 35801	06/2019	12/2018	12/2016	12/2014	TEM - Public Sector Peers ¹	Same Size Peers ¹
YTD net cash flow	(\$24,698)	\$156,857	(\$172,674)	\$770,358	(\$552,436)	\$4,257,002
• YTD Total Contributions	\$4,527,795	\$9,060,778	\$6,816,631	\$6,562,001	\$11,272,270	\$15,016,830
• YTD employee contributions	\$4,344,024	\$8,331,548	\$6,336,110	\$6,306,022	\$7,199,830	\$7,393,806
• Pre-tax	\$3,849,564	\$7,574,497	\$6,100,461	\$6,306,022	\$6,733,525	\$6,973,889
• Roth	\$494,460	\$757,051	\$235,649	\$0	\$466,305	\$419,917
• YTD rollover contributions	\$183,771	\$729,230	\$480,521	\$255,979	\$595,442	\$1,663,997
• YTD loans/withdrawals	(\$5,426,866)	(\$10,407,647)	(\$8,525,684)	(\$7,065,682)	(\$12,777,591)	(\$11,797,271)
Plan's Average Annual Return	Not Available	-5.40%	6.17%	6.33%	-5.28%	-5.56%
Number of Loans Outstanding	350	354	351	358	486	388
• Average outstanding loan balance	\$13,283	\$13,647	\$13,197	\$11,745	\$9,405	\$7,965
• Number of loans taken	45	76	83	88	77	64
Other Withdrawals	(\$4,780,053)	(\$9,065,391)	(\$7,067,108)	(\$5,396,955)	(\$11,488,728)	(\$11,012,795)
• Number of other withdrawals	428	946	798	808	349	341

¹Please see "Plan Trends Glossary" for information regarding plan peer size and industry comparisons.

²See "Plan Trends Glossary" immediately after this section for definition of terms

Asset and Participant Count Trends



Total Participants	Active Participants	Participants Terminated with Balances	Total Plan Assets
2,130	1,477	653	\$190,360,883

As of 06/30/2019



Cash Flow Summary

		06/30/2019	12/31/2018	12/31/2017
Cash Inflow	Plan Beginning Balance	\$165,067,558	\$174,206,612	\$148,015,268
	Contributions ¹	\$4,527,795	\$9,060,778	\$7,560,412
	Employee	\$4,344,024	\$8,331,548	\$6,988,230
	Pre-Tax	\$3,849,564	\$7,574,497	\$6,660,686
	Roth	\$494,460	\$757,051	\$327,544
	Rollover	\$183,771	\$729,230	\$572,182
	Loan Repayments	\$793,799	\$1,325,872	\$1,297,721
	Interest on Loans	\$81,543	\$169,317	\$158,262
	Revenue Credit	\$15,000	\$30,000	\$30,000
	<i>Total Cash Inflow</i>	\$5,418,136	\$10,585,968	\$9,046,395
Cash outflow	Loan Withdrawals	(\$646,813)	(\$1,342,256)	(\$1,587,964)
	Withdrawals	(\$4,780,053)	(\$9,065,391)	(\$8,677,017)
	Transaction-based Fees	(\$15,969)	(\$21,464)	(\$14,207)
	<i>Total Cash Outflow</i>	(\$5,442,835)	(\$10,429,111)	(\$10,279,188)
	Net Cash Flow	(\$24,698)	\$156,857	(\$1,232,792)
Market Action/Other²	\$25,318,024	(\$9,295,911)	\$27,424,136	
Plan Ending Balance	\$190,360,883	\$165,067,558	\$174,206,612	

¹Contributions are comprised of all employee and employer sources, including rollovers into the plan.

²Other 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.

Plan Trends Glossary – Page 1

Term	Definition
Industry & Peer comparisons	<p>For asset, average balance, median balance, participant count, and number of loans outstanding calculations peer size and industry comparisons are based as of the period ending date 06/2019.</p> <p>For enrollment, cash flow (for instance YTD Total Contributions), number of loans taken, Hardship Withdrawals, Other Withdrawals calculations peer size and industry comparisons are based on January 1 through the period ending date 06/2019.</p> <p>Information on Industry and Same Size Peers is based on clients currently record kept by Fidelity. Industry assignments are based on industry classification from multiple sources.</p> <p>Peer set is for 206 clients with 1,000-4,999 active participants Peer set used on Defined Contribution Summary page is Same Size Active Participants Peer set is for 9 clients in TEM - Public Sector Peers</p>
Total Active Participants with balance / Active Participants with a balance	Participants with a Status Code designated as actively employed with a balance in the plan
Terminated Participants	Participants with a Status Codes designated as not actively employed
Active Participants Deferring	<p>Count – number of participants coded as actively employed, with an employee pre-tax and/or Roth contribution during the time period, with a balance</p> <p>Percent – Count of Active Participants Deferring / Total Active Participants</p>
Total participants – aggregated	Sum of all Total Participants in all plans included in the YourPlan review document
Total participants – unique	Count of unique participants that exist across all plans included in the YourPlan review document
AE active deferral election (exclude 0%)	Participants who went through Automatic Enrollment process and set a positive deferral percent other than the Automatic Enrollment percent. Excludes 0% deferrals.
Total new participants enrolled	Participants who set a deferral percent on Fidelity's recordkeeping system for the first time during the reporting period. Does not include rehired participants.
Plan enrolled AIP - # of participants	All participants who were enrolled by the employer in auto increase program, also referred to as auto-escalate
Participant elected AIP - # of participants	All participants who elected to enroll in the auto increase program, also referred to as auto-escalate

Plan Trends Glossary – Page 2

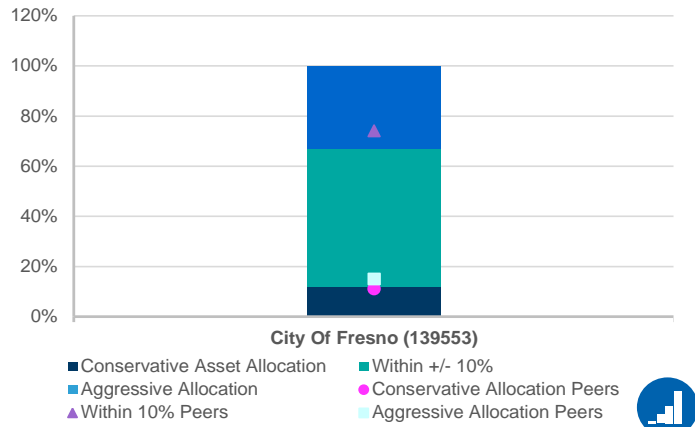
Term	Definition
Participants making catch-up contributions	For all prior plan years – count of participants over Age 50 who contributed over the 402(g) limit for that year.
Participation rate	For plans using Fidelity NDT service, the calculation uses the data available from NDT system and participants currently on file in Fidelity's recordkeeping system. Active participants that went through NDT testing / Total Active participants that went through NDT testing. The rate shown here may not correspond with actual NDT results.
Average Deferral Election	Average of participant elected deferral percentages on file in the Fidelity system. Includes active participants with a balance. Includes 0% deferrals
Average deferral rate	For plans using Fidelity NDT service, the calculation uses the data available from NDT system and participants currently on file in Fidelity's recordkeeping system. Average deferral rate of participants. The rate shown here may not correspond with actual NDT results.
TDF	Target Date Fund
Single TDF participants – inside range	Participant holds a balance in one TDF and the birthdate falls within the range on file in Fidelity's recordkeeping system for that fund.
Single TDF participants – outside range	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.
Multiple TDF participants	Participant holds a balance in more than one TDF
Multi-fund TDF participants	Participant holds a balance in a TDF and another fund
Average # of funds held	Average includes if separate TDF funds are held by the same participant. For YourPlan reviews with multiple plans participants with the same fund and share class in different plans will be counted just once for the average.
Number of participants with > 1 loan	For YourPlan reviews with multiple plans participants with an outstanding loan in more than plan will be included in this count.

APPENDIX



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 06/30/2019



Asset Allocation	Peers	Top Performers
55%	74%	89%

Age Aggressive	Age Aggressive Peers
33%	15%

Age Appropriate	Age Appropriate Peers
55%	74%

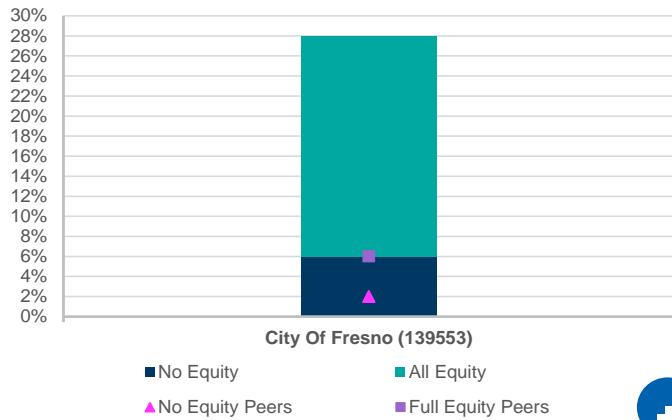
Age Conservative	Age Conservative Peers
12%	11%

ASSET ALLOCATION

Total Active Participants	Age Aggressive	Age Appropriate	Age Conservative
1,477	494	810	173

Extreme Allocation

EXTREME ALLOCATION – Participants who held either 0% or 100% equity allocations as of 06/30/2019



All Equity

22%

All Equity Peers

6%

No Equity

6%

No Equity Peers

2%

EXTREME ALLOCATION

Total Active Participants

1,477

All Equity

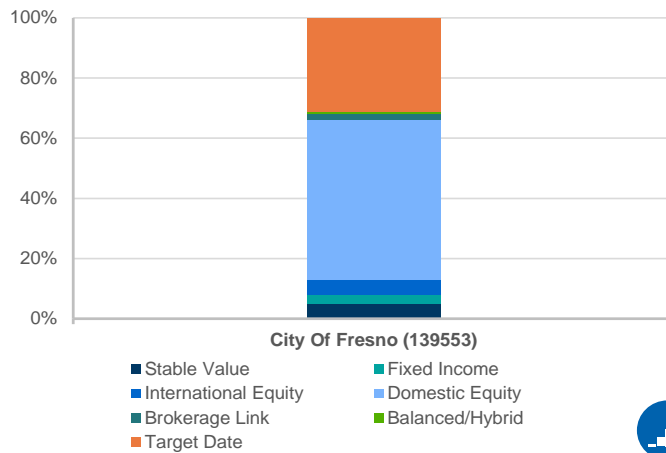
320

No Equity

90

Asset Funds by Type

ASSET FUNDS BY TYPE – Percentage of assets by fund type as of 06/30/2019



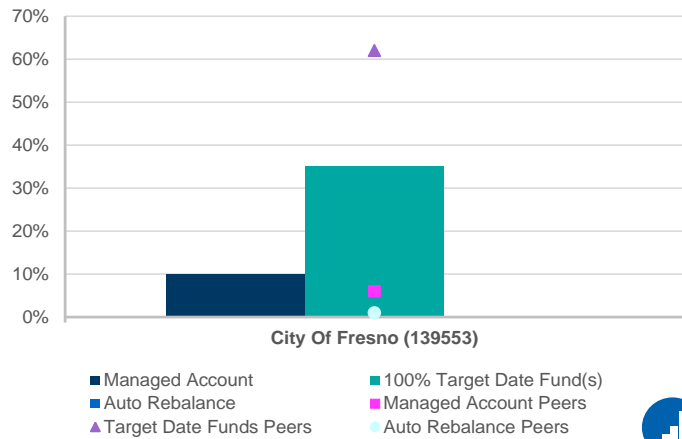
Stable Value	Fixed Income	International Equity
5%	3%	5%
Domestic Equity	Brokerage Link	Balanced/Hybrid
53%	2%	1%
Target Date		
31%		

ASSET FUNDS BY TYPE (000) – Total Assets \$123,817

Stable Value	Fixed Income	International Equity	Domestic Equity	Brokerage Link	Balanced/Hybrid	Target Date
\$5,973	\$4,210	\$6,719	\$65,371	\$2,467	\$1,230	\$37,847

Auto Diversified Solutions

AUTO DIVERSIFIED SOLUTIONS – Participants enrolled by program as of 06/30/2019



Managed Account	100% Target Date Fund(s)	Auto Rebalance
10%	35%	0%

Managed Account Peers	Target Date Fund Peers	Auto Rebalance Peers
6%	62%	1%

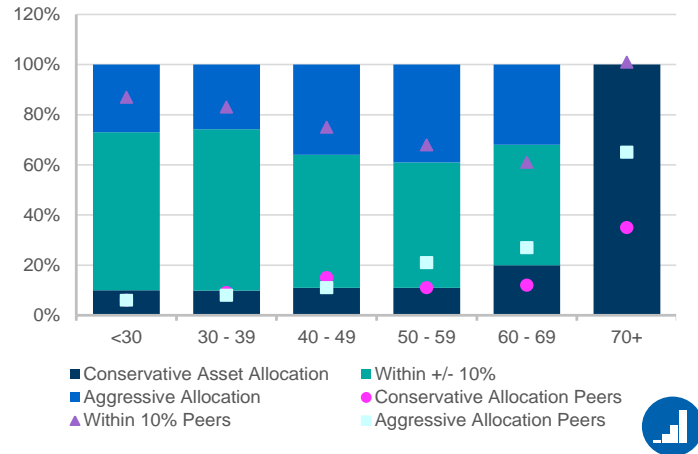
AUTO DIVERSIFIED SOLUTIONS

Total Active Participants	Managed Account	100% Target Date Fund(s)	Auto Rebalance
1,477	151	516	0

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 06/30/2019



ASSET ALLOCATION

Age	Age Aggressive	Peers	Age Appropriate	Peers	Age Conservative	Peers
<30	27%	6%	63%	87%	10%	6%
30 - 39	26%	8%	65%	83%	10%	9%
40 - 49	36%	11%	53%	75%	11%	15%
50 - 59	39%	21%	50%	68%	11%	11%
60 - 69	32%	27%	48%	61%	20%	12%
70+	0%	65%	0%	101%	100%	35%

AGE	<30	30 - 39	40 - 49	50 - 59	60 - 69	70+
Age Aggressive	31	87	161	174	41	0
Age Appropriate	73	217	238	221	61	0
Age Conservative	12	32	51	50	26	2

Unknown data is not displayed.

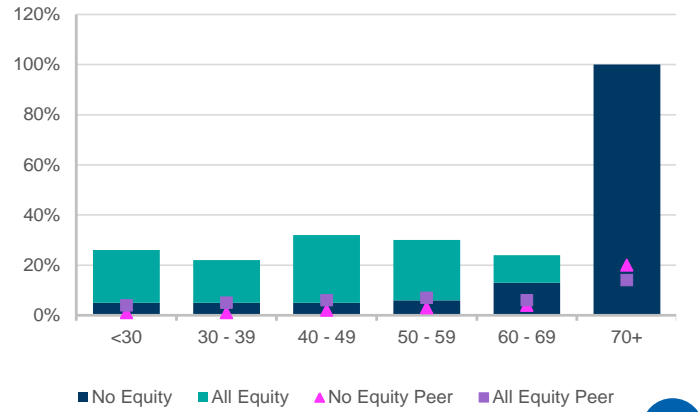
Data from Fidelity Executive Insights as of 06/30/2019. Peer set is for 206 clients with 1,000-4,999 participants. Active participants only.



Extreme Allocation

AGE VIEW

EXTREME ALLOCATION – Participants who held either 0% or 100% equity allocations as of 06/30/2019



EXTREME ALLOCATION

Age	All Equity	Peers	No Equity	Peers
<30	21%	4%	5%	1%
30 - 39	17%	5%	5%	1%
40 - 49	27%	6%	5%	2%
50 - 59	24%	7%	6%	3%
60 - 69	11%	6%	13%	4%
70+	0%	14%	100%	20%

AGE	<30	30 - 39	40 - 49	50 - 59	60 - 69	70+
All Equity	24	57	120	105	14	0
No Equity	6	16	24	26	16	2

Unknown data is not displayed.

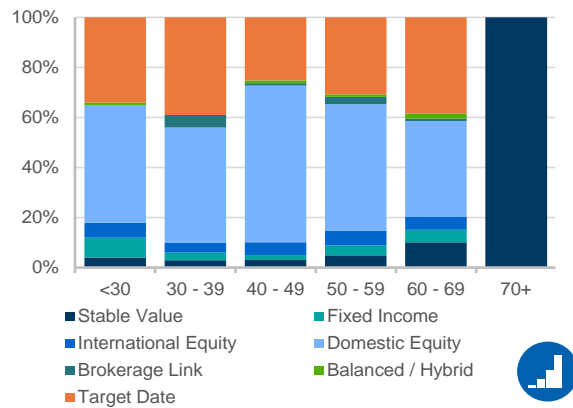
Data from Fidelity Executive Insights as of 06/30/2019. Peer set is for 206 clients with 1,000-4,999 participants. Active participants only.



Asset Funds by Type

AGE VIEW

ASSET FUNDS BY TYPE – Percentage of assets by fund type as of 06/30/2019



ASSET FUNDS BY TYPE¹

Age	Stable Value	Fixed Income	International Equity	Domestic Equity	Brokerage Link	Balanced / Hybrid	Target Date
<30	4%	8%	6%	47%	0%	1%	34%
30 – 39	3%	3%	4%	46%	5%	0%	39%
40 – 49	3%	2%	5%	62%	1%	1%	25%
50 – 59	5%	4%	6%	51%	3%	1%	31%
60 – 69	10%	5%	5%	38%	1%	2%	38%
70+	100%	0%	0%	0%	0%	0%	0%

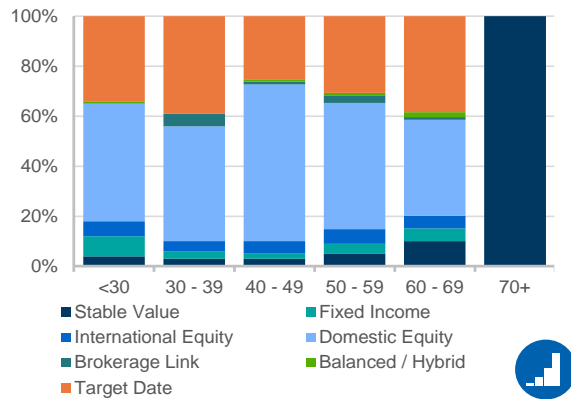
¹Asset types with <1% not displayed in the table: Short Term, Annuity, Company Stock, Blended, Specialty, Other
Unknown data is not displayed.

Data from Fidelity Executive Insights as of 06/30/2019. Peer set is for 206 clients with 1,000-4,999 participants. Active participants only.

Asset Funds by Type

AGE VIEW

ASSET FUNDS BY TYPE – Percentage of assets by fund type as of 06/30/2019



ASSET FUNDS BY TYPE¹

Age	Stable Value	Fixed Income	International Equity	Domestic Equity	Brokerage Link	Balanced / Hybrid	Target Date
<30	\$23	\$50	\$38	\$296	\$0	\$4	\$214
30 – 39	\$298	\$284	\$389	\$4,754	\$485	\$10	\$4,060
40 – 49	\$1,446	\$697	\$2,281	\$26,430	\$363	\$532	\$10,621
50 – 59	\$2,498	\$2,358	\$3,198	\$27,918	\$1,395	\$403	\$16,999
60 – 69	\$1,604	\$820	\$813	\$5,972	\$224	\$282	\$5,953
70+	\$105	\$0	\$0	\$0	\$0	\$0	\$0

¹Asset types with <1% not displayed in the table: Short Term, Annuity, Company Stock, Blended, Specialty, Other
Unknown data is not displayed.

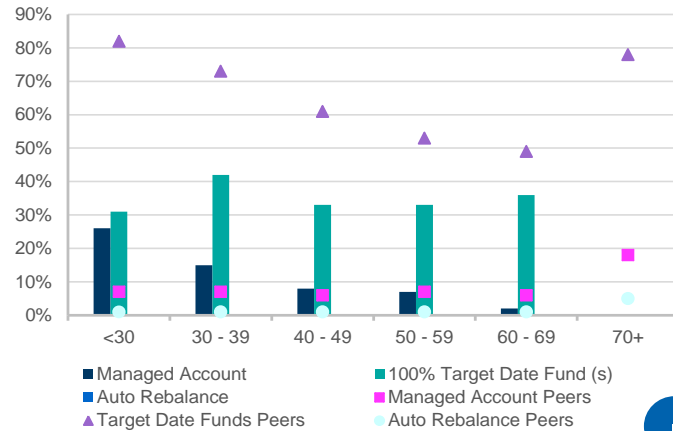
Data from Fidelity Executive Insights as of 06/30/2019. Peer set is for 206 clients with 1,000-4,999 participants. Active participants only.



Auto Diversified Solutions

AGE VIEW

AUTO DIVERSIFIED SOLUTIONS – Participants enrolled by program as of 06/30/2019



AUTO DIVERSIFIED SOLUTIONS

Age	Managed Account	Peers	100% Target Date Fund(s)	Peers	Auto Rebalance	Peers
<30	26%	7%	31%	82%	0%	1%
30 - 39	15%	7%	42%	73%	0%	1%
40 - 49	8%	6%	33%	61%	0%	1%
50 - 59	7%	7%	33%	53%	0%	1%
60 - 69	2%	6%	36%	49%	0%	1%
70+	0%	18%	0%	78%	0%	5%

AGE	<30	30 - 39	40 - 49	50 - 59	60 - 69	70+
Managed Account	30	49	37	32	3	0
100% Target Date Fund(s)	36	140	148	146	46	0
Auto Rebalance	0	0	0	0	0	0

Unknown data is not displayed.

Data from Fidelity Executive Insights as of 06/30/2019. Peer set is for 206 clients with 1,000-4,999 participants. Active participants only.



Plan Assets by Fund

Fund	Total Assets	% of Plan Assets	Change from Prior Year	Net Contribution	Net Exchanges	# Holding Fund ²	% Holding Fund ²
FID GROWTH CO K	\$29,277,925	15.4%	21.3%	\$713,195	-\$708,295	714	33.5%
FID CONTRAFUND K	\$21,438,040	11.3%	12.3%	\$381,182	-\$1,694,450	624	29.3%
MELLON STABLE VAL M	\$20,164,639	10.6%	1.6%	\$431,299	\$722,298	626	29.4%
FID FREEDOM 2020 K	\$12,297,569	6.5%	11.9%	\$194,989	\$286,960	176	8.3%
ARTISAN MID CAP INST	\$10,583,520	5.6%	59.8%	\$131,131	\$1,541,054	454	21.3%
FID FREEDOM 2025 K	\$9,587,714	5.0%	17.0%	\$243,271	\$332,440	111	5.2%
FID FREEDOM 2030 K	\$9,451,908	5.0%	20.4%	\$337,197	\$218,840	173	8.1%
FID LOW PRICED STK K	\$5,288,865	2.8%	4.2%	\$53,489	-\$386,155	132	6.2%
FID 500 INDEX	\$4,999,699	2.6%	10.8%	\$141,727	-\$294,157	340	16.0%
BROKERAGELINK	\$4,744,615	2.5%	23.9%	\$23,278	\$9,310	61	2.9%
FID FREEDOM 2040 K	\$4,489,906	2.4%	19.0%	\$226,682	-\$143,882	122	5.7%
FID FREEDOM 2035 K	\$4,404,454	2.3%	13.1%	\$253,621	\$8,818	125	5.9%

As of 06/30/2019

Plan Assets by Fund

Fund	Total Assets	% of Plan Assets	Change from Prior Year	Net Contribution	Net Exchanges	# Holding Fund ²	% Holding Fund ²
FID FREEDOM 2015 K	\$4,083,890	2.1%	12.0%	\$37,278	\$155,312	39	1.8%
PIM TOTAL RT INST	\$4,002,998	2.1%	-10.9%	\$59,824	-\$748,793	219	10.3%
FID CAPITAL & INCOME	\$3,529,933	1.9%	10.4%	\$45,218	-\$2,290	117	5.5%
J H GLB RESEARCH I	\$3,390,433	1.8%	12.5%	\$23,879	-\$133,612	334	15.7%
AF AMER MUTUAL R5E	\$3,300,570	1.7%	3.2%	\$46,918	-\$117,335	248	11.6%
TRP DIV GROWTH	\$3,102,353	1.6%	63.6%	\$89,709	\$742,847	241	11.3%
FKLN MTL GLB DISC Z	\$2,988,487	1.6%	5.3%	\$127,463	-\$333,489	260	12.2%
FID SMALL CAP GROWTH	\$2,657,435	1.4%	42.4%	\$69,570	\$315,562	290	13.6%
FID DIVERSIFD INTL K	\$2,639,425	1.4%	20.1%	\$98,330	\$56,116	296	13.9%
DAVIS NY VENTURE Y	\$2,487,087	1.3%	3.0%	\$37,264	-\$190,803	120	5.6%
FID US BOND IDX	\$2,420,320	1.3%	150.9%	\$81,034	\$1,291,287	216	10.1%
FID PURITAN K	\$2,387,981	1.3%	7.9%	\$31,661	-\$73,423	100	4.7%

As of 06/30/2019

Plan Assets by Fund

Fund	Total Assets	% of Plan Assets	Change from Prior Year	Net Contribution	Net Exchanges	# Holding Fund ²	% Holding Fund ²
FID FREEDOM 2010 K	\$2,123,118	1.1%	0.1%	\$8,816	-\$132,379	54	2.5%
FID FREEDOM 2045 K	\$1,979,574	1.0%	24.2%	\$173,069	-\$42,459	96	4.5%
ABF SM CAP VAL INST	\$1,889,496	1.0%	2.3%	\$42,182	-\$215,410	243	11.4%
FID EXTD MKT IDX	\$1,799,175	0.9%	31.2%	\$80,559	\$207,001	227	10.7%
FID VALUE K	\$1,608,096	0.8%	0.9%	\$24,087	-\$209,591	166	7.8%
FID MID CAP STOCK K	\$1,404,519	0.7%	4.0%	\$25,069	-\$188,726	82	3.8%
FID TOTAL MKT IDX	\$900,401	0.5%	23.0%	\$38,658	-\$5,708	52	2.4%
FID FREEDOM INC K	\$894,399	0.5%	-0.8%	\$15,557	-\$22,918	28	1.3%
FID INTL INDEX	\$824,372	0.4%	44.1%	\$46,490	\$148,824	202	9.5%
ABF LG CAP VAL INST	\$779,739	0.4%	-17.0%	\$37,241	-\$349,182	191	9.0%
FID FREEDOM 2050 K	\$704,499	0.4%	-19.7%	\$71,482	-\$10,883	67	3.1%
MSIF INCEPTION IS	\$591,572	0.3%	26.4%	\$0	-\$48,469	39	1.8%

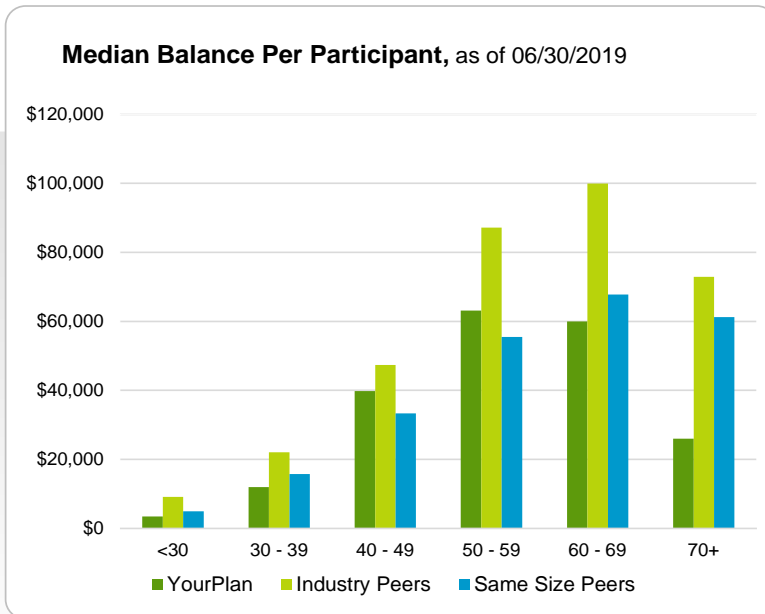
As of 06/30/2019

Plan Assets by Fund

Fund	Total Assets	% of Plan Assets	Change from Prior Year	Net Contribution	Net Exchanges	# Holding Fund ²	% Holding Fund ²
FID FREEDOM 2005 K	\$502,603	0.3%	10.2%	\$9,778	-\$31	5	0.2%
FID FREEDOM 2055 K	\$252,574	0.1%	35.0%	\$43,022	-\$196	34	1.6%
TEMPLETON GROWTH R6	\$217,332	0.1%	3.0%	\$1,165	-\$8,879	20	0.9%
FID FREEDOM 2060 K	\$144,674	0.1%	47.4%	\$30,758	\$1,130	22	1.0%
FID SM CAP IDX	\$24,972	0.0%	100.0%	\$655	\$23,713	2	0.1%

As of 06/30/2019

Participant Median Balances and Average Annual Returns



Your Plan's Median Participant Average Annual Returns				Target Date Funds Average Annual Returns			
Age	1 Year	3 Year	5 Year	Target Date Fund	1 Year	3 Year	5 Year
<30	0.00%	0.00%	0.00%	FID FREEDOM 2060	3.84%	11.08%	
30 - 39	0.00%	0.00%	0.00%	FID FREEDOM 2050	3.92%	11.15%	6.84%
40 - 49	0.00%	0.00%	0.00%	FID FREEDOM 2040	3.92%	11.11%	6.83%
50 - 59	0.00%	0.00%	0.00%	FID FREEDOM 2030	4.72%	10.25%	6.44%
60 - 69	0.00%	0.00%	0.00%	FID FREEDOM 2020	5.10%	8.33%	5.55%
70+	0.00%	0.00%	0.00%	FID FREEDOM 2010	5.28%	6.88%	4.75%
Overall	0.00%	0.00%	0.00%				

Market Index Annual Returns	1 Year	3 Year	5 Year
S&P® 500 Index	10.42%	14.19%	10.71%
BBgBarc U.S. Agg Bond	7.87%	2.31%	2.95%
3 Month T-Bill	2.30%	1.36%	0.84%

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.

¹Please see "Fund Holdings Glossary" for information regarding plan peer size and industry comparisons.

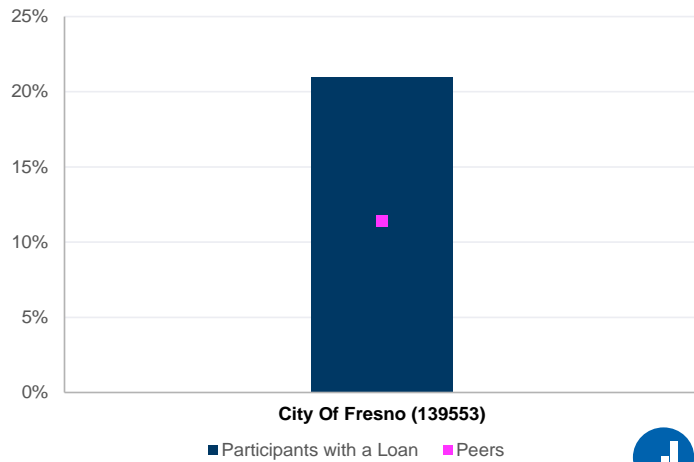
Target Date Fund Performance – as of 06/30/2019

Name	Q2	1 Year	3 Year	5 Year	10 Year	LOF	Gross Expense Ratio	Inception Date
Fidelity Freedom® 2010 Fund	2.75%	5.28%	6.88%	4.75%	7.61%	6.42%	0.52%	10/17/1996
Fidelity Freedom® 2020 Fund	2.96%	5.10%	8.33%	5.55%	8.69%	6.73%	0.60%	10/17/1996
Fidelity Freedom® 2030 Fund	3.20%	4.72%	10.25%	6.44%	9.93%	6.90%	0.69%	10/17/1996
Fidelity Freedom® 2040 Fund	3.14%	3.92%	11.11%	6.83%	10.49%	4.19%	0.75%	09/06/2000
Fidelity Freedom® 2050 Fund	3.20%	3.92%	11.15%	6.84%	10.64%	5.84%	0.75%	06/01/2006
Fidelity Freedom® 2060 Fund	3.10%	3.84%	11.08%	-	-	7.51%	0.75%	08/05/2014

The target date strategies 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 strategy changes over time as the fund's asset allocation changes. 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, and foreign securities. Principal invested is not guaranteed at any time, including at or after the funds' target dates.

Participants with a Loan

PARTICIPANTS WITH A LOAN – Participants who held a loan as of 06/30/2019



Participants with a Loan
21.0%

Peers
11.4%

PARTICIPANTS HOLDING A LOAN

Total Active Participants

1,477

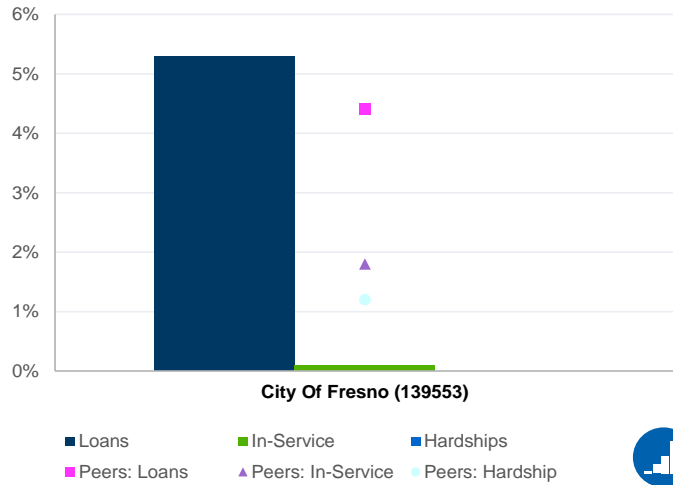
Loans

310

Data from Fidelity Executive Insights as of 06/30/2019. Peer set is for 206 clients with 1,000-4,999 participants. Active participants only.

Withdrawals by Type

WITHDRAWALS BY TYPE – Types of withdrawals taken during the 12 months ending 06/30/2019



Loans	In-Service	Hardships
5.3%	0.1%	0.0%

Loans Peers	In-Service Peers	Hardships Peers
4.4%	1.8%	1.0%

WITHDRAWALS BY TYPE

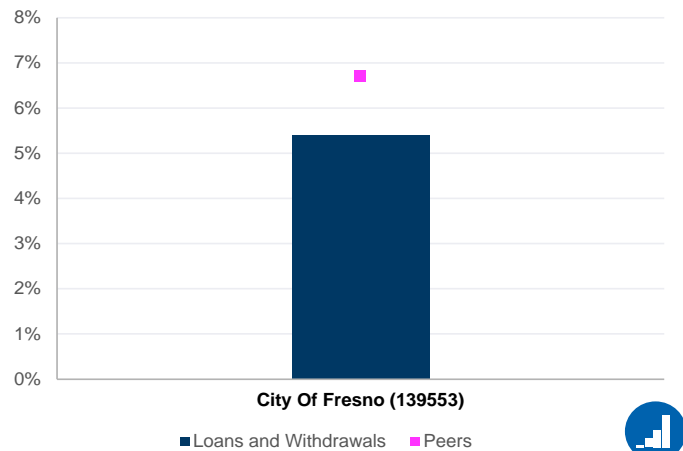
Total Active Participants	Loans	In-Service	Hardships
1,477	78	2	0



Data from Fidelity Executive Insights as of 06/30/2019. Peer set is for 206 clients with 1,000-4,999 participants. Active participants only.

Loans & Withdrawals

LOANS & WITHDRAWALS – Participants who took a loan or withdrawal during the 12 months ending 06/30/2019



Loans & Withdrawals

5.4%

Peers

6.7%

Top Performers

1.6%

LOANS & WITHDRAWALS

Total Active Participants

1,477

Taking Loan or Withdrawal

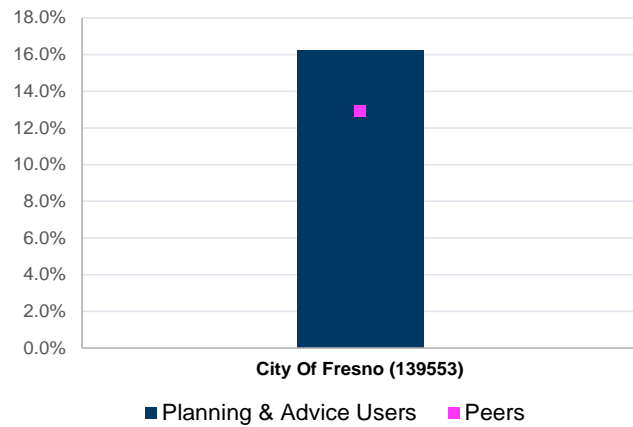
80

Data from Fidelity Executive Insights as of 06/30/2019. Peer set is for 206 clients with 1,000-4,999 participants. Active participants only.



Planning & Advice Engagement

Planning & Advice Engagement – Unique active and terminated participants that engaged in Planning & Advice during the 12 months ending 6/30/2019



Planning & Advice Engagement
16.2%

Peers
12.9%

Top Performers
19.8%

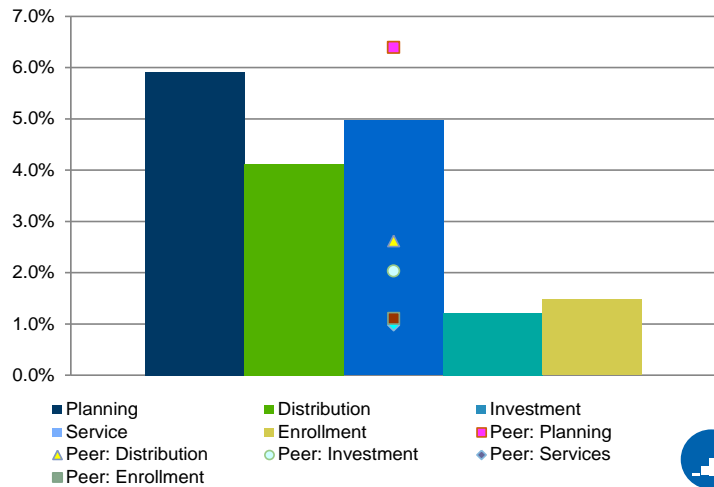


Planning & Advice Engagement		
Planning & Advice Users	Planning & Advice non-users	Total Participants
362	1,871	2,233

Data from Fidelity Executive Insights as 6/30/2019. Peer set is for 206 clients with 1,000-4,999 participants. Active and terminated participants.

Planning & Advice Engagement Topics

Planning & Advice Engagement Topics – Engagement topics used by active and terminated participants during the 12 months ending 6/30/2019



Planning & Advice Engagement Topics

Topic	Planning & Advice Users	Peers
Planning	5.9%	6.4%
Distribution	4.1%	2.6%
Investment	5.0%	2.0%
Service	1.2%	1.0%
Enrollment & Savings	1.5%	1.1%

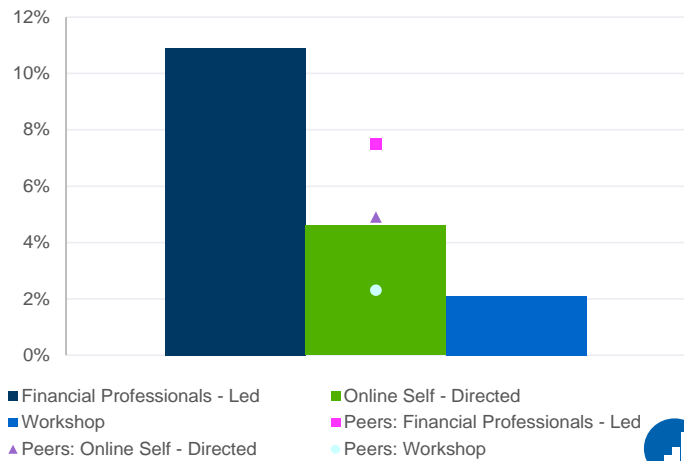
Planning & Advice Engagement topics

Total Participants	Planning	Distribution	Investment	Service	Enrollment & Savings
2,233	132	92	111	27	33

Data from Fidelity Executive Insights as 6/30/2019. Peer set is for 206 clients with 1,000-4,999 participants. Active and terminated participants.

Planning & Advice Engagement Channels

Planning & Advice Engagement types – Engagement channels used by active and terminated participants during the 12 months ending 6/30/2019



Financial Professional-Led	Online Self-Directed	Workshop
10.9%	4.6%	2.1%

Financial Professional-Led Peers	Online Self-Directed Peers	Workshop Peers
7.5%	4.9%	2.3%

Planning & Advice Engagement Channels

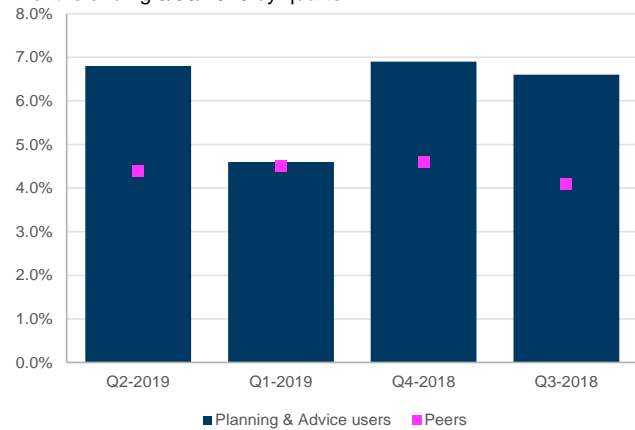
Total Active Participants	Financial Professional-Led	Online Self-Directed	Workshop
2,233	243	102	48

Data from Fidelity Executive Insights as 6/30/2019. Peer set is for 206 clients with 1,000-4,999 participants. Active and terminated participants.



Planning & Advice Engagement Trend

Planning & Advice Engagement Trend – Unique active and terminated participants that engaged in Planning & Advice during the 12 months ending 6/30/2019 by quarter



Planning & Advice Engagement Trend

Quarter	Planning & Advice Users	Planning & Advice Non-users	Peers
Q2-2019	6.8%	93.2%	4.4%
Q1-2019	4.6%	95.4%	4.5%
Q4-2018	6.9%	93.1%	4.6%
Q3-2018	6.6%	93.4%	4.1%

Quarter	Planning & Advice Users	Planning & Advice Non-Users	Total Participants
Q2-2019	147	2,009	2,156
Q1-2019	98	2,028	2,126
Q4-2018	147	1,970	2,117
Q3-2018	147	2,081	2,228

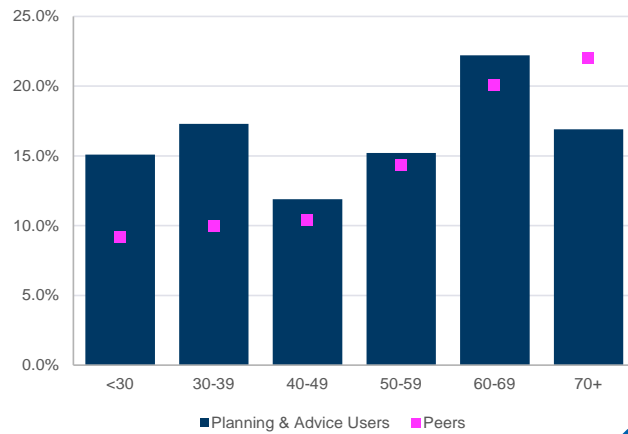
Data from Fidelity Executive Insights as 6/30/2019. Peer set is for 206 clients with 1,000-4,999 participants. Active and terminated participants.



Planning & Advice Engagement

AGE VIEW

Planning & Advice Engagement – Unique active and terminated participants that engaged in Planning & Advice during the 12 months ending 6/30/2019



Planning & Advice Engagement

Age	Planning & Advice Users	Planning & Advice non-Users	Peers
<30	15.1%	84.9%	9.2%
30-39	17.3%	82.7%	10.0%
40-49	11.9%	88.1%	10.4%
50-59	15.2%	84.8%	14.3%
60-69	22.2%	77.8%	20.1%
70+	16.9%	83.1%	22.0%

AGE	<30	30-39	40-49	50-59	60-69	70+
Planning & Advice Users	19	65	63	91	94	30
Planning & Advice non-Users	107	311	465	508	330	148
Total Participants	126	376	528	599	424	178

Unknown data is not displayed.

Data from Fidelity Executive Insights as 6/30/2019. Peer set is for 206 clients with 1,000-4,999 participants. Active and terminated participants.



Additional information

OnPlan Methodology

The OnPlan metric covers participants who have active status in the plan (including active for part of the year) and have a balance greater than zero. "Savings Rate" includes employee and employer contributions. Employee contribution rates are as of period end and employer contributions are based on the last 12 months up to that date and include matching and profit sharing contributions. The analysis treats all contributions as pre-tax. For participants whose contributions are limited, e.g. 402(g), 415, or compensation limit, the OnPlan Indicator may have limited applicability.

Fidelity's suggested total pretax savings goal of 15% of annual income (including employer contributions) is based on our research which indicates that most participants would need to contribute this amount from an assumed starting age of 25 through an assumed retirement age of 67, to potentially support a replacement annual income rate equal to 45% of pre-retirement annual income (assuming no pension income) through age 93). This target is based on Consumer Expenditure Survey 2011 (BLS), Statistics of Income 2011 Tax Stat, IRS 2014 tax brackets and Social Security Benefit Calculators, as well as multiple market simulations using historical market data. This target does not take into consideration the specific situation of any particular participant, the composition of any particular account, or any particular investment or investment strategy. Individual participants may need to save more or less than 15% depending on retirement age, desired retirement lifestyle, assets saved to date, and other factors. Fidelity believes that 10% is a good guideline for a minimum savings rate when pension incomes are unknown based on prior experience with participants' financial plans. Participants making Roth 401(k) contributions may have lower minimum savings rates. For example, someone in the 25% tax bracket making a 12% pre-tax contribution could instead make a 9% Roth 401(k) contribution and for purposes of this metric would then be considered "off plan". For "Asset Allocation" purposes, the participant's current age and equity holdings are 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 as of [12/31/13] 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. The OnPlan Indicator for asset allocation is determined by being within 10% (+ or -) of the Fidelity Equity Glide Path and capped at 95% equity. We assume self-directed account balances (if any) are allocated 75% to equities, regardless of participant age and so the OnPlan Indicator has limited applicability for those affected participants. For purposes of this metric, participants enrolled in a managed account or invested greater than or equal to 80% of their account balance in a single target date fund are considered to be On Plan.

Participants whose total equity allocation of assets in their account is within the Fidelity Equity Glide path are likely to be On Plan. Participants whose equity allocation is outside of this range may also be On Plan, depending on individual retirement planning and investment needs. Some participants within the Fidelity Equity Glide Path Range may not be On Plan, depending on individual retirement planning and investment needs. Investors should allocate assets based on individual risk tolerance, investment time horizon, and personal financial situation. A particular asset allocation may be achieved by using different accounts or by using the same one across multiple accounts.

The Fidelity Equity Glide Path can be provided upon request.

Important Additional Information

For Plan Sponsor or Investment Professional use only.

Fidelity Investments does not contribute to or endorse any statements made by a third-party entity. Unless otherwise noted, the opinions or review assessments provided by a third-party shall not be construed as those of Fidelity Investments.

Fidelity® Personalized Planning & Advice *at Work* is a service of Fidelity Personal and Workplace Advisors LLC and Strategic Advisers LLC. Both are registered investment advisers, are Fidelity Investments companies, and may be referred to as “Fidelity,” “we,” or “our” within. For more information, refer to the Terms and Conditions of the Program. When used herein, Fidelity Personalized Planning & Advice refers exclusively to Fidelity Personalized Planning & Advice *at Work*. **This service provides advisory services for a fee.**

Financial Engines is not affiliated with Fidelity Investments or its affiliates.

© 2018 Morningstar, Inc. All rights reserved. The Morningstar information contained herein (1) is proprietary to Morningstar or its affiliates; (2) may not be copied or redistributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Fidelity does not review the Morningstar data and, for mutual fund performance information, you should check the fund's current prospectus for the most up-to-date information concerning applicable loads, fees, and expenses.

Recordkeeping and plan administrative services provided by Fidelity Investments Institutional Operations Company, Inc.

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.

Fidelity, Fidelity Investments and the Fidelity Investments and Pyramid design logo are registered service marks of FMR LLC.

Fidelity Brokerage Services LLC, Member NYSE, SIPC, 900 Salem Street, Smithfield, RI 02917
© 2018 FMR LLC. All Rights Reserved

752634.10.0 0319 FOR INSTITUTIONAL PLAN SPONSOR AND INVESTMENT PROFESSIONAL USE ONLY

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.

Unless otherwise disclosed to you, any investment recommendation in this document is not meant to be impartial investment advice or advice in a fiduciary capacity. Fidelity and its representatives have a financial interest in any investment alternatives or transactions described in this document. Fidelity receives compensation from Fidelity funds and products, certain third-party funds and products, and certain investment services. Fidelity may also receive compensation for services that are necessary to effect or execute transactions with respect to investment alternatives (such as trading commissions). The compensation that is received, either directly or indirectly, by Fidelity may vary based on such funds, products and services, which can create a conflict of interest for Fidelity and its representatives.

Online tools include self-led tool engagements, Phone/1:1 includes Financial Professional tool and non-tool conversations, Workshops includes onsite and online group workshops/brainsharks.

Fidelity Investments Institutional Operations Company, Inc.

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

© 2018 FMR LLC. All Rights Reserved

Plan Sponsor and Investment Professional Use Only

752634.10.0 0319 FOR INSTITUTIONAL PLAN SPONSOR AND INVESTMENT PROFESSIONAL USE ONLY

Fund Holdings Glossary

Term	Definition
Industry & Peer comparisons	Median balance peer size and industry comparisons are based as of the period ending date 06/30/2019. Information on Industry and Same Size Peers is based on clients currently record kept by Fidelity. Industry assignments are based on industry classification from multiple sources.
Fund Type	Morningstar designated fund category
Brokerage / BrokerageLink	Funds held in a Self Directed Brokerage account

894851.1.0

Meeting Date: August 22, 2019

REPORT TO CITY OF FRESNO DEFERRED COMPENSATION BOARD

August 6, 2019

FROM: KATHLEEN RILEY BROWN, Assistant Administrator

BY: ALBERTO MAGALLANES, Senior Accountant Auditor

SUBJECT: REVIEW, DISCUSS AND CONSIDER STAFF'S 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.



REPORT TO THE DEFERRED COMPENSATION BOARD

August 7, 2019

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 28, 2019. Based upon staff's analysis of performance and universe rankings and other information provided by Fidelity, the Board concluded that it would designate watch status for Fidelity Value Fund and retain watch status for AB Large Cap Value, Artisan Mid Cap Fund, Fidelity Diversified International, Mutual Global Discovery and Templeton Growth.

As of June 30, 2019, 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) Artisan Mid Cap Fund	Above Benchmark	2/22/2018
2) AB Large Cap Value	Neutral	8/30/2018
3) Fidelity Value Fund	Below Benchmark	2/28/2019
4) Fidelity Diversified Intl.	Below Benchmark	8/30/2018
5) Mutual Global Discovery	Below Benchmark	8/30/2018
6) Templeton Growth	Below Benchmark	8/30/2018

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.

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 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 50th 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 measured opposite the benchmarks and objectives established. Based upon review *each year*, conclusions reached with respect to each current investment option and consideration given for new options are:

1. Retain fund for the next twelve months.
2. Place fund on "watch list" status when the overall fund rating is "at" or "below" benchmark. Fund(s) on "watch list" status may also be placed on probation at any time in the future.
3. Probation occurs when overall fund rating is below benchmark.
4. Close fund(s) to new contributions because fund(s) 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
February 28, 2019

Each investment option compared to recognized, appropriate indices and within universes of mutual funds and investment options with similar styles. Performance period considered is 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, 2019

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 50th percentile for three or five-year periods as of June 30, 2019:

- MSIF SM CO Growth - Neutral *Frozen to new \$ February 2017

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. Retain the fund for the next twelve months.
2. Place the fund 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 also be placed on probation at any time in the future.
3. Place fund on probation when the overall fund rating is below benchmark.
4. Close fund to new contributions because it no longer meets the investment criteria.

Joan Steel, of Fidelity Investments, will provide a review of Fidelity's Optimal Line-Up Investment Options and will provide information related to any changes in process, philosophy, and/or personnel surrounding the Deferred Compensation Plan's existing 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, 2019. Fidelity's optimal line-up suggests that the Board retain 18 funds and BrokerageLink; map10 funds to other existing funds, and consider the addition of potentially 8 funds. Two funds recommended for retention – Fidelity Value Fund and Fidelity Diversified International, are currently on "watch" status.

SUMMARY OF RECOMMENDATIONS:

1. At a minimum, Staff is recommending that the Board consider the following actions based upon review of benchmark performance for the three and five-year periods as of June 30, 2019:

	<u>Watch Designated</u>	<u>Action Recommended</u>
➤ AB Large Cap Value	8/30/2018	Map - Neutral
➤ Davis NY Venture Fund	8/22/2019	Map - Below Benchmark
➤ Fidelity Value Fund	2/28/2019	Retain Watch Status
➤ Artisan Mid-Cap	2/23/2018	Remove Watch Status-AB
➤ Fidelity Diversified Intl.	8/30/2018	BB/Retain Watch Status
➤ Mutual Global Discovery	8/30/2018	Map – BB/Retain Watch Status
➤ Templeton Growth	8/30/2018	Map – BB/Retain Watch Status

Fidelity is recommending mapping of AB Large Cap Value to American Funds American Mutual Fund, mapping Davis NY Venture to Fidelity 500 Index Fund, and mapping Janus Henderson Global Research (currently Above Benchmark) and Mutual Global Discovery and Templeton Growth (both Below Benchmark and on “watch” status) to a QDIA. Fidelity is also recommending the Board retain Fidelity Value Fund and Fidelity Diversified International Fund. However, the Board may want to consider retaining the watch status on these two funds.

2. MSIF Small Company Growth Fund frozen to new money in February 2017, and as of June 30, 2019, performance is Neutral with rankings of 23% and 52% respectively; and 4-star and 3-star ratings.
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.
4. In addition, Staff recommend that the Board review proposed changes to its Investment Objectives and Policy Statement guidelines, which includes slight language modifications. The Board may also want to consider discussing in detail the evaluation of performance for investment options under the Deferred Compensation Plan, which differ somewhat from the internal evaluation process at Fidelity.

**Deferred Compensation Plan
Semi-Annual Investment Fund Compliance Review ~ June 30, 2019**

Fund Name	Net of Fee Returns		Gross Returns		Fees	3-year		Morningstar Rankings		Morningstar Star		Overall Objectives	WatchList Status	
	3-Yr Net	5-Yr Net	3-Yr Gross	5-Yr Gross	Expense Ratio	Beta	Sharpe	3-Yr Rank	5-Yr Rank	3-Yr	5-Yr	Met /Not Met Objective	Date of Action	Action Proposed
Managed Income (Stable Value)														
Mellon Stable Value Fund Class M	1.83%	1.68%	2.21%	2.06%	0.38%									
ICE BM US 3-Mo Trea Bill	1.38%	0.87%												
Intermediate Term Bond														
PIMCO Total Return Fund	3.18%	3.02%	3.73%	3.57%	0.55%	0.97	0.60	34%	42%	3-star	3-star	Above Benchmark		
Fidelity US bond index	2.19%	2.91%	2.22%	2.94%	0.03%	1.02	0.25	47%	23%	3-star	4-star	Index		
BC Aggregate Bond Index	2.31%	2.95%												
High Yield Bond														
Fidelity Capital & Income	8.54%	5.22%	9.23%	5.91%	0.69%	1.42	1.03	3%	4%	5-star	5-star	Above Benchmark		
ICE BAML US HY/HY Const B	7.54%	4.70%												
Moderate Allocation														
Fidelity Puritan	10.33%	7.57%	10.78%	8.02%	0.45%	0.65	1.00	8%	7%	5-star	5-star	Above Benchmark		
S&P 500 Index	14.19%	10.71%												
Large Value														
AB Large Cap Value	11.93%	6.39%	12.55%	7.01%	0.62%	1.15	0.75	17%	63%	4-star	2-star	Neutral	8/30/2018	Watch Status
Russell 1000 Value Index	10.19%	7.46%												
American Funds American Mutual Fund	11.00%	8.83%	11.44%	9.27%	0.44%	0.74	1.02	33%	14%	4-star	5-star	Above Benchmark		
S&P 500 Index	14.19%	10.71%												
Large Blend														
Davis NY Venture Fund CI Y	12.61%	8.24%	13.23%	8.86%	0.62%	1.14	0.77	58%	67%	2-star	2-star	Below Benchmark	2/28/2019	Monitor
T. Rowe Price Dividend Growth*	13.94%	11.49%	14.58%	12.13%	0.64%	0.82	1.18	28%	4%	4-star	5-star	Above Benchmark		
Fidelity 500 Index Fund	14.17%	10.70%	14.19%	10.72%	0.02%	1.00	1.03	18%	11%	4-star	4-star	Index	-	-
S&P 500 Index	14.19%	10.71%												
Fidelity Total Mkt. Index	14.02%	10.16%	14.04%	10.18%	0.02%	1.00	1.00	24%	28%	4-star	4-star	Index	-	-
DJ US Total Stk Market	13.99%	10.13%												
Large Growth														
Fidelity Contrafund	17.92%	12.64%	18.65%	13.37%	0.73%	1.01	1.17	36%	35%	3-star	4-star	Above Benchmark		
S&P 500 Index	14.19%	10.71%												
Fidelity Growth Company	21.31%	14.55%	22.07%	15.31%	0.76%	1.17	1.18	10%	10%	4-star	4-star	Above Benchmark	-	-
Russell 3000 Growth Index	17.81%	13.02%												
Mid-Cap Value														
Fidelity Low Priced Stock	9.44%	6.11%	9.97%	6.64%	0.53%	0.79	0.73	42%	42%	4-star	4-star	Above Benchmark		
Russell 2000 Index	12.30%	7.06%												
Fidelity Value Fund	8.61%	5.07%	9.10%	5.56%	0.49%	1.12	0.52	62%	60%	3-star	3-star	Below Benchmark	2/28/2019	Watch Status
Russell Mid-Cap Value Index	8.95%	6.72%												
Mid-Cap Blend														
Fidelity Extended Mkt Index	13.18%	7.83%	13.23%	7.88%	0.05%	0.91	0.80	12%	24%	4-star	4-star	Index	-	-
DJ US Completion	13.01%	7.65%												
Fidelity Mid-Cap Stock	12.59%	7.91%	13.21%	8.53%	0.62%	0.80	1.00	19%	21%	4-star	4-star	Above Benchmark		
S&P Mid-Cap 400 Index	10.90%	8.02%												
Mid-Cap Growth														
Artisan Mid-Cap	16.55%	10.40%	17.51%	11.36%	0.96%	1.02	1.00	37%	43%	3-star	3-star	Above Benchmark	2/23/2018	Remove Watch Status
Russell Mid-Cap Growth Index	16.49%	11.10%												
Small Blend														
Fidelity® Small Cap Index Fund	12.46%	7.28%	12.49%	7.31%	0.03%	1.00	0.69	16%	23%	4-star	4-star	Above Benchmark		
Russell 2000 Index	12.30%	7.06%												
Small Value														
AB Small Value	8.60%	4.77%	9.41%	5.58%	0.81%	1.07	0.46	36%	33%	3-star	3-star	Above Benchmark		
Russell 2000 Value Index	9.81%	5.39%												
Small Growth														
MSIF Small Company Growth	19.78%	9.10%	20.89%	10.21%	1.11%	1.14	1.00	23%	52%	4-star	3-star	Neutral	2/23/2017	Frozen to New Money
Fidelity® Small Cap Growth Fund	19.77%	13.29%	20.79%	14.31%	1.02%	0.91	1.12	24%	9%	4-star	5-star	Above Benchmark		
Russell 2000 Growth Index	14.69%	8.63%												

**Deferred Compensation Plan
Semi-Annual Investment Fund Compliance Review ~ June 30, 2019**

Fund Name	Net of Fee Returns		Gross Returns		Fees	3-year		Morningstar Rankings		Morningstar Star		Overall Objectives	WatchList Status	
	3-Yr Net	5-Yr Net	3-Yr Gross	5-Yr Gross	Expense Ratio	Beta	Sharpe	3-Yr Rank	5-Yr Rank	3-Yr	5-Yr	Met /Not Met Objective	Date of Action	Action Proposed
Foreign Large Growth														
Fidelity Diversified Intl.	8.79%	3.48%	9.48%	4.17%	0.69%	0.99	0.65	63%	55%	3-star	3-star	Below Benchmark	8/30/2018	Watch Status
MSCI EAFE Index	9.34%	2.45%												
Foreign Large Blend														
Fidelity Intl. Index	9.02%	2.34%	9.06%	2.38%	0.04%	0.99	0.71	26%	34%	4-star	4-star	Index		
MSCI EAFE	9.34%	2.45%												
World Stock														
Janus Global Research Fund CI I**	13.42%	7.24%	14.02%	7.84%	0.60%	1.04	0.99	21%	29%	4-star	4-star	Above Benchmark	8/30/2018	Monitor
Mutual Global Discovery	8.24%	4.02%	9.22%	5.00%	0.98%	0.87	0.65	79%	78%	2-star	2-star	Below Benchmark	8/30/2018	Watch Status
Templeton Growth	7.24%	0.93%	7.96%	1.65%	0.72%	1.07	0.50	90%	96%	1-star	1-star	Below Benchmark	8/30/2018	Watch Status
MSCI World (N)	11.77%	6.60%												
Morningstar World Stock Funds	11.07%	5.96%												
S&P500	14.19%	10.71%												

*T. Rowe Price Dividend Growth added to replace and accept funds from the frozen Old Mutual Focused Fund

Fidelity Growth Strategies formerly

Fidelity Aggressive Growth Fund

Fidelity Magellan Closed November 8, 2012 with proceeds mapped to Fidelity Contrafund

Templeton Fund previously closed to new monies reopened 4th Qtr 2014

Morningstar Rankings:

1-50th percentile = Above benchmark

51-100th percentile = Below benchmark

Above/Below during evaluation = Neutral

Morningstar Star Ratings:

3-5 Benchmark

1-2 Below Benchmark

**Deferred Compensation Plan
Semi-Annual Investment Fund Compliance Review ~ June 30, 2019**

Fund Name	Net of Fee Returns		Gross Returns		Fees	3-year		Morningstar Rankings		Morningstar Star		Overall Objectives	WatchList Status	
	3-Yr Net	5-Yr Net	3-Yr Gross	5-Yr Gross	Expense Ratio	Beta	Sharpe	3-Yr Rank	5-Yr Rank	3-Yr	5-Yr	Met /Not Met Objective	Date of Action	Action Proposed
Fidelity Freedom Funds														
Freedom Income	4.90%	3.65%	5.32%	4.07%	0.42%	0.00	1.13	58%	42%	3-star	3-star	Neutral	8/30/2018	Monitor
Morningstar Target-Date Retirement	5.02%	3.48%												
FID FF Income Comp Idx	4.72%	3.69%												
Freedom Income Variance	0.18%	-0.04%												
Freedom 2005	6.00%	4.27%	6.42%	4.69%	0.42%	0.00	1.17	47%	50%	3-star	3-star	Above Benchmark	8/30/2018	Monitor
Morningstar Target Date 2000-2010	5.87%	4.14%												
FID FF 2005 Comp Idx	5.88%	4.36%												
Freedom Income Variance	0.12%	-0.09%												
Freedom 2010	6.93%	4.79%	7.39%	5.25%	0.46%	0.00	1.12	7%	4%	5-star	5-star	Above Benchmark		
Morningstar Target Date 2000-2010	5.87%	4.14%												
FID FF 2010 Comp Idx	6.85%	4.90%												
Freedom Income Variance	0.08%	-0.11%												
Freedom 2015	7.76%	5.25%	8.25%	5.74%	0.49%	0.00	1.07	6%	5%	5-star	5-star	Above Benchmark		
Morningstar Target Date 2015 Funds	6.45%	4.32%												
FID FF 2015 Comp Idx	7.83%	5.45%												
Freedom Income Variance	-0.07%	-0.20%												
Freedom 2020	8.38%	5.58%	8.91%	6.11%	0.53%	0.00	1.03	7%	3%	5-star	5-star	Above Benchmark		
Morningstar Target Date 2020 Funds	6.89%	4.52%												
FID FF 2020 Comp Idx	8.51%	5.83%												
Freedom Income Variance	-0.13%	-0.25%												
Freedom 2025	8.97%	5.84%	9.53%	6.40%	0.56%	0.00	1.02	11%	9%	5-star	5-star	Above Benchmark		
Morningstar Target Date 2025 Funds	7.93%	5.00%												
FID FF 2025 Comp Idx	9.15%	6.16%												
Freedom Income Variance	-0.18%	-0.32%												
Freedom 2030	10.32%	6.48%	10.92%	7.08%	0.60%	0.00	1.02	6%	7%	5-star	5-star	Above Benchmark		
Morningstar Target Date 2030 Funds	8.75%	5.44%												
FID FF 2030 Comp Idx	10.62%	6.87%												
Freedom Income Variance	-0.30%	-0.39%												
Freedom 2035	11.18%	6.87%	11.81%	7.50%	0.63%	0.00	0.96	7%	6%	5-star	5-star	Above Benchmark		
Morningstar Target Date 2035 Funds	9.66%	5.80%												
FID FF 2035 Comp Idx	11.72%	7.38%												
Freedom Income Variance	-0.54%	-0.51%												
Freedom 2040	11.19%	6.88%	11.84%	7.53%	0.65%	0.00	0.92	12%	17%	4-star	4-star	Above Benchmark		
Morningstar Target Date 2040 Funds	10.04%	6.01%												
FID FF 2040 Comp Idx	11.77%	7.41%												
Freedom Income Variance	-0.58%	-0.53%												
Freedom 2045	11.17%	6.88%	11.82%	7.53%	0.65%	0.00	0.92	19%	16%	4-star	4-star	Above Benchmark		
Morningstar Target Date 2045 Funds	10.51%	6.17%												
FID FF 2045 Comp Idx	11.77%	7.41%												
Freedom Income Variance	-0.60%	-0.53%												
Freedom 2050	11.20%	6.88%	11.85%	7.53%	0.65%	0.00	0.92	23%	24%	4-star	4-star	Above Benchmark		
Morningstar Target Date 2050 Funds	10.47%	6.22%												
FID FF 2050 Comp Idx	11.77%	7.41%												
Freedom Income Variance	-0.57%	-0.53%												
Freedom 2055	11.17%	6.88%	11.82%		0.65%	0.00	0.92	30%	22%	4-star	4-star	Above Benchmark		
Morningstar Target Date 2055 Funds	10.71%	6.29%												
FID FF 2055 Comp Idx	11.77%	7.41%												
Freedom Income Variance	-0.60%	-0.53%												
Freedom 2060	11.16%				0.65%	0.00	0.92	35%	-	3-star				
Morningstar Target Date 2060+	10.88%	6.47%												
FID FF 2060 Comp Idx	11.77%													
Freedom Income Variance	-0.61%	0.00%												

Investment Objectives and Policy Statement

City of Fresno Deferred Compensation Plan

(Approved by the Deferred Compensation Board on ~~February 25, 2016~~ August 22, 2019)

City of Fresno Deferred Compensation Board
2828 Fresno Street Suite 201 Fresno,
California 93721
(559) 621-7080

Investment Objectives and Policy Statement

City of Fresno Deferred Compensation Plan

Foreword

This Investment Objectives and Policy Statement is intended to summarize the underlying philosophy and processes demonstrating care, skill, prudence and diligence in the selection and monitoring of investment options of the City of Fresno Deferred Compensation Plan (the Plan) as an eligible deferred compensation plan within the meaning of Internal Revenue Code Section 457(b). The Plan allows employees to ~~voluntarily~~ invest voluntarily a portion of their compensation before it is ~~considered taxable~~ed. The amount invested, ~~plus in~~ addition to any accumulated gain, is available to the employee (or beneficiary) at a future date.

This statement contains:

- A summary of the Plan's structure and underlying philosophy;
- Performance objectives and other criteria to be used by the Deferred Compensation Board (Board) and the Plan Administrator to review and evaluate the investment results of the Plan's investment options; and,
- Responsibilities of the Board, the Plan Administrator and the Third Party Plan Administrator (Trustee).

Periodically, ~~t~~The guidelines contained in this statement ~~will be~~ revised and modified as appropriate ~~on a periodic basis~~ to reflect ~~such factors as~~ changes in the investment environment, manager performance, participant objectives and the Board's expectations.

Plan Structure

457(b)

The Plan constitutes an "eligible deferred compensation plan" within the meaning of Internal Revenue Code §457(b). In accordance with the Plan Document adopted by the City Council on August 15, 2006, the Plan permits the City's Eligible Employees to defer portions of their Compensation until Severance from Employment. As a long-term retirement savings vehicle, ~~t~~The Plan ~~is a long term retirement savings vehicle and~~ is intended to be ~~used as~~ a source of supplemental retirement income for eligible participants. Therefore, employees are encouraged to fully participate in the Plan.

The Plan structure establishes and operates a "retirement system" satisfying the requirements of §3121(b)(7)(F) of the Internal Revenue Code of 1986, as

amended from time to time (the “Code”), §31.3121(b)(7)-2 of the Income Tax Regulations promulgated there under.

Investment Objectives

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 investment spectrum options offered is intended to make~~ it possible for the individual participant to achieve a balanced portfolio consistent with modern portfolio theory.

Risk Tolerance and Rates of Return Expectations

Individual participants vary in their level of risk tolerance. Because participants direct their own investments, the plan will offer a wide spectrum of investment options, including a variety of Mutual Funds, Life Style Funds and a Self-Directed Brokerage Account (SDBA), all with varying levels of risk and return.

Risks associated with the investment options can vary significantly within each investment category and the relative risks of categories may change under certain economic conditions. The third party Administrator will provide participant education and counseling, including investment advice to guide participants in their selection of investment options. Participants may design an investment plan from those options that best meets their individual needs.

Investment Options

The plan seeks to offer a diversified portfolio by making available several investment options in each of the following investment categories:

- Managed Income/Stable Value
- Bonds
- Balanced/Hybrid
- Domestic Equity (Large/Mid/Small – Value/Blend/Growth – Index)
- International/Global Equity

– Mutual Funds

The Plan offers a wide variety of Mutual Fund investment choices that:

- Cover a risk/return spectrum of appropriate investment classes;
- Are distinguishable and have distinct risk/return characteristics;
- Are well diversified and professionally managed;
- Provide, in aggregate, the participant with the opportunity to structure a portfolio with risk and return characteristics at any point within a normally appropriate range of investments; and,

- Charge fees that are reasonable for the asset class and investment style.

In addition, the Plan also offers investment choices in Life Cycle Funds and a Self-Directed Brokerage Account.

Life Cycle Funds

~~Rather than actively managing their own asset allocation strategy,~~ Participants ~~may choose -who do not wish to actively manage their own asset allocation strategy may choose-~~ a lifestyle fund in which the objective is to provide a composite rate of return ~~derived~~ from current income and capital appreciation, ~~which is~~ appropriate for a given state of an individual's investment life cycle. These funds:

- are designed for employees who lack the time or investment knowledge needed to actively make investment choices.
- help participants by turning over asset allocation decisions to investment professionals managing the fund.
- include automatic rebalance to maintain the right investment mix based upon age-appropriate diversification within a single "fund of funds".

Self-Directed Brokerage Account (SDBA)

Another investment options under the Plan is the Fidelity, self-directed brokerage account, BrokerageLink. BrokerageLink ~~-e,~~ ~~is neither a mutual fund nor is it managed by any of the Fidelity Investments group of companies.~~ ~~It is a offersportal to~~ a broad range of investment options for participants who want to ~~more-fully actively-~~ manage their investment choices. ~~The account is neither a mutual fund nor is it managed by any of the Fidelity Investments group of companies.~~ Participants alone decide how to invest the assets in the BrokerageLink account. Available investments include:

- most listed stocks, corporate bonds, zero-coupon bonds, US Treasury securities, mortgage securities and US government agency bonds, certificates of deposit, unit investment trusts, and foreign securities.
- Mutual funds beyond those available through the standard Plan mutual fund options.
- may include additional fees such as transaction-based fees and commissions.

Review Criteria - Investment Options

The Plan Administrator and Third Party Plan Provider will 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.

Fund performance continues to be compared using quantifiable measures:

- Sharpe Measures
- Fund Returns
- Morningstar Ratings:

● The Board has determined that the use of the Morningstar “category” rating would be of value to interested plan participants. The category rating compares funds to their peers within the specific asset class, giving a more “apples to apples” comparison.

The Benchmark is the 50th percentile of retail funds in the asset class on the Morningstar database.

There are three categories of fund performance; of each fund is classified as being in one of three categories:

- Above Benchmark
- Below Benchmark
- Neutral (This category has been added to indicate both above and below benchmark measurements within evaluation period)

There are four levels of fund evaluation analysis:

I. Performance Measurement Period

Performance evaluated is over a full market cycle of a three-to-five year five-year period. Evaluation of fFunds, with more than three years’ history, will be analyzed to determine if performance is above or below benchmark.

II. Sharpe Measure Analysis

- Sharpe measure indicates the return per unit of risk.
- Sharpe measure equals:

Fund Rate of Return - Risk Free Rate of Return (90-day 90-day T-bill)
Standard Deviation of the Fund's Returns (i.e. risk)

- The higher the Sharpe measure, the better the performance.

III. Funds Returns Analysis

~~Above benchmark performers are~~ Funds with performance greater than the 50th percentile for two or more measurement periods ~~are classified as above benchmark performers.~~

IV. Morningstar 3 to 5 Star Analysis

- ~~Above Benchmark~~ Funds ~~reflect with a~~ Morningstar ratings of 3 to 5 stars ~~are classified as above benchmark performers.~~
- ~~Below Benchmark~~ Funds ~~with a~~ Morningstar ratings of -1 or 2 stars. ~~rating are classified as below benchmark performers.~~

The policy of the Board is to review all of our investment options on an annual basis. ~~Performance benchmarks and objectives established are guidelines for review of each fund for measurement purposes. Each fund is measured opposite the benchmarks and objectives that have been established. As a result of the review~~ Following the annual ~~each year~~ review, ~~conclusions are reached~~ decisions with respect to each current investment option and consideration given for new options include the following:

1. ~~Retain~~ The fund ~~will be retained~~ for the next twelve months.
2. ~~Place~~ 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.~~
2. ~~The fund will be placed on probation when the overall fund rating is below benchmark.~~
- 4.3. ~~Close~~ The fund ~~will be closed to~~ new contributions because it no longer meets the investment criteria.
- 5.4. ~~New funds will be added for two reasons:~~
 - a. To replace a closed fund, or
 - b. To provide additional choices for participants.

A change in fund manager or other unusual situation may require a special review. The Board will publish the results of the investment review annually for all plan participants.

~~Each investment option will be compared~~ Measurement of each investment will be against recognized, appropriate indices and within universes of mutual funds and investment options with similar styles. Performance ~~will be considered~~ evaluated is 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.

Responsibilities

Plan Administrator:

The duties and responsibilities of the Plan Administrator include:

- Present any necessary revisions to the Board's Investment Policy Statement to the Board for their consideration,
- With assistance of the Third Party Plan Administrator, develop, review, and revise the Investment Policy Statement,
- Evaluate and measure investment alternatives,
- Notify the Board of any issue that may impact the investment of Plan assets, e.g., change in ownership, professional staff, investment philosophy and/or process,
- With assistance of the Third Party Plan Administrator, evaluate and recommend investment alternative changes, and
- Communicate with and report to the Board on a regular basis.

Board:

The duties and responsibilities of the Board include:

- Approve Plan Investment Policy Statement,
- Approve addition/deletion of investment options, and
- Review and approve of reports provided by the Plan Administrator and Third Party Plan Administrator.

Third Party Plan Administrator:

The duties and responsibilities of the Third Party Plan Administrator include:

- Communicate with and report to the Plan Administrator and the Board on a regular basis,
- Communicate with and report to the participants on a regular basis,
- Notify the Plan Administrator and the Board of any issue that may impact the investment of Plan assets, e.g., change in ownership, professional staff, investment philosophy and/or process, and
- Assist Plan Administrator, in developing, reviewing, and revising Plan Investment Policy Statement

- Offer investment education and advice to participants,
- Notify the Plan Administrator and the Board of any issue that may impact the investment of Plan assets, e.g., change in ownership, professional staff, investment philosophy and/or process, and
- Monitoring Plan assets with the care, skill, prudence and diligence that an investment professional should exercise in the investment of those assets.

Investment Objectives and Policy Statement

City of Fresno Deferred Compensation Plan

(Approved by the Deferred Compensation Board on August 22, 2019)

City of Fresno Deferred Compensation Board
2828 Fresno Street Suite 201 Fresno,
California 93721
(559) 621-7080

Investment Objectives and Policy Statement City of Fresno Deferred Compensation Plan

Foreword

This Investment Objectives and Policy Statement is intended to summarize the underlying philosophy and processes demonstrating care, skill, prudence and diligence in the selection and monitoring of investment options of the City of Fresno Deferred Compensation Plan (the Plan) as an eligible deferred compensation plan within the meaning of Internal Revenue Code Section 457(b). The Plan allows employees to invest voluntarily a portion of their compensation before it is taxed. The amount invested, in addition to any accumulated gain, is available to the employee (or beneficiary) at a future date.

This statement contains:

- A summary of the Plan's structure and underlying philosophy;
- Performance objectives and other criteria to be used by the Deferred Compensation Board (Board) and the Plan Administrator to review and evaluate the investment results of the Plan's investment options; and,
- Responsibilities of the Board, the Plan Administrator and the Third Party Plan Administrator (Trustee).

Periodically, the guidelines contained in this statement are revised and modified as appropriate to reflect changes in the investment environment, manager performance, participant objectives and the Board's expectations.

Plan Structure 457(b)

The Plan constitutes an "eligible deferred compensation plan" within the meaning of Internal Revenue Code §457(b). In accordance with the Plan Document adopted by the City Council on August 15, 2006, the Plan permits the City's Eligible Employees to defer portions of their Compensation until Severance from Employment. As a long-term retirement savings vehicle, the Plan is intended to be a source of supplemental retirement income for eligible participants. Therefore, employees are encouraged to fully participate in the Plan.

The Plan structure establishes and operates a "retirement system" satisfying the requirements of §3121(b)(7)(F) of the Internal Revenue Code of 1986, as amended from time to time (the "Code"), §31.3121(b)(7)-2 of the Income Tax Regulations promulgated there under.

Investment Objectives

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 investment options offered makes it possible for the individual participant to achieve a balanced portfolio consistent with modern portfolio theory.

Risk Tolerance and Rates of Return Expectations

Individual participants vary in their level of risk tolerance. Because participants direct their own investments, the plan will offer a wide spectrum of investment options, including a variety of Mutual Funds, Life Style Funds and a Self-Directed Brokerage Account (SDBA), all with varying levels of risk and return.

Risks associated with the investment options can vary significantly within each investment category and the relative risks of categories may change under certain economic conditions. The third party Administrator will provide participant education and counseling, including investment advice to guide participants in their selection of investment options. Participants may design an investment plan from those options that best meets their individual needs.

Investment Options

The plan seeks to offer a diversified portfolio by making available several investment options in each of the following investment categories:

- Managed Income/Stable Value
- Bonds
- Balanced/Hybrid
- Domestic Equity (Large/Mid/Small – Value/Blend/Growth – Index)
- International/Global Equity

Mutual Funds

The Plan offers a wide variety of Mutual Fund investment choices that:

- Cover a risk/return spectrum of appropriate investment classes;
- Are distinguishable and have distinct risk/return characteristics;
- Are well diversified and professionally managed;
- Provide, in aggregate, the participant with the opportunity to structure a portfolio with risk and return characteristics at any point within a normally appropriate range of investments; and,
- Charge fees that are reasonable for the asset class and investment style.

In addition, the Plan also offers investment choices in Life Cycle Funds and a Self-Directed Brokerage Account.

Life Cycle Funds

Rather than actively managing their own asset allocation strategy, Participants may choose a lifestyle fund in which the objective is to provide a composite rate of return derived from current income and capital appreciation, appropriate for a given state of an individual's investment life cycle. These funds:

- are designed for employees who lack the time or investment knowledge needed to actively make investment choices.
- help participants by turning over asset allocation decisions to investment professionals managing the fund.
- include automatic rebalance to maintain the right investment mix based upon age-appropriate diversification within a single "fund of funds".

Self-Directed Brokerage Account (SDBA)

Another investment option under the Plan is the Fidelity, self-directed brokerage account, BrokerageLink. BrokerageLink is neither a mutual fund nor is it managed by any of the Fidelity Investments group of companies. It is a portal to a broad range of investment options for participants who want to fully manage their investment choices. Participants alone decide how to invest the assets in the BrokerageLink account. Available investments include:

- most listed stocks, corporate bonds, zero-coupon bonds, US Treasury securities, mortgage securities and US government agency bonds, certificates of deposit, unit investment trusts, and foreign securities.
- Mutual funds beyond those available through the standard Plan mutual fund options.
- may include additional fees such as transaction-based fees and commissions.

Review Criteria - Investment Options

The Plan Administrator and Third Party Plan Provider will 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.

Fund performance continues to be compared using quantifiable measures:

- Sharpe Measures
- Fund Returns
- Morningstar Ratings

The Board has determined that the use of the Morningstar “category” rating would be of value to interested plan participants. The category rating compares funds to their peers within the specific asset class, giving a more “apples to apples” comparison. The Benchmark is the 50th percentile of retail funds in the asset class on the Morningstar database.

There are three categories of fund performance:

- Above Benchmark
- Below Benchmark
- Neutral (This category has been added to indicate both above and below benchmark measurements within evaluation period)

There are four levels of fund evaluation analysis:

I. Performance Measurement Period

Performance evaluated is over a full market cycle of a three-to-five-year period. Evaluation of funds, with more than three years’ history, to determine if performance is above or below benchmark.

II. Sharpe Measure Analysis

- Sharpe measure indicates the return per unit of risk.
- Sharpe measure equals:
Fund Rate of Return - Risk Free Rate of Return (90-day T-bill)
Standard Deviation of the Fund’s Returns (i.e. risk)
- The higher the Sharpe measure, the better the performance.

III. Funds Returns Analysis

Above benchmark performers are Funds with performance greater than the 50th percentile for two or more measurement periods.

IV. Morningstar 3 to 5 Star Analysis

- Above Benchmark Funds reflect Morningstar ratings of 3 to 5 stars.

- Below Benchmark Funds reflect Morningstar ratings of 1 or 2 stars.

The policy of the Board is to review all of our investment options on an annual basis. Performance benchmarks and objectives established are guidelines for review of each fund for measurement purposes. Following the annual review, decisions with respect to each current investment option and consideration given for new options include the following:

1. Retain fund for the next twelve months.
2. Place fund on a “watch list” when the overall fund rating is “at” or “below” benchmark.
3. Close fund to new contributions because it no longer meets the investment criteria.
4. New funds will be added for two reasons:
 - a. To replace a closed fund, or
 - b. To provide additional choices for participants.

A change in fund manager or other unusual situation may require a special review. The Board will publish the results of the investment review annually for all plan participants.

Measurement of each investment will be against recognized, appropriate indices and within universes of mutual funds and investment options with similar styles. Performance evaluated is 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.

Responsibilities

Plan Administrator:

The duties and responsibilities of the Plan Administrator include:

- Present any necessary revisions to the Board’s Investment Policy Statement to the Board for their consideration,
- With assistance of the Third Party Plan Administrator, develop, review, and revise the Investment Policy Statement,
- Evaluate and measure investment alternatives,
- Notify the Board of any issue that may impact the investment of Plan assets, e.g., change in ownership, professional staff, investment philosophy and/or process,
- With assistance of the Third Party Plan Administrator, evaluate and recommend investment alternative changes, and

- Communicate with and report to the Board on a regular basis.

Board:

The duties and responsibilities of the Board include:

- Approve Plan Investment Policy Statement,
- Approve addition/deletion of investment options, and
- Review and approve of reports provided by the Plan Administrator and Third Party Plan Administrator.

Third Party Plan Administrator:

The duties and responsibilities of the Third Party Plan Administrator include:

- Communicate with and report to the Plan Administrator and the Board on a regular basis,
- Communicate with and report to the participants on a regular basis,
- Notify the Plan Administrator and the Board of any issue that may impact the investment of Plan assets, e.g., change in ownership, professional staff, investment philosophy and/or process, and
- Assist Plan Administrator, in developing, reviewing, and revising Plan Investment Policy Statement
- Offer investment education and advice to participants,
- Notify the Plan Administrator and the Board of any issue that may impact the investment of Plan assets, e.g., change in ownership, professional staff, investment philosophy and/or process, and
- Monitoring Plan assets with the care, skill, prudence and diligence that an investment professional should exercise in the investment of those assets.

Meeting Date: August 22, 2019

REPORT TO CITY OF FRESNO DEFERRED COMPENSATION BOARD

August 6, 2019

FROM: ROBERT THELLER, Retirement Administrator

BY: KATHLEEN RILEY BROWN, Assistant Administrator

SUBJECT: REVIEW, DISCUSS AND ACCEPT INVESTMENT REVIEW REPORT AS OF JUNE 30, 2019, 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

For the discussion and Investment Review as of June 30, 2019, Fidelity provided the Optimal Investment Line-Up white paper which highlights Fidelity's views regarding the optimal investment menu for Deferred Compensation Plans. Fidelity suggests that you specifically review the following:

- Page 15 - Lists the Funds which Do Not Meet Fidelity's Four Pillar Process [Fidelity Capital & Income; Davis NY Venture; Fidelity Value; Artisan Mid-Cap; Templeton Growth and Franklin Mutual Global Discovery]
- Pages 72-86 - A Simplified Framework for Investment Menus [Optimal Investment Line-Up].
- Page 94 - LineUp Notes - List of Retain, Map, Potential Adds to the Investment Line-Up.
- Page 95 - City of Fresno Deferred Compensation Plan - Current Line-Up.
- Page 96 - City of Fresno Deferred Compensation Plan - Proposed Line-Up, if changes from page 94 are adopted.

In addition to the Proposed Line-Up, Fidelity is suggesting that the Board consider two fund categories which the Plan does not currently offer. Emerging Market Equity and Multi-Asset Class Real Return. Fidelity has included fund screening decks for these categories on pages 32-43 and 53-63, respectively.

RECOMMENDATION

Staff is recommending that the Board review the materials attached and prepare questions you may have for Fidelity.

CITY OF FRESNO

PRESENTED BY:
Joan Steel, VP, INVESTMENT STRATEGIST

Review of Your Plan's Investment Options

August 22, 2019



The YourPlan Review includes information pertaining to Defined Contribution plans.



AGENDA AND ACTION ITEMS



MARKET OVERVIEW



INVESTMENT SPECTRUM



INVESTMENT ANALYSIS



THOUGHT LEADERSHIP

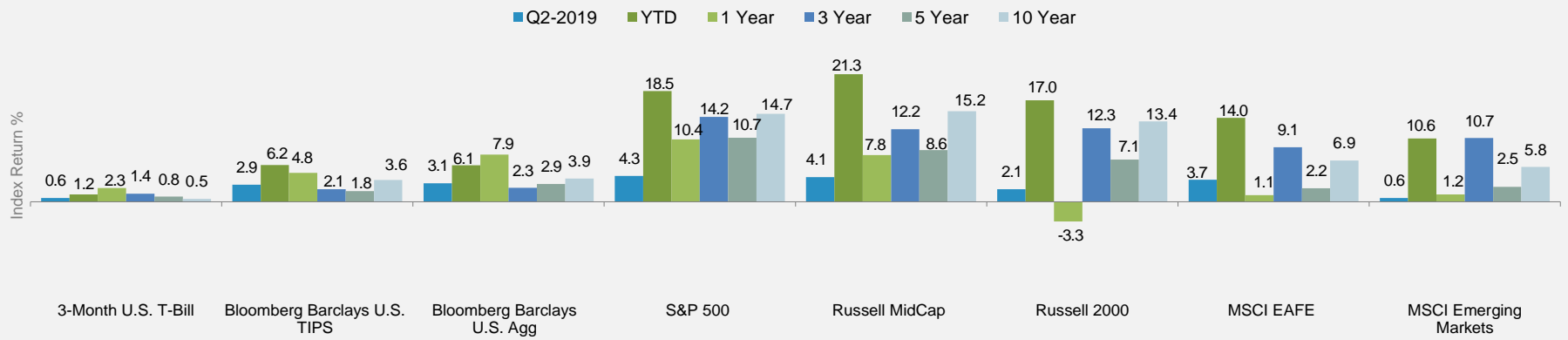


MARKET PERFORMANCE

As of June 30, 2019

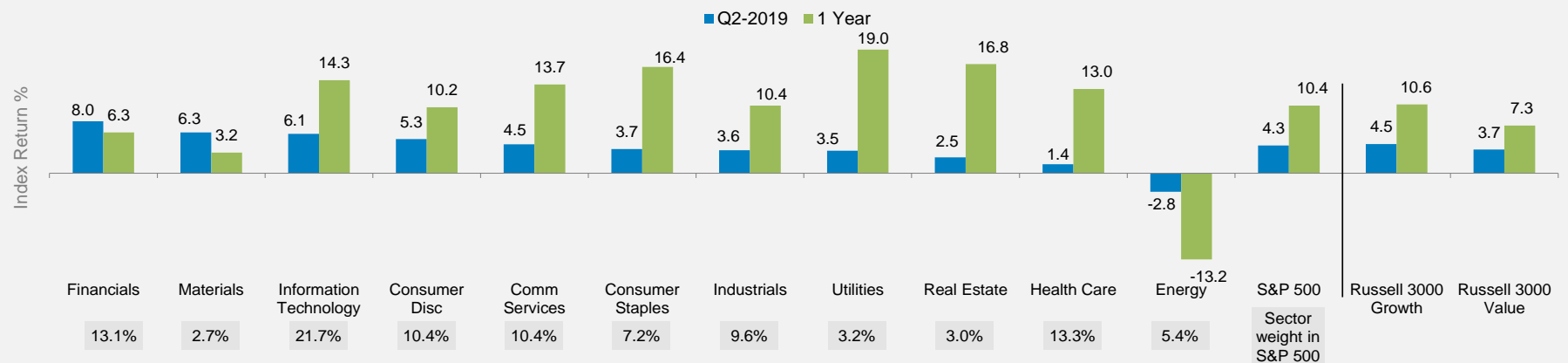
In Q2, U.S. markets—led by financial-sector stocks and long-term bonds—spearheaded a broad-based appreciation in equity and fixed income assets around the world. Performance differentials among U.S. assets were unusually narrow, with most categories of both riskier and less risky assets posting modest to mid-single-digit gains. More-globally linked assets such as commodities and emerging-market equities lagged.

Asset Class Total Return



Total Returns by Various Asset Classes (%)

U.S. Equity Sector / Styles Total Return



13.1%

2.7%

21.7%

10.4%

10.4%

7.2%

9.6%

3.2%

3.0%

13.3%

5.4%

Sector weight in S&P 500

Past performance is no guarantee of future results. 3, 5 and 10yr are average annual total returns. Source: Morningstar, Fidelity Investments Asset Allocation Research Team (AART), as of 6/30/19. 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.





MARKET OVERVIEW

Benefits Of Diversification

Calendar Year Total Returns by Various Asset Classes (%)

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD	10 Year
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	Cash 1.7	Lg Growth 21.5	Lg Growth 16.3
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	Bonds 0.0	Sm Growth 20.4	Sm Growth 14.4
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	TIPS -1.6	REIT 17.7	REIT 14.1
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	Lg Growth -1.5	Lg Value 16.4	Lg Value 13.2
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	High Yield -2.3	EAFE 14.0	Sm Value 12.4
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	Balanced -3.6	Sm Value 13.5	High Yield 9.2
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	REIT -5.8	Cmdty 13.3	Balanced 8.0
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	Lg Value -8.3	Balanced 11.3	EAFE 6.9
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	Sm Growth -9.3	Emg Mkt 10.6	Emg Mkt 5.8
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	Sm Value -12.9	High Yield 10.2	Bonds 3.9
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	EAFE -13.8	TIPS 6.2	TIPS 3.6
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	Cmdty -13.8	Bonds 6.1	Cash 0.5
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 -14.6	Cash 1.2	Cmdty -5.2

Diversification does not guarantee a profit or guarantee against loss.

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 6/30/19. 10yr is the annualized total return.

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.

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, 2019 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

CITY OF FRESNO – 35801

As of 06/30/2019

Total Plan Assets: \$190,381,798
Total Plan Participants: 2,130

Self-Directed Brokerage Assets: 2.5%
Self-Directed Brokerage Participant Count: 61

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

26.7% ← RISK SPECTRUM FOR LIFECYCLE FUNDS →

FID FREEDOM INC K (0.5%, 28)
FID FREEDOM 2005 K (0.3%, 5)
FID FREEDOM 2010 K (1.1%, 54)
FID FREEDOM 2015 K (2.1%, 39)
FID FREEDOM 2020 K (6.5%, 176)

FID FREEDOM 2025 K (5.0%, 111)
FID FREEDOM 2030 K (5.0%, 173)
FID FREEDOM 2035 K (2.3%, 125)

FID FREEDOM 2040 K (2.4%, 122)
FID FREEDOM 2045 K (1.0%, 96)
FID FREEDOM 2050 K (0.4%, 67)
FID FREEDOM 2055 K (0.1%, 34)
FID FREEDOM 2060 K (0.1%, 22)

70.8% ← 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 (10.6%, 626)	<u>Diversified</u> PIM TOTAL RT INST (2.1%, 219)	FID PURITAN K (1.3%, 100)	<u>Large Value</u> AF AMER MUTUAL RSE (1.7%, 248)	<u>Large Blend</u> FID 500 INDEX (2.6%, 340)	<u>Large Growth</u> FID GROWTH CO K (15.4%, 714)	<u>Diversified</u> J H GLB RESEARCH I (1.8%, 334)	
		FID US BOND IDX (1.3%, 216)		ABF LG CAP VAL INST (0.4%, 191)	TRP DIV GROWTH (1.6%, 241)	FID CONTRAFUND K (11.3%, 624)	FKLN MTL GLB DISC Z (1.6%, 260)	
		<u>High Yield</u> FID CAPITAL & INCOME (1.9%, 117)			DAVIS NY VENTURE Y (1.3%, 120)		FID DIVERSIFD INTL K (1.4%, 296)	
					FID TOTAL MKT IDX (0.5%, 52)		FID INTERNATIONAL INDEX (0.4%, 201)	
				<u>Mid Value</u> FID LOW PRICED STK K (2.8%, 132)	<u>Mid Blend</u> FID EXTD MKT IDX (0.9%, 227)	<u>Mid Growth</u> ARTISAN MID CAP INST (5.6%, 454)	TEMPLETON GROWTH R (0.1%, 20)	
			FID VALUE K (0.8%, 166)		FID MID CAP STOCK K (0.7%, 82)			
			<u>Small Value</u> ABF SM CAP VAL INST (1.0%, 243)	<u>Small Blend</u> FID SM CAP IDX (0.0%, 2)	<u>Small Growth</u> FID SMALL CAP GROWTH (1.4%, 290)			
						*MSIF INCEPTION IS (0.3%, 39)		

*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.



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 ANALYSIS

Fidelity Active Fund¹ Evaluation Process

Proprietary, Independent,
Open-architecture Research



1,300 Funds Covered
900 Manager touch
points per year



4 Pillar Rating
Criteria



Experienced, Dedicated
Fidelity Representative



- We prefer funds with expense ratios that are in the bottom half of their peer group
- We believe that excessive fees can impact a fund's ability to outperform over longer periods of time



- We prefer funds that rank in the top half of their peer group over the 3 or 5 year periods
- We believe it is appropriate to evaluate performance over periods that represent a full market cycle



- We prefer funds that have exposures and characteristics that are consistent with the category and benchmark
- We believe that funds that are properly aligned allow participants to effectively diversify their plan assets



- We prefer funds that employ a consistent, repeatable process with at least a three-year track record
- We believe that an adequate track record and stable process is necessary to rely on past performance and positioning as a reasonable basis for future expectations

¹Funds refer to open-end mutual funds, or collective investment trusts (CITs) where applicable. Keep in mind that investing involves risk. The value of your investment will fluctuate over time, and you may gain or lose money. Diversification and asset allocation do not ensure a profit or guarantee against loss.

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

843689.1.5





INVESTMENT ANALYSIS

Fidelity Index Fund¹ Evaluation Process

Proprietary, Independent,
Open-architecture Research



Over 100 Unique Index
Strategies Covered



4 Pillar
Rating Criteria



Experienced,
Dedicated Fidelity
Representative



- We prefer index funds with expense ratios that are NOT in the most expensive quartile of their passive peers in the style category
- We believe that excessive fees can impact a strategy's ability to track its benchmark over longer periods of time



- We prefer index funds with a 3-year tracking error (versus the benchmark) that is NOT in the highest quartile of their passive peers in the style category
- We believe it is appropriate to evaluate how closely a strategy tracks its benchmark



- We prefer that funds have exposures and characteristics consistent with its benchmark and appropriate style category that are representative of the role it is likely to play in a lineup
- We believe that investments that are properly aligned allow participants to gain exposure and track the index, and effectively diversify their plan assets



- We prefer funds that employ a consistent and repeatable process with at least a 3-year track record and have sufficient assets to adequately replicate the intended index
- We believe that an adequate track record and stable process is necessary to rely on past performance and positioning as a reasonable basis for future expectations

¹Funds refer to open-end mutual funds, or collective investment trusts (CITs) where applicable. Keep in mind that investing involves risk. The value of your investment will fluctuate over time, and you may gain or lose money. Diversification and asset allocation do not ensure a profit or guarantee against loss.





WHAT ARE OUR RATINGS?

BUY

High level of conviction in the strategy that stands out across the four pillars

MEETS

Credible offering that satisfies the criteria for each pillar

DOES NOT MEET

Low level of conviction in the strategy based upon weakness in one or more pillars

BUY rated funds¹ typically offer additional advantages across other qualitative and quantitative factors that go above and beyond the primary criteria, including, but not limited to, the following:

QUANTITATIVE FACTORS

- Rolling 3- and 5-year peer relative performance
- Risk-adjusted returns relative to peers
- Ex-ante (projected) and ex-post (historical) multi-factor scenario analysis
- Upside/downside capture ratios versus peers
- Tracking error/rolling R-squared
- Alignment of performance results and expectations
- Cost versus category average

QUALITATIVE FACTORS

- PM/Analyst turnover and rationale
- People risk mitigation and succession plans
- Compensation and incentive structures
- PM/Analyst investment in the strategy
- Risk management
- Portfolio positioning and characteristics versus peers/benchmark
- Other including culture, resources, systems, etc.

MEETS rated funds pass all of the pillars described on previous page while not rising to the highest level of conviction driven by the quantitative and qualitative analysis.

DOES NOT MEET rated funds fail one or more of the pillars.

Not rated funds are not covered by the Workplace Investing (WI) Research team as of the publication of this document.

Pending funds means rating under review due to recent change/new information. Ratings are reevaluated at least every 12 months.

Lifecycle funds are analyzed by Research using the same methodology described above. Due to the availability of multiple vintages, each vintage is evaluated leading to a rating that applies to the whole suite.

The Rating is not a credit or a risk rating. It is a subjective evaluation of a fund performed by Workplace Investing analysts and the weighting attributable to each pillar may vary. The Rating should not be used as the sole basis in evaluating a fund.

¹Funds refer to open-end mutual funds, or collective investment trusts (CITs) where applicable.
843689.1.5





IMPORTANT INFORMATION

Percentile 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. The number in parentheses represents the number of funds in the category. Percentile Rank in Category is based on total returns, which include reinvested dividends and capital gains, if any, and exclude sales charges. Past performance is no guarantee of future results.

Please see Fund Diagnostics section for complete performance and Morningstar ranking information.

Unless otherwise disclosed to you, any investment recommendation in this document is not meant to be impartial investment advice or advice in a fiduciary capacity. Fidelity and its representatives have a financial interest in any investment alternatives or transactions described in this document. Fidelity receives compensation from Fidelity funds and products, certain third-party funds and products, and certain investment services. Fidelity may also receive compensation for services that are necessary to effect or execute transactions with respect to investment alternatives (such as trading commissions). The compensation that is received, either directly or indirectly, by Fidelity may vary based on such funds, products and services, which can create a conflict of interest for Fidelity and its representatives.

The IS research analyst rates funds utilizing qualitative factors such as consistency of the fund management team and their process, fund alignment with style benchmark and peers, reasonableness of relative performance vs. respective peers, and relative fund fee levels. Additional factors may include regulatory concerns and other operational considerations such as timely distribution of fund materials and firm level communications.

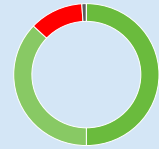
Any product indicated as being on a watch list has been previously placed in this status by the plan sponsor. This may indicate that a product is subject to additional due diligence by the plan sponsor. This does not indicate a product that is being recommended to be placed on a watch list.



INVESTMENT ANALYSIS – Ratings as of August 22, 2019

CITY OF FRESNO - 35801
Total Return Ranking & Assets data as of 06/30/2019

PLAN ASSETS
BUY (9) 50%
MEETS (12) 37%
DNM (6) 12%
PENDING (1) 1%
NR (0) 0%



BUY

High Level of conviction in the strategy that stands out across the pillars

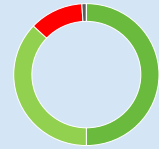
Name	Ticker	Plan Assets \$ (M)	3 Year % Rank in Category (Count)	5 Year % Rank in Category (Count)	Previous Rating	Note/ Other
FID PURITAN K	FPUKX	2.4	8%	7%	Buy	
Morningstar: Allocation--50% to 70% Equity (Count)			(679)	(595)		
AF AMER MUTUAL RSE	RMFHX	3.3	33%	14%	Buy	
Morningstar: Large Value (Count)			(1,103)	(956)		
TRP DIV GROWTH	PRDGX	3.1	28%	4%	Buy	
Morningstar: Large Blend (Count)			(1,205)	(1,066)		
FID CONTRAFUND K	FCNKX	21.4	36%	35%	Buy	
Morningstar: Large Growth (Count)			(1,235)	(1,100)		
FID LOW PRICED STK K	FLPKX	5.3	42%	42%	Meets	
Morningstar: Mid-Cap Value (Count)			(363)	(321)		
ABF SM CAP VAL INST	AVFIX	1.9	36%	33%	Buy	
Morningstar: Small Value (Count)			(379)	(337)		
FID SMALL CAP GROWTH	FPCGX	2.7	24%	9%	Buy	
Morningstar: Small Growth (Count)			(583)	(515)		
FID DIVERSIFD INTL K	FDIKX	2.6	63%	55%	Buy	
Morningstar: Foreign Large Growth (Count)			(396)	(336)		
*FID FREEDOM 2020 K	FSNOX	50.9	7%	3%	Buy	
Morningstar: Target-Date 2020 (Count)			(204)	(163)		



INVESTMENT ANALYSIS – Ratings as of August 22, 2019

CITY OF FRESNO - 35801
Total Return Ranking & Assets data as of 06/30/2019

PLAN ASSETS
BUY (9) 50%
MEETS (12) 37%
DNM (6) 12%
PENDING (1) 1%
NR (0) 0%



MEETS

Credible offering that satisfies the criteria for each pillar

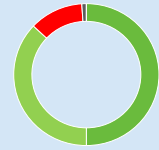
Name	Ticker	Plan Assets \$ (M)	3 Year % Rank in Category (Count)	5 Year % Rank in Category (Count)	Previous Rating	Note/ Other
MELLON STABLE VAL M		20.2	-	-	Meets	
FID US BOND IDX	FXNAX	2.4	47%	23%	Meets	
Morningstar: Intermediate Core Bond (Count)			(343)	(302)		
PIM TOTAL RT INST	PTTRX	4.0	34%	42%	Meets	
Morningstar: Intermediate Core-Plus Bond (Count)			(539)	(453)		
ABF LG CAP VAL INST	AADEX	0.8	17%	63%	Pending	
Morningstar: Large Value (Count)			(1,103)	(956)		
FID TOTAL MKT IDX	FSKAX	0.9	24%	28%	Meets	
FID 500 INDEX	FXAIX	5.0	18%	11%	Meets	
Morningstar: Large Blend (Count)			(1,205)	(1,066)		
FID GROWTH CO K	FGCKX	29.3	10%	10%	Meets	
Morningstar: Large Growth (Count)			(1,235)	(1,100)		
FID EXTD MKT IDX	FSMAX	1.8	12%	24%	Meets	
Morningstar: Mid-Cap Blend (Count)			(362)	(312)		
FID SM CAP IDX	FSSNX	0.0	16%	23%	Meets	
Morningstar: Small Blend (Count)			(633)	(516)		



INVESTMENT ANALYSIS – Ratings as of August 22, 2019

CITY OF FRESNO - 35801
Total Return Ranking & Assets data as of 06/30/2019

PLAN ASSETS
BUY (9) 50%
MEETS (12) 37%
DNM (6) 12%
PENDING (1) 1%
NR (0) 0%



MEETS

Credible offering that satisfies the criteria for each pillar

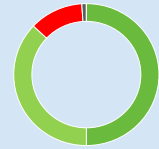
Name	Ticker	Plan Assets \$ (M)	3 Year % Rank in Category (Count)	5 Year % Rank in Category (Count)	Previous Rating	Note/ Other
MSIF INCEPTION IS	MFLX	0.6	23%	52%	Does not meet	Frozen
Morningstar: Small Growth (Count)			(583)	(515)		
FID INTL INDEX	FSPSX	0.8	26%	34%	Meets	
Morningstar: Foreign Large Blend (Count)			(611)	(488)		
J H GLB RESEARCH I	JWWFX	3.4	21%	29%	Meets	
Morningstar: World Large Stock (Count)			(722)	(594)		



INVESTMENT ANALYSIS – Ratings as of August 22, 2019

CITY OF FRESNO - 35801
Total Return Ranking & Assets data as of 06/30/2019

PLAN ASSETS
BUY (9) 50%
MEETS (12) 37%
DNM (6) 12%
PENDING (1) 1%
NR (0) 0%



DOES NOT MEET (DNM)

Low level of conviction in the strategy based upon weakness in one or more pillars

FIDELITY'S FOUR PILLAR PROCESS

Name	Ticker	Plan Assets \$ (M)	3 % Year Rank in Category	5 Year % Rank in Category	Previous Rating	Cost	Performance	Style Consistency	People & Process	Note/ Other
FID CAPITAL & INCOME	FAGIX	3.5	3%	4%	Does not meet	●	●	●	●	
Morningstar: High Yield Bond (Count)			(610)	(524)						
DAVIS NY VENTURE Y	DNVYX	2.5	58%	67%	Meets	●	●	●	●	
Morningstar: Large Blend (Count)			(1,205)	(1,066)						
FID VALUE K	FVLKX	1.6	62%	60%	Does not meet	●	●	●	●	
Morningstar: Mid-Cap Value (Count)			(363)	(321)						
ARTISAN MID CAP INST	APHMX	10.6	37%	43%	Meets	●	●	●	●	
Morningstar: Mid-Cap Growth (Count)			(539)	(484)						
TEMPLETON GROWTH R6	FTGFX	0.2	90%	96%	Does not meet	●	●	●	●	
FKLN MTL GLB DISC Z	MDISX	3.0	79%	78%	Meets	●	●	●	●	
Morningstar: World Large Stock (Count)			(722)	(594)						



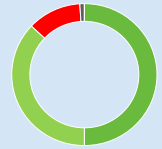
INVESTMENT ANALYSIS – Ratings as of August 22, 2019

CITY OF FRESNO - 35801

Total Return Ranking & Assets data as of 06/30/2019

PLAN ASSETS

BUY (9)	50%
MEETS (12)	37%
DNM (6)	12%
PENDING (1)	1%
NR (0)	0%



PENDING RATING

Rating under review due to recent change/new information

Name	Ticker	Plan Assets \$ (M)	3 Year % Rank in Category	5 Year % Rank in Category	Previous Rating	Note/ Other
FID MID CAP STOCK K	FKMCX	1.4	19%	21%	Does not meet	
Morningstar: Mid-Cap Blend (Count)			(362)	(312)		

Stock Market Peaks and Valleys

Despite market fluctuations, staying the course is often the best decision



A look at S&P 500® History

Over the past 20 years, stocks have experienced bull markets, corrections, bear markets, and crashes. Despite the ups and downs, the stock market has historically trended higher—recovering again and again.

MARKET HIGHLIGHTS

(1/1/99–12/31/18, unless otherwise noted)

- 5.62%** annual return (dividends reinvested)
- (50%)** impact on investment value for an investor who missed out on the best 10 days
- 15** market corrections (5%–20% decline)
- 2** bear markets (20%+ decline)

Not FDIC Insured • May Lose Value • No Bank Guarantee

Source: Standard & Poor's, Compustat, FactSet, Fidelity Investments, as of 12/31/18. You cannot invest directly in an index. The S&P 500 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 an unmanaged index of the common stock prices of 500 widely held U.S. stocks that includes the reinvestment of dividends.

For investors.



Information provided in this document is for informational and educational purposes only. To the extent any investment information in this material is deemed to be a recommendation, it is not meant to be impartial investment advice or advice in a fiduciary capacity and is not intended to be used as a primary basis for you or your client's investment decisions. Fidelity and its representatives may have a conflict of interest in the products or services mentioned in this material because they have a financial interest in them, and receive compensation, directly or indirectly, in connection with the management, distribution, and/or servicing of these products or services, including Fidelity funds, certain third-party funds and products, and certain investment services.

Investing involves risk, including risk of loss.

Not NCUA or NCUSIF insured. May lose value. No credit union guarantee.

This information should in no way be considered investment advice. There is no guarantee the trends discussed in this piece will continue. Investment decisions should take into account the unique circumstances of the individual investor.

For investors.

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

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.

Third-party trademarks and service marks are the property of their respective owners. All other trademarks and service marks are the property of FMR LLC or an affiliated company.

Before investing, consider the funds' investment objectives, risks, charges, and expenses. Contact your investment professional or visit institutional.fidelity.com for a prospectus or, if available, a summary prospectus containing this information. Read it carefully.

743853.8.0

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

FUND ANALYSIS

FUND DIAGNOSTICS SUMMARY – AS OF 06/30/2019

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 (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 06/30/2019

CITY OF FRESNO - 35801

+ Non SEC Registered Product Indicator

% 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)
Asset Class: Managed Income (or Stable Value)														
+ MELLON STABLE VAL M														
ICE BM US 3-Mo Trea Bill	1.24	0.63	2.31		1.38		0.87				3/1/93	0.38	0.38	
Asset Class: Bond														
Diversified														
FID US BOND IDX	6.00	2.97	7.88	23%	2.19	47%	2.91	23%	3.82	51%	3/8/90	0.025	0.025	
BBgBarc U.S. Agg Bond	6.11	3.08	7.87		2.31		2.95		3.90					
Morningstar: Intermediate Core Bond (Count)	5.77	2.83	7.24	(394)	2.09	(343)	2.55	(302)	3.86	(227)		2.99	0.66	
PIM TOTAL RT INST	6.08	3.21	7.64	46%	3.18	34%	3.02	42%	4.69	55%	5/11/87	0.55	0.55	
BBgBarc U.S. Agg Bond	6.11	3.08	7.87		2.31		2.95		3.90					
Morningstar: Intermediate Core-Plus Bond (Count)	6.40	2.93	7.35	(623)	2.95	(539)	2.84	(453)	4.82	(332)		1.11	0.79	
High Yield														
FID CAPITAL & INCOME	12.92	2.58	5.72	65%	8.54	3%	5.22	4%	10.24	2%	11/1/77	0.69	0.69	
ICE BAML US HY/HY Const B	10.16	2.56	7.58		7.54		4.70		9.20					
Morningstar: High Yield Bond (Count)	8.79	2.28	6.19	(705)	6.31	(610)	3.47	(524)	7.95	(337)		2.43	1.04	
Asset Class: Balanced/Hybrid														
FID PURITAN K	13.34	3.37	5.35	57%	10.33	8%	7.57	7%	11.05	7%	4/16/47	0.45	0.45	
S&P 500	18.54	4.30	10.42		14.19		10.71		14.70					
Fid Puritan Composite Idx	13.64	3.96	9.87		9.51		7.75		10.50					
Morningstar: Allocation--50% to 70% Equity (Count)	12.21	2.95	5.73	(735)	7.79	(679)	5.04	(595)	8.93	(431)		1.25	1.11	
Asset Class: Domestic Equities														
Large Value														
ABF LG CAP VAL INST	18.39	4.29	4.85	62%	11.93	17%	6.39	63%	12.62	40%	7/17/87	0.62	0.62	
Russell 1000 Value	16.24	3.84	8.46		10.19		7.46		13.19					
Morningstar: Large Value (Count)	14.59	3.02	5.79	(1,236)	10.12	(1,103)	6.84	(956)	12.2	(696)		1.22	1	
AF AMER MUTUAL R5E	12.44	3.13	9.64	22%	11.00	33%	8.83	14%	12.74	37%	2/21/50	0.44	0.44	
S&P 500	18.54	4.30	10.42		14.19		10.71		14.70					
Morningstar: Large Value (Count)	14.59	3.02	5.79	(1,236)	10.12	(1,103)	6.84	(956)	12.2	(696)		1.22	1	

FUND DIAGNOSTICS SUMMARY – as of 06/30/2019

CITY OF FRESNO - 35801

+ Non SEC Registered Product Indicator

% 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)
Large Blend														
DAVIS NY VENTURE Y	17.89	3.52	0.43	95%	12.61	58%	8.24	67%	12.25	78%	2/17/69	0.62	0.62	
S&P 500	18.54	4.30	10.42		14.19		10.71		14.70					
Morningstar: Large Blend (Count)	17.21	3.81	8.20	(1,408)	12.53	(1,205)	8.76	(1,066)	13.24	(809)		2.16	0.96	
FID 500 INDEX														
FID 500 INDEX	18.54	4.30	10.41	27%	14.17	18%	10.70	11%	14.69	10%	2/17/88	0.015	0.015	
S&P 500	18.54	4.30	10.42		14.19		10.71		14.70					
Morningstar: Large Blend (Count)	17.21	3.81	8.20	(1,408)	12.53	(1,205)	8.76	(1,066)	13.24	(809)		2.16	0.96	
FID TOTAL MKT IDX														
FID TOTAL MKT IDX	18.69	4.08	8.89	50%	14.02	24%	10.16	28%	14.67	10%	11/5/97	0.015	0.015	
DJ US Total Stk Mkt	18.70	4.09	8.88		13.99		10.13		14.68					
Morningstar: Large Blend (Count)	17.21	3.81	8.20	(1,408)	12.53	(1,205)	8.76	(1,066)	13.24	(809)		2.16	0.96	
TRP DIV GROWTH														
TRP DIV GROWTH	19.90	6.10	16.73	3%	13.94	28%	11.49	4%	14.28	28%	12/30/92	0.64	0.64	
S&P 500	18.54	4.30	10.42		14.19		10.71		14.70					
Morningstar: Large Blend (Count)	17.21	3.81	8.20	(1,408)	12.53	(1,205)	8.76	(1,066)	13.24	(809)		2.16	0.96	
Large Growth														
FID CONTRAFUND K	20.86	5.52	8.02	72%	17.92	36%	12.64	35%	15.54	34%	5/17/67	0.73	0.73	
S&P 500	18.54	4.30	10.42		14.19		10.71		14.70					
Morningstar: Large Growth (Count)	21.11	4.63	10.02	(1,383)	16.97	(1,235)	11.33	(1,100)	14.71	(812)		1.69	1.08	
FID GROWTH CO K														
FID GROWTH CO K	22.40	2.35	5.02	89%	21.31	10%	14.55	10%	17.99	5%	1/17/83	0.76	0.76	
Russell 3000 Growth	21.41	4.50	10.60		17.81		13.02		16.13					
Morningstar: Large Growth (Count)	21.11	4.63	10.02	(1,383)	16.97	(1,235)	11.33	(1,100)	14.71	(812)		1.69	1.08	
Mid Value														
FID LOW PRICED STK K	12.04	1.44	-0.84	62%	9.44	42%	6.11	42%	12.96	51%	12/27/89	0.53	0.53	
Russell 2000	16.98	2.10	-3.31		12.30		7.06		13.45					
Morningstar: Mid-Cap Value (Count)	15.80	2.52	0.25	(415)	8.73	(363)	5.57	(321)	12.75	(217)		2.45	1.11	
FID VALUE K														
FID VALUE K	20.23	3.16	0.09	52%	8.61	62%	5.07	60%	13.55	29%	12/1/78	0.49	0.49	
Russell Midcap Value	18.02	3.19	3.68		8.95		6.72		14.56					
Morningstar: Mid-Cap Value (Count)	15.80	2.52	0.25	(415)	8.73	(363)	5.57	(321)	12.75	(217)		2.45	1.11	

FUND DIAGNOSTICS SUMMARY – as of 06/30/2019

CITY OF FRESNO - 35801

+ Non SEC Registered Product Indicator

% 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)
Mid Blend														
FID EXTD MKT IDX	19.47	3.03	2.03	53%	13.18	12%	7.83	24%	14.65	14%	11/5/97	0.045	0.045	
<i>DJ US Completion TSM</i>	19.49	3.02	1.87		13.01		7.65		14.53					
Morningstar: Mid-Cap Blend (Count)	17.52	3.04	2.41	(437)	9.98	(362)	6.04	(312)	12.87	(228)		1.3	1.08	
FID MID_CAP STOCK K														
FID MID_CAP STOCK K	17.61	4.85	6.35	28%	12.59	19%	7.91	21%	14.87	10%	3/29/94	0.62	0.62	
<i>S&P MidCap 400</i>	17.97	3.05	1.36		10.90		8.02		14.64					
Morningstar: Mid-Cap Blend (Count)	17.52	3.04	2.41	(437)	9.98	(362)	6.04	(312)	12.87	(228)		1.3	1.08	
Mid Growth														
ARTISAN MID_CAP INST	34.12	10.19	19.76	4%	16.55	37%	10.40	43%	15.99	20%	6/27/97	0.96	0.96	
<i>Russell MidCap</i>	21.35	4.13	7.83		12.16		8.63		15.16					
<i>Russell Midcap Growth</i>	26.08	5.40	13.94		16.49		11.10		16.02					
Morningstar: Mid-Cap Growth (Count)	24.97	5.61	9.88	(602)	15.59	(539)	9.78	(484)	14.53	(367)		2.43	1.19	
Small Value														
ABF SM_CAP_VAL_INST	14.26	1.78	-7.61	56%	8.60	36%	4.77	33%	13.04	21%	12/31/98	0.81	0.81	
<i>Russell 2000 Value</i>	13.47	1.38	-6.24		9.81		5.39		12.40					
Morningstar: Small Value (Count)	12.92	0.63	-8.05	(417)	7.69	(379)	3.59	(337)	11.65	(226)		2.65	1.25	
Small Blend														
FID SM_CAP_IDX	17.00	2.13	-3.21	43%	12.46	16%	7.28	23%	12.68	-	9/8/11	0.025	0.025	
<i>Russell 2000</i>	16.98	2.10	-3.31		12.30		7.06		12.52					
Morningstar: Small Blend (Count)	15.74	2.21	-3.76	(733)	10.09	(633)	5.65	(516)		(375)		3.08	1.16	
Small Growth														
FID SMALL_CAP_GROWTH	26.32	5.47	5.70	38%	19.77	24%	13.29	9%	16.77	13%	11/3/04	1.02	1.02	
<i>Russell 2000 Growth</i>	20.36	2.75	-0.49		14.69		8.63		14.41					
Morningstar: Small Growth (Count)	21.82	4.12	3.22	(672)	16.12	(583)	9.18	(515)	14.47	(393)		1.85	1.24	
MSIF INCEPTION IS														
MSIF INCEPTION IS	38.60	6.17	19.60	1%	19.78	23%	9.10	52%	14.14	61%	11/1/89	1.11	0.93	2.00/30
<i>Russell 2000 Growth</i>	20.36	2.75	-0.49		14.69		8.63		14.41					
Morningstar: Small Growth (Count)	21.82	4.12	3.22	(672)	16.12	(583)	9.18	(515)	14.47	(393)		1.85	1.24	

FUND DIAGNOSTICS SUMMARY – as of 06/30/2019

CITY OF FRESNO - 35801

+ Non SEC Registered Product Indicator

% 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)
Asset Class: International/Global														
Diversified														
FID DIVERSIFD INTL K	17.80	5.89	2.64	41%	8.79	63%	3.48	55%	7.80	61%	12/27/91	0.69	0.69	
MSCI EAFE (Net MA)	14.23	3.80	1.31		9.34		2.45		7.07					
Morningstar: Foreign Large Growth (Count)	18.29	4.81	2.25	(465)	9.63	(396)	4.09	(336)	8.2	(247)		1.48	1.13	
FID INTL INDEX	14.09	3.70	1.21	35%	9.02	26%	2.34	34%	7.01	30%	11/5/97	0.035	0.035	
MSCI EAFE (Net MA)	14.23	3.80	1.31		9.34		2.45		7.07					
Morningstar: Foreign Large Blend (Count)	13.58	2.97	-0.06	(722)	8.13	(611)	2.03	(488)	6.44	(362)		2.35	1.03	
FKLN MTL GLB DISC Z	15.00	3.45	4.14	57%	8.24	79%	4.02	78%	8.47	79%	12/31/92	0.98	0.98	
MSCI World (N)	16.98	4.00	6.33		11.77		6.60		10.72					
Morningstar: World Large Stock (Count)	16.46	3.54	4.89	(864)	11.07	(722)	5.96	(594)	10.24	(350)		2.18	1.14	
J H GLB RESEARCH I	18.23	4.53	7.39	32%	13.42	21%	7.24	29%	11.58	26%	2/25/05	0.6	0.6	
MSCI World (N)	16.98	4.00	6.33		11.77		6.60		10.72					
MSCI AC World (N)	16.23	3.61	5.74		11.62		6.16		10.15					
Morningstar: World Large Stock (Count)	16.46	3.54	4.89	(864)	11.07	(722)	5.96	(594)	10.24	(350)		2.18	1.14	
TEMPLETON GROWTH R6	7.83	-0.40	-5.48	97%	7.24	90%	0.93	96%	8.20	81%	11/29/54	0.72	0.72	
MSCI AC World (N)	16.23	3.61	5.74		11.62		6.16		10.15					
Morningstar: World Large Stock (Count)	16.46	3.54	4.89	(864)	11.07	(722)	5.96	(594)	10.24	(350)		2.18	1.14	

FUND DIAGNOSTICS SUMMARY – as of 06/30/2019

CITY OF FRESNO - 35801

+ Non SEC Registered Product Indicator

% 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)
Asset Class: Lifecycle Funds														
FID FREEDOM INC K	7.01	2.56	5.48	72%	4.90	58%	3.65	42%	5.19	82%	10/17/96	0.42	0.42	
<i>BBgBarc U.S. Agg Bond</i>	6.11	3.08	7.87		2.31		2.95		3.90					
<i>FID FF Income Comp Idx</i>	7.21	2.79	6.66		4.72		3.69		4.74					
Morningstar: Target-Date Retirement (Count)	8.63	2.72	5.89	(184)	5.02	(159)	3.48	(127)	5.96	(93)		4.17	0.77	
FID FREEDOM 2005 K	7.97	2.65	5.40	71%	6.00	47%	4.27	50%	6.74	81%	11/6/03	0.42	0.42	
<i>BBgBarc U.S. Agg Bond</i>	6.11	3.08	7.87		2.31		2.95		3.90					
<i>FID FF 2005 Comp Idx</i>	8.33	2.96	6.86		5.88		4.36		6.66					
Morningstar: Target-Date 2000-2010 (Count)	9.12	2.87	5.96	(133)	5.87	(108)	4.14	(88)	7.18	(68)		2.9	0.69	
FID FREEDOM 2010 K	9.18	2.77	5.33	78%	6.93	7%	4.79	4%	7.63	45%	10/17/96	0.46	0.46	
<i>BBgBarc U.S. Agg Bond</i>	6.11	3.08	7.87		2.31		2.95		3.90					
<i>FID FF 2010 Comp Idx</i>	9.58	3.15	7.06		6.85		4.90		7.77					
Morningstar: Target-Date 2000-2010 (Count)	9.12	2.87	5.96	(133)	5.87	(108)	4.14	(88)	7.18	(68)		2.9	0.69	
FID FREEDOM 2015 K	10.20	2.88	5.19	85%	7.76	6%	5.25	5%	8.05	52%	11/6/03	0.49	0.49	
<i>BBgBarc U.S. Agg Bond</i>	6.11	3.08	7.87		2.31		2.95		3.90					
<i>FID FF 2015 Comp Idx</i>	10.82	3.33	7.24		7.83		5.45		8.28					
Morningstar: Target-Date 2015 (Count)	10.03	2.95	5.99	(135)	6.45	(109)	4.32	(79)	7.72	(54)		5.89	0.71	
FID FREEDOM 2020 K	11.14	2.98	5.18	83%	8.38	7%	5.58	3%	8.70	33%	10/17/96	0.53	0.53	
<i>S&P 500</i>	18.54	4.30	10.42		14.19		10.71		14.70					
<i>FID FF 2020 Comp Idx</i>	11.86	3.48	7.37		8.51		5.83		9.06					
Morningstar: Target-Date 2020 (Count)	10.67	3.02	5.96	(245)	6.89	(204)	4.52	(163)	8.08	(101)		2.28	0.77	
FID FREEDOM 2025 K	11.93	3.10	5.08	85%	8.97	11%	5.84	9%	9.35	43%	11/6/03	0.56	0.56	
<i>S&P 500</i>	18.54	4.30	10.42		14.19		10.71		14.70					
<i>FID FF 2025 Comp Idx</i>	12.76	3.60	7.46		9.15		6.16		9.94					
Morningstar: Target-Date 2025 (Count)	11.87	3.16	5.99	(228)	7.93	(186)	5.00	(149)	8.96	(80)		2.49	0.76	
FID FREEDOM 2030 K	13.24	3.22	4.81	87%	10.32	6%	6.48	7%	9.95	33%	10/17/96	0.6	0.6	
<i>S&P 500</i>	18.54	4.30	10.42		14.19		10.71		14.70					
<i>FID FF 2030 Comp Idx</i>	14.25	3.77	7.54		10.62		6.87		10.67					
Morningstar: Target-Date 2030 (Count)	12.98	3.24	5.86	(234)	8.75	(194)	5.44	(153)	9.42	(91)		2.23	0.79	

FUND DIAGNOSTICS SUMMARY – as of 06/30/2019

CITY OF FRESNO - 35801

+ Non SEC Registered Product Indicator

% 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)
FID FREEDOM 2035 K	14.53	3.24	4.13	93%	11.18	7%	6.87	6%	10.42	32%	11/6/03	0.63	0.63	
S&P 500	18.54	4.30	10.42		14.19		10.71		14.70					
FID FF 2035 Comp Idx	15.77	3.84	7.24		11.72		7.38		11.41					
Morningstar: Target-Date 2035 (Count)	14.02	3.31	5.71	(223)	9.66	(181)	5.80	(144)	10.07	(75)		3.1	0.77	
FID FREEDOM 2040 K	15.02	3.15	4.01	89%	11.19	12%	6.88	17%	10.51	34%	9/6/00	0.65	0.65	
S&P 500	18.54	4.30	10.42		14.19		10.71		14.70					
FID FF 2040 Comp Idx	16.30	3.86	7.13		11.77		7.41		11.53					
Morningstar: Target-Date 2040 (Count)	14.69	3.32	5.48	(233)	10.04	(193)	6.01	(152)	10.21	(91)		2.6	0.8	
FID FREEDOM 2045 K	15.04	3.16	3.95	87%	11.17	19%	6.88	16%	10.60	45%	6/1/06	0.65	0.65	
S&P 500	18.54	4.30	10.42		14.19		10.71		14.70					
FID FF 2045 Comp Idx	16.30	3.86	7.13		11.77		7.41		11.62					
Morningstar: Target-Date 2045 (Count)	15.29	3.38	5.42	(223)	10.51	(181)	6.17	(144)	10.54	(74)		3.21	0.78	
FID FREEDOM 2050 K	15.02	3.22	3.95	86%	11.20	23%	6.88	24%	10.65	49%	6/1/06	0.65	0.65	
S&P 500	18.54	4.30	10.42		14.19		10.71		14.70					
FID FF 2050 Comp Idx	16.30	3.86	7.13		11.77		7.41		11.73					
Morningstar: Target-Date 2050 (Count)	15.44	3.37	5.31	(233)	10.47	(193)	6.22	(152)	10.48	(73)		2.4	0.81	
FID FREEDOM 2055 K	15.02	3.16	3.97	83%	11.17	30%	6.88	22%	8.04	-	6/1/11	0.65	0.65	
S&P 500	18.54	4.30	10.42		14.19		10.71		12.82					
FID FF 2055 Comp Idx	16.30	3.86	7.13		11.77		7.41		9.47					
Morningstar: Target-Date 2055 (Count)	15.60	3.40	5.30	(224)	10.71	(180)	6.29	(137)		(13)		3.79	0.79	
FID FREEDOM 2060 K	14.96	3.21	3.97	88%	11.16	35%	-	-	7.56	-	8/5/14	0.65	0.65	
S&P 500	18.54	4.30	10.42		14.19		10.71		11.37					
FID FF 2060 Comp Idx	16.30	3.86	7.13		11.77		7.41		8.03					
Morningstar: Target-Date 2060+ (Count)	15.81	3.47	5.44	(207)	10.88	(119)	6.47	(15)				7.35	0.78	

IMPORTANT ADDITIONAL INFORMATION

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.

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.

©2019 Morningstar, Inc. All rights reserved. The Morningstar information contained herein: 1) is proprietary to Morningstar and/or its content providers; 2) may not be copied or distributed; 3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Fidelity does not review the Morningstar data, and for mutual fund performance information, you should check the fund's current prospectus for the most up-to-date information concerning applicable loads, fees, and expenses.

©2019 FMR LLC. All rights reserved.

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:

MSIF INCEPTION IS: As of 02/20/2019, Fidelity was notified this fund changed its name from Morgan Stanley Institutional Fund, Inc. Small Company Growth Portfolio Class IS. See the fund's prospectus for any additional details.

FID FREEDOM INC K, FID FREEDOM 2005 K, FID FREEDOM 2010 K, FID FREEDOM 2015 K, FID FREEDOM 2020 K, FID FREEDOM 2025 K, FID FREEDOM 2030 K, FID FREEDOM 2035 K, FID FREEDOM 2040 K, FID FREEDOM 2045 K, FID FREEDOM 2050 K, FID FREEDOM 2055 K, FID FREEDOM 2060 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 CONTRAFUND K, FID DIVERSIFD INTL K, FID GROWTH CO K, FID LOW PRICED STK K, FID MID CAP STOCK K, FID PURITAN K, FID VALUE 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, FID 500 INDEX: Returns prior to May 4, 2011 are those of the Premium Class and reflect the Premium Class' expense ratio. Had the Institutional Premium Class' expense ratio been reflected, total returns would have been higher.

FID TOTAL MKT IDX, FID INTL INDEX, FID EXTD MKT IDX: Returns prior to September 8, 2011 are those of the Premium Class and reflect the Premium Class' expense ratio. Had the Institutional Premium Class' expense ratio been reflected, total returns would have been higher.

BROKERAGELINK, MELLON STABLE VAL M: 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 INCEPTION IS: Contractual Expense Ratio Waiver of 0.18 subject to Expiration Date of 04/30/2020

| FUNDS FOR DISCUSSION

Funds for Discussion

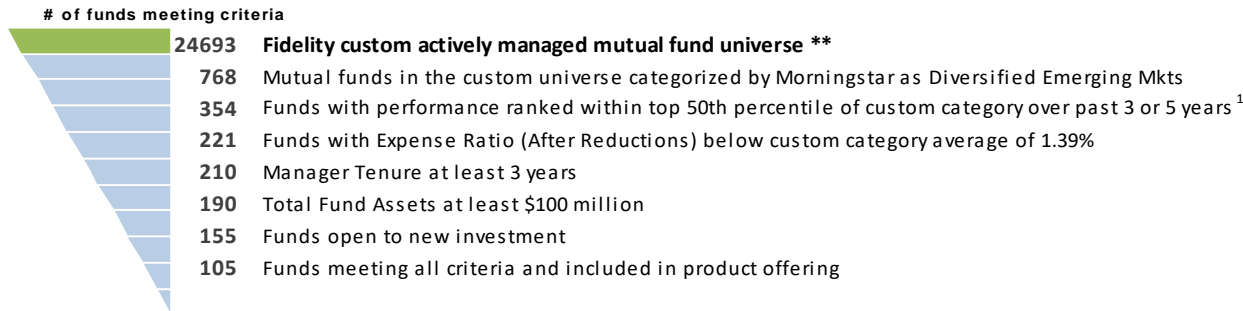
Diversified Emerging Markets

Second Quarter 2019



Diversified Emerging Markets Funds

Screening Criteria as of 06/30/2019



of funds highlighted  7*

- Columbia Emerging Markets Inst2
- Columbia Emerging Markets Inst3
- Neuberger Berman Emerg Mkts Eq Instl
- Neuberger Berman Emerg Mkts Eq R6
- Victory Sophus Emerging Markets A
- Victory Sophus Emerging Markets R6
- Victory Sophus Emerging Markets Y

** The custom universe includes actively managed, open end mutual funds, excluding funds from Dimensional Fund Advisors, Dodge & Cox, TIAA/Nuveen, and Vanguard.

Please note that a fund share class with less than 5 years of performance may pass all other screening criteria and is eligible to be included in the “Funds meeting all criteria and included in product offering” if another share class of the same fund has at least 5 years of performance and passed the “Funds with performance ranked within top 50th percentile of custom category over past 5 years” criteria.

Investment Services (IS) research analysts have narrowed the list of funds meeting the above criteria to the highlighted options shown on the right. The complete list of funds meeting all screening criteria as of 06/30/2019 is displayed on the last page of this section, along with any eligibility requirements and/or fund restrictions.

The IS research analyst selected the highlighted funds utilizing qualitative factors, such as consistency of the fund management team and process, fund alignment with style benchmark and peers, reasonableness of relative performance versus peers, and relative fund fee levels. Additional factors may include regulatory concerns and other operational considerations such as timely distribution of fund materials and firm level communications.

* Multiple share classes may be available, these specific fund share classes may or may not be available to you.

Past performance is no guarantee of future results.
Data for the criteria is obtained from Morningstar.

¹ Rank in category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges.

Fund Facts Table:

Data as of 06/30/2019

Name	Columbia Emerging Markets Inst2	Neuberger Berman Emerg Mkts Eq Instl	Victory Sopus Emerging Markets A	US Fund Diversified Emerging Mkts	MSCI EM NR USD
Ticker	CEKRX	NEMIX	GBEMX	Category	Benchmark
Morningstar Category	US Fund Diversified Emerging Mkts	US Fund Diversified Emerging Mkts	US Fund Diversified Emerging Mkts	-	-
Morningstar Institutional Category	Diversified Emerging Markets	Diversified Emerging Markets	Diversified Emerging Markets	-	-
Prospectus Benchmark	MSCI EM NR USD	MSCI EM NR USD	MSCI EM NR USD	-	-
Sector Constraints*	+/-10%	+/-10%	+/-2%	-	-
Investment Process*	Fundamental Bottom-Up	Fundamental Bottom-Up	Hybrid Bottom-Up Focus	-	-
Historical Alpha Sources*	Stock Selection	Stock Selection	Stock Selection	-	-
Longest-Serving PM Tenure	11.5	10.8	6.3	-	-
Portfolio Date	06/30/2019	05/31/2019	06/30/2019		
Fund AUM	1,361,714,961	1,503,066,451	384,154,052		
Average Market Cap (Mil)	32,501	25,000	22,100	33,066.14	30,892
Number of Holdings	110	104	118	750	1,193
% Assets in Top 10 Holdings	34.7	27.8	29.2	24.1	-
Cash Allocation %	2.2	4.6	1.1	2.31	-
US Equity Allocation %	1.9	0.0	0.0	1.43	0.29
Non-US Equity Allocation %	96.0	95.4	98.9	96.81	99.71
Emerging Markets Allocation %	79.2	72.2	70.5	71.73	72.88
Annual Turnover Ratio %	65.40	32.6	120.0	64.2	-
Upside Capture 5YR	96.54	92.36	101.58	87.77	100
Downside Capture 5YR	90.08	89.91	100.79	91.08	100
Beta 5 YR	0.90	0.89	1.00	0.88	1.00
R-Squared 5 YR	89.22	93.48	95.82	97.97	100
Tracking Error 5 YR	5.18	4.10	3.28	2.80	0
P/E Ratio Trailing 12 Months	17.0	12.6	13.0	13.53	13.00

Unless noted otherwise, data provided by Morningstar.

Please refer to the Glossary for definitions and methodology.

* Data provided to Fidelity analysts during their due diligence meetings with Asset Management firms.

Research uses quantitative screening to narrow the custom universe based on factors which include: below custom category average expense ratios, performance ranking in the top 50th percentile of custom category over past three year or five year periods, manager tenure of at least three years, open to new investment with minimum fund asset size thresholds. Research believes qualitative assessment is an integral part of the fund due diligence process as well. The team conducts face to face meetings to analyze whether the manager has a well thought-out philosophy that makes investment sense and is in line with their process. Research looks for a reasonable and repeatable investment process, prudent risk controls, consistent team and culture, and a firm focused on generating the best returns for clients.

Analysis is written solely by Fidelity IS Research analysts. All information and analysis regarding the funds is obtained through conversations with the respective fund company contacts, including portfolio managers and analysts, as well as from sources such as Factset and Morningstar. Fidelity does not guarantee its accuracy, timeliness, completeness or usefulness. This material should not be construed as recommendations or investment advice. The statements and opinions do not necessarily represent the views of Fidelity, and are subject to change at any time, based on market and other conditions.

As with all your investments through Fidelity, you must make your own determination whether an investment in any particular security or securities is consistent with your investment objectives, risk tolerance, financial situation and your evaluation of the security. Fidelity is not recommending or endorsing this investment by making it available to its customers.

Fidelity does not review the Morningstar data. For mutual fund performance information, you should check the fund's current prospectus for the most up-to-date information concerning applicable loads, fees, and expenses.

Fund Notes

Columbia Emerging Markets Fund

- **People:** Lead portfolio manager, Dara White, has managed the strategy since February 2008. White is supported by four senior PMs (Robert Cameron and Jasmine Huang since 2008; Young Kim (2015) and Perry Vickery (2017)). All five are also sector analysts. Note: coPM Jasmine Huang is on leave of absence (as of January 31, 2019) due to unexpected health issues. So far, the team has been able to take on her coverage and leverage research and expertise of Threadneedle EM teams.
- **Process:** Consistent process, emphasizing on bottom-up stock selection and companies with improved/accelerating operating margins, ROIC, strong management, sustainable advantages. These names are then ranked through a quant model based on valuation (discount to intrinsic value), earnings quality (shareholder friendly) and momentum (price and earnings) factors. The team also considers top-down macro research to assess potentials of strong bottom-up stories.
- **Benchmark & Category Alignment:** Both Holdings and Returns based style analysis show that the Fund aligns well with the benchmark and the category. This all-cap strategy provides broad exposure to 100-160 stocks; Sector and Country weights will be within +/-10% of its benchmark. The Fund's prospectus benchmark is the MSCI EM Index.
- The Fund's strategy may also be available as a Collective Investment Trust, provided certain requirements are met. Note: the CIT has a more concentrated portfolio than the Fund.

Neuberger Berman Emerging Markets Fund

- **People:** Conrad Saldanha has been the portfolio manager since October 2008. He is supported by two associate PMs and two regional analysts.
- **Process:** Saldanha uses a bottom-up stock selection approach, seeking under-researched companies with profitable cash flow growth, high ROE, and priced at a discount to cash flow over the next three years.
- **Benchmark & Category Alignment:** Both Holdings and Returns based style analysis show that the Fund aligns well with the benchmark and the category. The Fund has a diversified portfolio of 80-110 holdings with sector and countries weights within 10% of its benchmark. All-cap style results in a higher allocation to small cap names relative to the Index. Can own up to 20% in non-MSCI emerging market countries. The Fund's prospectus benchmark is the MSCI EM Index.
- The Fund's strategy may also be available as a Collective Investment Trust, provided certain requirements are met.

Sources: www.columbiathreadneedle.com, www.nb.com, Morningstar Direct, eVestment Alliance

Investment 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.

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.

Value stocks can perform differently than other types of stocks and can continue to be undervalued by the market for long periods of time.

Foreign securities are subject to interest-rate, currency-exchange-rate, economic, and political risks, all of which are magnified in emerging markets.



Fund Notes

Victory Sophus Emerging Markets Fund

- **People:** Lead portfolio manager, Michael Reynal, has been managing the Fund since March 2013. He is supported by 1 coPM and 8 analysts. The entire team was a lift-out from Principal in November, 2012 where they managed the Principal Emerging Markets fund.
- **Process:** Process combines both qualitative and quantitative analysis. The bottom-up process begins with a quant screen, grouped by stocks with similar traits. Fundamental research is conducted on the top quintile names to seek companies with sustainable earnings growth trading at attractive valuations where there is a catalyst.
- **Benchmark & Category Alignment:** Both Holdings and Returns based style analysis show that the Fund aligns well with the benchmark and the category. The Fund has a diversified all-cap portfolio with 100-120 holdings, and sector and country weights constrained within 2% and 5%, respectively, of its benchmark. The Fund's prospectus benchmark is the MSCI EM Index.
- The Fund's strategy may also be available as a Collective Investment Trust, provided certain requirements are met.

Sources: www.vcm.com, Morningstar Direct, eVestment Alliance

Investment 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.

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.

Value stocks can perform differently than other types of stocks and can continue to be undervalued by the market for long periods of time.

Foreign securities are subject to interest-rate, currency-exchange-rate, economic, and political risks, all of which are magnified in emerging markets.

Fund Performance and Analytics as of 06/30/2019

The following fund performance and analytics pages show the oldest share class of the fund available on our platform. The fund share class available to you may not be the same fund share class identified under the prior screening criteria as 'funds for discussion.' Other share classes of the fund may also be available, which have their own inception date, expenses, fees, rankings, analytics, and performance. Please see the Appendix for the other share classes that may be available to you on our platform. Fund analytics and performance for each share class is available upon request. You should consider an investment option based on your own particular objective or situation.

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 (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. % Rank in Category is based on total returns, which include reinvested dividends and capital gains, if any, and exclude sales charges.

	% Rank is less than or equal to 50%
	% Rank is greater than 75%

Product / (Bold = Frozen) Benchmark (s) Morningstar Category	Cumulative Ret %			Average Annual Total Return %								Fund Incept Date	Expense Ratio (G)	Expense Ratio Aft Red	
	1-Month	3-Month	YTD	1-Year	% Rank in Cat [Count]	3-Year	% Rank in Cat [Count]	5-Year	% Rank in Cat [Count]	10-Year	% Rank in Cat [Count]				LOF
COL EMRG MKT I2	7.10	2.89	17.49	0.43	58%	10.88	25%	3.79	12%	7.09	23%	6.00	01/02/1998	1.16	1.16
MSCI Emerging Markets (N)	6.24	0.61	10.58	1.21		10.66		2.49		5.81					
MSCI EAFE (N)	5.93	3.68	14.03	1.08		9.11		2.25		6.90					
Morningstar Diversified Emerging Mkts	5.81	1.56	12.06	1.16	[837]	8.92	[712]	1.71	[560]	5.82	[240]			3.01	1.36
NB EMERG MKTS EQ IS	6.53	0.82	11.19	-0.77	70%	9.99	38%	2.86	27%	5.83	46%	8.19	10/08/2008	1.29	1.26
MSCI Emerging Markets (N)	6.24	0.61	10.58	1.21		10.66		2.49		5.81					
Morningstar Diversified Emerging Mkts	5.81	1.56	12.06	1.16	[837]	8.92	[712]	1.71	[560]	5.82	[240]			3.01	1.36
VS EMERGING MKTS A	7.42	1.04	11.12	-5.69	94%	10.32	33%	2.68	32%	4.91	74%	6.84	05/01/1997	1.61	1.34
MSCI Emerging Markets (G)	6.32	0.74	10.76	1.61		11.06		2.87		6.17					
Morningstar Diversified Emerging Mkts	5.81	1.56	12.06	1.16	[837]	8.92	[712]	1.71	[560]	5.82	[240]			3.01	1.36

Current Performance Notes

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 fund. For Non-Fidelity funds, these numbers are adjusted to reflect the fees and expenses of the newer share class (in the case of higher fees and expenses). Pre-inception returns are not actual returns, and return calculation methodologies utilized by Morningstar, other entities, and the funds themselves may differ. Generally, pre-inception returns will be replaced by the actual returns of the newer share class over time. Please click on the dedicated web page or refer to your fund prospectus for specific information regarding fees, expenses, and returns.

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.

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.

© 2018 Morningstar, Inc. All rights reserved. The Morningstar information contained herein (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or redistributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Fidelity does not review the Morningstar data and, for mutual fund performance information, you should check the fund's current prospectus for the most up-to-date information concerning applicable loads, fees, and expenses.

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

With the exception of domestic equity mutual funds, investment options have been assigned to investment categories based on Fidelity's analysis. Fidelity has verified the accuracy of the placement of certain third party non-mutual funds with either the plan sponsor or the plan sponsor's consultant. Within Domestic Equities, mutual funds are listed according to their actual 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 3 years and may change at any time. These style calculations do not represent the funds' objectives and do not predict the funds' future styles.

Morningstar Category Average 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.

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 Category Expense Ratio After Reductions: This figure represents average net expense ratio paid by the funds in the Morningstar category. The information is based on the net expense ratio as reported in each fund's most current prospectus and is provided by Morningstar.

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. Mutual fund data has been drawn from the most recent prospectus.

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.

Current Performance Notes

Investment Risk

Foreign securities are subject to interest-rate, currency-exchange-rate, economic, and political risks, all of which are magnified in emerging markets.

Specific Fund Expense Information

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.

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.

NB EMERG MKTS EQ IS: Contractual Expense Ratio Waiver of 0.11 subject to Expiration Date of 08/31/21

VS EMERGING MKTS A: Contractual Expense Ratio Waiver of 0.27 subject to Expiration Date of 04/30/20

Economic Sector Analysis

As of 6/30/2019

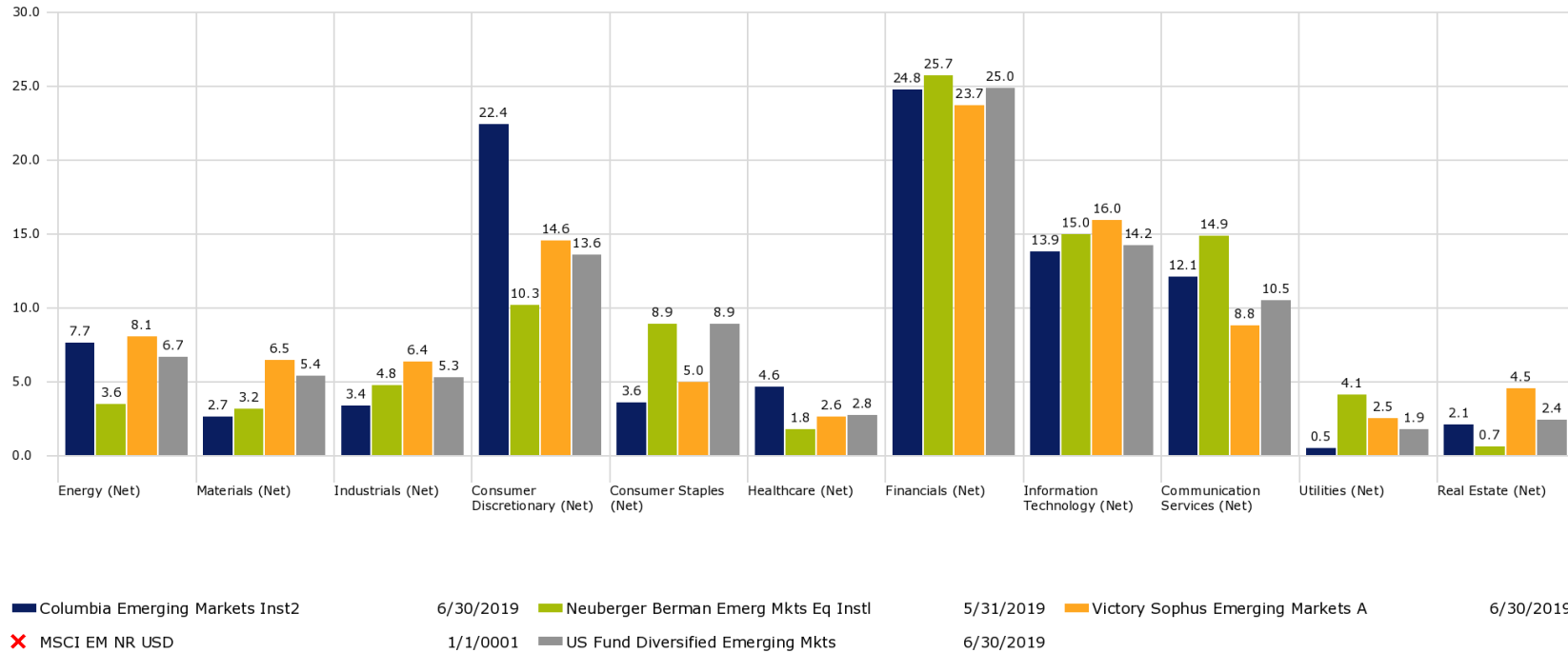
Style Benchmark:

MSCI EM NR USD

Economic Sectors

	Portfolio Date	Energy %	Materials %	Industrials %	Consumer Discretionary %	Consumer Staples %	Healthcare %	Financials %	Information Technology %	Telecom Services %	Utilities %	Real Estate %
Columbia Emerging Markets Inst2	6/30/2019	7.65	2.71	3.42	22.43	3.64	4.63	24.76	13.89	12.09	0.51	2.10
Neuberger Berman Emerg Mkts Eq Instl	5/31/2019	3.56	3.18	4.78	10.27	8.92	1.82	25.74	14.97	14.88	4.14	0.69
Victory Sophus Emerging Markets A	6/30/2019	8.13	6.46	6.42	14.59	5.04	2.62	23.73	16.00	8.81	2.54	4.54
MSCI EM NR USD	—	—	—	—	—	—	—	—	—	—	—	—
US Fund Diversified Emerging Mkts	6/30/2019	6.66	5.40	5.33	13.60	8.89	2.77	24.96	14.23	10.55	1.85	2.45

Sector Exposure



Past Performance is no guarantee of future results.
 Data Source: Morningstar as of Portfolio Date Above.
 The style benchmark listed above is shown as a market proxy, and is not necessarily the benchmark for all of the funds. Refer to the fund Performance slide for fund benchmark information.
 Foreign securities are subject to interest-rate, currency-exchange-rate, economic, and political risks, all of which are magnified in emerging markets.
 Characteristics of the style benchmark including volatility may be materially different than your portfolio. See Glossary for definition of style benchmark.
 Please refer to the fund Performance and Analytics slide for standard period performance information. Please refer to the Glossary for definitions and methodology.
 The information displayed above is based on historical data and may not be representative of the fund's current or future investments.

Source: Morningstar Direct



Style Analysis

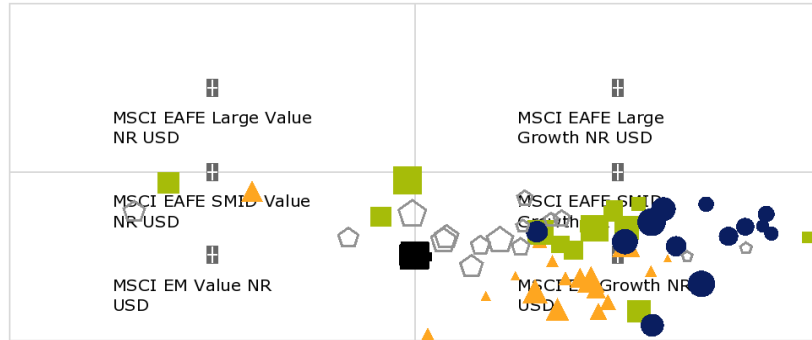
As of 6/30/2019

Style Benchmark:

MSCI EM NR USD

3 Year Rolling Return-Based Style Trail

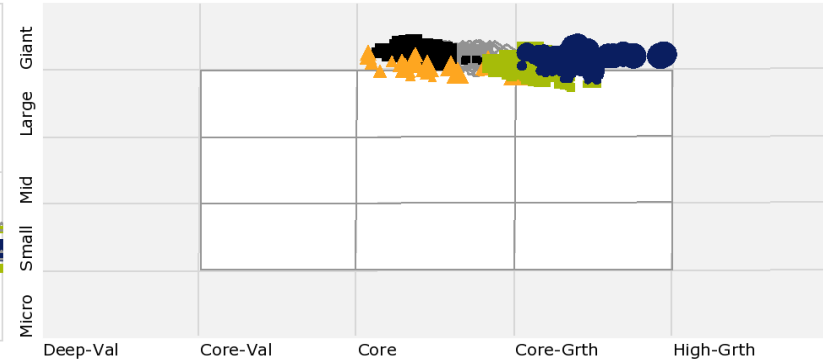
Time Period: 7/1/2014 to 6/30/2019



● Columbia Emerging Markets Inst2
 ■ Neuberger Berman Emerg Mkts Eq Instl
 ▲ Victory Sophus Emerging Markets A
■ MSCI EM NR USD
 ○ US Fund Diversified Emerging Mkts

Holdings-Based Style Trail

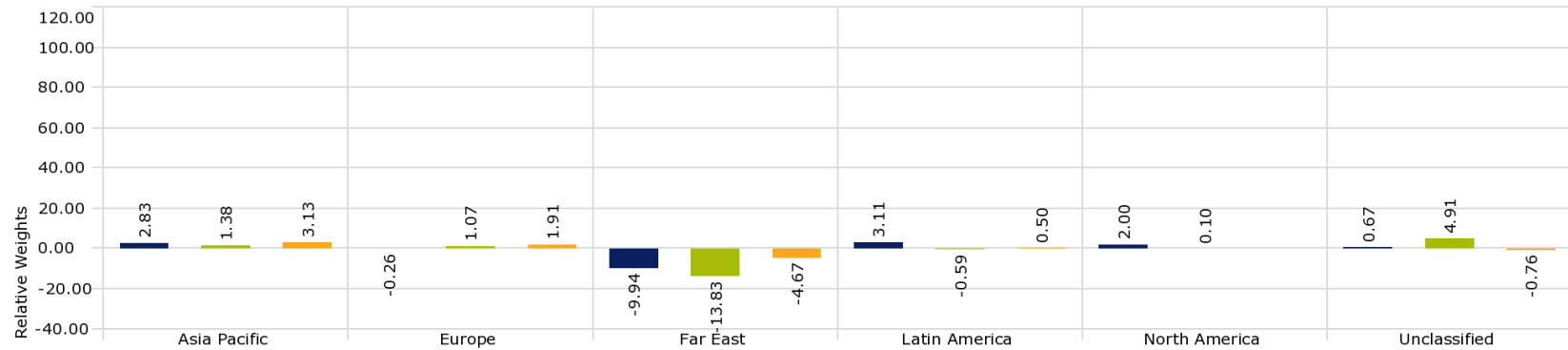
Time Period: 7/31/2014 to 6/30/2019



● Columbia Emerging Markets Inst2
 ■ Neuberger Berman Emerg Mkts Eq Instl
 ▲ Victory Sophus Emerging Markets A
■ MSCI EM NR USD
 ○ US Fund Diversified Emerging Mkts

Relative Region Weighting

Time Period: 4/1/2019 to 6/30/2019



■ MSCI Region
 ■ Neuberger Berman Emerg Mkts Eq Instl
 ■ Victory Sophus Emerging Markets A

Past Performance is no guarantee of future results.
 Data Source: Morningstar as of Portfolio Date Above.
 The style benchmark listed above is shown as a market proxy, and is not necessarily the benchmark for all of the funds. Refer to the fund Performance slide for fund benchmark information.
 Foreign securities are subject to interest-rate, currency-exchange-rate, economic, and political risks, all of which are magnified in emerging markets.
 Characteristics of the style benchmark including volatility may be materially different than your portfolio. See Glossary for definition of style benchmark.
 Please refer to the fund Performance and Analytics slide for standard period performance information. Please refer to the Glossary for definitions and methodology.
 The information displayed above is based on historical data and may not be representative of the fund's current or future investments.

Source: Morningstar Direct



Calendar Year Performance

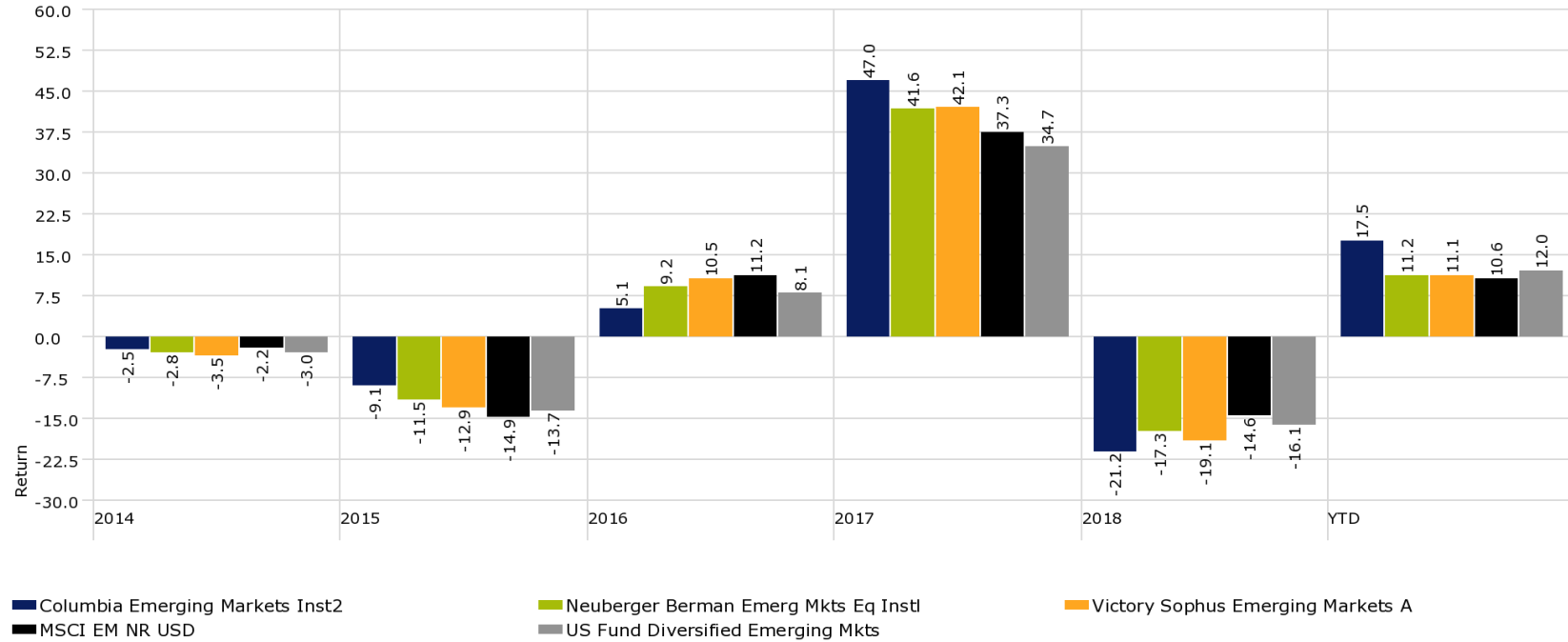
As of 6/30/2019

Style Benchmark:

MSCI EM NR USD

Calendar Year Return and YTD

Source Data: Monthly Return Calculation Benchmark: MSCI EM NR USD



Calendar Year Returns and YTD

Data Point: Return Source Data: Monthly Return Calculation Benchmark: MSCI EM NR USD

	2014	2015	2016	2017	2018	YTD
Columbia Emerging Markets Inst2	-2.47	-9.06	5.09	47.03	-21.16	17.49
Neuberger Berman Emerg Mkts Eq Instl	-2.84	-11.51	9.17	41.62	-17.32	11.19
Victory Sophus Emerging Markets A	-3.54	-12.94	10.50	42.08	-19.08	11.12
MSCI EM NR USD	-2.19	-14.92	11.19	37.28	-14.57	10.58
US Fund Diversified Emerging Mkts	-2.99	-13.74	8.08	34.69	-16.14	11.96

Past Performance is no guarantee of future results.
 Data Source: Morningstar as of Portfolio Date Above.
 The style benchmark listed above is shown as a market proxy, and is not necessarily the benchmark for all of the funds. Refer to the fund Performance slide for fund benchmark information.
 Foreign securities are subject to interest-rate, currency-exchange-rate, economic, and political risks, all of which are magnified in emerging markets.
 Characteristics of the style benchmark including volatility may be materially different than your portfolio. See Glossary for definition of style benchmark.
 Please refer to the fund Performance and Analytics slide for standard period performance information. Please refer to the Glossary for definitions and methodology.
 The information displayed above is based on historical data and may not be representative of the fund's current or future investments.

Source: Morningstar Direct



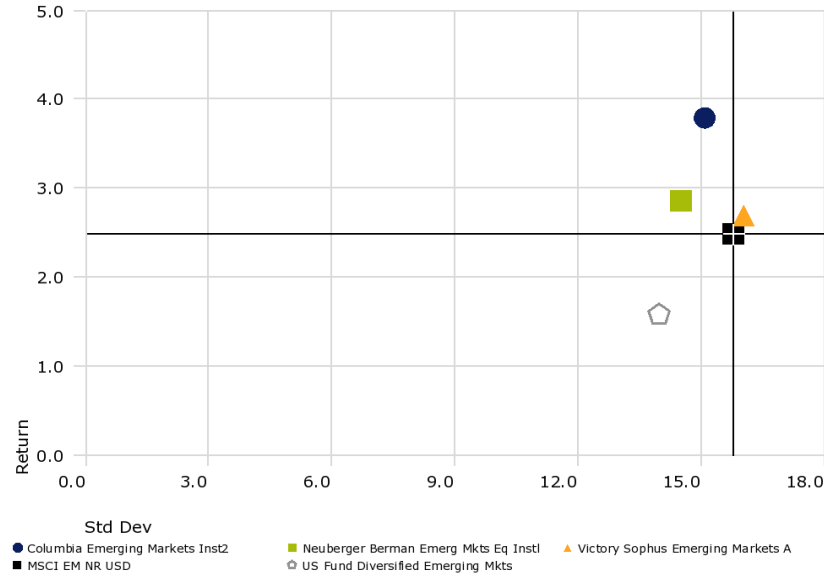
Risk/Return Analysis As of 6/30/2019

Style Benchmark: MSCI EM NR USD

5 Year Risk vs. Return

Time Period: 7/1/2014 to 6/30/2019

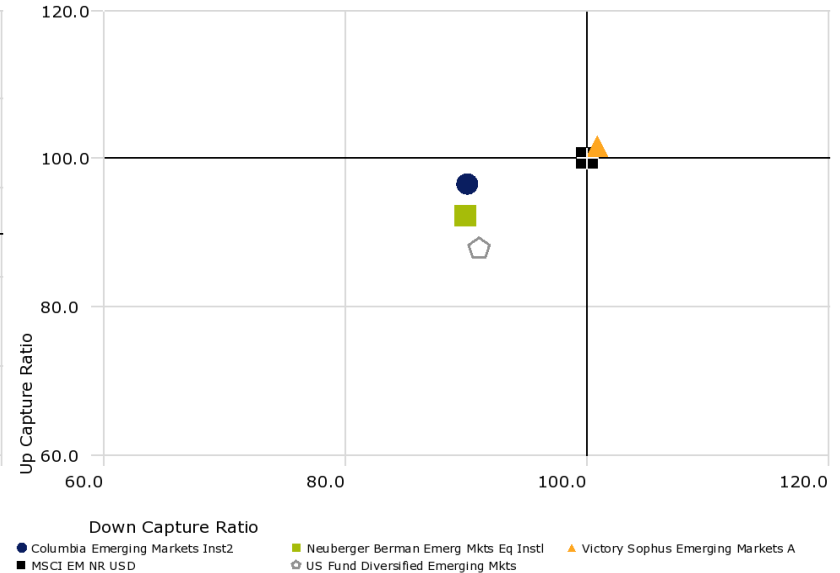
Calculation Benchmark: MSCI EM NR USD



5 Year Upside/Downside

Time Period: 7/1/2014 to 6/30/2019

Source Data: Monthly Return Calculation Benchmark: MSCI EM NR USD



5 Year Risk vs. Return & Upside/Downside Table

Time Period: 7/1/2014 to 6/30/2019 Calculation Benchmark: MSCI EM NR USD

	Return	Std Dev	Alpha	Beta	Up Capture Ratio	Down Capture Ratio	Sharpe Ratio	R2
Columbia Emerging Markets Inst2	3.79	15.10	1.44	0.90	96.54	90.08	0.26	89.22
Neuberger Berman Emerg Mkts Eq Instl	2.86	14.49	0.49	0.89	92.36	89.91	0.20	93.48
Victory Sophus Emerging Markets A	2.68	16.04	0.24	1.00	101.58	100.79	0.19	95.82
MSCI EM NR USD	2.49	15.78	0.00	1.00	100.00	100.00	0.17	100.00
US Fund Diversified Emerging Mkts	1.57	13.95	-0.82	0.88	87.77	91.08	0.11	97.97

Past Performance is no guarantee of future results.
 Data Source: Morningstar as of Portfolio Date Above.
 The style benchmark listed above is shown as a market proxy, and is not necessarily the benchmark for all of the funds. Refer to the fund Performance slide for fund benchmark information.
 Foreign securities are subject to interest-rate, currency-exchange-rate, economic, and political risks, all of which are magnified in emerging markets.
 Characteristics of the style benchmark including volatility may be materially different than your portfolio. See Glossary for definition of style benchmark.
 Please refer to the fund Performance and Analytics slide for standard period performance information. Please refer to the Glossary for definitions and methodology.
 The information displayed above is based on historical data and may not be representative of the fund's current or future investments.

Source: Morningstar Direct



Modern Portfolio Theory Statistics

As of 6/30/2019

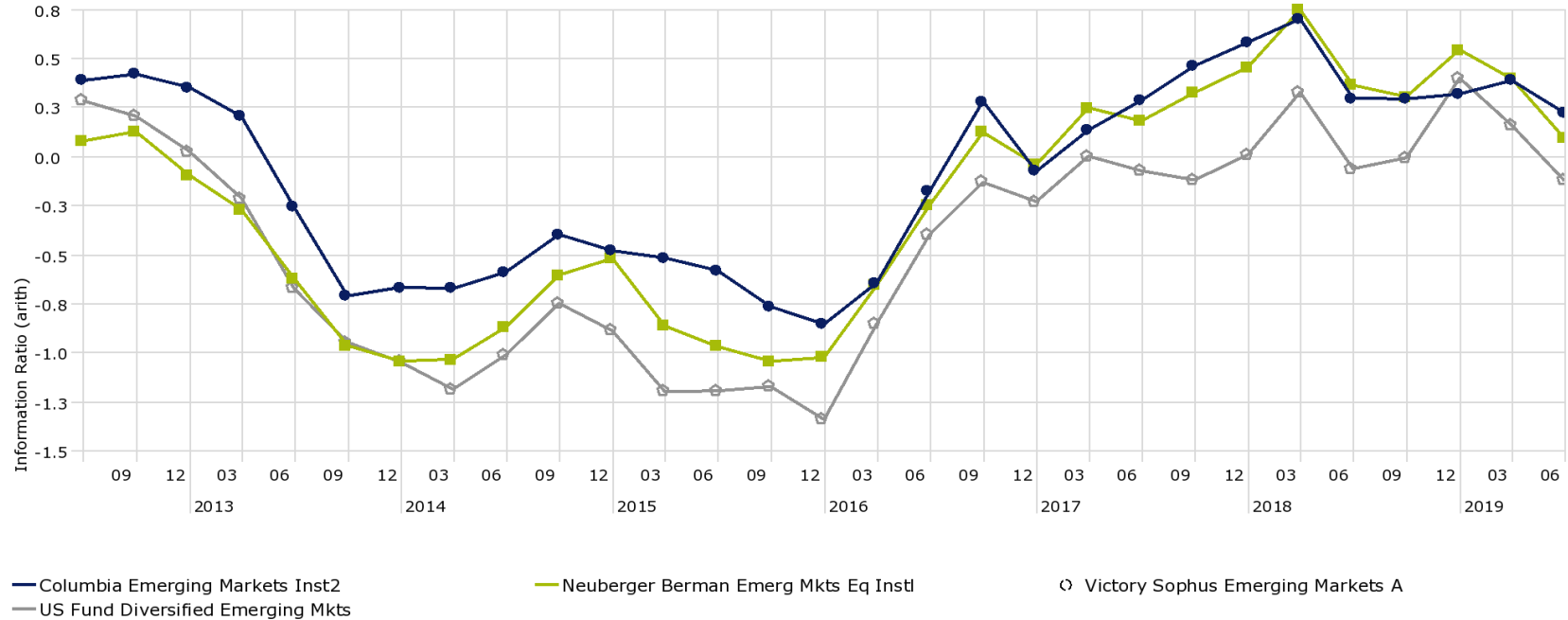
Style Benchmark:

MSCI EM NR USD

3 Year Rolling Information Ratio

Time Period: 7/1/2009 to 6/30/2019

Rolling Window: 3 Years 3 Months shift Source Data: Monthly Return Calculation Benchmark: MSCI ACWI Ex USA NR USD



Information Ratio

Data Point: Information Ratio (arith) Calculation Benchmark: MSCI EM NR USD

	3 Years	5 Years	10 Years
Columbia Emerging Markets Inst2	0.05	0.25	0.27
Neuberger Berman Emerg Mkts Eq Instl	-0.17	0.09	0.01
Victory Sophus Emerging Markets A	-0.09	0.06	-0.23
MSCI EM NR USD	—	—	—
US Fund Diversified Emerging Mkts	-0.86	-0.33	-0.20

Past Performance is no guarantee of future results.
 Data Source: Morningstar as of Portfolio Date Above.
 The style benchmark listed above is shown as a market proxy, and is not necessarily the benchmark for all of the funds. Refer to the fund Performance slide for fund benchmark information.
 Foreign securities are subject to interest-rate, currency-exchange-rate, economic, and political risks, all of which are magnified in emerging markets.
 Characteristics of the style benchmark including volatility may be materially different than your portfolio. See Glossary for definition of style benchmark.
 Please refer to the fund Performance and Analytics slide for standard period performance information. Please refer to the Glossary for definitions and methodology.
 The information displayed above is based on historical data and may not be representative of the fund's current or future investments.

Source: Morningstar Direct



Appendix

Fund Name	Ticker	Recordkeeping Platform Status*	Gross Expense Ratio	Expense Ratio After Reductions	Investment Option Fees Attributable to Recordkeeping	+ Additional Value for Fidelity Advisor Funds and Products	= Administrative Revenue Allowance
Columbia Emerging Markets Inst2	CEKRX	OPEN	1.16	1.16	0.10	0.00	0.10
Columbia Emerging Markets Inst3	CEKYX	OPEN	1.11	1.11	0.00	0.00	0.00
Neuberger Berman Emerg Mkts Eq Instl	NEMIX	OPEN	1.29	1.26	0.10	0.00	0.10
Neuberger Berman Emerg Mkts Eq R6	NREMX	OPEN	1.17	1.16	0.00	0.00	0.00
Victory Sophus Emerging Markets A	GBEMX	OPEN	1.61	1.34	0.55	0.00	0.55
Victory Sophus Emerging Markets R6	RSERX	OPEN	1.24	0.89	0.00	0.00	0.00
Victory Sophus Emerging Markets Y	RSENX	OPEN	1.30	0.99	0.10	0.00	0.10

* Recordkeeping platform status denotes a fund's availability on the Fidelity recordkeeping platform. Please contact your Fidelity representative for more information. Please note that the non-Fidelity funds displayed above currently have recordkeeping arrangements with Fidelity. Investment minimums and/or other restrictions may apply. Funds must be pre-cleared by Fidelity with fund companies before implementation.



Funds available on platform* as of 06/30/2019:

Fund Name	Ticker	Fund Name	Ticker	Fund Name	Ticker
AB Emerging Markets Multi-Asset A	ABAEX	Fidelity® Emerging Markets K	FKEMX	Thornburg Developing World R6	TDWRX
Aberdeen Emerging Markets Instl	ABEMX	Fidelity® Total Emerg Mkts	FTEMX	VanEck Emerging Markets I	EMRIX
Aberdeen Emerging Markets Instl Svc	AEMSX	Goldman Sachs Em Mkts Eq Insights Intl	GERIX	VanEck Emerging Markets Y	EMRYX
Acadian Emerging Markets Y	AEMVX	Goldman Sachs Em Mkts Eq Insights Inv	GIRPX	Victory Sophus Emerging Markets A	GBEMX
American Century Emerging Markets Inv	TWMIX	Goldman Sachs Em Mkts Eq Insights R6	GERUX	Victory Sophus Emerging Markets R6	RSERX
American Century Emerging Markets R6	AEDMX	Goldman Sachs Emerging Markets Eq Instl	GEMIX	Victory Sophus Emerging Markets Y	RSENX
American Funds New World R4	RNWEX	Goldman Sachs Emerging Markets Eq R6	GEMUX	Virtus Vontobel Emerging Markets Opps I	HIEMX
American Funds New World R5	RNWFEX	Invesco Developing Markets R5	GTDX	Virtus Vontobel Emerging Markets Opps R6	VREMXX
American Funds New World R6	RNWGX	Invesco Developing Markets R6	GTDFX	Wells Fargo Emerging Markets Equity Inst	EMGNX
Baillie Gifford Emerging Markets I	BGEGX	Ivy Emerging Markets Equity I	IPOIX	Wells Fargo Emerging Markets Equity R6	EMGDXX
Baillie Gifford Emerging Markets K	BGKEX	Ivy Emerging Markets Equity N	IMEGX	William Blair Emerging Mkts Ldrs R6	WELIX
Baron Emerging Markets Institutional	BEXIX	JOHCM Emerging Markets Opps I	JOEIX		
Baron Emerging Markets Retail	BEXFX	JOHCM Emerging Markets Opps Instl	JOEMX		
Calvert Emerging Markets Equity A	CVMAX	JPMorgan Emerging Markets Equity R4	JHUKX		
Calvert Emerging Markets Equity I	CVMIX	JPMorgan Emerging Markets Equity R6	JEMWX		
Calvert Emerging Markets Equity R6	CVMRX	Lazard Emerging Markets Core Equity Inst	ECEIX		
Columbia Emerging Markets Inst2	CEKRX	Lazard Emerging Markets Core Equity R6	RLEOX		
Columbia Emerging Markets Inst3	CEKYX	Neuberger Berman Emerg Mkts Eq Instl	NEMIX		
Delaware Emerging Markets Instl	DEMIX	Neuberger Berman Emerg Mkts Eq R6	NREMX		
Delaware Emerging Markets R6	DEMZX	PIMCO RAE PLUS EMG Instl	PEFIX		
Driehaus Emerging Markets Growth Instl	DIEMX	Pzena Emerging Markets Value Instl	PZIEIX		
Driehaus Emerging Markets Growth Inv	DREGX	RBC Emerging Markets Equity A	REEAX		
DWS Emerging Markets Equity Inst	SEKIX	RBC Emerging Markets Equity I	REEIX		
DWS Emerging Markets Equity S	SEMGX	RBC Emerging Markets Equity R6	RREMX		
Fidelity® EMEA	FEMEX	Seafarer Overseas Gr and Income Instl	SIGIX		
Fidelity® Emerging Markets	FEMKX	Seafarer Overseas Gr and Income Investor	SFGIX		
Fidelity® Emerging Markets Discovery	FEDDX	Thornburg Developing World R5	THDRX		

* On the platform indicates that a share class is operationally and contractually compatible and available on the Fidelity recordkeeping platform to DC Plans only. Additional contract review may be required for other plan types.

Funds under Master Service Agreement* as of 06/30/2019:

Fund Name	Ticker	Fund Name	Ticker
AB Emerging Markets Multi-Asset Advisor	ABYEX	MassMutual Premier Strat Emerg Mkts R5	MPSMX
AB Emerging Markets Multi-Asset I	ABIEX	MassMutual Premier Strat Emerg Mkts Svc	MPEYX
AB Emerging Markets Multi-Asset K	ABKEX	Mirae Asset Emerg Mkts Great Consumer I	MICGX
AllianzGI NFJ Emerging Markets Value Ins	AZMIX	PIMCO RAE PLUS EMG I-2	PEFPX
AllianzGI NFJ Emerging Markets Value P	AZMPX	TCW Emerg Mkts Multi-Asst Opps I	TGMAX
American Century Emerging Markets R5	AEGMX	TCW Emerg Mkts Multi-Asst Opps N	TGMEX
American Century Emerging Markets Y	AEYMX	Touchstone Sands Cptl Emerg Mkts Gr Inst	TSEGX
American Funds New World A	NEWFX	Touchstone Sands Cptl Emerg Mkts Gr Y	TSEMX
AMG GW&K Trilogy Emerging Markets Eqty I	TLESX	Voya Multi-Manager Emerging Markets Eq I	IEMGX
AMG GW&K Trilogy Emerging Markets Eqty N	TLEVX	Voya Multi-Manager Emerging Markets Eq W	IEMLX
Baron Emerging Markets R6	BEXUX	William Blair Emerging Mkts Growth I	WBEIX
BMO LGM Emerging Markets Equity I	MIEMX	William Blair Emerging Mkts Growth R6	BIEMX
BNY Mellon Diversified Emerg Mrkts Fd Y	SBYEX	William Blair Emerging Mkts Ldrs I	WBELX
BNY Mellon Global Emerging Markets - I	DGIEX		
BNY Mellon Global Emerging Markets - Y	DGEYX		
Fidelity Advisor® Emerg Mkts Discv Z	FIQGX		
Fidelity Advisor® Total Emerg Mkts Z	FIQNX		
Fiera Capital Emerging Markets Instl	CNRYX		
Goldman Sachs Em Mkts Eq Insights P	GAGPX		
Goldman Sachs Emerging Markets Eq P	GAHPX		
Hartford Emerging Markets Equity R5	HERTX		
Hartford Emerging Markets Equity Y	HERYX		
Hartford Schroders Emerging Mkts Eq F	HHHFX		
Hartford Schroders Emerging Mkts Eq R5	HHHTX		
Ivy Emerging Markets Equity Y	IPOYX		
JPMorgan Emerging Markets Equity R5	JEMOX		
MassMutual Premier Strat Emerg Mkts I	MPZSX		

* Under Master Service Agreement indicates that a share class is available under contract but not funded on the Fidelity recordkeeping platform. Additional operational considerations may be required. Please note that the non-Fidelity funds displayed above currently have recordkeeping arrangements with Fidelity. Investment minimums and/or other restrictions may apply. Funds must be pre-cleared by Fidelity with fund companies before implementation.

Appendix – Important Notes

Investment Option Fees Attributable to Recordkeeping: With respect to Fidelity funds, this column (%) shows the rate that would be used to calculate payments to a nonaffiliated recordkeeper to support certain services for Fidelity funds. In the case of Fidelity funds that are offered only to Fidelity recordkept plans, the rate is based on the payments received in connection with funds having similar expense ratios for which Fidelity receives revenue. With respect to nonproprietary funds, this column (%) shows the rate that is used to calculate payments Fidelity receives pursuant to a contract or other arrangement between Fidelity and the fund service provider, contract issuer or fund under which Fidelity provides certain services to such fund service provider, contract issuer or fund. These payments are used to support Fidelity's services to the plan.

Additional Value for Fidelity Funds and Products: Additional amount that Fidelity takes into account for pricing purposes when the plan offers certain Fidelity products or services.

Administrative Revenue Allowance: The sum of the Investment Option Fees Attributable to Recordkeeping and Additional Value for Fidelity Funds and Products columns. This represents the total amount Fidelity considers for pricing purposes.

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. Mutual fund data has been drawn from the most recent prospectus.

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.

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

Fidelity may receive a fee from unaffiliated product providers to compensate Fidelity for maintaining the infrastructure to accommodate unaffiliated products. The fee is a fixed amount that typically equates to less than 0.05% of a product provider's assets in all retail, workplace, and intermediary channels maintained by Fidelity and does not vary based on a plan's offering of an unaffiliated product supported by Fidelity.

Glossary of Analytical Terms

Morningstar Institutional Category: The Morningstar Institutional Categories allocate portfolios into peer groups using the same holdings-based methodology already employed by the Morningstar Categories. The two structures are parallel in that one category is assigned to each portfolio in Morningstar's managed funds database. The key difference is that the Institutional Categories have narrower parameters, allowing for more detailed peer group comparisons. This new system is intended to help institutional investors identify true peers, build more thoroughly diversified portfolios, and gain more insight into an individual portfolio's strategy. Morningstar assigns Institutional Categories to various types of portfolios, including mutual funds and exchange-traded funds. In contrast to Morningstar Categories, funds from each universe are ranked collectively. Portfolios are placed in a given category based primarily on their average holdings statistics over the past three years. If the portfolio is new and has no history, Morningstar assigns the best Institutional Category possible given the investment objectives stated in the prospectus, then reevaluates as portfolio holdings become available. Morningstar will periodically review Institutional Category assignments and may make changes as necessary.

Market Cap Breakpoints (Morningstar Institutional Category) : Giant Cap stocks comprise the top 40% of total US market capitalization. Large cap stocks make up the next 30%. Mid-cap stocks are defined as being part of the next 20% while small and micro-cap stocks comprise the smallest 10% of the total US market. The absolute breakpoints are updated periodically to ensure the definitions of each capitalization range fluctuate appropriately with the market. Generally though, market cap breakpoints will be as follows: Giant >40B, Large 8-40B, Mid 1-8B, Small 500M-1B, & Micro <500M.

Micro Cap: Funds in this market cap group focus primarily on the very smallest stocks in the US market and may seek either value or growth opportunities. Micro cap companies are typically very young or in extremely new industries and due to this, they may have unproven revenue streams. As a result, these funds may be subject to high return volatility. Micro cap funds may have a wide range of style scores but have the lowest size scores possible.

SMID : Key strategies for funds in this market cap group include but are not limited to, investment in smaller mid cap companies, investment in small cap and smaller mid cap companies, and movement between small and mid capitalizations.

All-Cap: Funds in this market cap group maintain at least 20% exposure to each of the large, mid and small market capitalization groups.

High Growth: High growth portfolios tend to maintain exposure to the most rapidly growing industries as they seek opportunities for capital appreciation regardless of the price.. These portfolios likely favor stocks from their specific capitalization range but could also seek exposure to stocks from a variety of cap ranges reflecting a focus on firms actively pursuing rapid expansion with above-average valuations Funds in this group tend to focus on young firms or companies from emerging industries. The nature of these companies combined with market expectations of high growth generally contributes to relatively volatile returns.

Core Growth: Core growth portfolios typically exhibit classic growth characteristics. These funds favor returns through capital appreciation and tend to focus on proven industries that still have opportunities for expansion. These managers seek solid opportunities for capital appreciation with valuations that are somewhat lower than high growth members. Small core growth portfolios are also subject to relatively higher volatility as they may also favor young firms or firms from growing industries that have not yet established a consistent revenue stream; however, core growth portfolios prefer stocks that offer solid growth potential without the extreme price tag.

Growth: These funds seek returns through capital appreciation by focusing on companies expected to expand at an above average rate relative to the market or are continuing to reinvest in their business and grow operations. The funds prefer companies with strong prospects for growth and capital appreciation. Growth funds can be found in all of the market cap ranges.

Valuation Sensitive Growth: Valuation sensitive growth portfolios or growth at a reasonable price, typically exhibit both growth and value characteristics, they are generally interested in growing companies but are also sensitive to valuations. Stocks in these portfolios may have somewhat lower projected growth ratios than high growth stocks but come with lower price valuations.. Small valuation sensitive growth funds seek those firms expected to grow steadily in the future, but have reasonable price valuations, potentially because the market has not yet established certainty about the firm's prospects or because the relevant industry is somewhat mature.

Core: These funds either seek exposure to firms with a wide range of value and growth characteristics or they choose companies with growth and valuation characteristics roughly equivalent to the average for their respective market cap style such as large, mid or small cap stocks.

Relative Value: Relative value portfolios hold stocks that exhibit attractive price multiples but also have some sort of growth catalyst or healthy growth rates.. These funds may seek returns through dividend income but also through capital appreciation. reflecting the additional emphasis on low valuation. Small relative value portfolios maintain a somewhat middle-of-the-road approach with a distinct value tilt. They seek promising stocks available at a discount to some measure of their intrinsic value..

Core Value: Core value portfolios exhibit classic value characteristics. These managers generally seek capital appreciation at low prices but also favor a notable amount of dividend income. They may choose some stocks that are currently out of favor in the market, though management sees the potential for a turnaround. Small core value portfolios typify the value investing principle of seeking stocks with the potential for capital gains available at prices that reflect a discount to book value, or some other measure of actual value.

Glossary of Analytical Terms

Value: Value portfolios focus on the purchase of stocks that are less expensive or growing more slowly than the overall market. The portfolios seek opportunities for reasonably priced returns, either through capital appreciation or current income such as consistent dividends.

Deep Value: Deep value portfolios favor stocks with high current income through reliable dividends or stocks considered to be in distress or out of favor. Smaller deep value portfolios seek stocks trading at a deep discount relative to their book value. These companies are most likely in some distress but fund management sees potential for turnaround.

Prospectus Benchmark: The investment product's primary benchmark. For funds & VA/L subaccounts, the primary benchmark is stated in the fund's prospectus. If there is no primary benchmark explicitly stated, this field will be blank. For separate accounts, the primary benchmark as indicated by the firm.

Style Benchmark: The benchmark index chosen to represent the Morningstar category for calculation and analysis purposes within the presentation. We feel that this is the most generally accepted benchmark that mirrors the given Morningstar category.

Sector Constraints: The amount (in percentage points) by which the fund can deviate from the benchmark's sector weights. It is calculated by subtracting the benchmark's sector weight from the fund's sector weight. These percentage constraints are not prospectus requirements, and as such, the fund may be positioned beyond these limits at any time.

Investment Process: Process involved in creating and managing an investment strategy, including research used and decision-making discipline. For the purposes of this discussion, investment process can be defined as quantitative, fundamental-bottom-up, fundamental top-down, and a hybrid of the three.

Fundamental Bottom-Up: Bottom-up investing is an investment approach that focuses on the analysis of individual stocks and deemphasizes the significance of economic cycles and market cycles. In bottom-up investing, the investor focuses his attention on a specific company, rather than on the industry in which that company operates or on the economy as a whole. This approach assumes individual companies can do well even in an industry that is not performing.

Fundamental Top-Down: Top-down investing is an investment approach that involves looking at the overall picture of the economy and then breaking down the various components into finer details. After looking at the big-picture conditions around the world, analysts examine different industrial sectors to select those that are forecast to outperform the market. From this point, they further analyze stocks of specific companies to choose potentially successful ones as investments.

Quantitative: An investment fund that selects securities based on quantitative analysis. In a quant fund, the managers build computer-based models to determine whether an investment is attractive. In a pure "quant shop" the final decision to buy or sell is made by the model.

Hybrid Investment Process: Using both fundamental and quantitative techniques as part of the fund's investment process.

Historical Alpha Sources: How the fund manager historically has added value in seeking to produce a rate of return in excess of that which can be explained by its systematic (market) risk, or Beta.

Stock Selection: An active portfolio management technique that focuses on advantageous selection of particular stock rather than on broad asset allocation choices.

Sector Allocation: An active asset management strategy certain sectors, that tactically overweights and underweights depending on expected performance.

Hybrid Alpha Source: Using both stock selection and sector allocation as a means of generating alpha.

US Equity Allocation: The percentage of the fund's assets in US Stocks as defined by Morningstar.

Non-US Equity Allocation: The percentage of the fund's assets in Non US Stocks as defined by Morningstar.

Emerging Markets Equity Allocation: Breakdown of an investment's geographical exposure to emerging market countries as defined by Morningstar.

Price-to-Earnings (P/E) Ratio Trailing 12 Months: The ratio of a company's current share price to its trailing 12-months earnings per share.

Average Market Cap: This is an estimation of the value of a business that is obtained by multiplying the number of shares outstanding by the current price of a share as of most recent quarter end.

Number of Holdings: The net number of holdings in the portfolio.

Glossary of Analytical Terms

Alpha: A manager's rate of return in excess of that which can be explained by its systematic risk, or Beta. It is a result of the analysis regressing a manager's returns against those of a benchmark index. A positive alpha implies that a manager has added value relative to its benchmark on a risk-adjusted basis.

Annual Turnover: A measure of the portfolio manager's trading activity which is computed by taking the lesser of purchases or sales (excluding all securities with maturities of less than one year) and dividing by average monthly net assets. A turnover ratio of 100% or more does not necessarily suggest that all securities in the portfolio have been traded. In practical terms, the resulting percentage loosely represents the percentage of the portfolio's holdings that have changed over the past year.

Batting Average: The percentage frequency with which a manager's return exceeds its benchmark's return. A manager who outperforms its benchmark for 27 out of 36 months will have a batting average of .75.

Beta: A manager's sensitivity to systematic, or market risk. Beta is a result of the analysis regressing a manager's returns against those of a benchmark index. A manager with a Beta of 1 should move perfectly with the benchmark. A Beta of less than 1 implies that a manager's returns are less volatile than the market's. A Beta of greater than 1 similarly implies that a manager exhibits greater volatility than the market.

Capture Ratios: Upside/downside capture ratio show you whether a given fund has outperformed--gained more or lost less than--a broad market benchmark during periods of market strength and weakness, and if so, by how much. A DownMarket capture of 40%, for example, indicates that over the historical period in question a fund has experienced only 40% of the benchmark's negative returns. Conversely, the UpMarket Capture Ratio represents in percentage terms the average degree of a benchmark return that has been experienced by the Portfolio in positive returning periods. An UpMarket capture of 40%, for example, indicates that over the historical period in question a fund has experienced only 40% of the benchmark's positive returns.

Excess (Performance) Return: Portfolio Return – Benchmark Return. Note that Excess in this case refers to negative as well as positive returns.

Holdings-Based Style Analysis: A "bottom-up" approach in which the characteristics of a fund over a period of time are derived from the characteristics of the securities it contains at various points in time over the period. The style and size scores for stocks and funds are the building blocks for the Morningstar Ownership Zone. A portfolio's Ownership Zone is derived by plotting each stock in the fund's portfolio within the proprietary Morningstar Style Box. The shaded area represents the center 75% of the fund's assets, and it provides an intuitive visual representation of the area of the market in which the fund invests. A "centroid" plot in the middle of the Ownership Zone represents the weighted average of all the fund's holdings.

Information Ratio: This represents the Excess return (Fund Return – Benchmark Return) per unit of Tracking Error. This helps to determine whether investors in the fund have been rewarded for assuming the fund's level of Active Management Risk.

Loss Deviation: Like standard deviation, this is a volatility measure but it considers only the periods in which the fund's return is negative.

R2: Reflects the percentage of the fund's performance that can be explained by movements in its benchmark. It is a measurement between 0-100% with the greater value reflecting a closer fit between the fund's performance and that of the benchmark.

Sharpe Ratio: A Risk-adjusted return measure that uses total risk (Std Deviation) as the relevant risk proxy. It generates a measure of return per unit of total risk. Note that this measure does not consider investment style and is assuming normality of return distributions. The calculation is $R_p - R_f / SDe$ where R_p =Portfolio Return; R_f =Risk-free rate; and SDe =Standard Deviation of $R_p - R_f$ returns.

Standard Deviation: A volatility measure used as a risk proxy. Standard Deviation is a statistical measurement of dispersion about an average, which depicts how widely a stock or portfolio's returns varied over a certain period of time. Morningstar computes standard deviation as the square root of: $(E\{R_p - R_m\}^2) / (N - 1)$ where E =Sum; R_p =Portfolio Return; R_m =Portfolio Mean; and N =Number of observations.

Return-Based Style Analysis: Estimates a fund's historical behavior based on performance. Return's based style analysis compares a fund's returns to those of a set of benchmark indices to determine which combination of indices best explains fund performance. For returns-based style analysis, Morningstar uses an unconstrained linear regression model.

Tracking Error: A measure of 'active management risk' represented by the standard deviation of Excess Returns. This is risk that could theoretically be diversified away by simply holding the relevant index. Note that tracking error, like Standard Deviation, considers upside volatility as well as downside volatility in its calculation.

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.

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

Important Information

To the extent any investment information in this material constitutes a recommendation, it is not meant to be impartial investment advice or advice in a fiduciary capacity, is not intended to be used as a primary basis for your investment decisions, is based on facts and circumstances at the point in time it is made, and will not be updated if facts or circumstances change unless you contact Fidelity and ask for a new recommendation. Fidelity and its representatives have a financial interest in any investment alternatives or transactions described in this material. Fidelity receives compensation from Fidelity funds and products, certain third-party funds and products, and certain investment services. The compensation that is received, either directly or indirectly, by Fidelity may vary based on such funds, products and services, which can create a conflict of interest for Fidelity and its representatives.

579648.191.6

Funds for Discussion

Multi-Asset Real Return

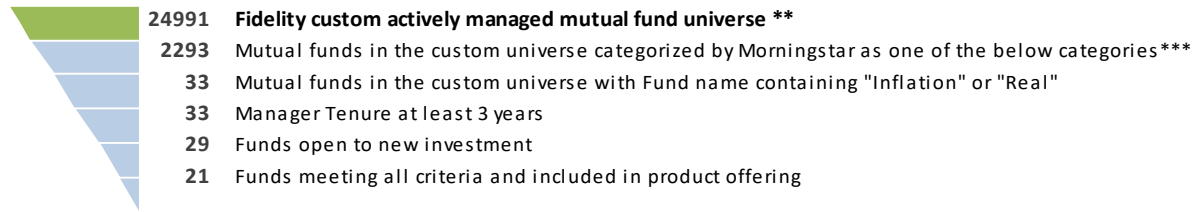
Second Quarter 2019



Multi-Asset Real Return Funds

Screening Criteria as of 06/30/2019

of funds meeting criteria



of funds highlighted



Fidelity® Strategic Real Return
 PIMCO Inflation Response Multi-Asst I2
 PIMCO Inflation Response MultiAsst Instl

** The custom universe includes actively managed, open end mutual funds, excluding funds from Dimensional Fund Advisors, Dodge & Cox, TIAA/Nuveen, and Vanguard.

***Categories include Allocation--15% to 30% Equity, Allocation--30% to 50% Equity, Allocation--50% to 70% Equity, Allocation--70% to 85% Equity, Multialternative, Tactical Allocation

Investment Services (IS) research analysts have narrowed the list of funds meeting the above criteria to the highlighted options shown on the right. The complete list of funds meeting all screening criteria as of 06/30/2019 is displayed on the last page of this section, along with any eligibility requirements and/or fund restrictions.

The IS research analyst selected the highlighted funds utilizing qualitative factors, such as consistency of the fund management team and process, fund alignment with style benchmark and peers, reasonableness of relative performance versus peers, and relative fund fee levels. Additional factors may include regulatory concerns and other operational considerations such as timely distribution of fund materials and firm level communications.

* Multiple share classes may be available, these specific fund share classes may or may not be available to you.

Past performance is no guarantee of future results.

¹ Rank in category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges.

Funds grouped alphabetically by Morningstar category throughout presentation.

Fund Notes

Fidelity Strategic Real Return

- **People:** Ford O'Neil and Adam Kramer have served as co-lead portfolio managers since June 15, 2012 and July 31, 2017, respectively. Other named portfolio managers include Mark Snyderman (since September 7, 2005), Samuel Wald (since September 30, 2006), Franco Castagliuolo (since March 1, 2012), and Sean Corcoran (since December 8, 2017). Effective March 1, 2019 the team has added William Maclay to the team, joining Snyderman on the Real Estate PM team. He has been with the firm since 2001, and previous to his appointment was a research analyst covering various segments of the real estate market.
- **Process:** Balanced top-down/bottom-up approach, with a focus on relative value alpha generation and risk control. Team has the ability to tactically overweight or underweight strategic allocations within certain parameters, typically +/- 10% from strategic allocations (e.g., allocation range for inflation-protected debt is between 20-40%). Team based approach mitigates key person risk. This diversified, multi-asset class inflation protection solution is expected to provide the following: Portfolio/income insurance which provides a ballast against income erosion, diversification with exposure to multiple inflation sensitive asset classes to protect in a variety of markets, and low correlation as it serves as a diversifier to both equities and bonds.
- **Benchmark & Category Alignment:** Strategic asset allocation consists of the following: 30% inflation-protected debt, 25% floating-rate debt, 25% commodities, 12% real estate equities, and 8% real estate income. Of note, the Fund has made recent enhancements including 1) Transitioned the commodity sub-portfolio from passive to active; 2) Added two new out of benchmark sub-portfolios dedicated to MLPs and commodity equities within the commodities allocation; and 3) Enabled opportunistic allocation relative to commodities of up to 10% each of the MLP and commodity equities sub-portfolios.

Sources: www.fidelity.com, Morningstar Direct, eVestment Alliance

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

Investment 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. The fund may invest in lower-quality debt securities that 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.

Duration estimates how much a bond's price fluctuates with changes in comparable interest rates. Other factors can also influence a bond fund's performance and share price.

Foreign securities are subject to interest-rate, currency-exchange-rate, economic, and political risks, all of which are magnified in emerging markets.

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.

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 other types of stocks and can be more volatile than other types of stocks.

Value stocks can perform differently than other types of stocks and can continue to be undervalued by the market for long periods of time.



Fund Notes

PIMCO Inflation Response Multi-Asset Fund

- **People:** Mihir Worah has been the lead portfolio manager of the Fund since August 31, 2011. Nicholas Johnson has been a co-portfolio manager of the Fund since January 2, 2015 and handles the day-to-day tasks and implementation of portfolio strategy. Stephen Rodosky was added as co-PM on January 1, 2019. He is focused on US TIPS and Global Inflation Linked Bonds, and has extensive history at PIMCO as former head of the Treasury Desk and US rates team. The team is supported by the Investment Committee, analysts, and generalists, as well as ideas from other specialists as it relates to real return portfolios.
- **Process:** Primarily a top-down, macro-oriented, relative value, risk-controlled approach, which is heavily influenced by the Investment Committee, has been successfully implemented by many of the same team members since inception. While the primary source of alpha comes from duration and yield curve positioning, the strategy strives to offer diversified alpha and risk exposures. After incorporating views from the Investment Committee, the team employs a three step approach which consists of the following: 1) Establish a target asset allocation based on risk factor analysis; 2) Develop a series of relative value strategies designed to enhance returns; and 3) Utilize hedging techniques to manage risks. Team based approach mitigates key person risk.
- **Benchmark & Category Alignment:** Custom benchmark and strategic allocation consists of the following: 45% Bloomberg Barclays U.S. TIPS Index, 20% Bloomberg Commodity Index Total Return, 15% JPMorgan Emerging Local Markets Index Plus (Unhedged), 10% Dow Jones U.S. Select REIT Total Return Index, 10% Bloomberg Gold Sub-index Total Return Index. Team employs tactical allocation. Allocations are typically within +/- 10% relative to the strategic benchmark, although allowable tactical ranges can be quite high (e.g., TIPS 20-70% tactical range). In addition, the Fund tactically allocates to floating rate securities in the event of deflation or an extreme market shock. Also, tail risk hedging strategies are used to limit the impact of periodic market stresses that may affect inflation-related assets. Inflation beta is expected to be around 2.5 over longer time periods.

Sources: www.pimco.com, Morningstar Direct, eVestment Alliance

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

Investment 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. The fund may invest in lower-quality debt securities that 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.

Duration estimates how much a bond's price fluctuates with changes in comparable interest rates. Other factors can also influence a bond fund's performance and share price.

Foreign securities are subject to interest-rate, currency-exchange-rate, economic, and political risks, all of which are magnified in emerging markets.

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.

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 other types of stocks and can be more volatile than other types of stocks.

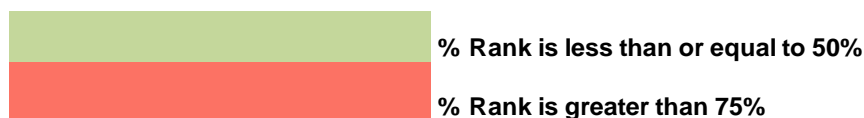
Value stocks can perform differently than other types of stocks and can continue to be undervalued by the market for long periods of time.

Fund Performance and Analytics as of 06/30/2019

The following fund performance and analytics pages show the oldest share class of the fund available on our platform. The fund share class available to you may not be the same fund share class identified under the prior screening criteria as 'funds for discussion.' Other share classes of the fund may also be available, which have their own inception date, expenses, fees, rankings, analytics, and performance. Please see the Appendix for the other share classes that may be available to you on our platform. Fund analytics and performance for each share class is available upon request. You should consider an investment option based on your own particular objective or situation.

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 (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. % Rank in Category is based on total returns, which include reinvested dividends and capital gains, if any, and exclude sales charges.



Product / (Bold = Frozen) Benchmark (s) Morningstar Category	Cumulative Ret %			Average Annual Total Return %									Fund Incept Date	Expense Ratio (G)	Expense Ratio Aft Red
	1-Month	3-Month	YTD	1-Year	% Rank in Cat [Count]	3-Year	% Rank in Cat [Count]	5-Year	% Rank in Cat [Count]	10-Year	% Rank in Cat [Count]	LOF			
FID STRAT REAL RET	1.33	0.90	7.22	1.66	93%	2.65	89%	0.49	93%	4.44	74%	2.75	09/07/2005	0.83	0.83
BBgBarc US TIPS	0.86	2.86	6.15	4.84		2.08		1.76		3.64					
FID Strat RI Rtn Comp Idx	1.27	1.41	7.23	2.80		2.32		0.58		4.33					
Morningstar Allocation--15% to 30% Equity	2.18	2.23	7.48	4.98	[206]	3.99	[192]	2.79	[162]	5.55	[90]			1.22	1.04
PIM INFL RESP MA IS	1.73	1.22	6.70	2.93	90%	3.81	61%	1.32	91%	-		1.52	08/31/2011	1.51	1.22
PIMCO Inf Res MA Fd Idx	2.26	2.35	7.03	3.63		1.63		-0.15		3.18					
Morningstar Allocation--15% to 30% Equity	2.18	2.23	7.48	4.98	[206]	3.99	[192]	2.79	[162]	5.55	[90]			1.22	1.04

Current Performance Notes

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 fund. For Non-Fidelity funds, these numbers are adjusted to reflect the fees and expenses of the newer share class (in the case of higher fees and expenses). Pre-inception returns are not actual returns, and return calculation methodologies utilized by Morningstar, other entities, and the funds themselves may differ. Generally, pre-inception returns will be replaced by the actual returns of the newer share class over time. Please click on the dedicated web page or refer to your fund prospectus for specific information regarding fees, expenses, and returns.

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.

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.

© 2019 Morningstar, Inc. All rights reserved. The Morningstar information contained herein (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or redistributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Fidelity does not review the Morningstar data and, for mutual fund performance information, you should check the fund's current prospectus for the most up-to-date information concerning applicable loads, fees, and expenses.

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

With the exception of domestic equity mutual funds, investment options have been assigned to investment categories based on Fidelity's analysis. Fidelity has verified the accuracy of the placement of certain third party non-mutual funds with either the plan sponsor or the plan sponsor's consultant. Within Domestic Equities, mutual funds are listed according to their actual 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 3 years and may change at any time. These style calculations do not represent the funds' objectives and do not predict the funds' future styles.

Morningstar Category Average 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.

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 Category Expense Ratio After Reductions: This figure represents average net expense ratio paid by the funds in the Morningstar category. The information is based on the net expense ratio as reported in each fund's most current prospectus and is provided by Morningstar.

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. Mutual fund data has been drawn from the most recent prospectus.

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.

Current Performance Notes

Investment 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. The fund may invest in lower-quality debt securities that 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.

Specific Fund Expense Information

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.

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

PIM INFL RESP MA IS: Contractual Expense Ratio Waiver of 0.29 subject to Expiration Date of 07/31/19

Fund Characteristics As of 6/30/2019

Style Benchmark: Multi Asset RR Benchmark
Holdings Composition

	Average Eff Duration	Credit Qual AAA %	Credit Qual AA %	Credit Qual A %	Credit Qual BBB %	Credit Qual BB %	Credit Qual B %	Credit Qual Below B %	Credit Qual Not Rated %
Fidelity® Strategic Real Return	2.66	45.01	0.00	0.19	2.91	17.40	27.89	4.25	2.35
PIMCO Inflation Response MultiAsst Instl	2.31	—	—	—	—	—	—	—	—
Multi Asset 6.30.19	3.65	62.25	1.05	3.23	5.49	9.82	14.02	2.02	2.11

Fixed Income Sectors

	Portfolio Date	Cash & Equivalents %	Government %	Agency Mortgage-Backed %	Bank Loan %	Commercial Mortgage-Backed %	Asset-Backed %	Fixed-Inc Secondary Sector Non-Agency Residential Mortgage Backed %	Corporate Bond %	Asset Alloc Non-US Bond %
Fidelity® Strategic Real Return	3/31/2019	21.29	24.55	0.03	25.27	1.66	0.83	0.15	2.29	3.46
PIMCO Inflation Response MultiAsst Instl	3/31/2019	18.14	51.84	9.20	0.17	0.07	6.84	2.15	8.70	-6.06

Fixed Income Sectors

	Portfolio Date	Maturity 1-3 Yr %	Maturity 3-5 Yr %	Maturity 5-7 Yr %	Maturity 7-10 Yr %	Maturity 10-15 Yr %	Maturity 15-20 Yr %	Maturity 20-30 Yr %	Maturity 30+ Yr %
Fidelity® Strategic Real Return	3/31/2019	6.72	12.62	21.59	6.84	1.22	0.52	4.82	0.12
PIMCO Inflation Response MultiAsst Instl	3/31/2019	7.04	12.79	12.94	-2.45	1.38	5.48	11.61	8.65

Past Performance is no guarantee of future results.

Data Source: Morningstar as of Portfolio Date Above

The style benchmark listed above is shown as a market proxy, and is not necessarily the benchmark for all of the funds. Refer to the fund Performance slide for fund benchmark information.

Characteristics of the style benchmark including volatility may be materially different than your portfolio. See Glossary for definition of style benchmark.

Please refer to the fund Performance and Analytics slide for standard period performance information. Please refer to the Glossary for definitions and methodology.

The information displayed above is based on historical data and may not be representative of the fund's current or future investments.

Calendar Year Performance

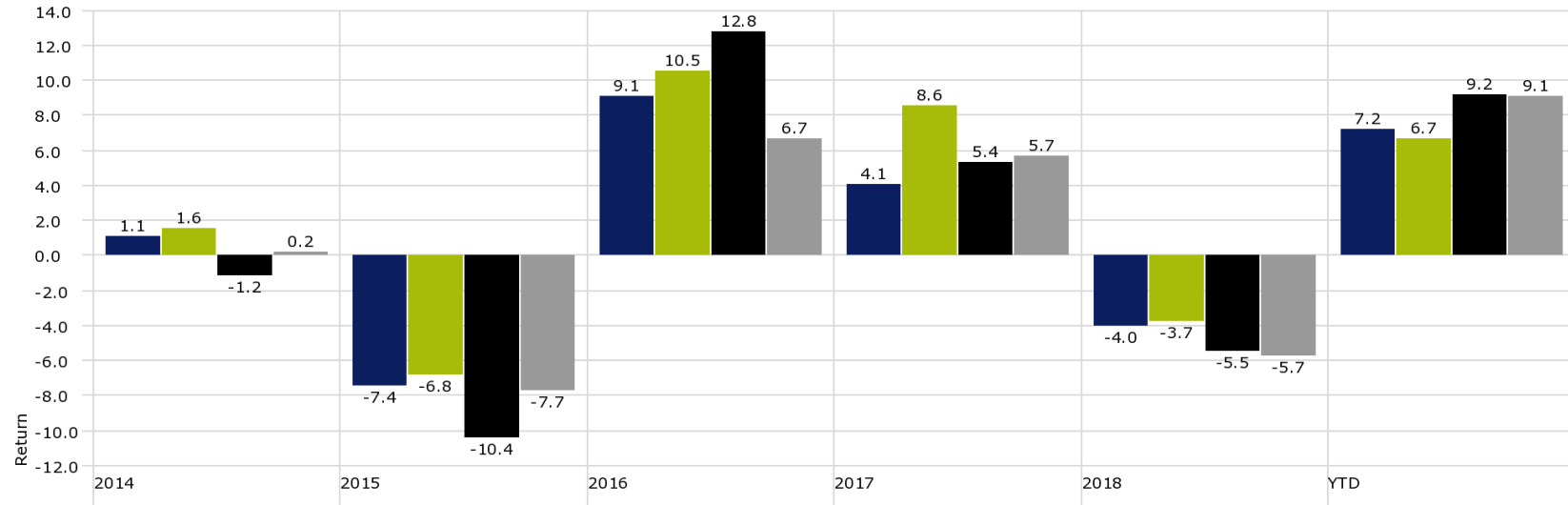
As of 6/30/2019

Style Benchmark:

Multi Asset RR Benchmark

Calendar Year Return and YTD

Source Data: Monthly Return Calculation Benchmark: Multi Asset RR Benchmark



■ Fidelity® Strategic Real Return
 ■ PIMCO Inflation Response MultiAsst Instl
 ■ Multi Asset RR Benchmark
■ Multi Asset 6.30.19

Calendar Year Returns and YTD

Data Point: Return Source Data: Monthly Return Calculation Benchmark: Multi Asset RR Benchmark

	2014	2015	2016	2017	2018	YTD
Fidelity® Strategic Real Return	1.13	-7.43	9.09	4.08	-4.01	7.22
PIMCO Inflation Response MultiAsst Instl	1.57	-6.77	10.53	8.59	-3.71	6.70
Multi Asset RR Benchmark	-1.15	-10.38	12.78	5.36	-5.47	9.19
Multi Asset 6.30.19	0.20	-7.73	6.67	5.70	-5.73	9.08

Past Performance is no guarantee of future results.
 Data Source: Morningstar as of Portfolio Date Above.
 The style benchmark listed above is shown as a market proxy, and is not necessarily the benchmark for all of the funds. Refer to the fund Performance slide for fund benchmark information.
 Characteristics of the style benchmark including volatility may be materially different than your portfolio. See Glossary for definition of style benchmark.
 Please refer to the fund Performance and Analytics slide for standard period performance information. Please refer to the Glossary for definitions and methodology.
 The information displayed above is based on historical data and may not be representative of the fund's current or future investments.

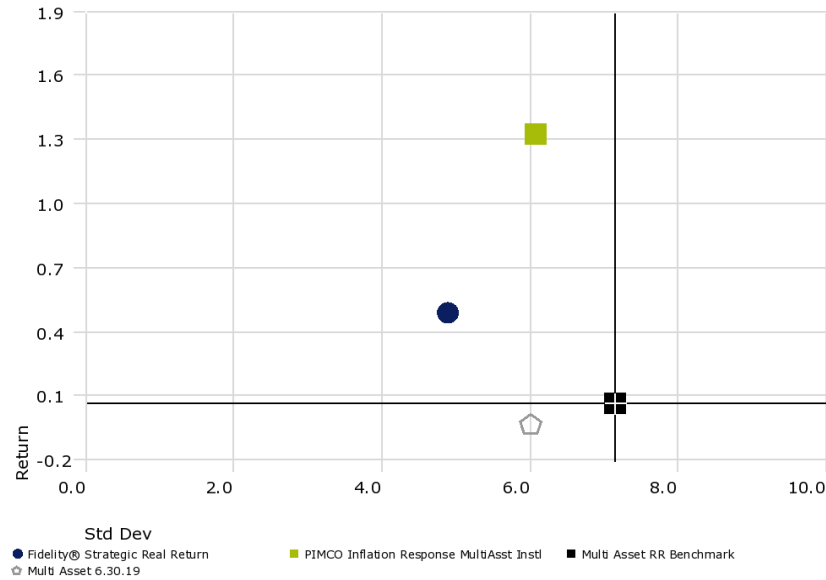


Risk/Return Analysis As of 6/30/2019

5 Year Risk vs. Return

Time Period: 7/1/2014 to 6/30/2019

Source Data: Monthly Return Calculation Benchmark: Multi Asset RR Benchmark

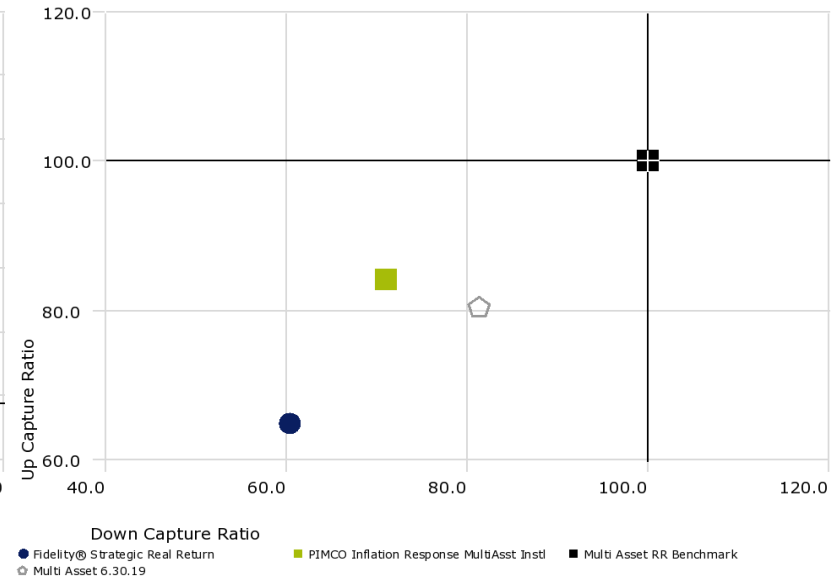


Style Benchmark: Multi Asset RR Benchmark

5 Year Upside/Downside

Time Period: 7/1/2014 to 6/30/2019

Source Data: Monthly Return Calculation Benchmark: Multi Asset RR Benchmark



5 Year Risk vs. Return & Upside/Downside Table

Time Period: 7/1/2014 to 6/30/2019 Calculation Benchmark: Multi Asset RR Benchmark

	Return	Std Dev	Alpha	Beta	Up Capture Ratio	Down Capture Ratio	Sharpe Ratio	R2
Fidelity® Strategic Real Return	0.49	4.90	0.08	0.64	64.86	60.52	-0.06	88.46
PIMCO Inflation Response MultiAsst Instl	1.32	6.09	1.03	0.76	84.13	71.13	0.10	79.19
Multi Asset RR Benchmark	0.07	7.15	0.00	1.00	100.00	100.00	-0.08	100.00
Multi Asset 6.30.19	-0.04	6.02	-0.28	0.82	80.26	81.45	-0.13	94.93

Past Performance is no guarantee of future results.
 Data Source: Morningstar as of Portfolio Date Above.
 The style benchmark listed above is shown as a market proxy, and is not necessarily the benchmark for all of the funds. Refer to the fund Performance slide for fund benchmark information.
 Characteristics of the style benchmark including volatility may be materially different than your portfolio. See Glossary for definition of style benchmark.
 Please refer to the fund Performance and Analytics slide for standard period performance information. Please refer to the Glossary for definitions and methodology.
 The information displayed above is based on historical data and may not be representative of the fund's current or future investments.



Modern Portfolio Theory Statistics

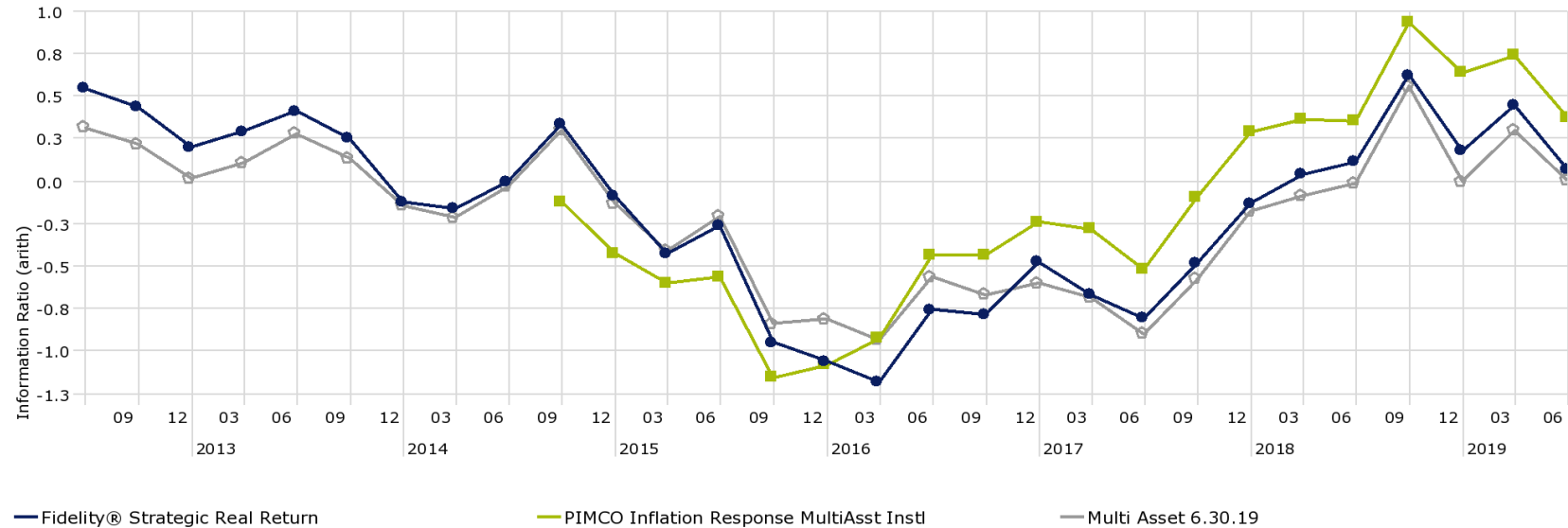
As of 6/30/2019

Style Benchmark: Multi Asset RR Benchmark

3 Year Rolling Information Ratio

Time Period: 7/1/2009 to 6/30/2019

Rolling Window: 3 Years 3 Months shift Calculation Benchmark: BBgBarc US Agg Bond TR USD



Trailing Returns

Data Point: Information Ratio (arith) Calculation Benchmark: Multi Asset RR Benchmark

	3 Years	5 Years	10 Years
Fidelity® Strategic Real Return	-0.25	0.14	0.07
PIMCO Inflation Response MultiAsst Instl	0.16	0.39	—
Multi Asset RR Benchmark	—	—	—
Multi Asset 6.30.19	-0.55	-0.05	-0.17

Past Performance is no guarantee of future results.
 Data Source: Morningstar as of Portfolio Date Above.
 The style benchmark listed above is shown as a market proxy, and is not necessarily the benchmark for all of the funds. Refer to the fund Performance slide for fund benchmark information.
 Characteristics of the style benchmark including volatility may be materially different than your portfolio. See Glossary for definition of style benchmark.
 Please refer to the fund Performance and Analytics slide for standard period performance information. Please refer to the Glossary for definitions and methodology.
 The information displayed above is based on historical data and may not be representative of the fund's current or future investments.



Appendix

Fund Name	Ticker	Recordkeeping Platform Status*	Gross Expense Ratio	Expense Ratio After Reductions	Investment Option Fees Attributable to Recordkeeping	+	Additional Value for Fidelity Advisor Funds and Products	=	Administrative Revenue Allowance
Fidelity® Strategic Real Return	FSRRX	OPEN	0.83	0.83	0.10		0.10		0.20
PIMCO Inflation Response Multi-Asst I2	PPRMX	OPEN	1.61	1.32	0.10		0.00		0.10
PIMCO Inflation Response MultiAsst Instl	PIRMX	OPEN	1.51	1.22	0.00		0.00		0.00

* Recordkeeping platform status denotes a fund's availability on the Fidelity recordkeeping platform. Please contact your Fidelity representative for more information. Please note that the non-Fidelity funds displayed above currently have recordkeeping arrangements with Fidelity. Investment minimums and/or other restrictions may apply. Funds must be pre-cleared by Fidelity with fund companies before implementation.



Funds available on platform* as of 06/30/2019:

Fund Name	Ticker
Fidelity® Strategic Real Return	FSRRX
PIMCO Inflation Response Multi-Asst I2	PPRMX
PIMCO Inflation Response MultiAsst Instl	PIRMX
BNY Mellon Global Real Return - I	DRRIX
BNY Mellon Global Real Return - Y	DRRYX
QS Strategic Real Return I	LRRIX

* On the platform indicates that a share class is operationally and contractually compatible and available on the Fidelity recordkeeping platform to DC Plans only. Additional contract review may be required for other plan types.

Funds under Master Service Agreement* as of 06/30/2019:

Fund Name	Ticker
Fidelity Advisor® Strategic Real Ret Z	FIQDX
SEI Multi-Asset Inflation Mgd F (SIMT)	SIFAX
SEI Multi-Asset Inflation Mgd Y (SIMT)	SLFYX
SEI Multi-Asset Real Return A (SIIT)	SEIAX
Invesco Multi-Asset Inflation A	MIZAX
Invesco Multi-Asset Inflation R	MIZRX
Invesco Multi-Asset Inflation R5	MIZFX
Invesco Multi-Asset Inflation R6	MIZSX
Invesco Multi-Asset Inflation Y	MIZYX
PGIM Real Assets A	PUDAX
PGIM Real Assets R6	PUDQX
PGIM Real Assets Z	PUDZX
BNY Mellon Global Real Return - C	DRRCX
QS Strategic Real Return A	LRRAX
QS Strategic Real Return C	LRRCX

* Under Master Service Agreement indicates that a share class is available under contract but not funded on the Fidelity recordkeeping platform. Additional operational considerations may be required. Please note that the non-Fidelity funds displayed above currently have recordkeeping arrangements with Fidelity. Investment minimums and/or other restrictions may apply. Funds must be pre-cleared by Fidelity with fund companies before implementation.

Appendix – Important Notes

Investment Option Fees Attributable to Recordkeeping: With respect to Fidelity funds, this column (%) shows the rate that would be used to calculate payments to a nonaffiliated recordkeeper to support certain services for Fidelity funds. In the case of Fidelity funds that are offered only to Fidelity recordkept plans, the rate is based on the payments received in connection with funds having similar expense ratios for which Fidelity receives revenue. With respect to nonproprietary funds, this column (%) shows the rate that is used to calculate payments Fidelity receives pursuant to a contract or other arrangement between Fidelity and the fund service provider, contract issuer or fund under which Fidelity provides certain services to such fund service provider, contract issuer or fund. These payments are used to support Fidelity's services to the plan.

Additional Value for Fidelity Funds and Products: Additional amount that Fidelity takes into account for pricing purposes when the plan offers certain Fidelity products or services.

Administrative Revenue Allowance: The sum of the Investment Option Fees Attributable to Recordkeeping and Additional Value for Fidelity Funds and Products columns. This represents the total amount Fidelity considers for pricing purposes.

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. Mutual fund data has been drawn from the most recent prospectus.

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.

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

Fidelity may receive a fee from unaffiliated product providers to compensate Fidelity for maintaining the infrastructure to accommodate unaffiliated products. The fee is a fixed amount that typically equates to less than 0.05% of a product provider's assets in all retail, workplace, and intermediary channels maintained by Fidelity and does not vary based on a plan's offering of an unaffiliated product supported by Fidelity.

Glossary of Analytical Terms

Alpha: A manager's rate of return in excess of that which can be explained by its systematic risk, or Beta. It is a result of the analysis regressing a manager's returns against those of a benchmark index. A positive alpha implies that a manager has added value relative to its benchmark on a risk-adjusted basis.

Beta: A manager's sensitivity to systematic, or market risk. Beta is a result of the analysis regressing a manager's returns against those of a benchmark index. A manager with a Beta of 1 should move perfectly with the benchmark. A Beta of less than 1 implies that a manager's returns are less volatile than the market's. A Beta of greater than 1 similarly implies that a manager exhibits greater volatility than the market.

Duration: 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.

Excess (Performance) Return: Portfolio Return – Benchmark Return. Note that Excess in this case refers to negative as well as positive returns.

Information Ratio: This represents the Excess return (Fund Return – Benchmark Return) per unit of Tracking Error. This helps to determine whether investors in the fund have been rewarded for assuming the fund's level of Active Management Risk.

Loss Deviation: Like standard deviation, this is a volatility measure but it considers only the periods in which the fund's return is negative.

Multi-Asset Real Return Benchmark: Multi Asset Real Return Benchmark is comprised of: 35% BBgBarc US Treasury US TIPS TR USD, 20% Bloomberg Commodity TR USD, 15% FTSE NAREIT Equity REITs TR USD, 20% MSCI ACWI Commodity Producers NR USD, and 10% S&P/LSTA Leveraged Loan TR..

R2: Reflects the percentage of the fund's performance that can be explained by movements in its benchmark. It is a measurement between 0-100% with the greater value reflecting a closer fit between the fund's performance and that of the benchmark.

Sharpe Ratio: A Risk-adjusted return measure that uses total risk (Std Deviation) as the relevant risk proxy. It generates a measure of return per unit of total risk. Note that this measure does not consider investment style and is assuming normality of return distributions. The calculation is $R_p - R_f / SDe$ where R_p =Portfolio Return; R_f =Risk-free rate; and SDe =Standard Deviation of $R_p - R_f$ returns.

Standard Deviation: A volatility measure used as a risk proxy. Standard Deviation is a statistical measurement of dispersion about an average, which depicts how widely a stock or portfolio's returns varied over a certain period of time. Morningstar computes standard deviation as the square route of: $(E\{R_p - R_m\}^2)/(N-1)$ where E =Sum; R_p =Portfolio Return; R_m =Portfolio Mean; and N =Number of observations.

Style Benchmark: The benchmark index chosen to represent the Morningstar category for calculation and analysis purposes within the presentation. We feel that this is the most generally accepted benchmark that mirrors the given Morningstar category.

Tracking Error: A measure of 'active management risk' represented by the standard deviation of Excess Returns. This is risk that could theoretically be diversified away by simply holding the relevant index. Note that tracking error, like Standard Deviation, considers upside volatility as well as downside volatility in its calculation.

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.

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

Important Information

To the extent any investment information in this material constitutes a recommendation, it is not meant to be impartial investment advice or advice in a fiduciary capacity, is not intended to be used as a primary basis for your investment decisions, is based on facts and circumstances at the point in time it is made, and will not be updated if facts or circumstances change unless you contact Fidelity and ask for a new recommendation. Fidelity and its representatives have a financial interest in any investment alternatives or transactions described in this material. Fidelity receives compensation from Fidelity funds and products, certain third-party funds and products, and certain investment services. The compensation that is received, either directly or indirectly, by Fidelity may vary based on such funds, products and services, which can create a conflict of interest for Fidelity and its representatives.

579648.205.6

PLAN AND PARTICIPANT DETAILS

PLAN ASSET SUMMARY - as of 06/30/2019

CITY OF FRESNO – 35801

TOTAL PLAN ASSETS	\$190,381,798
CORE MUTUAL FUND OPTIONS ASSETS	\$123,755,417
LIFE CYCLE FUNDS ASSETS	\$50,916,884
SELF-DIRECTED BROKERAGE ASSETS	\$4,765,530
Self Directed Brokerage Assets	\$4,765,530
Frozen Assets	\$591,572

Fund Name	% Of Assets	Market Value
FID 500 INDEX	2.6%	\$4,999,699
FID US BOND IDX	1.3%	\$2,420,320
FID EXTD MKT IDX	0.9%	\$1,799,175
FID TOTAL MKT IDX	0.5%	\$900,401
FID INTL INDEX	0.4%	\$824,372
CORE MUTUAL FUND OPTIONS		
FID GROWTH CO K	15.4%	\$29,277,925
FID CONTRAFUND K	11.3%	\$21,438,040
MELLON STABLE VAL M	10.6%	\$20,164,639
ARTISAN MID CAP INST	5.6%	\$10,583,520
FID LOW PRICED STK K	2.8%	\$5,288,865
PIM TOTAL RT INST	2.1%	\$4,002,998
FID CAPITAL & INCOME	1.9%	\$3,529,933
J H GLB RESEARCH I	1.8%	\$3,390,433
AF AMER MUTUAL R5E	1.7%	\$3,300,570
TRP DIV GROWTH	1.6%	\$3,102,353
FKLN MTL GLB DISC Z	1.6%	\$2,988,487
FID SMALL CAP GROWTH	1.4%	\$2,657,435
FID DIVERSIFD INTL K	1.4%	\$2,639,425
DAVIS NY VENTURE Y	1.3%	\$2,487,087
FID PURITAN K	1.3%	\$2,387,981
ABF SM CAP VAL INST	1.0%	\$1,889,496
FID VALUE K	0.8%	\$1,608,096
FID MID CAP STOCK K	0.7%	\$1,404,519
ABF LG CAP VAL INST	0.4%	\$779,739
MSIF INCEPTION IS	0.3%	\$591,572
TEMPLETON GROWTH R6	0.1%	\$217,332
FID SM CAP IDX	0.0%	\$24,972
LIFE CYCLE FUNDS		
FID FREEDOM 2020 K	6.5%	\$12,297,569
FID FREEDOM 2025 K	5.0%	\$9,587,714
FID FREEDOM 2030 K	5.0%	\$9,451,908
FID FREEDOM 2040 K	2.4%	\$4,489,906
FID FREEDOM 2035 K	2.3%	\$4,404,454
FID FREEDOM 2015 K	2.1%	\$4,083,890
FID FREEDOM 2010 K	1.1%	\$2,123,118
FID FREEDOM 2045 K	1.0%	\$1,979,574
FID FREEDOM INC K	0.5%	\$894,399
FID FREEDOM 2050 K	0.4%	\$704,499

Fund Name	% Of Assets	Market Value
FID FREEDOM 2005 K	0.3%	\$502,603
FID FREEDOM 2055 K	0.1%	\$252,574
FID FREEDOM 2060 K	0.1%	\$144,674
SELF-DIRECTED BROKERAGE		
BROKERAGELINK	2.5%	\$4,765,530

| THOUGHT LEADERSHIP

A Simplified Framework for Investment Menus

The first step in plan design: Why professionally managed multi-asset class solutions and a limited core lineup for do-it-yourself investors may support better outcomes

Stephen Beck, CFA | Vice President, Fund Research
Vipul Gautam | Senior Vice President, Research Director

- We believe a defined contribution plan investment menu should provide the fundamental attributes of broad market coverage, high diversification potential, sufficient choice, and a straightforward design.
- However, research consistently shows that participants are prone to mistakes, and that having too many choices on the menu can hurt desired participant and plan outcomes.
- Professionally managed solutions, such as target date funds (TDFs) and workplace managed accounts (WMAs), can be the foundation of plan lineups and serve as default options.
- In general, Fidelity believes plans looking to simplify their lineups should consider offering a limited core menu for do-it-yourself investors and provide riskier extended asset classes through TDFs and WMAs—where more choice is a potential advantage.
- Plan sponsors who believe their participant base is sophisticated enough to navigate expanded choices should ensure they offer extensive investor education.

The retirement industry has undergone dramatic changes over the years, creating many challenges for defined contribution (DC) plan sponsors tasked with building investment lineups. In particular, regulatory reform, a crowded investment landscape, and volatile market backdrop have raised new questions about the optimal number of choices and types of exposures for a DC plan lineup. Plan sponsors are increasingly exploring what constitutes the best mix for do-it-yourself investors who want to manage their own portfolios, and for the growing number of participants who need more personalized advice and solutions.

While there is no one best approach to structure a plan lineup, research has shown that more investment options may not prevent investor mistakes or lead to better participant outcomes. Asset allocation continues to be a crucial determinant for retirement investors to reach their long-term objectives, yet participants often do not get it right when left to their own devices. The emergence of more nuanced strategies across extended asset classes, with greater potential to be misunderstood by do-it-yourself investors, has also added to risks.

Fidelity has extensive experience with plan design considerations as both a recordkeeper and global investment manager. The Fidelity Participant Recordkeeping System ("FPRS," Fidelity's solution for plan recordkeeping services) serves approximately 22,500 plans. Using actual plan data and proprietary Fidelity research and analysis, this article seeks to help plan sponsors consider optimal investment lineups that may help support better outcomes.



About the Institute

The mission of the Fidelity Research Institute® is to help institutional clients find solutions that address their most pressing needs. By combining Fidelity's deep research expertise with a practitioner's mindset, the Institute produces thought leadership designed to give institutional investors the data, insights, and tools they can use toward solving their problems and exceeding their goals.



go.fidelity.com/institute

Both the core and extended menus represent what Fidelity believes will offer a minimal standard of excellence for plans looking to simplify their lineups.

Fidelity's framework sets forth a simplified approach to plan design with three tiers: 1) professionally managed solutions such as target date funds (TDFs) and workplace managed accounts (WMAs) as default investments; 2) a limited core menu of 12 choices for do-it-yourself participants; and 3) an extended menu with 18 choices available through WMAs. The extended menu suggests six strategic asset classes that professional managers can utilize to enhance diversification and risk-adjusted returns (Exhibit 1).

Plan sponsors who are looking to simplify should be prepared to embrace potentially significant design changes to reduce the number of options and types of exposures. We believe fewer choices will help avoid confusing or overwhelming participants, while in professionally managed solutions, personalization and more choices can provide tactical and strategic advantages.

Today's retirement landscape

Plan sponsors have seen a dramatic transformation in the retirement industry over the past 40 years as legislation, administrative rules, and court cases have impacted many aspects of plan design, from the role of fiduciaries to fee disclosures.

Conventional thinking on the optimal number of investment choices has also changed over time, from menus with just a few options in the early days, to the loaded investment lineups of dozens or hundreds of choices in the 1990s, to the emergence of specialized sector and concentrated funds in the 2000s.

Two bear markets in 10 years (2000–2002, 2007–2009) reminded plan sponsors about the merits of being more selective. The years since the Global Financial Crisis have delivered strong market results but also periods of extreme volatility—all of which underscores the importance of building menus that can weather multiple market cycles. Today, corporate DC plans on the Fidelity platform have an average of about 23 investment choices, while larger plans tend to have an average of 17 options.¹ These choices include traditional mutual funds as well as other types of investment strategies and pooled vehicles.

EXHIBIT 1: A SIMPLIFIED APPROACH TO INVESTMENT MENU DESIGN—DIVERSIFICATION WITH FEWER CHOICES

DEFAULT INVESTMENTS										
Professionally managed asset allocation and investment management solutions—target date funds and workplace managed accounts.										
CORE MENU										
A diversified core investment menu for participants who wish to construct their own portfolios. These options will also be available to managed account providers (if applicable).										
Bonds				Domestic Equity			International Equity	Inflation Protection	Domestic Real Estate	
Capital Preservation	Short Duration	Intermediate Duration	Other	Value	Core	Growth				
Money Market or Stable Value	Short-Term Bond	Int. Core-Plus Bond		Large Value	Large Core	Large Growth	Total International Equity	Multi-Asset Real Return		
		Intermediate Government			Mid Core					
				Small Core						
				Opportunistic U.S. Equity						
EXTENDED ASSET CLASSES										
Professional managers may take advantage of diversification opportunities from select additional asset classes. May only be available to managed account providers given potential for misallocations by do-it-yourself investors.										
Bonds				Domestic Equity			International Equity	Inflation Protection	Domestic Real Estate	
Capital Preservation	Short Duration	Intermediate Duration	Other	Value	Core	Growth				
Money Market or Stable Value	Short-Term Bond	Int. Core-Plus Bond	High Yield	Large Value	Large Core	Large Growth	Total International Equity	Multi-Asset Real Return	REITs	
		Intermediate Government	Long Government							
				Small Core						
				Opportunistic U.S. Equity						
SELF-DIRECTED BROKERAGES										
Expanded choice for more experienced and knowledgeable participants. Should be accompanied by extensive investor education.										

Fundamental plan design attributes have not changed

Despite the changing DC landscape over the past few decades, the fundamental attributes of plan construction have remained the same. A plan should always offer broad market coverage, with choices in fixed income, domestic stocks, and international stocks. We believe it is also important to consider including fund types that offer the potential for portfolios to keep pace with long-term inflation. Just as important, plans should have a simple design that's easy to use, with sufficient choices to allow for broad diversification by participants and satisfy regulatory and fiduciary requirements.

When getting started in menu design, plan sponsors should also keep in mind two important guideposts: 1) the critical need for sound default choices, known as qualified default investment alternatives, or QDIAs (see page 5 for more on QDIAs); and 2) investment choices that provide exposure to the world's investable markets, with low or negative correlated asset classes.²

Research backs a simplified lineup

Underpinning Fidelity's approach is a growing body of research that supports the idea that less is more when it comes to investment lineups. For example, new research from Fidelity Workplace Solutions has identified a causal connection between the number of funds and several important participant and plan outcomes.³ Using a statistical approach to analyze investor behaviors, Fidelity researchers found that a higher number of investment choices hurt outcomes such as participant deferral rates and satisfaction, and also resulted in misallocations to equity. Plans with 30 or more options were affected the most, with negative impacts on participant allocations and TDF adoption rates, among other outcomes.

Further, in a working paper from the University of Michigan Retirement Research Center, authors Nina Tang and Olivia Mitchell concluded that adding more funds to a plan lineup does not necessarily improve the efficiency of the plan.⁴ Other studies have shown that larger plan menus can cause some participants to suffer from "information overload."⁵ Researchers have found that asset allocation remains one of the key factors affecting long-term portfolio performance.⁶

In addition to confusion when faced with too many options, participants can be prone to damaging mistakes, with skewed views on risks, and likely to buy and sell at the wrong time.⁷ Some may suffer from "inertia" by not doing enough to adjust their

allocations appropriately over time.⁸ Professional advice can thus make the difference for retirement investors to navigate market cycles and reach their end objectives for savings and income.

DEFAULT INVESTMENTS

Professionally managed asset allocation and investment management solutions—including target date funds and workplace managed accounts.

The value of asset allocation solutions as default options

The growing evidence about crowded menu lineups, and potential for damaging do-it-yourself mistakes, has encouraged many DC plans to turn to asset allocation solutions including TDFs and WMAs as default options. While no asset allocation approach will be successful in the absence of a sufficient savings rate, such professionally managed options can help minimize the harmful behaviors that can detract from returns.

One of the major benefits of TDFs and WMAs is that they can help participants balance retirement objectives against savings constraints, portfolio volatility, and investment time horizons. TDFs and WMAs, together in a plan lineup, can provide a comprehensive foundation for consistent retirement savings and address the needs of a diverse participant base.

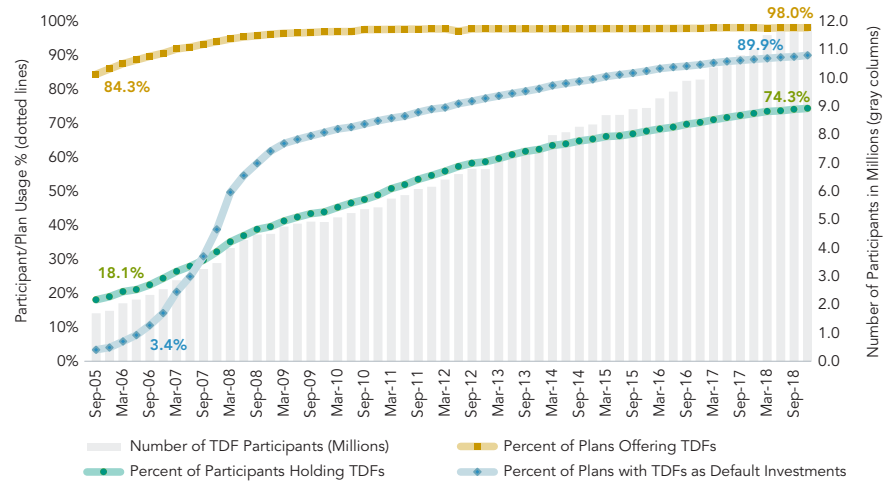
TDFs: A solid choice for most participants

TDFs, because of their simplified approach based on the intended retirement date, are a solid choice for most participants. Their objective is to direct participants to an age-appropriate asset allocation at the time of investment, and then adjust the allocation to become less volatile over time as the participants approach retirement. The plan, known as a glide path, typically adjusts the allocation out of stocks and into bonds as the participant gets closer to retirement. TDFs can help investors avoid the risks of excessive investment caution early in life and excessive risk-taking near the target date and during retirement years.

TDFs have grown dramatically in popularity since the passage of the Pension Protection Act (PPA) of 2006. The law's "safe harbor" provision provides plan sponsors with some fiduciary protections if they offer asset allocation solutions as qualified default investment alternatives (QDIAs) for participants who do not make their own

EXHIBIT 2: GROWTH OF TARGET DATE FUNDS ILLUSTRATES THE VALUE OF ASSET ALLOCATION

Target date fund usage in DC plans administered by Fidelity
September 2005–December 2018



Source: Fidelity Investments, Workplace Solutions Finance, as of Dec. 31, 2018. Note, the data represents mutual fund assets only.

investment selections. Since that time, target date usage has soared within DC plans administered by Fidelity (Exhibit 2). About 98% of the plans on Fidelity’s platform offer TDFs, with nearly 90% offering them as default choices. Industry wide, assets in TDFs have grown from \$70 billion in 2006 to about \$1.11 trillion in 2018.⁹

WMAs: Personalization for complex needs

WMAs, for their part, offer an additional layer of personalized asset allocation based on a participant’s time horizon, financial situation, risk tolerance, and other distinctive variables. A WMA may be a good option for participants with higher balances or more complex financial situations. For example, they may have outside retirement assets (IRAs, pensions), company stock, or a significant level of spousal investment assets. A WMA may also be good for participants with differing views on risk than the age-based guidelines used by their plan’s target date fund options.

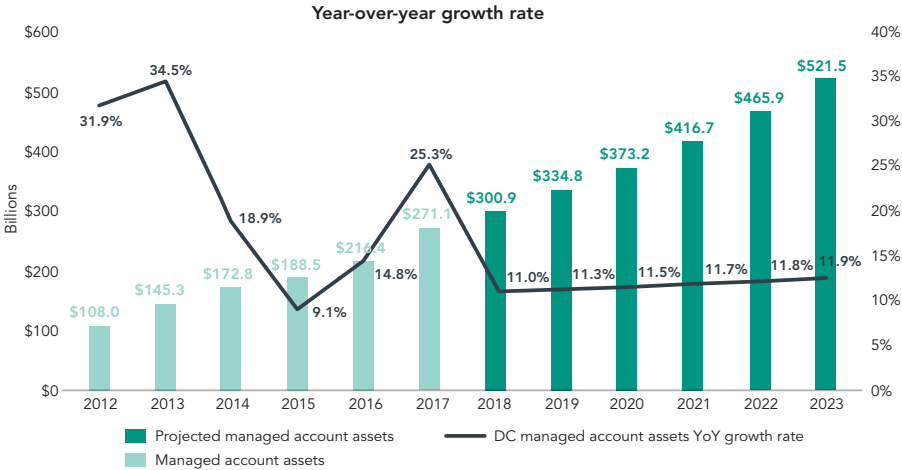
WMAs have grown dramatically in recent years as plan sponsors have recognized the value of asset allocation tailored for participants' unique needs. The number of corporate DC plans on Fidelity's platform that offer WMAs has grown more than fourfold over the past eight years, from 6.3% in 2010 to about 28% in 2018.¹⁰ About 7.2% of the participants in these plans are using a WMA.

Moreover, growth in WMAs is likely to remain robust, according to a report by Cerulli (Exhibit 3). Assets in WMAs doubled in the five years ended 2017, to \$271 billion, and are projected to nearly double again in the next five years. Growth is likely being fueled by a rising number of older participants with higher balances and more complicated financial situations, the report found.

Why TDFs and WMAs as default choices

The PPA designated a range of vehicles as default options including TDFs, WMAs, balanced funds, money market funds, and stable value funds (but note, the

EXHIBIT 3: GROWTH IN WORKPLACE MANAGED ACCOUNTS IS LIKELY TO CONTINUE
Annual and projected managed account assets



Source: Cerulli Associates, "An Update on Managed Accounts in DC Plans," annual report, Sept. 26, 2018.

latter two are designated as QDIAs only for the first 120 days of participation, and stable value funds have additional grandfathered provisions). While all of these investments merit consideration in an investment portfolio, we believe TDFs or WMAs—or a combination of both—offer more effective default options for retirement investors. Money market and stable value funds are designed to preserve capital, not grow it, while balanced funds typically have a static mix of stocks and bonds that does not change over time as a participant gets older.

The Fidelity framework: Start with the right building blocks

We believe that plan sponsors can help maximize the retirement readiness potential for their participants by implementing a simple yet robust lineup encompassing different options depending on participant needs. Some participants may prefer to manage their own savings plan, while a growing number of participants have expressed need for personalized advice.

The suggestions in the framework are based on Fidelity's efficient frontier analysis that sets forth the asset classes that, in combination, we believe offer the greatest return potential with the least amount of risk. Both the core and extended lineups are based on the typical allocation seen in a balanced portfolio (60% stocks and 40% bonds), along with real-return choices (included in both) that are designed to keep pace with inflation.

While plentiful choice has been a hallmark of retirement investing for years, Fidelity's framework, backed by research, suggests plan sponsors restrict fund options in the core menu to 12 asset classes, with six additional asset classes available in the extended lineup under professional management. Fidelity tested other scenarios in its efficient-frontier research—more than 18 asset classes, fewer than 18, other varying combinations—and found these asset classes taken together represented the optimal mix. For plans looking to simplify their lineups, the core and extended menus represent what Fidelity believes will offer a minimal standard of excellence: the least number of funds that fit well together to gain the widest possible exposure to investable markets.

CORE MENU

A diversified core investment menu for participants who wish to construct their own portfolios.

Core menu with 12 fund options

The core menu suggests one option for each of the major asset classes, for a total of 12: In bonds, capital preservation and investment-grade, short- and intermediate-term government/ corporates; in equities, a variety of styles and market capitalizations; and a multi-asset real return option for added diversification and inflation protection potential.

A core menu should ensure each fund offers broad exposure, whether it is actively managed or provides passive beta exposure. We believe that more narrowly focused active and passive choices are best left in the hands of professional managers, as discussed below.

While this suggested lineup may comprise fewer fund choices than some plans have today, we believe research supports simplicity for self-directed participants. For example, one study showed that participants sometimes take the number of funds as a cue for how to invest—so plans with more stock options lead participants to have higher equity allocations.¹¹ A straightforward menu can streamline decision-making, is easier to explain in investor education programs, and thus may encourage higher participation rates.

Of note, in international equities, we suggest one core option—Total International Equity—with exposure to both developed and emerging markets. Offering one core option can help eliminate confusion for investors while ensuring the appropriate level of emerging-market exposure. (For more on core international equity exposure, please see “Key Considerations to Optimize a Core International Equity Option in a Defined Contribution Plan Lineup.”)

EXTENDED ASSET CLASSES

Professional managers may take advantage of diversification opportunities from select additional asset classes.

Extended asset classes: Putting more choice in the hands of professional managers

While more choice may not be optimal for do-it-yourself investors, it can enhance results in professionally managed portfolios. The extended menu strategically adds options in long Treasuries, high-yield bonds, emerging-market equities (as a stand-alone choice), Treasury inflation-protected securities (TIPS), and real estate investment trusts (REITs), based on Fidelity’s efficient-frontier analysis.

Professional investment managers can select from the core menu or the expanded menu, being best equipped to select from a wider universe of investment choices to make appropriately sized, and timed, allocations. Their expert assessment can also help in other decisions related to portfolio construction, e.g., growth versus value strategies, active/passive considerations, or tactical shifts.

Adding extended classes makes sense for professional managers to increase diversification, enhance returns, and/or mitigate risk, Fidelity's research shows. (But plan sponsors should note that having more funds likely will increase costs and require more due diligence.) At a high level, the suggested six additional asset classes below may offer attractive long-term risk-adjusted performance, as supported by Fidelity's efficient frontier analysis:

Long government bonds—can serve as a diversifier (uncorrelated to most other asset classes), potential income generator, and deflationary hedge. They have historically performed well in declining interest rate environments.¹²

High-yield bonds—another diversifier and income generator. These below-investment-grade corporate bonds have typically outperformed in non-inflationary, high-growth environments when credit markets typically perform well.

Emerging market (EM) and developed international market (DM) equities—DM and EM equities have the potential to enhance diversification and returns, although they tend to be more volatile than either fixed income investments or developed-market U.S. equity investments. Professional managers can tactically overweight or underweight DM and EM stocks to enhance return potential.

TIPS—can serve as a potential inflation hedge and income generator. They have typically outperformed in stagflationary environments characterized by high inflation and low growth and can protect against the damaging effects of unexpected inflation spikes.

REITs—can serve as a return enhancer and diversifier, and potentially an inflation hedge. They have typically outperformed in high-growth, medium- to high-inflationary environments.

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

While each of these six asset classes can provide diversification or other advantages in different market conditions, they each also carry respective risks. For example, REITs typically underperform in low-growth, low-inflationary environments. Too much focus in any given asset class therefore can amplify losses.

Preventing “extreme” allocations

One of the main reasons to restrict certain asset classes from do-it-yourself investors is to prevent the likelihood of “extreme” allocations, where participants invest all of their savings in one asset class. For example, long Treasuries are highly sensitive to changes in interest rates given their 17+ year duration (a measure of interest rate risk), while high-yield bonds entail credit risk and can experience long periods of dislocations, as they did during the financial crisis. Emerging-market equities delivered robust returns in 2017, yet double-digit losses in 2018. Professional managers would not typically allocate more than 5% or 10% of a portfolio to an extended asset class.

Some examples of extreme allocations from Fidelity’s platform:

122,707 participants have 100% of their assets allocated to company stock.

3.7% of plan participants aged 70+ have 100% of their assets invested in company stock.

1,250 participants have 100% of their assets allocated to high yield.

10.2% of plan participants aged 70+ have 100% of their assets invested in equities (vs. 4.8% for those aged 20–29).

1,207 participants have 100% of their assets allocated to emerging-market stocks.

2.0% of overall plan participants have 100% of their assets invested in company stock (if offered).

878 participants have 100% of their assets allocated to REITs.

71 participants have 100% of their assets allocated to long Treasuries.

As of Dec. 31, 2018.

SELF-DIRECTED
BROKERAGES

Expanded choice for more experienced and knowledgeable participants.

Adding choice for sophisticated investors—with ample education

Some plan sponsors may believe they have a sophisticated participant base with advanced market and investment knowledge to shepherd their own retirement planning successfully. For plans with experienced and knowledgeable participants, a self-directed brokerage offers the freedom to select from a much broader universe of asset classes and investment types. In these cases, Fidelity strongly recommends plans offer extensive investor education and market analysis to help ensure optimal outcomes.

Fidelity's asset class suggestions—supported by efficient-frontier analysis

Fidelity believes the combination of building blocks described in this paper can serve as a general blueprint for constructing a diversified investment lineup. One way to analyze the potential benefits of such diversification is to construct "efficient frontiers" of different mixes of capital market indexes. An efficient frontier is based on the assertion from modern portfolio theory that investors can enhance return while reducing portfolio risk by holding the right combination of investment vehicles that are not perfectly correlated with each other.

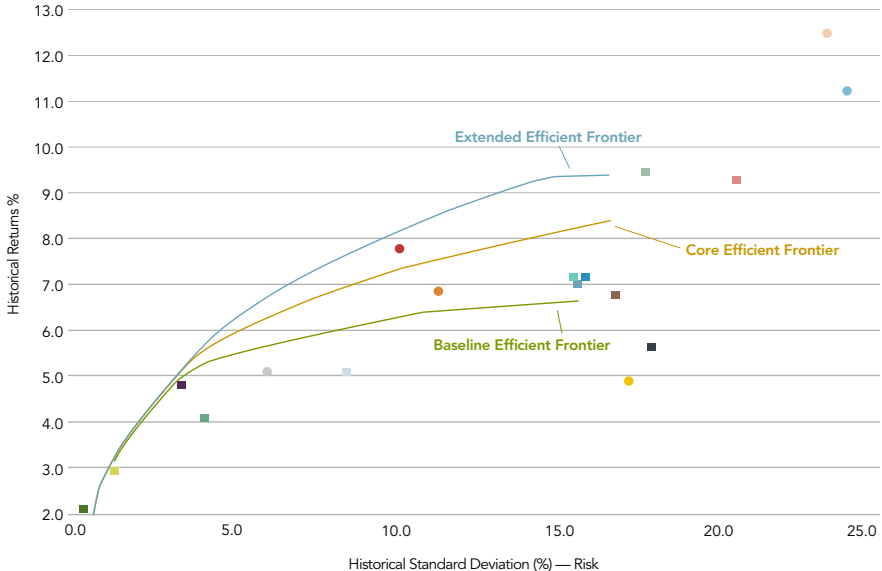
Fidelity examined dozens of asset classes, each represented by a specific index, to determine what we believe is the optimal mix for core and extended portfolios (Exhibit 4). Using historical returns, we created three efficient frontiers, each constrained to levels we believe are appropriate for a diversified portfolio.¹³ The efficient frontiers include one with four baseline asset class indexes; one with the 12 asset class indexes representing the core menu; and one using the additional six asset class indexes to represent the extended menu. As seen in Exhibit 4, the lower, green line represents a baseline efficient frontier—short-term bond, intermediate core-plus bond, large core equity, and developed international equity indexes. The higher, gold line represents a core efficient frontier adding diversifying asset class indexes such as mid and small cap stocks.

The highest, blue line represents the extended efficient frontier using the six additional asset class indexes. The improved

An efficient frontier curve represents the statistical analysis of the estimated risk, return, and correlations for a set of assets. It estimates the optimal asset allocations that have had the highest historical returns for each level of risk. Similarly, for a given amount of risk, the portfolios lying on the efficient frontier represent the combination of assets that offered the best possible historical returns.

EXHIBIT 4: EFFICIENT-FRONTIER ANALYSIS SUPPORTS FIDELITY'S CORE AND EXTENDED FRAMEWORK

Historical returns, January 2001–December 2018



- | | | |
|------------------------------------|------------------------------|----------------------------|
| Extended Efficient Frontier | | |
| ■ Cash* | ■ Mid Core Equity | ● High-Yield Bond |
| ■ Int. Government | ■ Small Core Equity | ● Long Government Bond |
| ■ Large Value Equity | ■ Opportunistic Equity | ● Emerging-Market Equity |
| ■ Large Growth Equity | ■ Total International Equity | ● Real Estate |
| ■ Short-Term Bond | ■ Multi-Asset Real Return | ● Developed Int. Equity |
| ■ Large Core Equity | ■ Int. Core-Plus Bond | ● Inflation-Protected Bond |
| Core Efficient Frontier | | |

Baseline Efficient Frontier includes Short-Term Bond, Int. Core-Plus Bond, Large Core Equity, and Developed International Equity.

Source: Fidelity Workplace Investing, as of Dec. 31, 2018. Analysis based on historical returns of representative indexes from January 2001 through December 2018. See endnotes for the indexes and their definitions. *Cash represents the money market/stable value option in the core and extended menus. Not intended to represent the returns or other characteristics of Fidelity or other funds.

efficiency comes from an expanded set of asset allocations that had higher historical returns at an equal or lower expected level of risk (greater return per unit of risk). Keep in mind, Exhibit 4 is based on historical index performance. Past performance is no guarantee of future results and the performance of specific investment products may vary.¹⁴

Plan sponsors may notice that some asset classes, such as small cap value stocks, are absent from these combinations—their historical returns did not enhance overall risk-adjusted performance in this analysis. However, managers of TDFs and WMAs (and participants using a self-directed brokerage) may use them tactically as market conditions dictate, building on this foundation.

Diversification—a powerful ally in long-term savings plans

We believe the framework outlined in this paper can help plan sponsors build an efficient yet broadly diversified investment menu. One of the most important objectives for plan sponsors is to provide participants with the highest possible diversification via access to different types of asset classes and global capital markets exposures.

Correlation is the degree to which two or more investment vehicles move together over time. A correlation of -1 means that two assets move in equal but opposite directions (when one goes up, the other goes down). A correlation of $+1$ means the two securities move lockstep in the same direction. Zero correlation means the two securities move randomly with respect to each other.

Both the core and extended lineups in Fidelity's framework include a range of asset classes that have low or negative correlations to each other, according to 15-year performance of the corresponding indexes as of the end of 2018 (see endnotes for the indexes and

definitions). For example, in the core menu, short-term bonds are negatively correlated with six of the seven equity options. In the extended lineup, the long government option has a high negative correlation to the equity menu choices (-0.25 to -0.30). A range of low or negatively correlated investment strategies, which move higher and lower at different times, can help to reduce the overall risk and volatility of a retirement portfolio.

Conclusion

In today's fast-moving and often turbulent global capital markets, the right investment lineup and diversification of investment choices is essential to help participants reach their long-term retirement goals. While the fundamental attributes of retirement plan menus remain unchanged, Fidelity's proprietary research highlights the potential benefits of a limited core lineup paired with extended asset classes available within WMAs. Simplified choice, along with professional management, can help to ensure a diverse participant population can achieve their long-term savings and retirement goals.

Building the investment lineup is just the first step in optimal plan design. Other key considerations (for discussion in future articles):

- Retirement income
- Self-directed brokerages
- Vehicle structures and pricing
- Investment options for QDIAs
- Core international equity exposure
- Active and passive funds
- "White label" funds
- Alternative investments
- Environmental, social, and governance (ESG) strategies

¹ Source: Fidelity Workplace Investing, as of Dec. 31, 2018.

² Correlation is the degree to which two or more investment vehicles vary together over time. A correlation of “-1” means that two assets move in equal but opposite directions (when one goes up, the other goes down). A correlation of “+1” means the two securities move lockstep in the same direction. Zero correlation means the two securities move randomly with respect to each other.

³ Source: FMR Co., April 2019.

⁴ Nina Tang and Olivia S. Mitchell, “The Efficiency of Pension Plan Menus: Investment Choices in Defined Contribution Pension Plans,” University of Michigan Retirement Research Center, Working Paper 2008-176, June 2008.

⁵ Julie Agnew and Lisa Szykman, “Asset Allocation and Information Overload: The Influence of Information Display, Asset Choice, and Investor Experience,” Center for Retirement Research at Boston College, Working Paper 2004-15, May 2004. See also Sheena S. Iyengar, Wei Jiang, and Gur Huberman, “How Much Choice Is Too Much?: Contributions to 401(k) Retirement Plans,” Pension Research Council, Working Paper 2003-10, October 2003. The Iyengar, Jiang, and Huberman analysis found that for every additional 10 investment choices, plan participation fell by an average of two percent.

⁶ Empirical studies have demonstrated that the majority of the variability in investment returns over time can be attributed to the asset allocation decision. See Gary P. Brinson, L. Randolph Hood, and Gilbert L. Beebower, 1986, “Determinants of Portfolio Performance,” *Financial Analysts Journal* 42(4), pages 39–48 (reprint, 1995, *Financial Analysts Journal* 51(1), pages 133–38, 50th Anniversary Issue); Gary P. Brinson, Brian D. Singer, and Gilbert L. Beebower, 1991, “Determinants of Portfolio Performance II: An Update,” *Financial Analysts Journal* 47(3), pages 40–48; Roger G. Ibbotson and Paul D. Kaplan, 2000, “Does Asset Allocation Policy Explain 40, 90, or 100 Percent of Performance?” *Financial Analysts Journal* 56(1), pages 26–33.

⁷ Morningstar calculates Investor Returns (also known as dollar-weighted returns) for open-end mutual funds and exchange traded funds (ETFs) to capture how the average investor fared in a fund over a specific period. Investor Returns take cash inflows and outflows into account to approximate the returns earned by a typical investor. See Russel Kinnel, “Mind the Gap 2016: What Factors Lead to Better Investment Timing?” Morningstar, Inc., www.morningstar.com, June 14, 2016. For more research on the effects of investor decisions to buy, sell, and switch into and out of mutual funds, see “QAIB 2017: Quantitative Analysis of Investor Behavior,” Dalbar, Inc., March 2017.

⁸ Based on an analysis of the corporate DC plans administered by Fidelity Investments, the portion of participants making an exchange within their 401(k) account—shifting money from one investment option to another—was 10.8% for the 12 months ending Dec. 31, 2018. Source: Fidelity Investments, Workplace Solutions Finance, Customer Analytics Team.

⁹ Source: Morningstar, Dec. 31, 2018. Represents mutual fund assets only.

¹⁰ Source: Fidelity Workplace Investing, as of Dec. 31, 2018.

¹¹ Shlomo Benartzi and Richard H. Thaler, “Naive Diversification Strategies in Defined Contribution Saving Plans,” *American Economic Review*, March 2001, pages 79–98.

¹² For example, in 2008, interest rates decreased across the entire yield curve (e.g., the 10-year Treasury rate decreased from 3.91% to 2.25%). During calendar year 2008, the Bloomberg Barclays Long Term US Treasury TR USD Index posted a +24.02% return.

¹³ Constraints used in the efficient frontier analysis: Short-Term Bond: 95%; Intermediate Core-Plus Bond: 80%; Intermediate Government: 30% Large Core Equity: 70%; Large Value Equity: 35%; Large Growth Equity: 35%; Mid Core Equity: 40%; Small Core Equity: 15%; Total International Equity: 30%; High-Yield Bond: 10%; Long Government Bond: 10%; Developed International Equity: 30%; Emerging-Market Equity: 10%; Inflation-Protected Bonds: 10%; Real Estate: 10%; Cash: 95%; Opportunistic Equity: 35%; Multi-Asset: 20%. See below for indexes used, and the following page for index definitions.

¹⁴ Portfolios above each line were impossible to achieve given the constraints used in these examples. Keep in mind that this efficient-frontier analysis is for illustration purposes only and is based on historical returns. It is only intended to demonstrate how adding additional asset classes can potentially increase the historical return for the same level of volatility (as measured by standard deviation). As always, past performance is no guarantee of future results.

The indexes used for the Core, Extended, and Baseline Portfolios in Exhibit 4 are: Cash: Bloomberg Barclays US 3-6 Month Treasury Bill Index; Short-Term Bond: Bloomberg Barclays US Govt/Credit 1-3 Yr Index; Intermediate Core-Plus Bonds: Bloomberg Barclays US Universal Index; Intermediate Government: Bloomberg Barclays US Government Bond Index; Large Growth Equity: Russell 1000 Growth Index; Large Core Equity: Russell 1000 Index; Large Value Equity: Russell 1000 Value Index; Mid Core Equity: Russell Mid Cap Index; Small Core Equity: Russell 2000 Index; Opportunistic Equity: Russell 3000 Index; Total International Equity: MSCI ACWI Ex USA Index NR USD; Multi-asset: Multi-Asset Real Return custom benchmark comprises 30% Bloomberg Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index, 25% S&P/LSTA Leveraged Loan Index, 25% Bloomberg Commodity Index Total Return, and 20% Dow Jones U.S. Select Real Estate Securities Index; Long Government: Bloomberg Barclays US Long Treasury Index; TIPS: Bloomberg Barclays US Treasury Inflation-Protected Securities (TIPS) Index; High-Yield Bonds: ICE BofAML US High Yield Index; Developed International Equity: MSCI EAFE Index NR USD; Emerging-Market Equity: MSCI EM NR USD Index; REITS: FTSE NAREIT All Equity REITs Index. Index definitions are on the next page.

Index definitions

Unless otherwise noted, indexes are total returns, in USD. Net return, or NR, includes dividends after the deduction of withholding taxes.

Bloomberg Barclays US 3–6 Month Treasury Bill Index is a market capitalization-weighted index of investment-grade, fixed-rate public obligations of the US Treasury with remaining maturities from three up to (but not including) six months, excluding zero coupon strips. Bloomberg Barclays U.S. 1–3 Year Government/Credit Bond Index is a market value-weighted index of investment-grade fixed-rate debt securities with maturities from one to three years from the U.S. Treasury, U.S. Government-Related, and U.S. Corporate Indices. Bloomberg Barclays US Universal Bond Index represents the union of the Bloomberg Barclays US Aggregate Bond Index, the Bloomberg Barclays US Corporate High Yield Bond Index, the Bloomberg Barclays 144A Bond Index, the Bloomberg Barclays Eurodollar Bond Index, the Bloomberg Barclays Emerging Markets Aggregate USD Bond Index, and the non-ERISA portion of the Bloomberg Barclays US CMBS Index. Municipal debt, private placements, and non-dollar-denominated issues are excluded from the index. The only constituent of the index that includes floating rate debt is the Bloomberg Barclays Emerging Markets Aggregate USD Bond Index. Bloomberg Barclays US Government Bond Index is a market value-weighted index of U.S. Government fixed-rate debt issues with maturities of one year or more. Bloomberg Barclays US Long Treasury Index is a market value-weighted index of investment-grade fixed-rate public obligations of the U.S. Treasury with maturities of 10 years or more. Bloomberg Barclays US Treasury Inflation-Protected Securities (TIPS) Index is a market value-weighted index that measures the performance of inflation-protected securities issued by the U.S. Treasury.

Russell 1000 Growth Index is a market capitalization-weighted index designed to measure the performance of the large cap growth segment of the U.S. equity market. It includes those Russell 1000 Index companies with higher price-to-book ratios and higher forecasted growth rates. Russell 1000 Index is a market capitalization-weighted index designed to measure the performance of the large cap segment of the U.S. equity market. Russell 1000 Value Index is a market capitalization-weighted index designed to measure the performance of the large cap value segment of the U.S. equity market. It includes those Russell 1000 Index companies with lower price-to-book ratios and lower expected growth rates. Russell Midcap Index is a market capitalization-weighted index designed to measure the performance of the mid cap segment of the U.S. equity market. It contains approximately 800 of the smallest securities in the Russell 1000 Index. Russell 2000 Index is a market capitalization-weighted index designed to measure the performance of the small cap segment of the U.S. equity market. It includes approximately 2,000 of the smallest securities in the Russell 3000

Index. Russell 3000 Index is a market capitalization-weighted index designed to measure the performance of the 3,000 largest companies in the U.S. equity market.

MSCI ACWI (All Country World Index) ex USA Index NR USD is a market capitalization-weighted index designed to measure the investable equity market performance for global investors of large and mid cap stocks in developed and emerging markets, excluding the United States. MSCI EAFE Index NR USD is a market capitalization-weighted index that is designed to measure the investable equity market performance for global investors in developed markets, excluding the U.S. & Canada. MSCI Emerging Markets Index NR USD is a market capitalization-weighted index that is designed to measure the investable equity market performance for global investors in emerging markets.

Bloomberg Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index is a market value-weighted index that measures the performance of inflation-protected securities issued by the U.S. Treasury. S&P/LSTA Leveraged Loan Index is a market capitalization-weighted index designed to represent the performance of U.S. dollar-denominated institutional leveraged loan portfolios using current market weightings, spreads and interest payments. Bloomberg Commodity Index Total Return measures the performance of the commodities market. It consists of exchange-traded futures contracts on physical commodities that are weighted to account for the economic significance and market liquidity of each commodity. The Dow Jones U.S. Select Real Estate Securities Index (RESI) represents equity real estate investment trusts (REITs) and real estate operating companies (REOCs) traded in the U.S.

ICE BofAML US High Yield Index is a market capitalization-weighted index of U.S. dollar-denominated below-investment-grade corporate debt publicly issued in the U.S. domestic market. Qualifying securities must have a below-investment-grade rating (based on an average of Moody's, S&P, and Fitch). The country of risk of qualifying issuers must be an FX-G10 member, a Western European nation, or a territory of the U.S. or a Western European nation. The FX-G10 includes all eurozone members, the U.S., Japan, the UK, Canada, Australia, New Zealand, Switzerland, Norway, and Sweden. In addition, qualifying securities must have at least one year remaining to final maturity, a fixed coupon schedule, and at least \$100 million in outstanding face value. Defaulted securities are excluded.

FTSE NAREIT All Equity REITs Index is a market capitalization-weighted index that is designed to measure the performance of tax-qualified Real Estate Investment Trusts (REITs) that are listed on the New York Stock Exchange, the NYSE MKT LLC, or the NASDAQ National Market List with more than 50% of total assets in qualifying real estate assets secured by real property. Mortgage REITs are excluded.

This document does not make an offer or solicitation to buy or sell any securities or services, and is not investment advice. FIAM does not provide legal or tax advice and we encourage you to consult your own lawyer, accountant, or other advisor before making an investment.

Information provided in this document is for informational and educational purposes only. To the extent any investment information in this material is deemed to be a recommendation, it is not meant to be impartial investment advice or advice in a fiduciary capacity and is not intended to be used as a primary basis for you or your client's investment decisions. Fidelity and its representatives may have a conflict of interest in the products or services mentioned in this material because they have a financial interest in them, and receive compensation, directly or indirectly, in connection with the management, distribution, and/or servicing of these products or services, including Fidelity funds, certain third-party funds and products, and certain investment services.

All data from the Fidelity Participant Recordkeeping System ("FPRS," Fidelity's solution for plan recordkeeping services) is as of Dec. 31, 2018. Note: Data includes corporate DC plans, but excludes tax-exempt plans.

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

Fidelity Institutional Asset Management® (FIAM®) provides registered investment products via Fidelity Investments Institutional Services Company, Inc. and institutional asset management services through FIAM LLC or Fidelity Institutional Asset Management Trust Company.

Personal and workplace investment products are provided by Fidelity Brokerage Services LLC, Member NYSE, SIPC. © 2019 FMR LLC. All rights reserved.

869823.2.0

FIAM-IA/BD

 go.fidelity.com/institute



FIDELITY FREEDOM FUNDS

Updates to Fidelity's Target Date Strategies to Help Deliver Better Outcomes

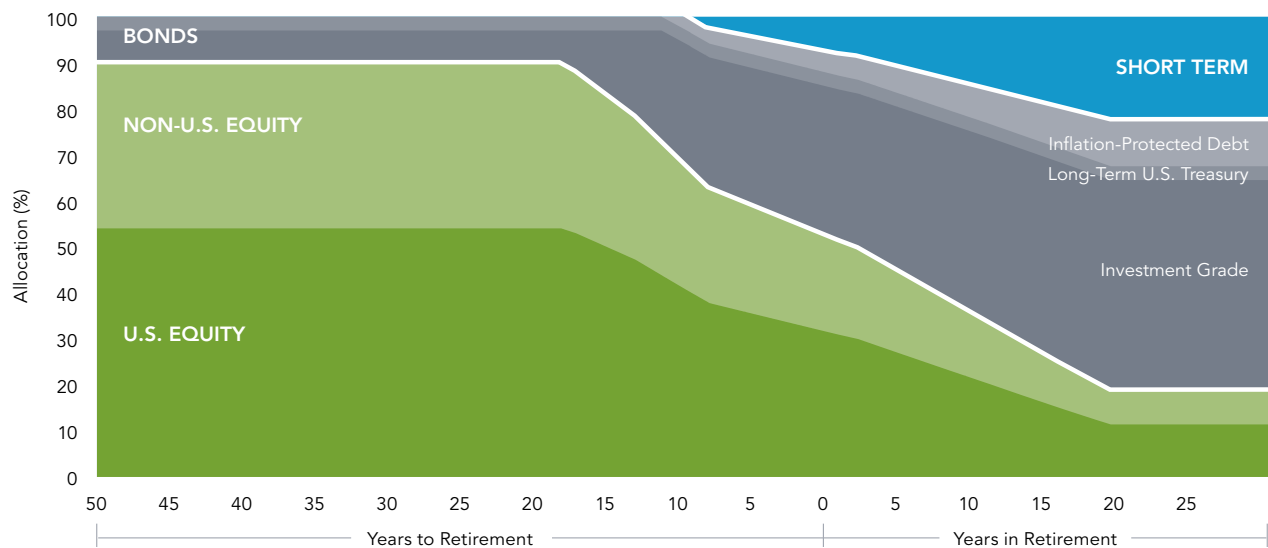
Increasing global diversification of the strategic equity allocation | As of June 2019

The goal of Fidelity's target date strategies is to help investors maintain their standard of living in retirement by balancing risk and return throughout their lifetime. The glide path and strategic asset allocation are expected to have the greatest impact on outcomes. Our disciplined investment process emphasizes research into participant needs, diversification, and long-term capital market views. Because these factors evolve gradually over time, we periodically adjust the glide path and strategic asset allocation to reflect our latest research.

Based on our current research and forward-looking views, we are updating the strategic equity allocation in Fidelity's target date strategies, increasing the Non-U.S. Equity allocation and correspondingly reducing the U.S. Equity allocation. Total equity exposure remains the same.

We are committed to ongoing research on behalf of target date investors, with the goal of delivering successful retirement outcomes.

Glide Path and Strategic Asset Allocation Update



The graphic above and table below represent a revised Strategic Asset Allocation, the implementation of which is expected to be completed by mid-2020.

STRATEGIC ALLOCATION (%) ¹													
	2060	2055	2050	2045	2040	2035	2030	2025	2020	2015	2010	2005	Income
U.S. Equity	54.0	54.0	54.0	54.0	54.0	50.6	42.1	35.6	31.7	27.0	21.5	16.0	11.4
Non-U.S. Equity	36.0	36.0	36.0	36.0	36.0	33.7	28.1	23.8	21.1	18.0	14.3	10.6	7.6
Investment Grade Bonds	7.0	7.0	7.0	7.0	7.0	12.7	25.2	29.6	32.2	35.4	39.2	42.8	45.5
Inflation-Protected Debt	0.0	0.0	0.0	0.0	0.0	0.0	1.6	4.1	4.8	6.0	7.2	8.7	10.0
Long-Term U.S. Treasury	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Short Term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.9	7.2	10.6	14.8	18.9	22.5
ALLOCATION CHANGE (%)													
	2060	2055	2050	2045	2040	2035	2030	2025	2020	2015	2010	2005	Income
U.S. Equity	(9.0)	(9.0)	(9.0)	(9.0)	(9.0)	(8.4)	(7.0)	(5.9)	(5.3)	(4.5)	(3.6)	(2.7)	(1.9)
Non-U.S. Equity	9.0	9.0	9.0	9.0	9.0	8.4	7.0	5.9	5.3	4.5	3.6	2.7	1.9
Investment Grade Bonds	—	—	—	—	—	—	—	—	—	—	—	—	—
Inflation-Protected Debt	—	—	—	—	—	—	—	—	—	—	—	—	—
Long-Term U.S. Treasury	—	—	—	—	—	—	—	—	—	—	—	—	—
Short Term	—	—	—	—	—	—	—	—	—	—	—	—	—

¹ Numbers may not total 100 due to rounding.

Not FDIC Insured • May Lose Value • No Bank Guarantee

FIDELITY INSTITUTIONAL ASSET MANAGEMENT®



A Glide Path Driven by Diversification, Capital Market Views, and Participants' Needs

Increasing Diversification

- We believe diversification is the best way to manage uncertainty in the capital markets.
- Differences in demographics, political systems, and economic cycles can lead to performance attributes for non-U.S. Equities that are distinct from those of U.S. Equities and other assets.
- A more diversified basket of equities can improve resilience to unexpected changes in the market environment.

Forces Affecting Capital Markets

- We observe potential uncertainty about the long-term economic consequences of changes in monetary policy, demographics, globalization, and technological progress.
- In addition, synchronized global growth and accommodative monetary policy have coincided with historical high correlations between U.S. and Non-U.S. Equity markets.
- We believe the benefits of diversification may become more important should market volatility rise and trends in globalization reverse.

Participants' Need for U.S.-Based Assets

- Retirement income goals for most investors in U.S. target date funds tend to emphasize liabilities denominated in U.S. dollars.
- We observe a preference for U.S. dollar-based assets within Fidelity's broader customer data, suggesting that individual investors are sensitive to their liabilities.
- As a result, Fidelity's target date strategies continue to maintain their emphasis on U.S. dollar-based assets.



Information provided in this document is for informational and educational purposes only. To the extent any investment information in this material is deemed to be a recommendation, it is not meant to be impartial investment advice or advice in a fiduciary capacity and is not intended to be used as a primary basis for you or your client's investment decisions. Fidelity and its representatives may have a conflict of interest in the products or services mentioned in this material because they have a financial interest in them, and receive compensation, directly or indirectly, in connection with the management, distribution, and/or servicing of these products or services, including Fidelity funds, certain third-party funds and products, and certain investment services.

Not NCUA or NCUSIF insured. May lose value. No credit union guarantee.

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

Third-party trademarks and service marks are the property of their respective owners. All other trademarks and service marks are the property of FMR LLC or an affiliated company.

The investment risk of each target date strategy changes over time as its asset allocation changes. These risks are subject to the asset allocation decisions of the portfolio manager. Except for the Index portfolios, pursuant to the portfolio manager's ability to use an active asset allocation strategy, investors may be subject to a different risk profile compared to the portfolio's neutral asset allocation strategy shown in its glide path. The portfolios 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. 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 strategy is considered a complete retirement program and there is no guarantee any single offering will provide sufficient retirement income at or through retirement. Principal invested is not guaranteed at any time, including at or after the portfolios' target dates.


The FIAM Target Date commingled pools are commingled pools of the FIAM Group Trust for Employee Benefit Plans, and are managed by Fidelity Institutional Asset Management Trust Company, a trust company organized under the laws of the State of New Hampshire. The FIAM Target Date commingled pools are not mutual funds.

© 2019 FMR LLC. All rights reserved.

Before investing, consider the fund's investment objectives, risks, charges, and expenses. Contact your investment professional or visit institutional.fidelity.com, or 401k.com, for a prospectus, or a summary prospectus if available, containing this information. Read it carefully.

887098.1.0
FIAM-BD

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

1.9895986.100
0619 



LINEUP NOTES

Page 167 of 170

Core	Extended	Category	Fund Name	Assets \$	Assets %	Participants	Action
X		Target Date Funds	Fidelity Freedoms	\$ 50,916,883.53	27.4%		retain
X		Stable Value	Mellon Stable Value	\$ 20,164,639.26	10.9%	624	retain
X		Short Term Bond					potential add?
X		Bond Index	Fidelity US Bond Index	\$ 2,420,319.88	1.3%	215	retain
X		Intermediate Core Plus Bond	Pimco Total Return	\$ 4,002,998.11	2.2%	219	retain
X		Intermediate Government					potential add
	X	Long Government Bond					potential add
	X	High Yield	Fidelity Capital & Income	\$ 3,529,933.21	1.9%	117	retain
		Allocation 50-70% Equity	Fidelity Puritan	\$ 2,387,981.44	1.3%	100	map to QDIA
		Large Value	American Beacon Large Cap Value	\$ 779,738.54	0.4%	190	map to American Funds American Mutual
X		Large Value	American Funds American Mutual	\$ 3,300,570.14	1.8%	247	retain
X		Large Blend	Fidelity 500 Index	\$ 4,999,698.66	2.7%	339	retain
		Large Blend	Fidelity Total Market Index	\$ 900,400.86	0.5%	52	map to Fidelity 500 Index
		Large Blend	Davis NY Venture	\$ 2,487,087.32	1.3%	120	map to Fidelity 500 Index
		Large Blend	T Rowe Price Dividend Growth	\$ 3,102,352.99	1.7%	240	map to Fidelity 500 Index
X		Large Growth	Fidelity Growth Company	\$ 29,277,925.01	15.8%	713	retain
X		Large Growth/Opportunistic	Fidelity Contra	\$ 21,438,040.14	11.5%	622	retain
		Mid Value	Fidelity Value	\$ 1,608,096.11	0.9%	165	retain
X		Mid Value/Opportunistic	Fidelity Low Priced Stock	\$ 5,288,865.30	2.8%	132	retain
X		Mid Blend	Fidelity Extended Market Index	\$ 1,799,175.42	1.0%	226	retain
		Mid Blend	Fidelity Mid Cap Stock	\$ 1,404,519.12	0.8%	82	map to Fidelity Extended Market Index
		Mid Growth	Artisan Mid Cap	\$ 10,583,519.80	5.7%	453	retain
		Small Value	American Beacon Small Cap Value	\$ 1,889,495.99	1.0%	242	retain
X		Small Blend	Fidelity Small Cap Index	\$ 24,972.36	0.0%	2	retain
		Small Growth	Morgan Stanley Small Co Growth	\$ 591,571.57	0.3%	39	map to Fidelity Small Cap Growth
		Small Growth	Fidelity Small Cap Growth	\$ 2,657,434.62	1.4%	289	retain
X		Total International Equity					add?
	X	Developed International	Fidelity Diversified International	\$ 2,639,424.52	1.4%	295	retain
	X	Developed International	Fidelity International Index	\$ 824,371.76	0.4%	201	retain
	X	Emerging Markets Equity					add
		World Large Stock	Franklin Mutual Global Discovery	\$ 2,988,487.17	1.6%	260	map to QDIA
		World Large Stock	Janus Henderson Global Research	\$ 3,390,432.53	1.8%	333	map to QDIA
		World Large Stock	Templeton Growth	\$ 217,332.17	0.1%	20	map to QDIA
X		Multi Asset Class Real Return					add
	X	TIPS					add?
	X	REITS					add?
TOTAL ASSETS				\$ 185,616,267.53	100.0%		



INVESTMENT SPECTRUM

CITY OF FRESNO – 35801

CURRENT LINEUP

Total Plan Assets: \$190,381,798
Total Plan Participants: 2,130

Self-Directed Brokerage Assets: 2.5%
Self-Directed Brokerage Participant Count: 61

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

26.7%

RISK SPECTRUM FOR LIFECYCLE FUNDS

FIDELITY FREEDOM FUNDS® CLASS K (27.4)

70.8%

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 (10.6%, 626)	<u>Diversified</u> PIM TOTAL RT INST (2.1%, 219)	FID PURITAN K (1.3%, 100)	<u>Large Value</u> AF AMER MUTUAL RSE (1.7%, 248)	<u>Large Blend</u> FID 500 INDEX (2.6%, 340)	<u>Large Growth</u> FID GROWTH CO K (15.4%, 714)	<u>Diversified</u> J H GLB RESEARCH I (1.8%, 334)	
		FID US BOND IDX (1.3%, 216)		ABF LG CAP VAL INST (0.4%, 191)	TRP DIV GROWTH (1.6%, 241)	FID CONTRAFUND K (11.3%, 624)	FKLN MTL GLB DISC Z (1.6%, 260)	
		<u>High Yield</u> FID CAPITAL & INCOME (1.9%, 117)			DAVIS NY VENTURE Y (1.3%, 120)		FID DIVERSIFD INTL K (1.4%, 296)	
					FID TOTAL MKT IDX (0.5%, 52)		FID INTERNATIONAL INDEX (0.4%, 201)	
				<u>Mid Value</u> FID LOW PRICED STK K (2.8%, 132)	<u>Mid Blend</u> FID EXTD MKT IDX (0.9%, 227)	<u>Mid Growth</u> ARTISAN MID CAP INST (5.6%, 454)	TEMPLETON GROWTH R (0.1%, 20)	
			FID VALUE K (0.8%, 166)		FID MID CAP STOCK K (0.7%, 82)			
				<u>Small Value</u> ABF SM CAP VAL INST (1.0%, 243)	<u>Small Blend</u> FID SM CAP IDX (0.0%, 2)	<u>Small Growth</u> FID SMALL CAP GROWTH (1.4%, 290)		
						*MSIF INCEPTION IS (0.3%, 39)		

*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.



INVESTMENT SPECTRUM

CITY OF FRESNO – 35801

POTENTIAL LINEUP

Total Plan Assets: \$190,381,798
Total Plan Participants: 2,130

Self-Directed Brokerage Assets: 2.5%
Self-Directed Brokerage Participant Count: 61

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

26.7%

RISK SPECTRUM FOR LIFECYCLE FUNDS

FIDELITY FREEDOM FUNDS® CLASS K

70.8%

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%)	<u>Diversified</u> PIM TOTAL RT INST (2.2%) FID US BOND IDX (1.3%,)		<u>Large Value</u> AF AMER MUTUAL RSE (2.2%)	<u>Large Blend</u> FID 500 INDEX (6.2%)	<u>Large Growth</u> FID GROWTH CO K (15.8%) FID CONTRAFUND K (11.5%)	<u>Diversified</u> FID DIVERSIFD INTL K (1.4%) FID INTERNATIONAL INDEX (0.4%, 201)	MULTI ASSET CLASS REAL RETURN
		<u>High Yield</u> FID CAPITAL & INCOME (1.9%)		<u>Mid Value</u> FID LOW PRICED STK K (2.8%) FID VALUE K (0.9%)	<u>Mid Blend</u> FID EXTD MKT IDX (1.8%)	<u>Mid Growth</u> ARTISAN MID CAP INST (5.7%)	EMERGING MKT EQUITY	
				<u>Small Value</u> ABF SM CAP VAL INST (1.0%)	<u>Small Blend</u> FID SM CAP IDX (0.0%)	<u>Small Growth</u> FID SMALL CAP GROWTH (5.7%)		

*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.

IMPORTANT ADDITIONAL INFORMATION

Investment Risk

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.

To the extent any investment information in this material constitutes a recommendation, it is not meant to be impartial investment advice or advice in a fiduciary capacity, is not intended to be used as a primary basis for your investment decisions, is based on facts and circumstances at the point in time it is made, and will not be updated if facts or circumstances change unless you contact Fidelity and ask for a new recommendation. Fidelity and its representatives have a financial interest in any investment alternatives or transactions described in this material. Fidelity receives compensation from Fidelity funds and products, certain third-party funds and products, and certain investment services. The compensation that is received, either directly or indirectly, by Fidelity may vary based on such funds, products and services, which can create a conflict of interest for Fidelity and its representatives.

This presentation is for the sole use of CITY OF FRESNO and was previously prepared for Plan Sponsor use only.

The securities described herein are not qualified for sale outside of the United States of America. These materials should not be construed and do not constitute an offer of or solicitation for these securities (i) to any person to whom it is unlawful to make such an offer or solicitation or (ii) by any person in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified or registered to do so.

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.

840517.6.0

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

97

894544.1.0

