

FOR REPRESENTATIVES ONLY

DFS GIF – U.S. MONTHLY INCOME - FIDELITY

QUARTERLY COMMENTARY AS OF DECEMBER 31, 2017

PERFORMANCE	3 months
Series 6	2.79
Series 7	2.94

Portfolio Manager: Fidelity Investments Canada ULC

Inception Date: October 19, 2015

CONTRIBUTORS TO PERFORMANCE

- Tactical exposure to Fidelity Insights Investment Trust and Fidelity American Equity Fund, both large-cap oriented U.S. equity mandates.

DETRACTORS FROM PERFORMANCE

- The Fund's underweight exposure to U.S. value oriented equities via its exposure to Fidelity U.S. Dividend Investment Trust detracted.

MAJOR CHANGES TO PORTFOLIO

- Portfolio managers Geoff Stein and David Wolf continue to believe the economic cycle is approaching its later stages: with rising interest rates and inflation risks growing. They have underweighted their exposure to government bonds, instead taking advantage of Fidelity's capabilities in a number of higher-yielding asset classes, including high yield bonds, convertible securities, emerging markets debt, floating rate bonds and commercial mortgage-backed securities. They also have a tactical allocation to U.S. Treasury Inflation-Protected Securities (or TIPS), taking advantage of an underpriced asset class and providing some hedge against the risk of an outbreak of inflation, which over the long-term may be the most material risk to income-oriented balanced solutions. They have underweight exposure to Fidelity U.S. Dividend Investment Trust and maintained tactical exposure to Fidelity American Equity Fund and Fidelity Insights Investment Trust both large-capitalization U.S. equity mandates.

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