

## Excessive Trading Policies

Your workplace retirement savings plan has a long-term objective: to help you accumulate the financial resources necessary to sustain your preferred lifestyle after you stop working. While that goal can be described and pursued in many different ways, typically its fundamental strategy emphasizes consistent, long-term savings behaviors.

The majority of those who save for retirement by investing in mutual funds through a retirement plan such as a 401(k) invest in a manner consistent with long-term investment objectives. However, some investors may engage in frequent or 'excessive' trading - buying mutual fund shares, and then selling them quickly, even as soon as the next day - in an attempt to exploit short-term market movements ("market timing") or pricing disparities across markets ("arbitrage").

### Adverse effects

Excessive trading can be harmful to a mutual fund and its shareholders by diluting share values, increasing fund transaction costs, interfering with the fund's portfolio management, incurring taxable gains and forcing funds to hold excess levels of cash in order to maintain sufficient liquidity to accommodate shareholder exchange activity.

### Fidelity policies

Fidelity Investments excessive trading policy is designed to deter and limit excessive trading behavior consistent with industry wide efforts to ensure fairness for all mutual fund shareholders.

To help protect the interests of retirement savings plan participants in plans for which Fidelity provides recordkeeping services, Fidelity monitors participant trading activity and can restrict the number of times participants move in and out of its funds.

Fidelity's monitoring is based upon the concept of a "roundtrip." For the purposes of Fidelity's excessive trading policy, a roundtrip transaction is defined as a participant initiated exchange purchase followed by an exchange redemption within the same fund within 30 days.

Under the excessive trading policy, participants are limited to one roundtrip transaction per fund within any rolling 90-day period, and to an overall limit of three roundtrip transactions across all funds subject to the policy over a rolling 12-month period.

The first roundtrip results in a warning letter being mailed to the participant's address of record. This letter reminds the participant of the policy and specifies the restrictions that will be placed on the participants account should they make more roundtrips.

If a participant completes two or more roundtrips within the same fund in a 90 day rolling period, Fidelity will apply an **85 day fund specific exchange block** to that particular fund in that particular participant account – systematically blocking participant-initiated exchanges into that fund within that account for 85 days.

If a participant completes four or more roundtrips across all funds subject to the policy within a 12 month period, Fidelity will apply a **12 month account level exchange block** to the participants account – restricting participant initiated exchanges into all funds subject to the policy within that account for a 12 month period. While the account level block is in place - the participant is still allowed one day per quarter to exchange into 'blocked' funds.

All mutual funds reserve the right, to reject any purchase or exchange transactions at any time, as provided for in the funds prospectuses and other governing documents. In addition, non Fidelity mutual funds that do not adopt Fidelity's excessive trading policy can direct Fidelity to apply excessive trading restrictions to participants accounts that are different than those described here.