Fidelity Funds Excessive Trading Policy Summary

The following describes the Fidelity Funds Excessive Trading Policy.

Policy and Process Overview

Under the Fidelity Funds Excessive Trading Policy, (the "Policy"), participant-initiated exchanges greater than or equal to $10,000 are monitored to identify participants who exchanged into and out of the same fund within a 30-day period (a "Round Trip").

If a participant completes a second Round Trip within 90 days, a fund-specific exchange restriction is imposed on the participant's account. This restriction blocks exchanges into the impacted fund for 85 days. Exchanges out of the fund and other types of purchase transactions are not impacted by the exchange restriction. A notification letter is sent to the participant at the time the exchange restriction is imposed.

If a participant completes four Round Trips in one or more of the funds that are subject to the Policy within a 12-month period, an account-level exchange restriction will be imposed. This restriction limits exchanges into all funds that are subject to the Policy for 12 months. During this 12-month period, the participant may make exchanges into the impacted funds one day per calendar quarter. Exchanges out of the impacted funds and other types of purchase transactions are not impacted by the restriction. A notification letter is sent to the participant at the time the restriction is imposed.

If a participant completes another Round Trip during an account-level block, or within 12 months of the date an account level block expires, a new 12-month account-level block will be imposed on the date the additional Round Trip is completed.

The Fidelity Funds reserve the right to change the monitoring threshold of $10,000 at any time.

Frequently Asked Questions

Q. What funds does the Fidelity Funds excessive trading policy apply to?

A. The Fidelity Funds excessive trading policy ("the Policy") applies to all Fidelity mutual funds. The Policy also applies to FMTC commingled pools, FIAM commingled pools, and FMTC managed strategy funds that invest in Fidelity mutual funds, FMTC or FIAM commingled pools.

Q. What type of activity is considered to be "excessive trading"?

A. The Policy focuses on participant-initiated exchanges, specifically "Round Trips".

A "Round Trip" is defined as:

A participant-initiated exchange purchase greater than or equal to $10,000 into a fund subject to the Policy followed by an exchange redemption greater than or equal to $10,000 out of the same fund within a 30-day period.

Other types of transactions, including contributions and distributions, are exempt from monitoring for Round Trips.

Q. Why is excessive trading "bad"?

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

The SEC requires mutual fund companies to either adopt policies and procedures designed to deter excessive trading activity in their fund(s) – or to explain, in the fund prospectus, the fund board's reasoning as to why it feels such policies and procedures are not necessary. As a result, many fund companies have adopted such policies and procedures.