



How a new Notice regarding Plan and investment-related information may help you make decisions about your workplace savings.

Making well-informed investment decisions should get a little easier, thanks to a new notice that Fidelity will be delivering to plan participants on behalf of employers. In October 2010, the Department of Labor (DOL) issued new rules to help ensure that participants receive sufficient information regarding their plan and the investment options available to allow them to make informed decisions regarding their plan account. Fidelity has developed a notice that is designed not only to meet the DOL requirements but to present this information in a manner that is most helpful to participants. For most plans, the rules go into effect beginning January 1, 2012.

“While much of this information has always been available to you in various plan materials and on the Fidelity web site,” says Caroline Deans, vice president of workplace investing at Fidelity, “these details about your plan’s investment options will now be consolidated in one place to make it easier for you to review, compare against other options, and make informed decisions about investing your account balances.”

What will be included in this Notice? While much has been written lately about fees in retirement plans, the disclosures are not just about fees, although they are a component. The Notice also will include information about participant rights under the Plan, rules related to providing investment direction, and details about the plan’s investment options. It’s important to understand the information being provided and why the details matter, and then to use the information to help you make wise choices.

What will change?

The new rules require certain plan and investment information be sent initially and then annually, so most plan participants will receive a Participant Disclosure Notice in early 2012. In most instances, the Notice will be delivered via e-mail and participants will be directed to log on to their workplace savings account using their regular login credentials. Those who are eligible but have not yet enrolled will be prompted to enroll in the plan. After logging in, you will find details about the plan’s rules, investment options, plan fees, and investment expenses.

To ensure that you will receive the Notice electronically, please provide Fidelity with your e-mail address. Simply log on to your workplace savings account and navigate to the *Your Profile* or *Customer Service* area of the site. From there, you can update your e-mail settings and define your delivery preferences.

The new Participant Disclosure Notice

Plan Rules and Expenses

The Notice will detail certain plan information including:

- Plan rules related to how you may make investment choices in your account
- A description of any fees associated with the general administration of the plan such as recordkeeping, accounting, legal, and trustee services that may be directly deducted from participant plan accounts
- A description of the fees that you may incur for services or transactions such as plan loans, advisory services, and certain investment-related expenses such as short-term redemption fees

Once the rules are effective, if fees for plan administration or individual services or transactions are deducted from your account, they will be reflected on your quarterly account statement.

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Investment performance, fees, and expenses

The Notice will also provide information about the investment options offered by your plan, including performance, fees, and expenses so you can better understand how they impact your plan account balance. Among the details included for most investment options:

- Average annual total returns, along with an appropriate benchmark for comparison purposes
- Investment category (such as large cap, mid cap, small cap, international stock, etc.)
- Total annual operating expenses
- Individual shareholder fees such as sales charges or redemption fees
- Restrictions that may apply to purchases, transfers or withdrawals from an investment option

Spending to earn

There is no such thing as a free ride and there are always costs associated with investing for your future, whether it is through a retirement savings plan or a brokerage account outside your workplace plan.

How do employers determine what investments to offer employees within the plan, and whether the associated costs are reasonable? Says Deans, "Employers devote a lot of time and effort in choosing investment products and services that offer suitable options for their employees."

Much careful thought goes into that process. "Employers often consult with service providers and other industry professionals to assess the cost of a workplace savings plan to its participants and determine the level of expense they deem acceptable. They also evaluate the plan's investment options thoroughly and thoughtfully," says Deans, "conducting periodic reviews to make sure these options continue to meet their employees' investing needs."

Impact on your decisions

So, now that you'll have more detailed plan and investment information, what do you do with it? First and foremost, notes Deans, "put it into proper context when you make investment decisions. The fees you pay are just one piece of the puzzle when it comes to choosing investments."

Also, recognize that fees and expenses vary widely among different investment options, and often reflect the risks and complexities of the investment strategy. For example, actively managed funds typically have higher fees than passively managed funds. So, it might be well worth paying the higher expenses for an investment option that matches your investment objectives or plays the role you need in your overall retirement savings portfolio. It's important to remember that an investment option's performance is net of the fees paid by all shareholders of that option.

Besides looking at fees and expenses, you should consider an investment option's other characteristics, such as its investment type, objectives, rate of return, and trading restrictions, as outlined in the chart below:

Investment Type	There are three basic investment types: stocks (equities), bonds (fixed income) and short-term investments (cash). Your asset allocation is based on the mix of investments among stocks, bonds and short-term investments that you choose. Asset allocation can be a key driver of performance.
Investment Objectives	Different types of investments will have different goals and objectives that can influence the investment's potential for return and risk. You may consider each investment's objective to help you manage how your assets are allocated across the different investment options.
Rate of Return	Historical performance of an investment option at a given point in time.
Management and Investment Fees	Different investment options will have different management styles and corresponding investment fees. As with other factors, the amount of investment fees will affect the investment return.
Transaction Fees and Trading Restrictions	Some investment options charge transaction fees or have restrictions on exchanges or withdrawals. It is important to be aware of these fees and/or restrictions when selecting your investments or effecting transactions.

This information about your plan's investment options is available now when you log in to your account online. From the page listing your accounts, go to the Select Action drop-down menu next to your workplace account and select *Investment Choices and Research*. You'll be directed to a page that shows a performance summary of all the investments in your plan. Click an investment to view quarter-end returns, risk, fees, and expenses.

Help is also available to choose investment options that are appropriate for you. Visit the tools available online when you log on to your account or call a Fidelity Representative through your plan's toll-free information line.

The bottom line

When considering the new plan, investment, and expense information as part of your investment decision-making, make sure you focus on all the fundamentals and not just one or two factors such as fees or recent returns. For example, a fund's investment strategy and objectives should be considered in light of your risk tolerance, time horizon, and financial situation. Moreover, having proper diversification and asset allocation has the potential to impact your investment returns more significantly than any single investment option or factor.

Most importantly, "Fidelity is here to help," says Deans, "whether it's about understanding how the information is presented or reviewing your plan's investment options." Fidelity Representatives are available through your plan's toll-free information line to discuss your plan's investment options and your retirement saving strategy further. In addition, online tools such as **Portfolio Review** can help you determine your diversification or asset allocation strategy.

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Before investing in any mutual fund, please carefully consider the investment objectives, risks, charges, and expenses. For this and other information, call or write Fidelity for a free prospectus or, if available, a summary prospectus. Read it carefully before you invest.

Portfolio Review is an educational tool.

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