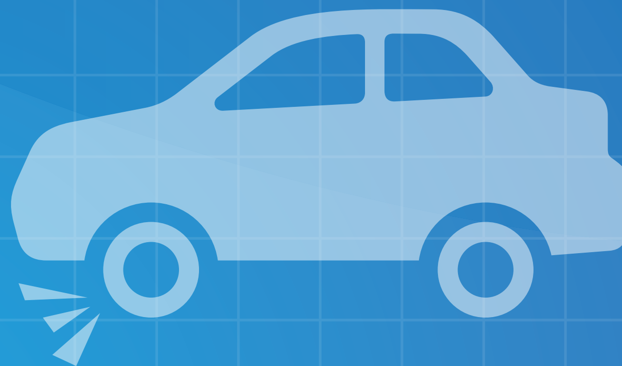
Shock Absorbers



FOR YOUR PLAN

Shock absorbers give passengers a smoother ride and help keep a car's tires in contact with the road. Managed accounts can do much the same to help plan participants.

An evolved 'driving' experience

When drivers needed a smoother ride, the answer was shock absorbers. For plan sponsors worried about participants' ability to manage the ups and downs of investing, one answer increasingly is a professionally managed investment option.

Workers have embraced professional management, with 44% of plan participants[1] now using either a target date fund (TDF) or managed account, when offered. TDFs allow participants to pick a single investment managed to a specific retirement date. Managed accounts are more personal, accounting for an individual's holistic financial situation, including outside assets, risk tolerance, and investing goals.

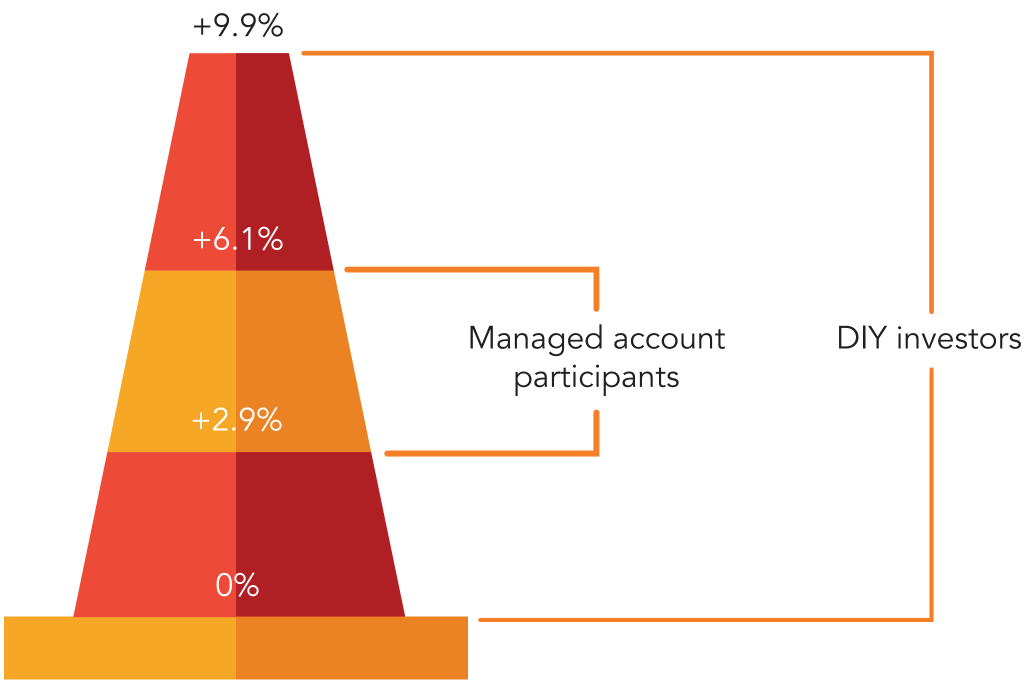
This personalized approach is helping many in their journey toward retirement, not just with investing but with saving and planning as well.

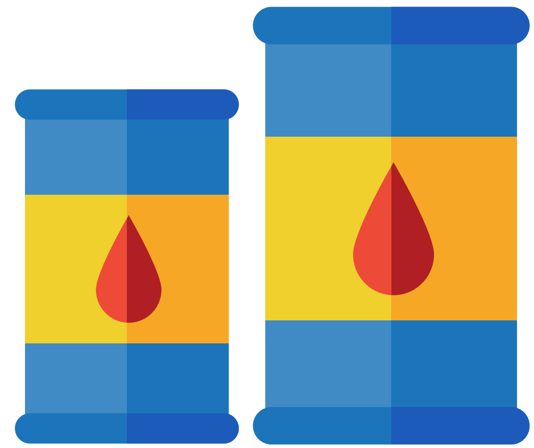
Going down the right road …

Managed accounts help plan participants maintain an asset allocation mix that is appropriate for them, and that, in turn, can help them navigate the bumps of market volatility. The guidance associated with a managed account can help improve diversification and savings rates, when compared to those who invest on their own.

Participant populations in managed accounts have historically experienced a much tighter range of investment outcomes than Do-It-Yourself (DIY) participants as a group. The traffic cone illustrates the range between the performance of the top 10% and bottom 10% in each group of investors.

Range of annualized returns (2007-2013)[2]





Investors using Fidelity® Portfolio Advisory Services at Work who use guidance and take action defer 24% more[3] than those who invest on their own.

… and avoiding sudden detours

Those who navigate investing for retirement on their own may be more likely to make a wrong turn, especially when markets become turbulent. During the market downturn of 2008/9, thousands of participants who were investing on their own moved their assets out of equities in an attempt to preserve their savings and never moved back. The impact of their actions is evident today.

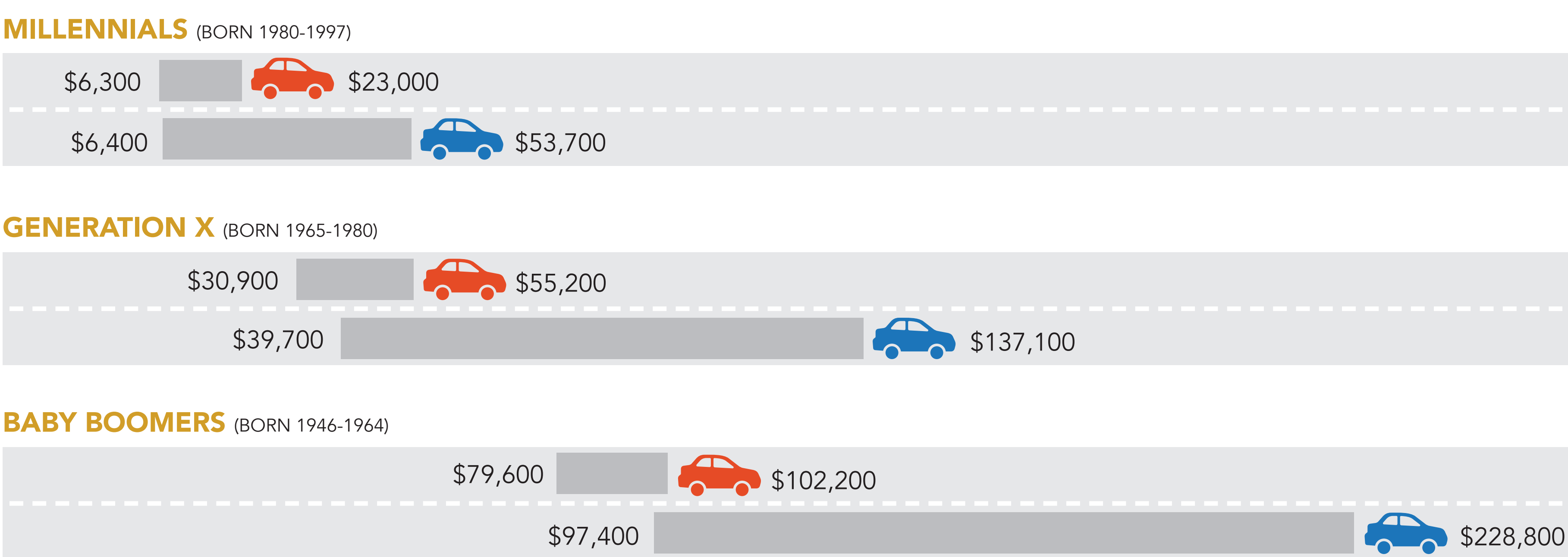
20% of participants are on-track when it comes to saving but off-track when it comes to investing.

One in four employees age 50 or older falls into this category.[4]

Change in balance, 2008-2015, including new contributions[5]

Those who got out of equities and stayed out

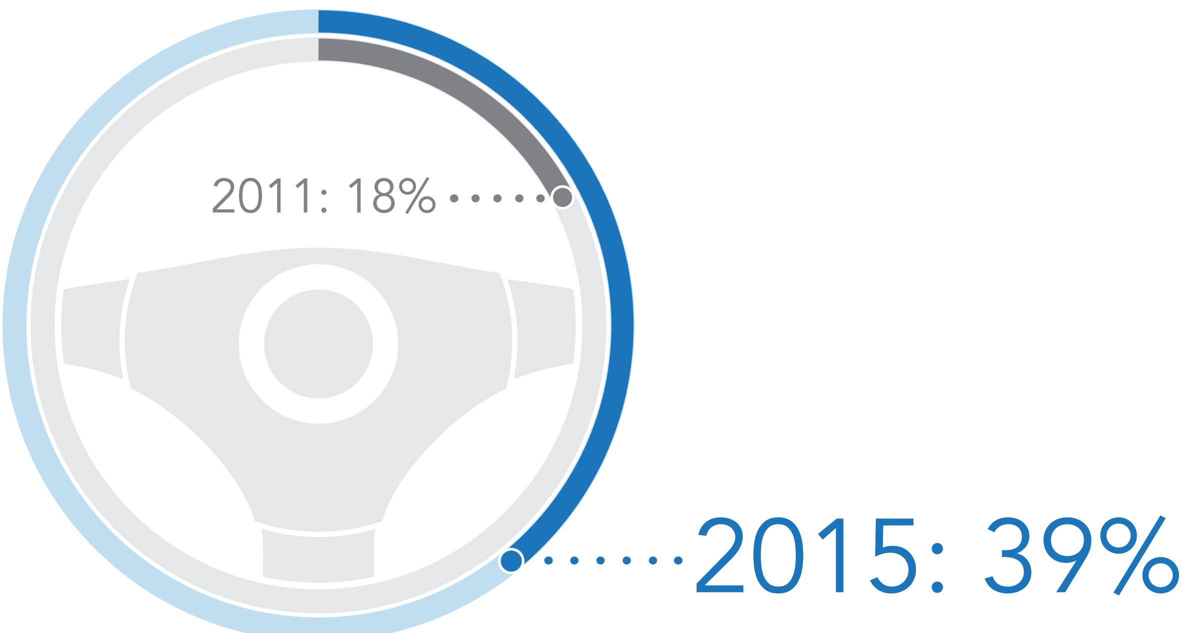
Those who stayed the course

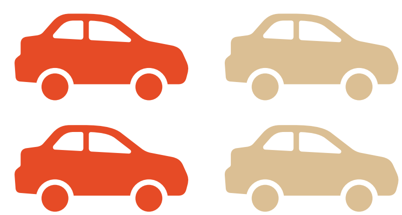


Catching on fast

Car makers are quick to offer innovations that make the driving experience safer and more comfortable for drivers. Likewise, plan sponsors are adopting options to ensure the needs of all their employees are met. When it comes to investing retirement assets, managed accounts are catching on fast. But with that growth comes the need to educate participants on the options available to them.

The percentage of plans offering managed accounts:[6]





54%

of employees who have been exposed to the concept say a managed account would be relevant to their needs.[7]

Part of a complete lineup

A managed account is an important component of a well-rounded investment lineup. Participants likely run the gamut from unengaged investors to motivated self-starters. Because of this, it's important to offer a well-rounded investment lineup, including a managed account option for those with more complex needs who don't want to do the driving themselves.

SELF-DIRECTED BROKERAGE

Self-directed brokerage may be appropriate for those who are experienced, confident, and prefer to invest outside the plan's core lineup.

CORE FUND LINEUP

A mix of fixed-income, domestic, international, and specialty funds may be appropriate for participants who prefer to create their own asset allocation strategy from a limited set of options.

TARGET DATE FUNDS

Appropriate for those who prefer a more hands-off approach to their portfolio and have relatively basic needs, including many young investors.

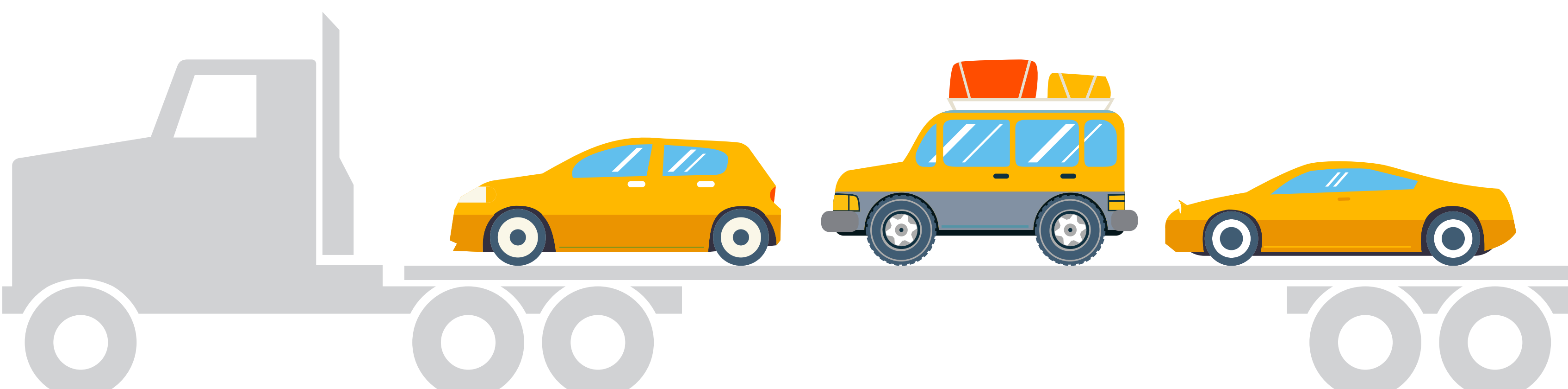
MANAGED ACCOUNT

Appropriate for "do it for me" investors with more complicated needs, including a spouse's assets, multiple retirement accounts, or a Defined Benefit plan.

Managed accounts: A personal approach

A minivan isn't right for everyone; neither is a sports car. The same is true for investments. Every investor has unique needs, and managed accounts are about finding the vehicle that is most appropriate to meet those needs. These are some of the considerations that may come into play.

TIME HORIZON	Age	Retirement age
FINANCIAL SITUATION	Salary Spousal age Spousal assets Company stock	Pension Outside assets DC assets Social Security
RISK TOLERANCE	Risk profile	



Finding an appropriate fit

Employers consider managed accounts an important tool for helping employees reach their retirement destination, and employees who have chosen them value having a professional keeping an eye on their investments.

EMPLOYERS SAY:[8]

Managed accounts are very important because they:

57%

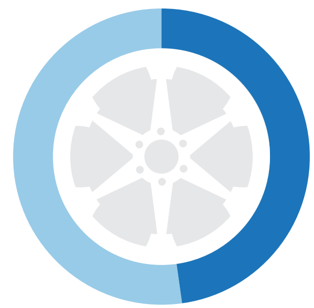
help employees prepare for retirement

53%

help ensure that employees are investing appropriately

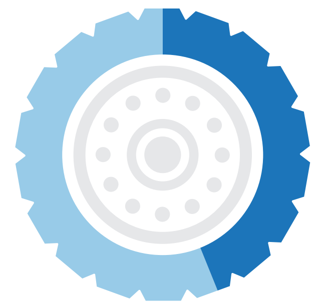
EMPLOYEES SAY:[7]

The features of managed accounts they value most are:



48%

ongoing monitoring of their investments



44%

annual review

What to consider

Investing can come with many bumps in the road over the long haul. Employers know this, and many have focused on helping to make the ride more comfortable for plan participants. Here are a few things to think about as you try to improve the investing experience.

KNOW YOUR PARTICIPANTS
Are your participants invested appropriately for their age? Use Executive Insights to check under the hood and see what portion of them are on track with saving and investing.

OFFER A DIVERSIFIED MIX
The consequences of not being properly invested are not immediate in most cases but can have a lasting impact over the long term. For this reason, it’s not only important that a variety of investment options be available to employees, it’s crucial that they understand what those offerings are and their benefits.

GET THEM STARTED EARLY
The earlier participants get on track with both saving and proper investing, the more likely they will be to build the wealth they will need to sustain throughout retirement. Ensure your participants know their options and share this graphic to help them determine which may be right for them.

All investing involves risk, including the risk of loss.

Past performance is no guarantee of future results. Diversification/asset allocation does not ensure a profit or guarantee against loss.

Fidelity® Portfolio Advisory Service at Work is a service of Strategic Advisers, Inc., a registered investment adviser and a Fidelity Investments company. This service provides discretionary money management for a fee.

Target date funds are designed for investors expecting to retire around the year indicated in each fund's name. The funds are managed to gradually become more conservative over time as they approach the target date. The investment risk of each target date fund changes over time as the fund's asset allocation changes. 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.

Self-directed brokerage includes investments beyond those in your plan's lineup. The plan fiduciary neither evaluates nor monitors the investments available. It is the participant's responsibility to ensure that the investments they select are suitable for their situation, including goals, time horizon, and risk tolerance.

[1] Fidelity analysis of 22,000 corporate DC plans (including advisor-sold DC) and 13.5 million participants as of 12/31/2015.

[2] 7-Year Annualized Participant Returns are based on return information for all Fidelity recordkept plans that offered Managed Accounts on a continuous basis for the period from 1/1/2007 through 12/31/2013 (199 plans). All return information is annualized. The "Managed Account" group includes annualized account performance for all participants who were enrolled in the Managed Account service for the entire 7-year period without disruption. The total number of participants included as Managed Account was 12,407. The "Do-it-Yourself" group includes all participants who were (1) not enrolled in a managed account service and (2) did not have 100% of their balance in a target date or managed account product for the entire 7-year period. Participants enrolled in Managed Account for only part of the period were not included in the "Do-it-Yourself" participants. The total number of participants included as Do-it-Yourself was 106,997. The annualized returns presented exclude (1) workplace savings plans designated for employees of Fidelity Investments and its affiliates, (2) participants whose accounts included greater than 20% exposure to company stock at any point during the period, and (3) extreme return values. Participants serviced by different managed products were statistically weighted so that the results provide equal representations of all managed products and plans they had access to. This information is provided for illustrative purposes only.

[3] People who sign up for PAS-W and who get help from Fidelity and take action defer 24% (average 9.7%) more than DIY investors who receive no help at all (average 7.6%). Getting help is defined as obtaining guidance from onsite or online workshop interaction, or a Fidelity web or rep-led guidance interaction during 2012, which may include interacting with one of the online tool-based experiences in our Planning and Guidance Center. Action is defined as having occurred within 90 days following a guidance/help interaction and includes one of the following actions: crossover, roll-in, rollover, Personal Investing (PI) new cash flows in existing crossover accounts, PAS-W enrollment, Deferral increase, asset mix-change, or exchange. Analysis of weighted deferral rates from January 2013 through December 2014 included 880,000 managed account eligible participants, continuously invested in either a managed account, 100% Target Date Fund, or Do-it-Yourself investors. Fidelity® Portfolio Advisory Service at Work is a service of Strategic Advisers, Inc., a registered investment adviser and a Fidelity Investments company. **This service provides discretionary money management for a fee.**

[4] Fidelity analysis of 10.9 million participants as of March 31, 2015. "On track" represents active participants who have contributions of a total minimum Fidelity suggested savings rate of 15%, including employer contributions, and are invested in an age-appropriate equity allocation or at least 80% invested in a single target date fund, or enrolled in a managed account. "Off track" represents active participants who do not exhibit the savings and/or investment behaviors.

[5] Fidelity analysis of 4.2 million continuous participants from July 1, 2008 through June 30, 2015. Data represent those participants who went to 0% equity in Q4 '08 or Q1 '09 and stayed at 0% equity through Q2 '15 versus those who remained invested in equities over that same time period.

[6] Based on Fidelity Investments record kept data including both Defined Contribution (DC) and Tax-Exempt (TEM) clients and plans as of 11/30/15. Excludes clients in our Emerging market.

[7] GFK plan sponsor sentiment survey that polled 212 corporate benefits managers in Q1 2015 to ask about the emotional vs. rational drivers behind using managed accounts/professional guidance for not only their personal finances (including retirement), but also other tasks that they may not have the skill, will or time to perform themselves.

[8] GFK plan participant sentiment survey that polled 802 401(k) participants in Q1 2015 to ask about their emotional vs. rational drivers behind using managed accounts/professional guidance for not only their personal finances (including retirement), but also other tasks that they may not have the skill, will or time to perform themselves.

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