FIDELITY INSTITUTIONAL
CUSTOMER ASSET PROTECTION OVERVIEW

Clearing, custody, or other brokerage services are provided by Fidelity Brokerage Services LLC (FBS) or National Financial Services LLC (NFS), both Fidelity Investments companies (FBS and NFS together, “Fidelity”).

Protecting Client Assets is our Priority
At Fidelity, protecting client assets is a top priority of our business. This document provides you with an understanding of some of the brokerage industry rules and regulations to which we are subject and the additional Fidelity processes, procedures and safeguards we employ to maximize client asset protection.

The Strength and Reputation of Fidelity
Fidelity Investments is one of the world's largest providers of financial services, with assets under administration of over $4.3 trillion, including managed assets of more than $1.8 trillion, as of September 30, 2013. Founded in 1946, the firm is a leading provider of investment management, retirement planning, portfolio guidance, brokerage, benefits outsourcing and many other financial products and services to more than 20 million individuals and institutions, as well as through over 3,000 financial intermediary firms. For more information about Fidelity Investments, visit www.fidelity.com.

As custodian of your Fidelity brokerage accounts, NFS, is responsible for:

- The execution, clearance and settlement of securities transactions
- Preparing and sending periodic statements of your account and transaction confirmations
- The custody (or safekeeping), receipt, and delivery of funds and securities
- The extension of margin credit upon approval

In contrast to firms that have proprietary trading strategies, Fidelity has a more conservative strategy and only executes trades at the direction of retail and institutional brokerage clients. Additionally, Fidelity does not provide investment banking services such as using firm capital for investment opportunities, raising capital, or advising and managing mergers and acquisitions.

Strong Net Capital Position
Like other registered broker-dealers, FBS and NFS are required to regularly file reports with the U.S. Securities and Exchange Commission (SEC) about their net capital positions. Although SEC rules requires broker-dealers to maintain a minimum net capital equal to 2% of aggregate debit items associated with customer transactions, as part of its commitment to protecting customers, Fidelity maintains significantly higher net capital levels than is required. For more information on Fidelity’s financial strength, please see the NFS Consolidated Statement of Financial Condition available at www.fidelity.com.

Our System of Internal Controls
We have several internal organizations, led by experienced industry professionals, whose primary mission is protecting Fidelity's businesses and client assets. These include:

- Risk Oversight – Reviews, develops and implements processes and procedures to help protect Fidelity and its clients.
- Fidelity Corporate Audit – Reviews and helps ensure the effectiveness and efficiency of our internal controls.
- Corporate Security – Provides site security, pre-employment screening and due diligence research for prospective business alliances.
- Corporate Compliance – Helps ensure that Fidelity's businesses are in compliance with industry regulatory requirements.

SIPC Insurance Protection
FBS and NFS are members of the Securities Investor Protection Corporation ("SIPC"), which was created in 1970 by Congress to help protect customers[2] of member broker-dealer firms. SIPC is a nonprofit membership corporation funded by broker-dealers, which are required by law to be members. SIPC is not an agency or establishment of the United States Government. Under the Securities Protection Act of 1970 ("SIPA") customers of a member of SIPC are afforded special protections. Brokerage accounts maintained by FBS and carried by NFS are protected by SIPC coverage of up to $500,000. The $500,000 total amount of SIPC protection is inclusive of up to $250,000 protection for claims for cash[3]. Fidelity also has arranged for coverage above these limits. SIPC coverage does not apply to certain investments and does not protect against a decline in the market value of securities[4]. For more details on SIPC, or to request a SIPC brochure, visit www.sipc.org.

Additional Asset Protection
As a supplement to SIPC, Fidelity has arranged for additional protection for cash and covered securities from Lloyd's of London and other insurers[5]. This additional protection covers up to an aggregate loss limit of $1 billion for all customer claims, of which $1.9 million may cover cash awaiting reinvestment at the individual account level. This is the maximum excess of SIPC coverage currently available in the brokerage industry, and becomes available in the event that SIPC levels are exhausted. Neither coverage protects against a decline in the market value of securities.[6] For more information on Lloyd's of London, please go to www.lloyds.com.

Although we do not anticipate needing any of these protections, we believe that by providing excess of SIPC insurance protection, we can offer assurances to clients that the assets they hold in their Fidelity brokerage accounts benefit from the highest level on excess of SIPC protection currently available.

Broker-Dealer Industry Rules and Regulations That Help Protect Our Customers

As registered broker-dealers, FBS and NFS are subject to the rules and regulations of the SEC and the Financial Industry Regulatory Authority (FINRA).
Among the rules that help protect our customers are:

- SEC Rule 15c3-1 (net capital for broker-dealers) — In accordance with this rule, FBS' and NFS' excess net capital must meet mandated minimums to protect client assets; currently FBS' and NFS' net capital exceeds the minimum requirements.
- SEC Rule 15c3-3: (customer protection, segregation of fully-paid-for and excess margin securities and cash) — In accordance with this rule, FBS and NFS protect client securities that are fully paid for[7] by segregating them and ensuring that they are not used for any other purpose, such as for loans to investors or institutions. This practice helps ensure that customers have access to these securities when needed. This rule also protects customers by requiring that a broker-dealer maintain a special reserve bank account, separate from all bank accounts of the broker-dealer, for the exclusive benefit of customers. Should a broker-dealer determine that deposits in the special reserve bank account are insufficient per the SEC rules the broker-dealer is required to increase deposits to the necessary level or immediately notify the SEC of the deficiency.
- SEC Rule 17a-11 (requires the broker-dealer to make certain notices when its financial condition or other specific circumstances raise concern) — In accordance with this rule, FBS and NFS would be required to promptly notify the SEC (within 24 hours) should their net capital fall below 120% of its required level.
- SEC Rule 17a-5 (periodic reports on financial / operational condition and auditors reports on financial condition and internal control) — In accordance with this rule, FBS and NFS file reports with the SEC on a monthly basis, detailing its current financial condition.
- SEC Rules 17a-3 and 17a-4 (books and records creation and maintenance) — In accordance with these rules, FBS' and NFS' policies help ensure that their books and records are properly created and maintained.

Additional Information about Customer Asset Protection
As stated in a FINRA Investor Alert issued on January 15, 2009[8]: "Multiple layers of protection safeguard investor assets. For example, registered brokerage firms must keep their customers' securities and cash segregated from their own so that, even if a firm fails, its customers' assets will be safe." Secondly, as a general matter, customers are not considered general creditors of a failed broker-dealer; customers receive distributions ahead of general creditors. General creditors of a failed broker-dealer do not receive any distribution unless all customers have been satisfied in full.

[1] A full description of the Uniform Net Capital Rule 15c3-1 and other SEC rules mentioned herein may be found at www.sec.gov.
[2] Customer and Customers refers to the defined term under SIPA.
[3]SIPC protection is inclusive of up to $250,000 protection for claims for cash, subject to periodic adjustments for inflation in accordance with terms of the SIPC statute and approval by SIPC's Board of Directors.
[4] Among the assets typically not eligible for SIPC protection are commodity futures contracts, currency, and precious metals, as well as investment contracts (such as limited partnerships) and fixed annuity contracts that are not registered with the U.S. Securities and Exchange Commission under the Securities Act of 1933.
[5] Fidelity's "excess of SIPC" insurance is provided by Lloyd's of London together with Axis Specialty Europe Ltd. and Munich Reinsurance Co. Lloyd's of London currently has an A (Excellent) rating with "Stable Outlook" from ratings firm A.M. Best and an A+ (Strong) with "Stable Outlook" from Fitch Ratings and Standard & Poor's. Ratings are subject to change. For ratings explanations, please go to http://www.lloyds.com/Lloyds_Market/Ratings/.
[6] Like SIPC protection, "excess of SIPC" protection does not cover investment losses in customer accounts due to market fluctuation. It also does not cover other claims for losses incurred while broker-dealers remain in business. Total aggregate "excess of SIPC" coverage available through FBS' and NFS' "excess of SIPC" policy is $1 billion. Within FBS' and NFS' "excess of SIPC" coverage, there is no per account dollar limit on coverage of securities, but there is a per account limit of $1.9 million on coverage of cash.
[7] SEC rules for margin accounts limit securities loans by broker-dealers to a maximum of 140% of a customer's outstanding margin loans.
[8] If a Brokerage Firm Closes Its Doors www.finra.org/Investors/ProtectYourself/InvestorAlerts/TradingSecurities/P116996