Investment Themes
2018

Synchronized Global Economic Expansion vs. Global Macro Risks

For Investors

FIDELITY INSTITUTIONAL ASSET MANAGEMENT®

Fidelity INVESTMENTS®

To Fit Both Dynamics into Your Portfolio Construction a "Barbell" Approach May Be Worth Considering

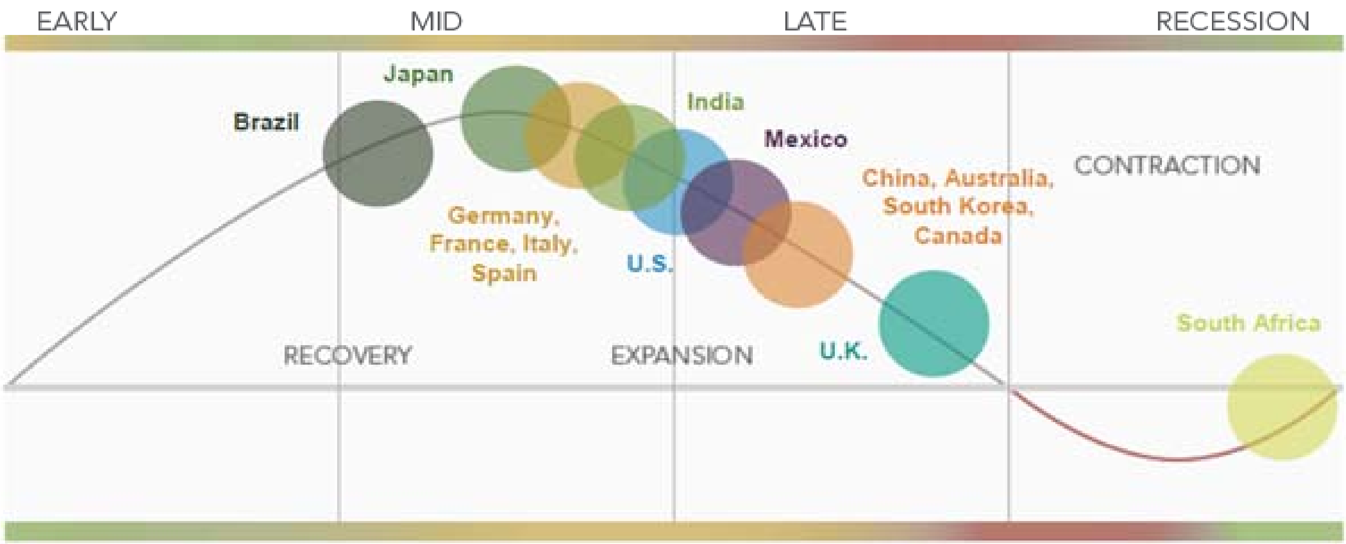
Finally, synchronized global expansion after a prolonged ‘hang-over” period post the financial crisis

But also, a long list of risks:

- Geopolitical (North Korea, Iran/ Saudi Arabia, etc..)
- US Trade Policy (NAFTA, China)
- Slow down in China?
- Monetary policy mistake?

The Bullish Case

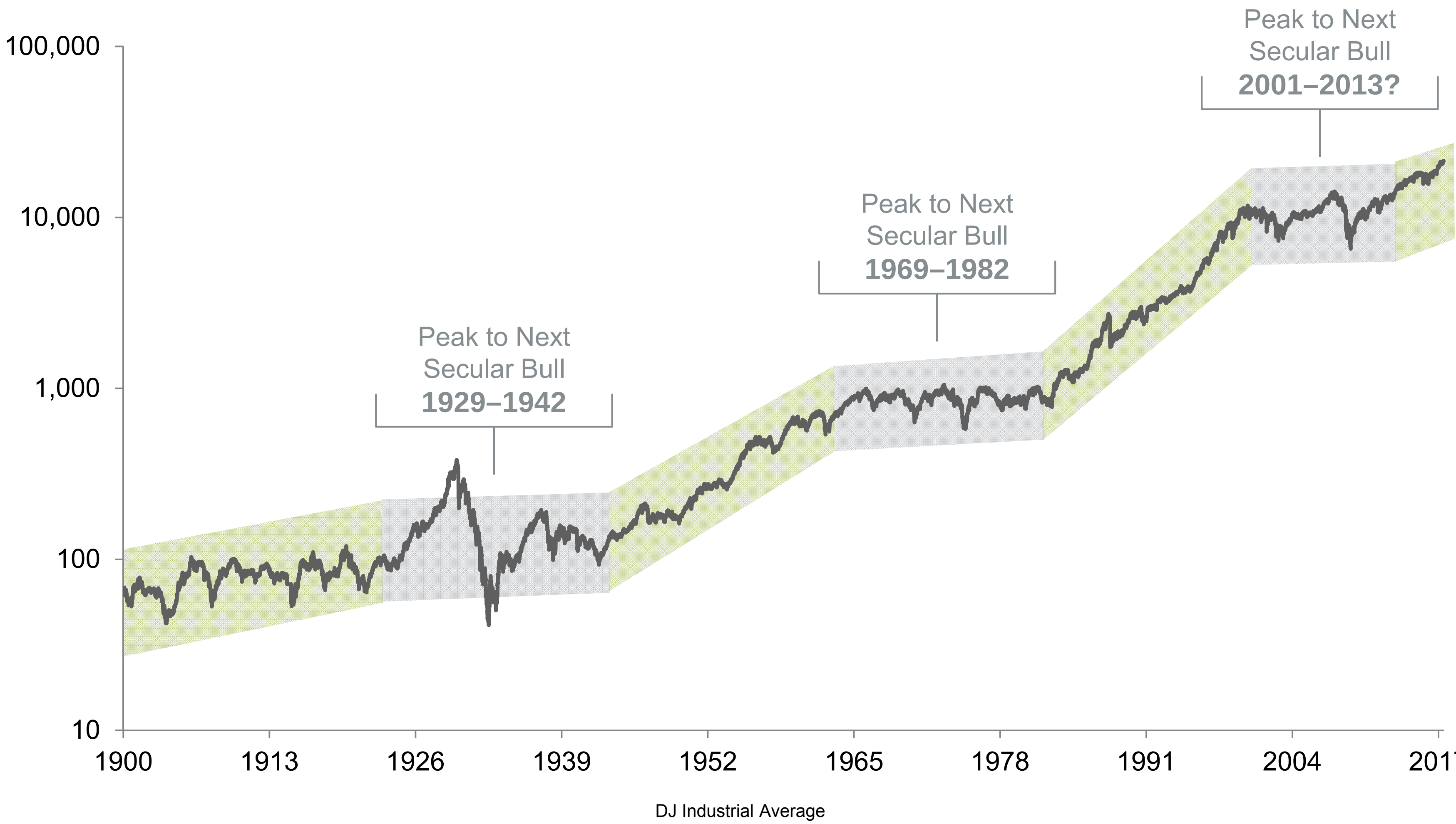
Strongest Global Economic Expansion Since the Financial Crisis



% Real GDP Y/Y					
United States	2.58%	South Africa	1.95%	India	7.17%
Euro Area	2.67%	Portugal	2.36%	Indonesia	5.17%
China	6.80%	Italy	1.65%	Thailand	3.97%
Japan	2.06%	Greece	1.77%	Philippines	6.56%
Germany	2.91%	Spain	3.06%	Malaysia	5.93%

Top: The diagram above is a hypothetical illustration of the business cycle. There is not always a chronological, linear progression among the phases of the business cycle, and there have been cycles when the economy has skipped a phase or retraced an earlier one. Source: Fidelity Investments (AART) as of 03/31/2018. **Bottom:** Source: Factset As of: Q4 2017.

U.S. Equities Appeared to Have Broken out into a New Secular Bull Market in 2013, Due to…



Source: Factset as of 6/15/2017

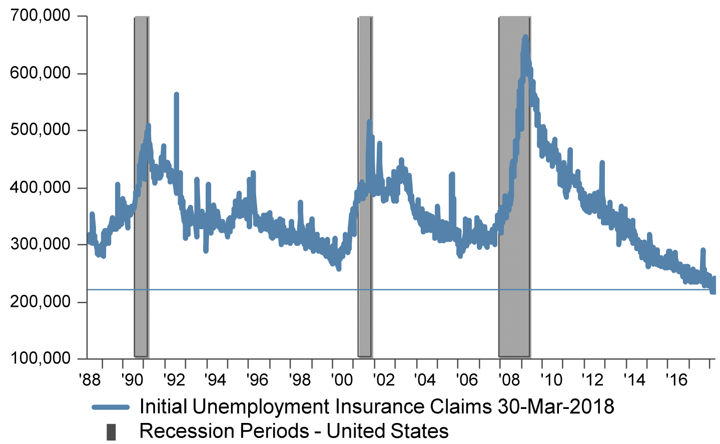
Past performance is no guarantee of future results.

1. We Have Resolved Many of Our Structural Issues

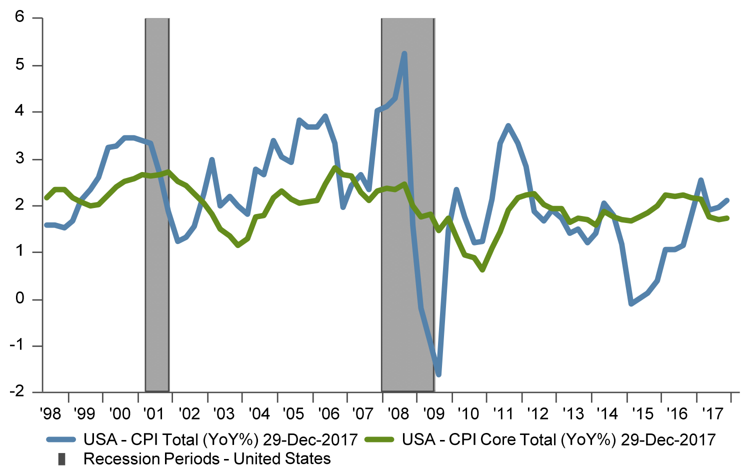
THEN	NOW
Peak Oil (Not enough, $150/bbl)	Fracking Revolution (Oversupplied, $40/bbl)
Offshoring to low cost labor countries	Reshoring to U.S.
Housing Glut	Housing Shortage
Excessive Bank Leverage	Banks are well capitalized and more regulated
Corporate balance sheets stretched thin	Corporate cash near record levels
Heavy household debt burden	High savings rates and low debt-to-income ratio
Budget deficit surging	Annual deficit back in line with historical average

2. The Economy is Doing Better than People Think

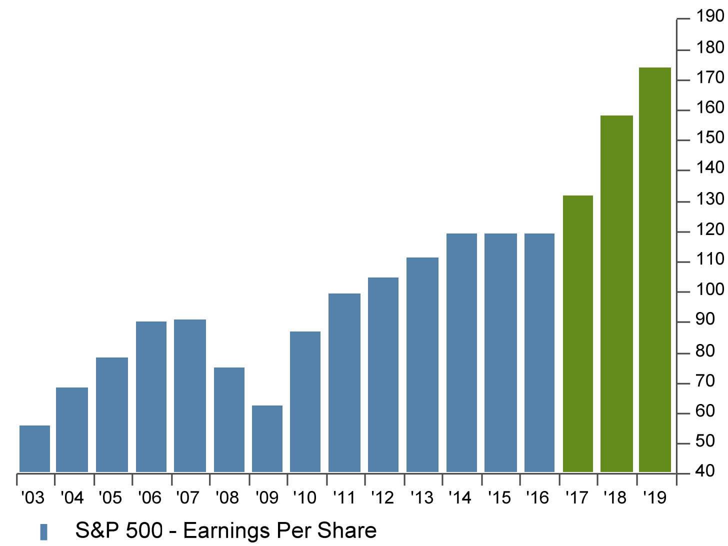
The labor market remains strong



No immediate inflation concerns



… & Earnings have been growing again



Top Left: Factset, Initial Claims For Unemployment Insurance Under State Programs, SA, Persons, US. **Bottom Left:** Factset. **Right**: S&P Dow Jones Indices, S&P 500 earnings and estimate report through 12/19. 2017 data and prior is actual, 2018 data and beyond are annual estimates. Past performance is no guarantee of future results.

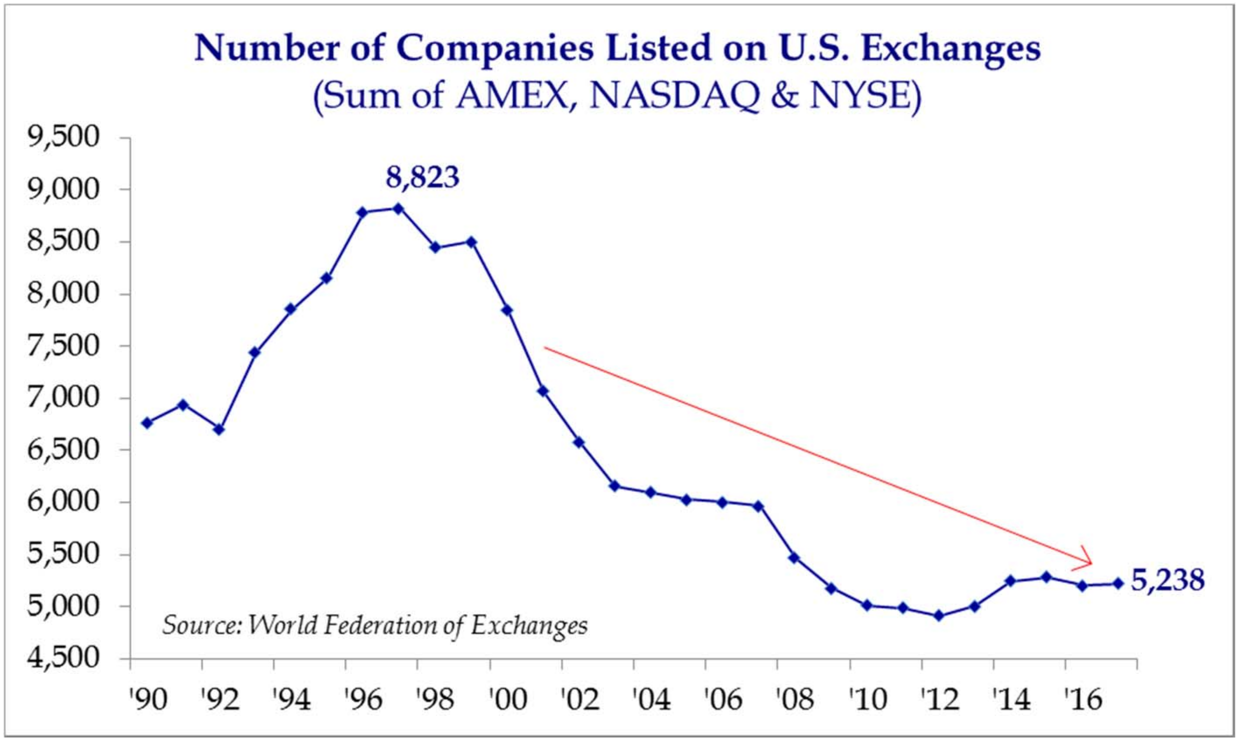
3. There is a Very Large Amount of Cash on the Sidelines, With Some Going into Fixed Income

Net Flows into Mutual Funds + ETFs ($BN)

Year	Domestic Equity		International Equity		Bond	Money Mkt
	MF	ETF	MF	ETF		
2009	(27.6)	30.9	29.6	39.6	417.2	(539.1)
2010	(81.1)	46.7	56.7	41.5	262.0	(525.1)
2011	(133.3)	47.3	4.1	24.3	163.7	(124.1)
2012	(159.1)	80.9	6.4	51.9	358.5	(0.2)
2013	18.1	104.1	141.4	62.8	(59.0)	15.0
2014	(60.2)	141.5	85.4	46.6	94.5	6.2
2015	(170.8)	65.4	93.9	109.7	29.4	21.5
2016	(235.4)	167.6	(24.5)	20.1	190.1	(30.3)
2017	(236.0)	186.0	76.7	159.8	381.1	106.9
2018 YTD	(44.1)	13.6	28.7	36.7	58.6	(9.0)
TOTAL	(1129.4)	883.9	498.4	593.0	1896.1	(1078.3)

Source: Strategas. As of 02-28-18. Past performance is no guarantee of future results.

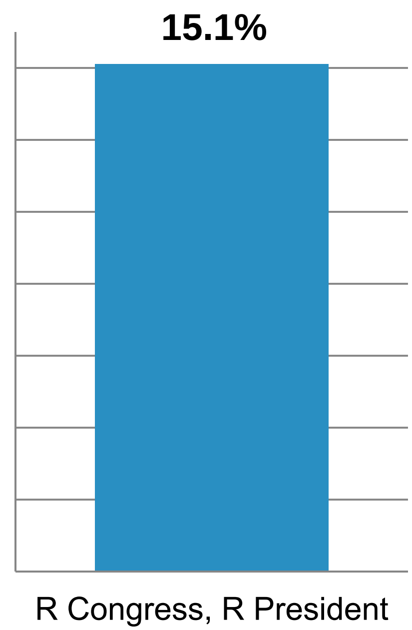
4. And if Demand Ever Picks Up; Supply is Down



Source: Strategas as of 10-31-17. Past performance is no guarantee of future results.

5. On Top of That, There is More Stimulus Coming Out of Washington

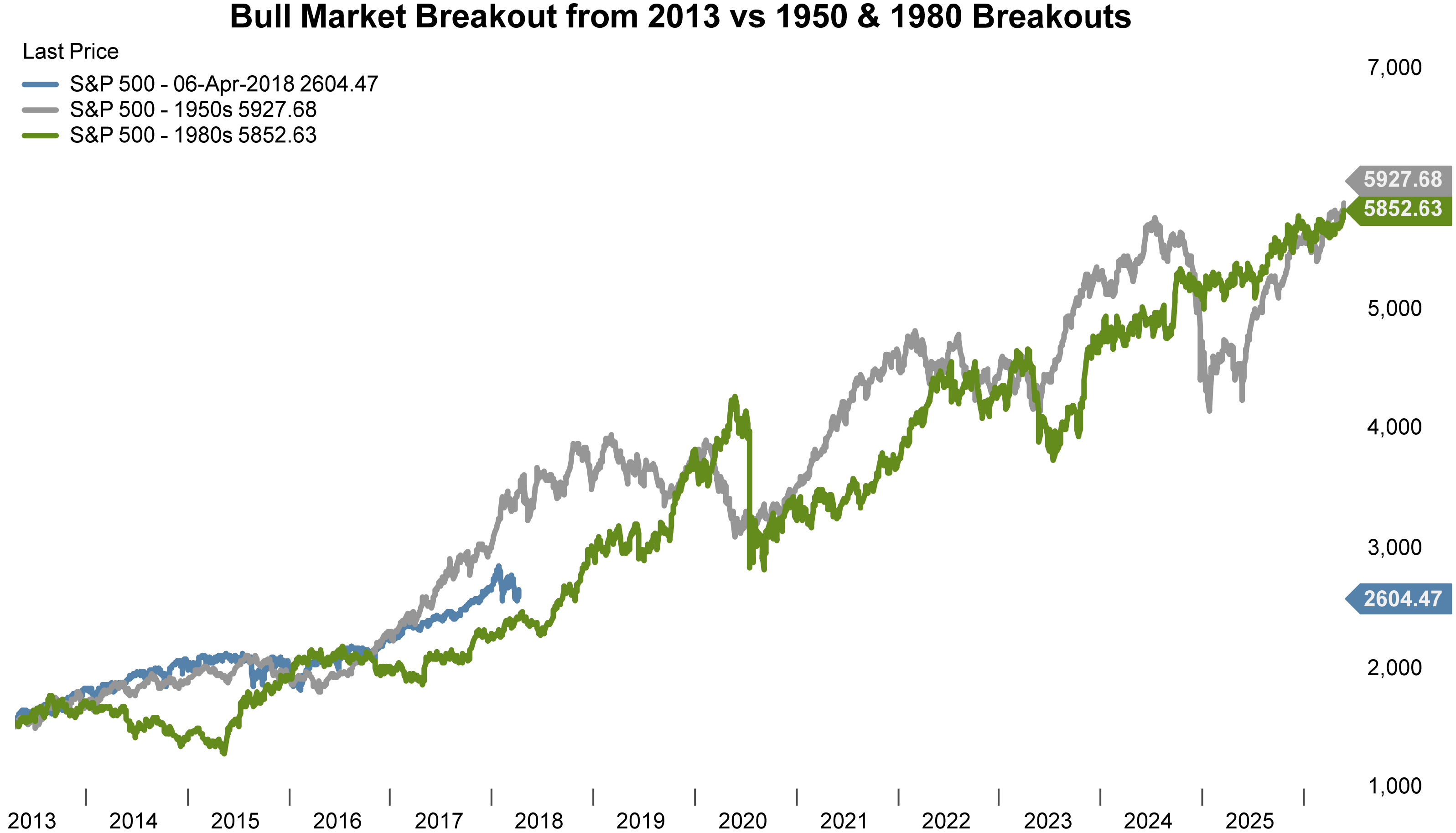
Full Republican Control has historically been good for the equity markets



- **Taxes**
  - Tax Bill is estimated to cut 2018 tax obligations by about $200B which Fidelity estimates will increase GDP growth by about 0.3%
  - Cut in corporate taxes will add about $10 in earnings to companies part of the S&P 500 Index
  - Significant Repatriation of cash sitting on foreign balance sheets likely ($2.3T available for S&P 500 companies alone)
- **Deregulation** (e.g. Energy, Finance, Healthcare)
- **Fiscal Stimulus**
  - Infrastructure (next?)
  - Increase in Defense spending
  - Rebuilding of Houston, Florida & Puerto Rico

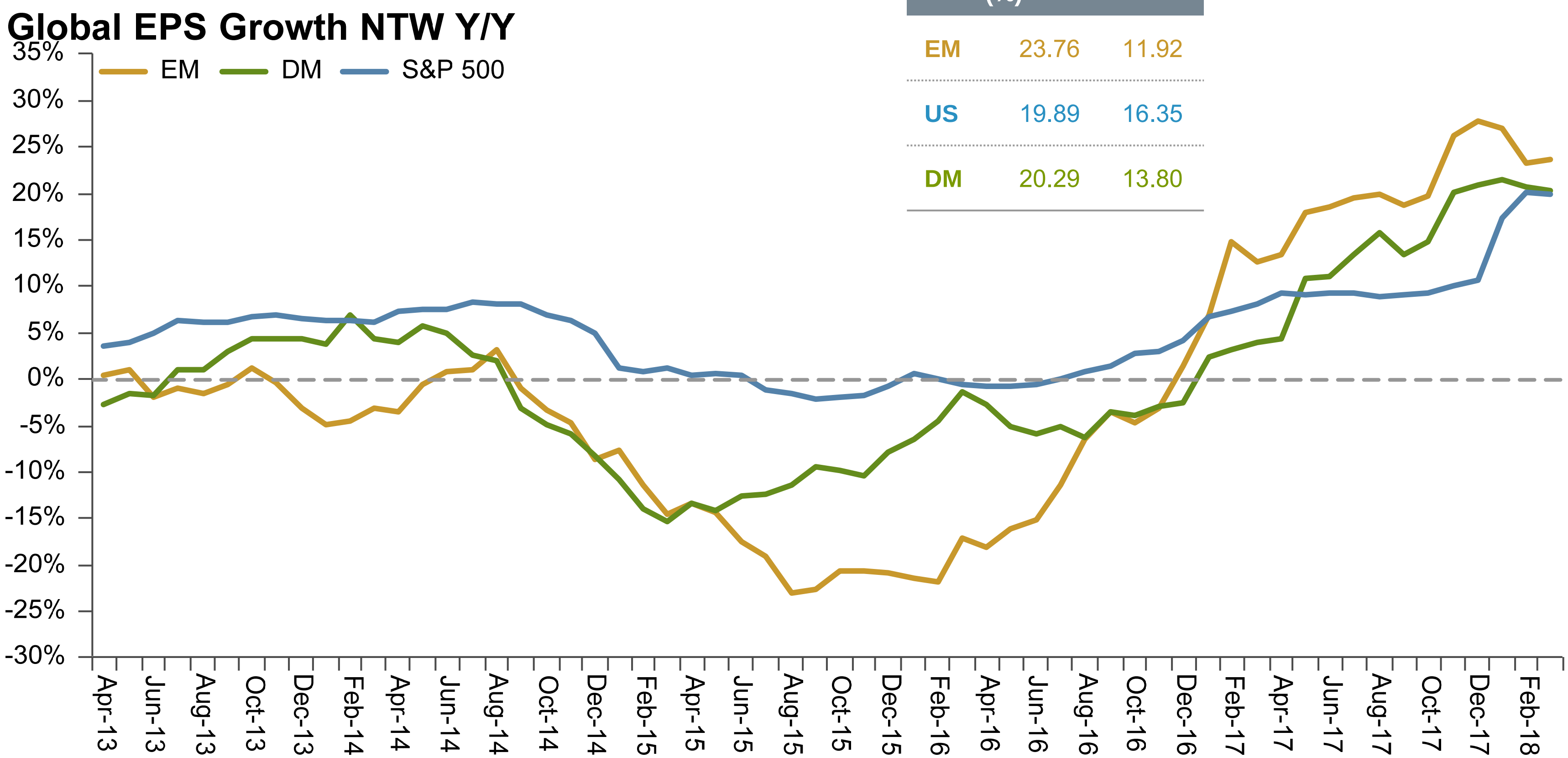
Past performance is no guarantee of future results.
LEFT: Avg. Annual S&P Performance (1933-2015, Excl. 2001-02) with a Republican President and Republican Congress. Strategas.
RIGHT: Strategas, FMR Co.

All of This Could Continue the Current Secular Bull Market. Current Path Resembles Equity Bull Markets of the 50s & 80s



Source: Factset. Past performance is no guarantee of future results.

Case for International Equities Might Be Even Stronger



	EPS NTM Growth Expectations (%)	NTM P/E
EM	23.76	11.92
US	19.89	16.35
DM	20.29	13.80

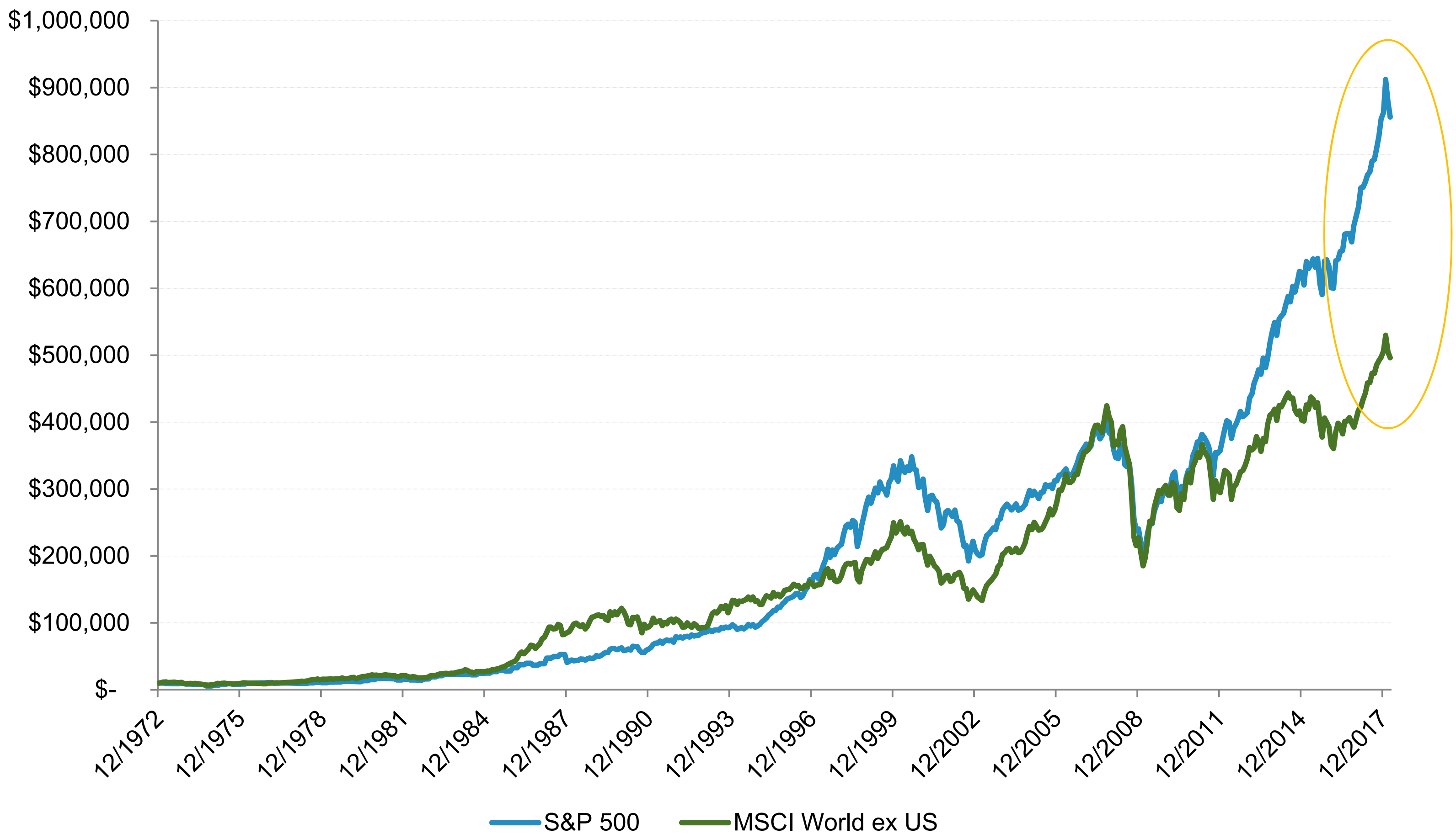
U.S.: S&P 500 DM: Developed Markets, MSCI EAFE. EM: Emerging Markets, MSCI EM. NTM: Next 12 months P/E: Price to earnings ratio. Source: Factset, EPS as of 03/31/18. P/E as of 03/31/18. Past performance is no guarantee of future results.

International Equities May Also Benefit From:

- In general, faster economic growth than the U.S .
- Continued quantitative easing
- Low interest rates
- Low commodity / low oil prices
- Some structural reforms and fiscal stimulus
- Reduced political risks

U.S. Equities vs. Global ex-U.S. Equities

Reversion to the mean starting?

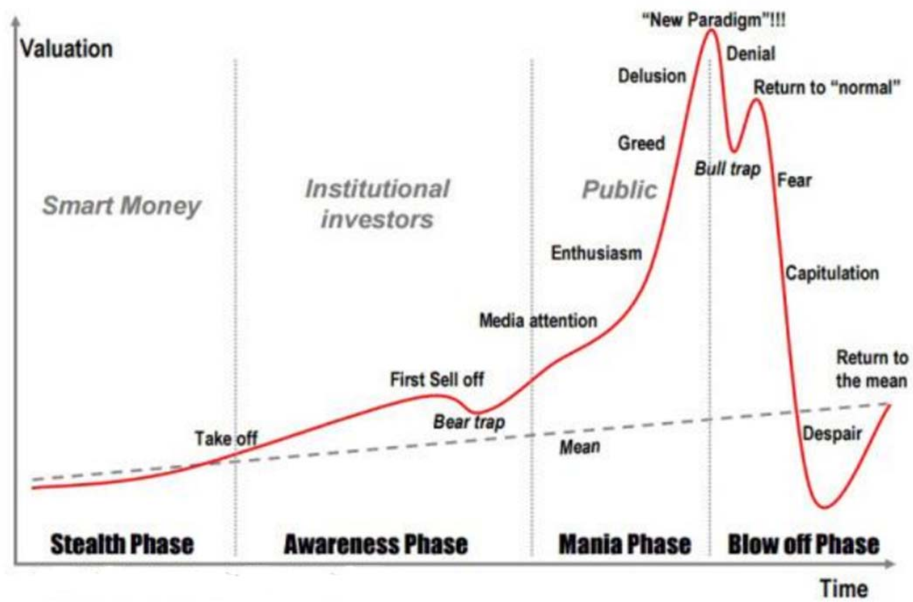


Source: Morningstar as of 03/31/18. US equities are represented by the S&P500. Global equities ex-US is a custom Global Financial Data World Index. See page 27 for methodology

Psychologically it Does Not Feel Like The End of The Bull Market

“Bull markets are born on pessimism, grown on skepticism, mature on optimism and die on euphoria”

Sir John Templeton



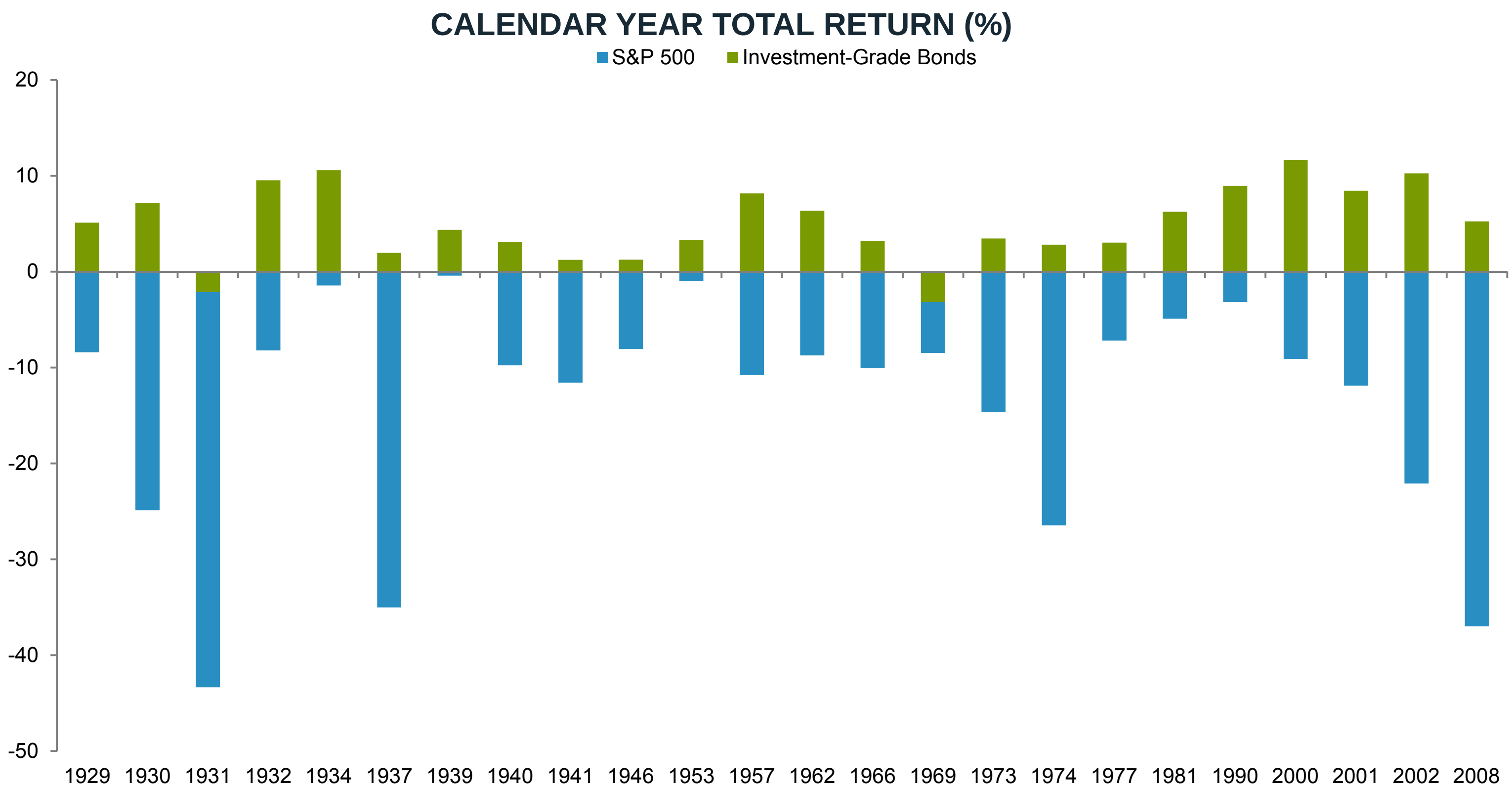
Source: Dr. Jean Paul Rodrigue, Dept. of Economics & Geography, Hofstra University

But How to Protect Against the Substantial Risks?

Investment Grade Bonds Have Provided Insurance Historically

When Stocks Fall, Bonds Tend to Stabilize Portfolio Returns

Bond Returns in Years when Stocks Were Down, 1926–2015

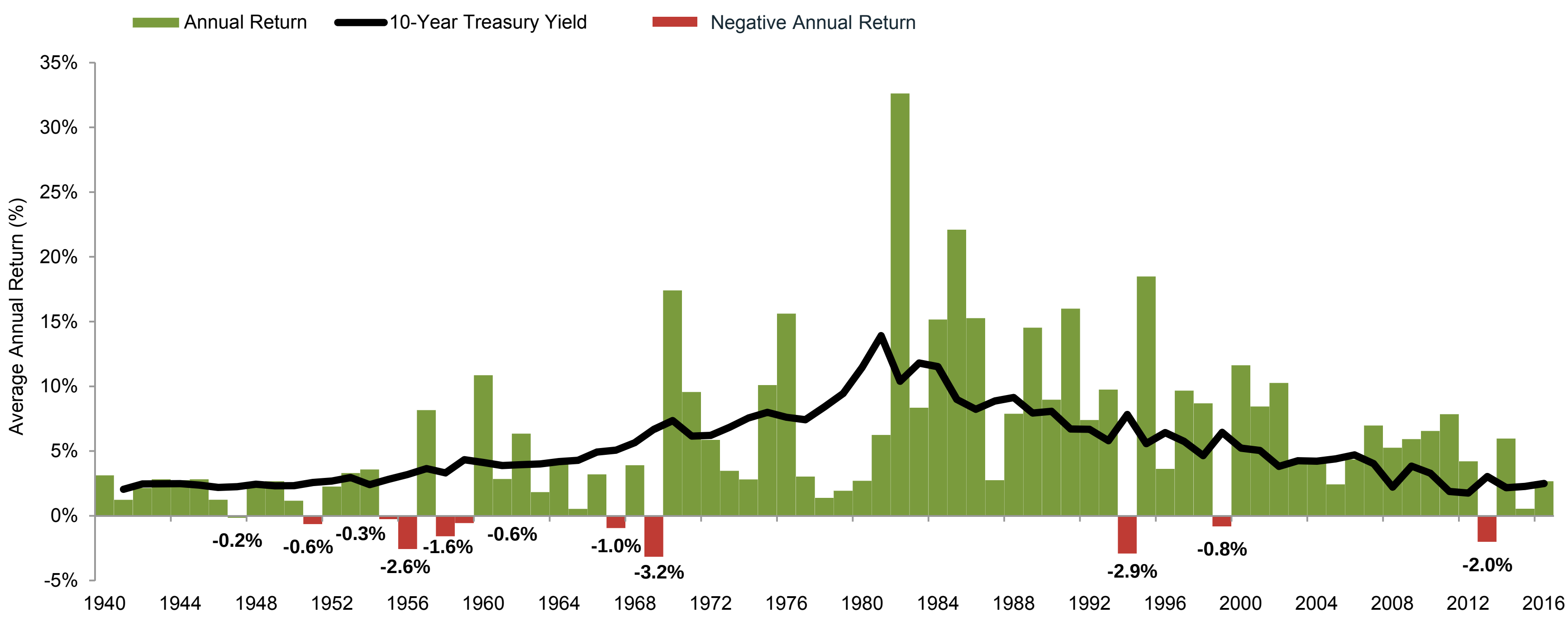


Source: Morningstar EnCorr, Fidelity Investments (AART).

Past performance is no guarantee of future results. Diversification does not ensure a profit or guarantee against loss. Bond returns represented by the performance of the Bloomberg Barclays Aggregate Bond Index from January 1976 and by a composite of the IA SBBI U.S. Intermediate-Term Government Bond Index (67%) and the IA SBBI U.S. Long-Term Corporate Bond Index (33%) from January 1926 through December 1975. Stock returns represented by the performance of the S&P 500 Index.

How Much Has That Insurance Cost Historically?

AVERAGE ANNUAL RETURN: 5.6%



Source: Bloomberg, as of 12/31/16. Bond returns from 1940 to 1975 are based on Fidelity Investments' "Synthetic Aggregate" represented by 67% intermediate government bonds and 33% long-term corporate bonds. Investment-grade bond returns are represented by the BBgBarc U.S. Aggregate Bond Index from January 1976 and by a composite of the IA SBBI U.S. Intermediate-Term Government Bond Index (67%) and the IA SBBI U.S. Long-Term Corporate Bond Index (33%) from January 1926 through December 1975. Past performance is no guarantee of future results. It is not possible to invest directly in an index. All market indices are unmanaged. Not intended to represent the performance of any Fidelity fund.

Strategies and Funds to Consider

Offense	Defense
Fidelity Advisor New Insights FNIAX	**Fidelity Advisor Total Bond** FEPAX
Fidelity Advisor International Capital Appreciation FCPAX	**Fidelity Advisor Limited Term Bond** FDIAX
Fidelity Advisor Total Emerging Market FTEDX	**Fidelity Advisor Intermediate Municipal Income** FZIAX

Please see slide 22 for important fund disclosures.

Worthwhile “Satellite Strategies” to Consider to Complement Portfolio

FIDELITY ETF
Dividend ETF for Rising Rates
(FDRR)*

FIDELITY ADVISOR
Real Estate Income
(FRINX)

Income with low correlation to interest rate risk

FIDELITY ADVISOR
Biotechnology Fund
(FBTAX)

FIDELITY ADVISOR
Health Care Fund
(FACDX)

Low equity market correlation sectors with lots of innovation at attractive valuation levels

Please see slide 25 for important fund disclosures.

Appendix

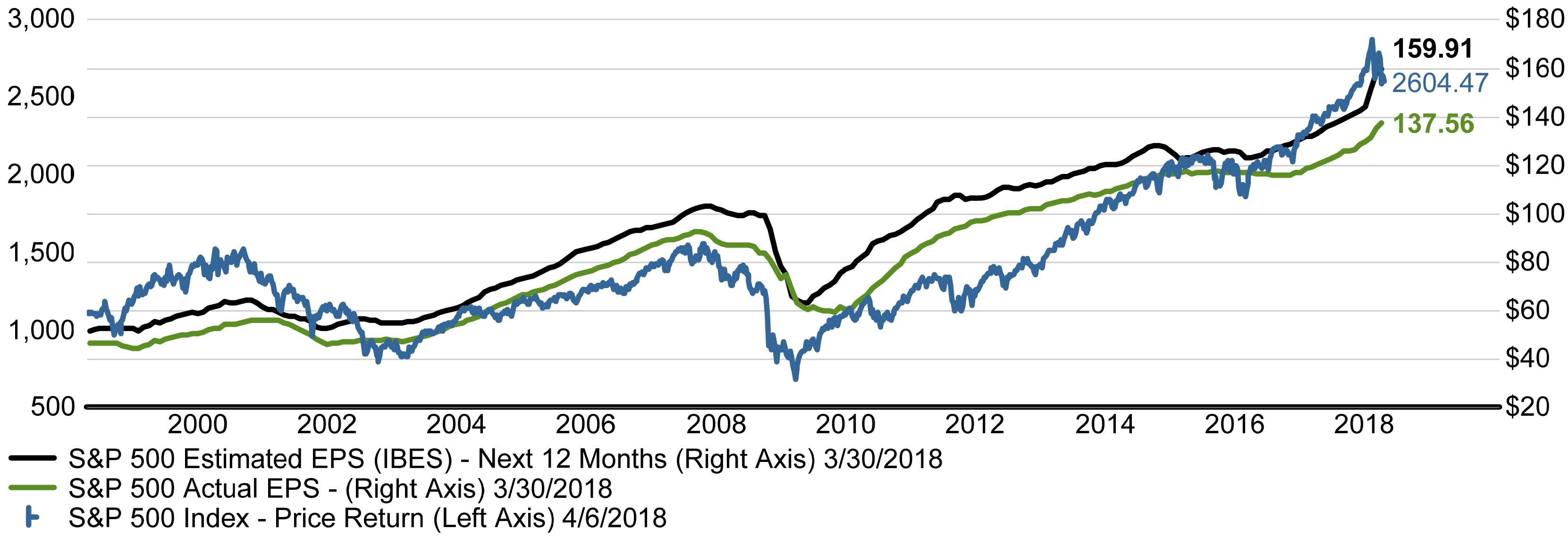
No Top In Sight

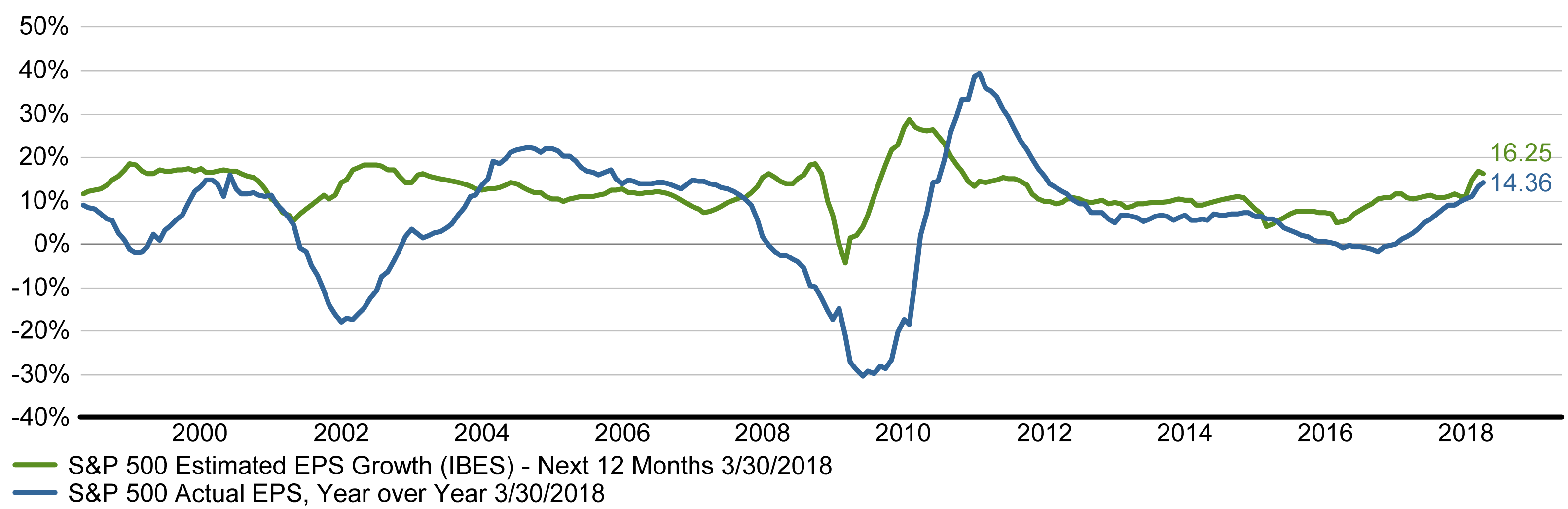
Bull Market Top Checklist

	2000	2007	Current	Comments
1. Blow-off top	✓	✓	✗	No signs of panic buying or speculative excess in public equity markets.
2. Heavy inflows into equity market funds	✓	✓	✗	Net inflows into domestic equity mutual funds and ETFs has only recently started to rise. Inflows into bond funds remain robust.
3. Big pick-up in M&A activity	✓	✓	✗	While M&A activity picked up meaningfully in 2015, both deal volume and deal value faded in 2016. Deal volume remains far from robust this year.
4. IPO activity	✓	✓	✗	Deal volume and assets raised still remain far below the pace exhibited in 2015.
5. Rising real estate rates	✓	✓	✗	Real interest rates are nowhere near prior peaks and do not seem to be accelerating any time soon.
6. Weakening upward earnings revisions	✓	✓	✗	Upward earnings have been trending upward recently.
7. Erosion in number of stocks making new highs	✓	✓	✗	The market's breadth is far healthier today than it was during the period of consolidation between 2014 and early 2016.
8. Shift toward defensive leadership	✓	✓	✗	Since the February low, cyclical shares have outperformed.
9. Widening credit spreads	✓	✓	✗	High-yield and investment grade credits spreads remains tight.

Source: Strategas

Corporate Earnings





Source: Factset

Valuations

CURRENT P/E VS. 20-YEAR AVERAGE P/E

(Below 100% Undervalued Relative To Long Term Average)

	Value	Blend	Growth
Large-Cap	102%	101%	**96%**
Mid-Cap	102%	100%	**90%**
Small-Cap	115%	126%	141%

Source: Current - FactSet Market Aggregates, Russell Investments. 20yr- IBES & FactSet Market Aggregates historical data, P/E ratios are calculated based on FMA consensus estimates of earnings over the next twelve months (NTM). P/E (price/earning) Ratio: A valuation ratio of a company's current share price compared to its per-share earnings. As of 02/28/18.

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Investment decisions should be based on an individual's own goals, time horizon, and tolerance for risk.

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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.

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, credit, and default risks for both issuers and counterparties. (Unlike individual bonds, most bond funds do not have a maturity date, so holding them until maturity to avoid losses caused by price volatility is not possible.) Lower-quality bonds can be more volatile and have greater risk of default than higher-quality bonds.

Sector funds can be more volatile because of their narrow concentration in a specific industry.

The FA Total Bond, FA Limited Term Bond and FA Intermediate Municipal Income funds can invest in securities that may have a leveraging effect (such as derivatives and forward- settling securities) that may increase market exposure, magnify investment risks, and cause losses to be realized more quickly.

FA Intermediate Municipal Income: The municipal market is volatile and can be significantly affected by adverse tax, legislative, or political changes and the financial condition of the issuers of municipal securities. Income exempt from federal income tax may be subject to state or local tax. All or a portion of the Fund's income may be subject to the federal alternative minimum tax. Income or fund distributions attributable to capital gains are usually subject to both state and federal income tax.

Fidelity Dividend ETF for Rising Rates: Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks. The securities of smaller, less well-known companies can be more volatile than those of larger companies. There is no guarantee that a factor-based investing strategy will enhance performance or reduce risk. Before investing, make sure you understand how the fund's factor investment strategy may differ from more traditional index funds. Depending on market conditions, fund performance may underperform compared to funds that seek to track a market-capitalization weighted index. The return of an index ETF is usually different from that of the index it tracks because of fees, expenses and tracking error. An ETF may trade at a premium or discount to its Net Asset Value (NAV).

FA Real Estate Income: Changes in real estate values or economic downturns can have a significant negative effect on issuers in the real estate industry.

FA Biotechnology: The biotechnology industry can be significantly affected by patent considerations, intense competition, rapid technological change and obsolescence, and government regulation.

FA Health Care: The health care industries are subject to government regulation and reimbursement rates, as well as government approval of products and services, which could have a significant effect on price and availability, and can be significantly affected by rapid obsolescence and patent expirations.

Important Information

All indices are unmanaged and performance of the indices include reinvestment of dividends and interest income, unless otherwise noted, are not illustrative of any particular investment and an investment cannot be made in any index.

S&P 500 Index is a market capitalization-weighted index of 500 widely held U.S. stocks and includes reinvestment of dividends. S&P 500 is a registered service mark of Standard & Poor's Financial Services LLC.

Dow Jones Industrial Average, published by Dow Jones & Company, is a price–weighted index that serves as a measure of the entire U.S. market. The index comprises 30 actively traded stocks, covering such diverse industries as financial services, retail, entertainment, and consumer goods.

MSCI ACWI (All Country World Index) ex USA Index 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.

Bloomberg Barclays U.S. Aggregate Bond is a broad-based, market-value-weighted benchmark that measures the performance of the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market; sectors in the index include Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS.

Bloomberg Barclays U.S. Credit Index comprises the U.S. Corporate Index and a non-corporate component that includes foreign agencies, sovereigns,supranationals

Bloomberg Barclays U.S. 1-3 Year Government/Credit 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

IA SBBI U.S. Intermediate-Term Government Bond Index is an unweighted index that measures the performance of five-year maturity U.S. Treasury bonds. Each year, a one-bond portfolio containing the shortest non-callable bond having a maturity of not less than five years is constructed.

IA SBBI U.S. Long-Term Corporate Bond Index is a custom index designed to measure the performance of long-term U.S. corporate bonds.

Important Information

Slide 14 Methodology

Global Financial Data has calculated world excluding the US and Europe indices back to 1919. We have weighted each country according to their relative Gross Domestic Products and Stock Market capitalizations. GDP and stock market capitalization data are not available back to 1919, so we have approximated what these relative values would have been. We have chosen not to rebalance the indices with different weights because we feel this would create greater fluctuations in the indices' values.

Since the Morgan Stanley World index was not calculated before 1970, an index has been put together to simulate how a World Index would have performed had it been calculated back to 1919. The indices were weighted in January 1919 as follows: North America 44% (USA 41%, Canada 3%), Europe 44% (United Kingdom 12%, Germany 8%, France 8%, Italy 4%, Switzerland 2.5%, Netherlands 2.5%, Belgium 2%, Spain 2%, Denmark 1%, Norway 1% and Sweden 1%), Asia and the Far East 12% (Japan 6%, India 2%, Australia 2%, South Africa Gold 1%, South Africa Industrials 1%). It was assumed that the country weights did not change until 1970. The EAFE, Europe, and Asia indices use the same relative weights. Capitalization weightings are used beginning in 1970 using the same countries that are included in the MSCI indices.

In several cases, such as Germany or Japan, hyperinflations caused their stock markets to lose over 90% of their value. Rebalancing the portfolio would have created a ten-fold or greater adjustment in an investor's weighting of that country in their portfolio. To simplify matters, we have taken a true buy-and-hold approach, setting the country weights in 1919, and leaving them unchanged until 1970.

We have taken the total return series for Australia, Belgium, Canada, France, Germany, Italy, Japan, Netherlands, Spain, the United Kingdom and the United States to extend the total return indices back to December 1925. The world index divided between North America (50%), Europe (40%) and Pacific (10%). Europe's weightings are France 25%, Germany 25%, Italy 12.5% and the United Kingdom 37.5% from 1925 through 1950; Europe's weightings are Belgium 7.5%, France 17.5%, Germany 17.5%, Netherlands, 7.5%, Spain 7.5%, and the United Kingdom 30% from 1951 through 1969. The Pacific region's weights are Australia 50% and Japan 50% from 1925 through 1950, and Australia 30%, Japan 70% from 1951 through 1969. The United States represents all of North America from 1925 through 1933. From 1934 through 1969, the United States represents 90% of North America and Canada 10%. From 1970 on, the indices are capitalization weighted and include the same countries as are included in the MSCI World Index.

Past performance is no guarantee of future results.

Investing involves risk, including risk of loss.

For Investors

Not FDIC Insured • May Lose Value • No Bank Guarantee

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

Before investing, consider the mutual fund or exchange traded products', investment objectives, risks, charges, and expenses. Contact Fidelity or visit institutional.fidelity.com for a prospectus or, if available, a summary prospectus containing this information. Read it carefully.

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