

Fidelity Advisor Retirement Income Services



WITHDRAWAL STRATEGIES OVERVIEW

► Manage your withdrawals to help generate an income stream throughout retirement

This brochure explains the importance of working with your financial advisor to:

- Determine an appropriate initial withdrawal rate
- Review that rate on a regular basis
- Consider the implications of a withdrawal hierarchy



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FOR INVESTORS



Smart move.™



TO MAKE YOUR ASSETS LAST, YOU NEED A SOUND WITHDRAWAL STRATEGY

A retirement withdrawal strategy has two main components: your withdrawal rate (how much to take out each year) and your withdrawal hierarchy (what accounts to draw from, and in what order).

Planning your withdrawal strategy is complicated, and can be one of the most important aspects of retirement income planning. The good news is, with the help of your advisor, a prudent withdrawal strategy could help ensure you don't run out of money in retirement.

The “right” withdrawal rate may vary over time

How much to withdraw is a decision you may make over and over again

In retirement, you don’t want to risk depleting your savings early by withdrawing too much, nor do you want to sacrifice your lifestyle by withdrawing too little. Your advisor can help you determine an appropriate initial withdrawal rate, and then reevaluate that rate periodically, to help ensure your assets last as long as you need them.

Managing withdrawals as you age

Fidelity research (as depicted in the table below) has found that with proper planning, the amount you can withdraw may go up as you age. Utilizing a conservative withdrawal rate may help preserve your assets for later in retirement, when you may need to meet higher medical expenses or pay for long-term care.

The table below shows a range of sustainable withdrawal rates for a hypothetical couple and demonstrates how the withdrawal rate changes as the couple ages. You should work with your advisor to determine a confidence level that you are most comfortable planning for, given your particular situation and asset mix.

The last two columns indicate what sustainable withdrawal rates are at a 90% confidence level and a 50% confidence level. A 90% confidence level means that in 9 out of 10 market simulations tested, a hypothetical portfolio produced income until the end of the planning horizon; at a 50% confidence level, in just 5 out of 10 simulations run.

SUSTAINABLE INFLATION-ADJUSTED WITHDRAWAL RATES FOR A COUPLE, WITH A BALANCED PORTFOLIO,* BASED ON LIFE EXPECTANCY

Age	Planning horizon	90% confidence level withdrawal rate	50% confidence level withdrawal rate
55	37 more years	3.95%	5.71%
60	32 more years	4.26%	6.06%
65	27 more years	4.71%	6.56%
70	23 more years	5.23%	7.14%
75	18 more years	6.24%	8.27%

Source: Strategic Advisers, Inc. Historical annual data from 1926 through 2007 is from Ibbotson Associates: stocks, bonds, and cash are represented by S&P 500, U.S. Intermediate Government Bonds, and U.S. 30-day T-bill, respectively. Constant 2.3% inflation rate assumed. Actual inflation rates may be more or less and will vary. This is for illustrative purposes only and not indicative of any investment.

*Hypothetical value of assets held in an untaxed portfolio of 50% stocks, 40% bonds, and 10% short-term investments with inflation-adjusted withdrawal rates as specified.

See “Methodology and Information” on the inside back cover for further details about this chart.

Withdrawal rate decisions are impacted by many important variables

You may need to plan for flexibility

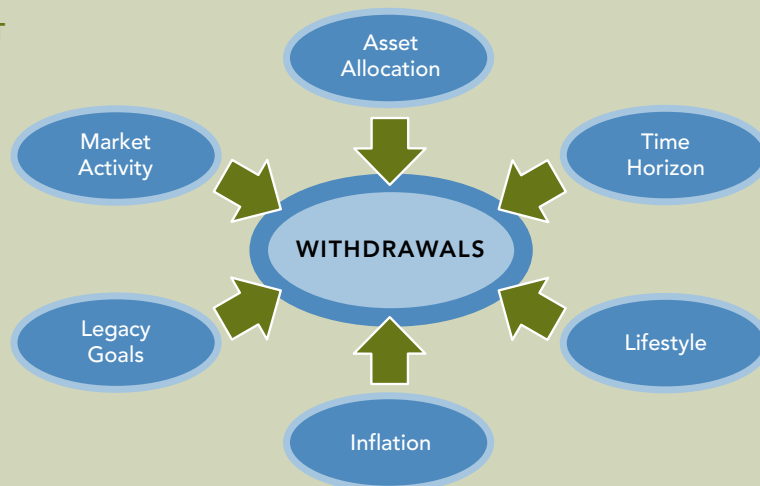
Your income needs may change over time, so you may want to carefully consider whether planning to withdraw a fixed annual dollar amount or percentage is appropriate for you.

Your advisor can help you determine which withdrawal method may be right for you.

Fixed dollar withdrawals	Fixed percentage withdrawals	Flexible withdrawals
"I need \$70,000 to live on."	"I can live on 7% of my portfolio each year."	"I need my money to last throughout retirement."
Considerations		
<p>Because of inflation, you may need to increase your withdrawals to maintain your spending power.</p> <p>You may need a very large portfolio to use this method.</p> <p>Depending on the amount of your total portfolio, your initial withdrawals may need to be lower in order to reduce the risk of depleting your assets prematurely.</p>	<p>Fluctuations in the value of your portfolio may cause that percentage amount to fall short of or exceed your income needs.</p> <p>You may need to lower your withdrawal rate or allocate your assets more aggressively to maintain your lifestyle and avoid running out of money.</p>	<p>By adjusting your withdrawals as needed due to inflation, market activity, and portfolio performance you may be better able to generate a sufficient income stream throughout retirement.</p> <p>May require additional time and attention.</p>

FORCES THAT MAY AFFECT YOUR WITHDRAWAL RATE

You should consider the effects of several factors before you establish a withdrawal rate. You may need to evaluate market activity, adjust your asset allocation, scale back spending, or rethink your legacy or lifestyle goals.



Inflation can erode your buying power

Even if inflation stays around a modest 3% a year, \$50,000 in today's dollars will only be worth the equivalent of about \$38,000 ten years from now. To maintain your purchasing power – and your lifestyle – your annual retirement income may need to go up.

ASK YOUR ADVISOR ABOUT: Keeping withdrawal rates lower than your portfolio's rate of return, to allow your portfolio to grow. When the same withdrawal rate is applied to a portfolio of larger value, the dollar amount of your withdrawals would increase.

Your lifestyle may not stay the same

Your personal costs of living may likely change over time. You may find that you can comfortably reduce your withdrawal rate and still cover your spending needs as you begin to "slow down." On the other hand, you may find that you need more income to cover rising health care expenses.

ASK YOUR ADVISOR ABOUT: Keeping some assets in money market funds or other liquid accounts and tapping those accounts for unexpected or short-term expenses only.

You may change your mind about leaving a legacy

Preserving your principal in order to leave a legacy can have a profound effect on your withdrawal decisions. You will want to revisit this issue as you progress through retirement. The birth of a grandchild or involvement in a charity may change your legacy goals from year to year.

ASK YOUR ADVISOR ABOUT: The effects that leaving a legacy can have on your income planning decisions.

Your asset allocation needs may change*

Early in retirement, keeping a substantial allocation in stocks can help maximize your return potential, though stock investments are generally more volatile than other types of investments, especially over the shorter term. However, as you age and your risk tolerance declines, you may need to shift to more conservative investments that generally have lower rates of return and tend to be less volatile.

ASK YOUR ADVISOR ABOUT: How your asset allocation may affect the amount you can withdraw.



**YOUR ADVISOR CAN HELP YOU
SEE THE BIG PICTURE AND
REVIEW YOUR WITHDRAWAL
RATE PERIODICALLY**

*U.S. stock prices are more volatile than those of other securities. Government bonds and corporate bonds have more moderate short-term price fluctuations than stocks but provide lower potential long-term returns. U.S. Treasury bills maintain a stable value (if held to maturity), but returns are only slightly above the inflation rate.



THE GOAL IS TO MINIMIZE
TAXES AND PROLONG THE
LIFE OF YOUR ASSETS

Your withdrawal decisions can impact your retirement income plan

Knowing which investment accounts to draw from, and in what order, is an important part of a retirement withdrawal strategy. By determining an appropriate withdrawal hierarchy, you may be able to minimize taxes and maximize the income you need to support yourself throughout retirement.[†]

Here are some key topics to consider when working with an advisor:

Income taxes

Look at the potential impact of income taxes when withdrawing or selling assets. Distributions from accounts may be fully, partially, or not taxable at all depending on the type of account and the assets sold. Also consider the tax rate at which such distributions will be taxed and whether you expect to be taxed at a higher or lower tax rate in the future.

Penalties

There may be penalties for withdrawing – or failing to withdraw – assets from certain retirement savings accounts at certain ages.

Diversification

Withdrawing assets may prompt the need to rebalance your portfolio.

Estate planning

If your primary goal is to leave a legacy, you may want to consider strategies to help maximize the value of the assets you leave to beneficiaries.

Revisit these questions with your advisor on a regular basis

Take a fresh look at your financial situation and personal goals periodically. This can help you arrive at a withdrawal strategy you feel comfortable and confident with.

AGE/TIME HORIZON

How long do you expect your money to last?

HEALTH CARE COSTS

Have new health care costs or concerns come up this year for you or your spouse?

ASSET ALLOCATION

Do you understand the impact that asset allocation can have on your withdrawal strategy?

INFLATION

Has inflation affected your ability to afford the things you want and need?

PORTFOLIO VALUE

What is the current value of your portfolio?

MARKET ACTIVITY

Does your withdrawal plan take market fluctuations into account?

LIFESTYLE

Do you expect your expenses to go up, down, or stay about the same this year?

LEGACY GOALS

Would you like to leave a legacy to relatives or charities?

Talk to your advisor today about building a retirement income plan that includes a prudent withdrawal strategy.

METHODOLOGY AND INFORMATION REGARDING THE TABLE ON PAGE 1

These scenarios are illustrative only and they may not apply to your specific federal tax situation. Keep in mind that tax law is subject to change, and such changes may have a material impact on the determination of what withdrawal strategy is appropriate for your situation. Furthermore, these scenarios do not take into account taxes other than United States federal income taxes that may apply to your circumstances. Fidelity does not provide legal or tax advice and no information provided by Fidelity should be construed as such. Fidelity disclaims any liability arising from your use of or reliance upon the information contained herein. Always consult your personal legal or tax advisor regarding your specific situation.

Several hundred hypothetical financial market return scenarios were run to determine the sustainable withdrawal rates at different ages. Monte Carlo simulations are mathematical methods used to estimate the likelihood of a particular outcome based on historical analysis. Historical performance simulations are conducted to determine the likelihood of various financial outcomes. Each Monte Carlo simulation reproduces random sets of results by generating random returns for the scenario.

When analyzed together, these results suggest a probability of occurrence. The withdrawal rates are based on a 50% confidence level (right hand column) and 90% confidence level (middle column). For the 50% confidence level, this means that in 50% of the historical market scenarios, or 1 out of 2 times, a hypothetical portfolio based on the stated asset allocation would have performed at least as well as the results shown.

We consider the 50% confidence level a representation of average market results. Increasing the confidence level would have provided a more conservative analysis. Thus, in this chart, a 90% confidence level represents market conditions that are generally significantly lower than the historical average and would have resulted in lower withdrawal rates. It is important to understand the impact of different market conditions on your plan.

The estimated returns for the stock and bond asset classes are based on a "risk premium" approach. The risk premium for stock and bond asset

classes is defined as their historical returns relative to a 10-year Treasury bond. Risk premium estimates for stocks (domestic and foreign) and bonds are each added to the 10-year Treasury return. Short-term investment asset class returns are based on a historical risk premium added to an inflation rate, which is calculated by subtracting the TIPS (Treasury Inflation Protected Securities) yield from the 10-year Treasury yield. This method results in what we believe to be an appropriate estimate of the market inflation rate for the next 10 years.

Annual returns assume the reinvestment of interest income and dividends, no transaction costs, no management or servicing fees, and the rebalancing of the portfolio every year.

Investors may be charged fees when investing in an actual portfolio of securities, which are not reflected in illustrations utilizing market index returns. You should choose your own investments based on your particular objectives and situation. Remember, you may change how your account is invested. Note that changes may result in gains or losses. Be sure to review your decisions periodically to make sure they are still consistent with your goals. You should also consider all of your investments when making your investment choices.

The S&P 500® Index is a registered trademark of the McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates. It is an unmanaged index of the common stocks of 500 widely held U.S. stocks that includes the reinvestment of dividends. It is not possible to invest directly in the index.

IMPORTANT: The projections or other information generated regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Over time, results may vary with each use.

Asset allocation does not ensure a profit or guarantee against a loss.

You, Your Advisor, and Fidelity.

One goal – your financial success.

Like the market, your investment needs may certainly change over time. Through our focus on insight, diversification, and dedicated support, you'll know that your advisor and Fidelity have the same goal as you – your financial success.

Experience leads to Insight

Your advisor has the professional focus and mission for helping you achieve your financial goals. When you combine that knowledge with Fidelity's 60 years of investment insights, it results in intelligent options for you.

Investment choice leads to Diversification

Your advisor understands that being properly diversified is critical to your long-term financial success – and diversification is the cornerstone of Fidelity's philosophy. Supported by a global research team, Fidelity offers extraordinary breadth and depth of investment options across all asset classes, providing you and your advisor with the advantages of choice.

Commitment leads to Dedicated Support

Fidelity delivers the attention, responsiveness, and dedicated support necessary for your advisor and you, working together, to manage your assets the way you expect.

With your advisor and Fidelity behind you, you can be confident about making well-conceived and informed investment decisions for today and tomorrow.



Smart move.™

The information contained herein is general in nature, is provided for informational purposes only, and should not be construed as legal or tax advice. Fidelity does not provide legal or tax advice. Fidelity cannot guarantee that such information is accurate, complete, or timely. Laws of a particular state or laws which may be applicable to a particular situation may have an impact on the applicability, accuracy, or completeness of such information. Federal and state laws and regulations are complex and are subject to change. Changes in such laws and regulations may have a material impact on pre- and/or after-tax investment results. Fidelity makes no warranties with regard to such information or results obtained by its use. Fidelity disclaims any liability arising out of your use of, or any tax position taken in reliance on, such information. Always consult an attorney or tax professional regarding your specific legal or tax situation.

Before investing, consider the funds' investment objectives, risks, charges, and expenses. Contact your investment professional or visit advisor.fidelity.com for a prospectus containing this information. Read it carefully.