



## **Important Information Regarding Representatives' Compensation<sup>1</sup>**

*This document describes the compensation received by certain representatives of Fidelity Brokerage Services LLC (“FBS”)<sup>2</sup>, Fidelity Personal and Workplace Advisors (“FPWA”)<sup>3</sup>, and Fidelity Investments Life Insurance Company (“FIL”)<sup>4</sup> (for purposes of this document and unless otherwise specifically noted, “Fidelity,” “we,” and “our” shall collectively refer to FBS, FPWA and FIL).*

Representative compensation is designed to ensure that our representatives are motivated and compensated appropriately to provide clients the best possible service, including products and services that are appropriate based upon client needs. We believe it is important for you to understand how we compensate our representatives and have created this document to provide you with compensation information. Please know that you can ask a representative at any time whether and how they are compensated with respect to any specific Fidelity product or program.

Please note that the information below describes how Fidelity compensates its representatives, not how you pay Fidelity for the services you receive. Information about the products and services we offer, including associated costs, conflicts and risks, can be found at the following website: <http://www.fidelity.com/information>

### **Compensation Components**

Compensation for Fidelity representatives has two components: base pay and either annual bonus or variable compensation. Whether and how much each representative receives for each component is generally determined by the representative’s role, responsibilities, and performance measures. Details regarding compensation components for specific representative roles are provided in the “Compensation Component Details” section below.

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<sup>1</sup> Fidelity representatives’ compensation changes from time to time. The information provided in this document was last updated in January 2021.

<sup>2</sup> FBS representatives are employed by FBS, a broker-dealer registered under the Securities Exchange Act of 1934 and a member of the Financial Industry Regulatory Authority.

<sup>3</sup> FPWA is a registered investment adviser, affiliated with FBS. FPWA representatives are employed by FBS, are dually licensed with FPWA and FBS and can provide products and services offered by both entities.

<sup>4</sup> FILI representatives can be employees of FBS, Fidelity Insurance Agency or FILI.

**Base pay:** All Fidelity representatives receive base pay. Base pay can range from 26% to 93% of a representative's total compensation and the amount of base pay varies between representatives based on experience and role. Base pay may be adjusted annually to reflect changes in cost of living, role, responsibilities, and other marketplace factors. Some representatives are also eligible for additional annual increases to their base pay as determined by their manager, meeting or exceeding role expectations or developing job-related skills, or to align their pay based on experience as viewed in relation to that of their peers.

In addition to their base pay, representatives can be eligible to receive either:

**Variable compensation:** Variable compensation typically constitutes from 7% to 74% of a representative's total annual compensation. Variable compensation can be based on one or more factors for a particular role. Additional details are provided in the Salary and Incentive Compensation Details section below.

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**Annual Bonus:** The annual bonus is a percentage of base salary, determined through a manager assessment which takes into consideration the representative's performance related to client and organizational business objectives, both in absolute terms and relative to other similarly situated representatives.

Certain Fidelity representatives are also eligible to receive longer term compensation based on individual achievements, business unit performance, and overall company success. This compensation is not based on specific products or services.

### **Variability of Compensation and Financial Incentive**

Most Fidelity representatives are eligible to receive some amount of variable compensation in addition to their base pay. As described below, some roles receive variable compensation that is impacted by the type of product or service that is selected by a client. This compensation is not affected by whether a client purchases a proprietary Fidelity product, service or a similar third-party product or service offered through us. Products and services that generally require more time to engage with a client and/or that are more complex provide greater compensation to a representative. These compensation differentials recognize the relative time required to engage with a client when discussing more complex products and services and/or that require more time to become proficient or receive additional licensing (for example, insurance products or investment advisory services as compared to a money market fund).

Although we believe that it is fair to vary the compensation received by our representatives based on the time and/or complexity involved with the sale of products, this compensation structure creates a financial incentive for representatives to

recommend these products and services over others. We address these conflicts of interest by training and supervising our representatives to make recommendations that are in a client's best interest and by disclosing these conflicts so that you can consider them when making your financial decisions.

**Compensation Component Details:**  
**Salary and Incentive Compensation**

*Branch and Phone Vice President, Financial Consultant II*

*Branch and Phone Vice President, Financial Consultant I*

*Branch and Phone Financial Consultant*

*Phone PAS Vice President, Financial Consultant*

*Phone PAS Financial Consultant*

*Branch Investment Consultant*

For the majority of their financial needs, clients typically work with a branch or phone-based Vice President - Financial Consultant I/II or Financial Consultant. For investment advisory programs, a client may also work with a phone-based PAS Vice President - Financial Consultant or PAS Financial Consultant. These representatives receive a base salary that ranges between 25% and 55% of their total annual compensation and their variable compensation typically ranges from approximately 45% to 75% of total compensation.

Variable compensation for these roles typically includes consideration of Client Loyalty, Client Planning & Investments and Client Engagement:

- Client Loyalty is important to Fidelity. A portion of our representatives' variable compensation is based on client satisfaction, as measured by an independent vendor that conducts an unbiased survey, along with the managers' assessment of each representative's contribution to client loyalty.
- We want our representatives to help clients accomplish their financial goals by offering products and services that are appropriate for the client's specific needs. Client Planning & Investments compensation reflects the portion of our representatives' variable compensation that relates to working with clients to transfer assets to Fidelity, as well as compensation related to investments made by a client (either directly with the representative or through a referral). While compensation is not received for transfers from an employer sponsored plan, compensation will be paid on the investments of assets transferred from an employer sponsored plan. Compensation is subject to quarterly and annual limits. The components of Client Planning & Investments compensation are identified in the charts that follow.

Role	Rate Paid on Assets Transferred	Acquisition of Assets
Branch and Phone Vice President, Financial Consultant II	0.0002	Transfer of assets to Fidelity, excluding transfers from an employer sponsored plan*
Branch and Phone Vice President, Financial Consultant I Branch and Phone Financial Consultant Phone PAS Vice President, Financial Consultant Phone PAS Financial Consultant Branch Investment Consultant	0.0005	Transfer of assets to Fidelity, excluding transfers from an employer sponsored plan*

\* Plus, an additional 0.0003 paid on assets if assets are transferred to Fidelity from another financial services firm

As identified below, investment compensation is impacted by the type of product or service that is selected by a client. Products and services are grouped into categories, and compensation varies based on the relative time and/or complexity generally involved in helping clients make their investment decisions. Compensation payments are subject to manager oversight.

Role	Rate Paid per Investment	Products and Services
Branch and Phone Vice President, Financial Consultant II Branch and Phone Vice President, Financial Consultant I Branch and Phone Financial Consultant Phone PAS Vice President, Financial Consultant Phone PAS Financial Consultant Branch Investment Consultant	0.0001	Invested Money Markets CDs / Treasuries with maturities greater than two years Fidelity Go client referrals Referrals to Private Wealth Management (brokerage services) Wealthy Family client referrals to Fidelity's Family Office
Branch and Phone Vice President, Financial Consultant II Branch and Phone Vice President, Financial Consultant I Branch and Phone Financial Consultant Phone PAS Vice President, Financial Consultant Phone PAS Financial Consultant Branch Investment Consultant	0.0004	Long term funds Exchange traded funds College investment trusts 529 plans Bonds with maturities greater than two years excluding CDs and treasuries Fidelity Personalized Planning and Advice client referrals Fidelity's Charitable Gift Fund client referrals Fidelity's Workplace Investing Defined Contribution and Tax Exempt Market client referrals

Role	Rate Paid per Investment	Products and Services
Branch and Phone Vice President, Financial Consultant II Branch and Phone Vice President, Financial Consultant I Branch and Phone Financial Consultant Phone PAS Vice President, Financial Consultant Phone PAS Financial Consultant Branch Investment Consultant	0.001	FPWA's Fidelity Wealth Services FPWA's Fidelity Strategic Disciplines Fidelity Issued Alternative Investments Proprietary and non-proprietary insurance products Fidelity's Wealth Advisor Solutions Program client referrals Referrals to Private Wealth Management (insurance and investment advisory services) Single/Multi Family Office referrals to Fidelity's Family Office

- We also want our representatives to help clients stay invested and accomplish their financial goals. Client Engagement compensation reflects the portion of our representatives' variable compensation that is based on clients' continued investment and payments are subject to manager oversight. Products and services are grouped into categories, and compensation varies based on the relative time and/or complexity generally involved in the ongoing support of clients invested in these types of investments. Compensation also differs depending on the representative's title as identified below.

*Branch and Phone Vice President, Financial Consultant II; Branch Vice President, Financial Consultant I; Phone PAS Vice President, Financial Consultant; Phone PAS Financial Consultant roles:*

Rate Paid on Assets	Products and Services
0.00001	Invested Money Markets Core/Fcash Equities CDs /Treasuries
0.00003	Long term funds Exchange traded funds College investment trusts 529 plans WI assets in 401(k) and 403(b) plans Bonds (excluding CD/ Treasuries)
0.0002	FPWA's Fidelity Wealth Services FPWA's Fidelity Strategic Disciplines Proprietary and non-proprietary insurance products

For the *Phone Vice President Financial Consultant I, Phone and Branch Financial Consultant* roles, compensation is based on varying rates aligned to the product and service groupings shown above.

In addition to the variable compensation identified above, these representatives are eligible to receive compensation that varies based on their aggregate annual compensation earned from Client Loyalty and Client Planning & Investments. Client Engagement earnings are also considered for PAS Vice President Financial Consultant and PAS Financial Consultant representatives. This compensation rewards representatives for outstanding performance in increasing the number of satisfied clients and overall client assets with the firm. Approximately 65% of eligible representatives typically receive this compensation. For those representatives who receive this compensation, it averages 10% of total annual compensation and typically ranges from approximately 3% to 27%.

*Branch Investment Consultants* receive variable compensation for Client Loyalty and Client Planning & Investments as described above. However, these representatives do not receive Client Engagement compensation and are not eligible for the additional outstanding performance compensation described above. Branch Investment Consultants can also receive a subjective compensation payment based on their manager's discretion.

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#### **Additional Roles:**

Please see the appendix for the representative titles that align to the roles identified below.

#### *Fidelity Investments Life Insurance Representatives*

Fidelity Investments Life Insurance representatives receive a base salary that can range from approximately 45% to 85% of their total annual compensation and their variable compensation typically ranges from approximately 15% to 55% of total compensation. Variable compensation is based on their manager's assessment of the representative's performance. The manager reviews a number of factors including, for example, client satisfaction, appointment activity, guidance tool usage, business plan execution, product solutions for clients and internal business partner referrals to better address the client's needs. For some FILI representatives, their variable compensation is impacted by the type of product or service that is selected by a client, with higher compensation received for the types of engagements that generally involve more time and/or complexity.

#### *Portfolio Advisory Services Representatives*

Portfolio Advisory Services representatives receive a base salary that can range from approximately 50% to 90% of their total annual compensation and their variable compensation typically ranges from approximately 10% to 50% of total compensation. Variable compensation is based on their manager's assessment of the representative's performance. The manager reviews a number of factors including, for example, client experience scores, effectively engaging clients, completed client meetings and business and risk management.

### *Active Trader Representatives*

Active Trader representatives receive a base salary that can range from approximately 60% to 85% of their total annual compensation and their variable compensation typically ranges from approximately 15% to 40% of total compensation. Variable compensation is based on their manager's assessment of the representative's performance. The manager reviews a number of factors including, for example, client experience scores, activities as compared to their team's average, internal business partner referrals to better address the client's needs, business contributions, risk management and brokerage product support.

### *Workplace Planning and Advice Representatives*

Workplace Planning and Advice representatives receive a base salary that can range from approximately 65% to 95% of their total annual compensation and their variable compensation typically ranges from approximately 5% to 35% of total compensation. Variable compensation is based on their manager's assessment of the representative's performance. The manager reviews a number of factors including, for example, client satisfaction, interaction quality, operational performance, representative's performance regarding acquisition and retention of employer-sponsored plan assets.

### *Tax Exempt Market Representatives*

Tax Exempt Market representatives receive a base salary that can range from approximately 60% to 95% of their total annual compensation and their variable compensation typically ranges from approximately 5% to 40% of total compensation. Variable compensation is based on their manager's assessment of the representative's performance. The manager reviews a number of factors including, for example, participant satisfaction, operational performance, representative's performance regarding acquisition and retention of employer-sponsored plan assets.

### *Fixed Income Representatives*

Fixed Income representatives receive a base salary that is approximately 80% of their total annual compensation and their variable compensation is approximately 20% of total compensation. Variable compensation is based on their manager's assessment of the representative's performance. The manager reviews a number of factors including, for example, identification of appropriate new clients or assets (excluding transfers to Fidelity from an employer sponsored plan), client planning and investing, client experience scores, professional development, plus operational and productivity performance. Fixed Income representatives' variable compensation is impacted by the type of product or service that is selected by a client, with higher compensation received for the types of engagements that generally involve more time and/or complexity.

### *Phone Investment Solutions Representatives*

Phone Investment Solutions representatives receive a base salary that is approximately 80% of their total annual compensation and their variable compensation is approximately 20% of total compensation. Variable compensation is based on their client experience scores and identification of appropriate new clients or assets (excluding transfers to

Fidelity from an employer sponsored plan). Variable compensation is also based the manager's assessment of the representative's performance. The manager reviews a number of factors including, for example, client planning and investing, professional development, plus operational and productivity performance. Phone Investment Solutions representatives variable compensation is impacted by the type of product or service that is selected by a client, with higher compensation received for the types of engagements that generally involve more time and/or complexity.

#### *Phone Investment Consultant*

Phone Investment Consultants receive a base salary that is approximately 55% of their total annual compensation and their variable compensation is approximately 45% of total compensation. Variable compensation is based on the manager's assessment of the representative's performance. The manager reviews a number of factors including, for example, client satisfaction, interaction quality, client planning and investing, identification of appropriate new clients or assets (excluding transfers to Fidelity from an employer sponsored plan) and appointments. Phone Investment Consultants variable compensation is impacted by the type of product or service that is selected by a client, with higher compensation received for the types of engagements that generally involve more time and/or complexity.

#### *Phone Financial Representative Full Trader, Phone Customer Relationship Advocate, Phone High Net Worth Service Associate, Phone High Net Worth Service Associate II, Phone College Planning Specialist, Phone Retirement Specialist, Stock Plan Associates, Active Trader Services Representative, International Trading Specialist, Stock Plan Consultant I, Senior SPS Executive Services Specialist*

Representatives receive a base salary that can range from approximately 80% to 95% of their total annual compensation and their variable compensation typically ranges from approximately 5% to 20% of total compensation. These representatives receive compensation based on ability to meet expectations of call quality and call efficiency or internal business partner referrals to better address the client's needs.

#### *Other Fidelity Representatives*

Other Fidelity representatives in service roles receive salary and variable compensation. A representative's base salary can range from approximately 55% to 95% of their total annual compensation and their variable compensation typically ranges from approximately 5% to 45% of total compensation. The manager reviews a number of factors including, for example, client feedback, interaction quality, teamwork and compliance with Fidelity's policies and procedures.





## **Salary and Bonus**

A number of Fidelity representatives, including Wealth Management Advisors, Wealth Management Senior Portfolio Consultant, Wealth Planners, various Regional Consultants, Branch Financial Consultant I, various Retirement Planners, VP Executive Planning, Workplace Planning Consultant and various Family Office Relationship Managers, Investment Directors and Investment Analysts, receive a base salary plus bonus or guarantee.

Eligible associates have the opportunity to earn annual bonuses for overall performance and specific accomplishments during the year. Bonus payouts reflect an associate's attainment of pre-established objectives and other relevant factors (i.e. engagement of clients, activities, and professional development).

<b>APPENDIX: REPRESENTATIVE TITLES</b>	
<b>Roles</b>	<b>Representative Title</b>
<i>Fidelity Investments Life Insurance Representatives</i>	Annuity Planning Consultant Annuity Service Representative Investment Solutions Consultant, FILI Life Planning Consultant Help Desk Case Manager
<i>Portfolio Advisory Services Representatives</i>	Senior Portfolio Specialist/Portfolio Specialist Managed Account Support Specialist Managed Solutions Consultant Client Management Representative Client Service Associate (supporting Managed Accounts ISC) Relationship Manager Senior Relationship Manager
<i>Active Trader Representatives</i>	VIP Representative Senior Brokerage Representative Strategy Desk Representative Senior Margin Trading Specialist/Margin Trading Specialist
<i>Workplace Planning and Advice Representatives</i>	Help Desk, WPA Workplace Planning Associate Workplace Planning Consultant I Workplace Planning Consultant II Workplace Planning Consultant III
<i>Tax Exempt Market Representatives</i>	Director, Retirement Planner (Phone) Retirement Planner Associate (Phone) Help Desk, TEM Support Retirement Associate

Roles	Representative Title
<i>Other Fidelity Representatives</i>	Branch Relationship Manager Branch Senior Relationship Manager I and II Branch Planning Consultant Private Wealth Management Planning Consultant I and II Executive Services Relationship Manager Senior Executive Services Relationship Manager Relationship Manager, Phones Sr. Relationship Manager, Phones Relationship Manager, PAS Senior Relationship Manager, PAS Regional Center Planning Consultant I and II Phone Central Relationship Manager Branch Financial Representative Brokerage Consultant Consultant, At Risk Electronic Channel Support Specialist Electronic Response Representative Senior Service Support Specialist Service Support Specialist Senior Wire Risk Specialist Specialty Trading Representative Sr Trade Support Specialist Transition Services Specialist Senior Transition Services Specialist Wire Risk Specialist Equity Award Planner SPS Complex Trader SPS Participant Solutions Specialist Sr. SPS Exec Services Team Support Specialist Help Desk, College Planning Tier 1 and Tier 2 Help Desk, Client Services Tier 1 and Tier 2 Help Desk, Electronic Channel Support Tier 1 and Tier 2 Help Desk, Electronic Response Tier 1 and Tier 2 Help Desk, Fixed Income Help Desk, International Trading Help Desk, Investment Solutions Help Desk, Retirements Tier 1 and Tier 2 Help Desk, Stock Plan Services Tier 1 and Tier 2 Help Desk, Service Support Group Help Desk, Transition Services