



# Fidelity Balanced Portfolio

**Semi-Annual  
Management Report of  
Fund Performance**  
December 31, 2011



## **Caution Regarding Forward-looking Statements**

Certain portions of this report, including, but not limited to, “Results of Operations” and “Recent Developments”, may contain forward-looking statements about the Fund, including its strategy, risks, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” and similar forward-looking expressions or negative versions thereof.

In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors. Accordingly, assumptions concerning future economic and other factors may prove to be incorrect at a future date.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

It should be stressed that the above-mentioned list of important factors is not exhaustive. You are encouraged to consider these and other factors carefully before making any investment decisions and you are urged to avoid placing undue reliance on forward-looking statements. Further, you should be aware of the fact that the Fund has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next Management Report of Fund Performance.

# Semi-Annual Management Report of Fund Performance as at December 31, 2011 Fidelity Balanced Portfolio

*This semi-annual management report of fund performance contains financial highlights but does not contain the complete semi-annual financial statements for the investment fund. You can get a copy of the semi-annual financial statements at your request, and at no cost, by calling 1-800-263-4077, by writing to us at Fidelity Investments, 483 Bay St. Suite 300, Toronto ON M5G 2N7 or by visiting our website at [www.fidelity.ca](http://www.fidelity.ca) or SEDAR at [www.sedar.com](http://www.sedar.com).*

*Security holders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure relating to the investment fund.*

## Management Discussion of Fund Performance

### Results of Operations

Fidelity Balanced Portfolio ("Fund"), Series B, returned -3.2% for the six-month period ending December 31, 2011, after fees and expenses. The net returns of other series of this Fund are similar to those of Series B, except for differences attributable to expense structures. By way of comparison, the S&P/TSX Composite Index, broadly representative of the Canadian equity market, returned -8.9%. The Fund's outperformance of the broad-based index during the period under review was primarily attributable to the Fund's exposure to domestic fixed-income securities, which performed better than equities, due to the ongoing sovereign debt crisis in Europe.

The Fund's specific benchmark, the Balanced Portfolio Benchmark Index, returned -1.7% for the six-month period under review. The Fund's underperformance of its specific benchmark was primarily attributable to security selection among U.S. equities. At the end of the period, the Fund had an exposure of 10.0% to U.S. equities, which was in line with the benchmark weightings.

Fidelity Balanced Portfolio's benchmark is a blended index composed of approximately 12.5% S&P/TSX Capped Composite Index, 12.5% S&P/TSX Completion Index, 10.0% S&P 500 Index, 7.0% MSCI Canada Value Capped Index, 26.0% DEX Universe Bond Index, 5.5% Barclays Capital Global Aggregate Bond Index – Hedged CAD, 5.0% BofA Merrill Lynch US High Yield Master II Constrained Index – Hedged CAD, 10.0% MSCI ACWI (All Country World) ex USA Index, 4.0% MSCI World High Dividend Yield Index, 5.5% FTSE EPRA/NAREIT Developed Index and 2.0% Dividend Plus Blend Index.

The Dividend Plus Blend Index is a blend of 80% allocation to four S&P/TSX industry groups (telecommunication services, utilities, oil and gas storage and transportation, and REITS) and 20% S&P U.S. REIT Composite Index – Hedged CAD.

The Canadian stock market, as measured by the S&P/TSX Composite Index, declined by 8.9% during the period, amid uncertainty about the escalating European debt crisis and concern about China's outlook for economic growth. However, Canada's economic momentum remained robust in the latter part of 2011, with Canada's GDP growing in the third quarter at an annualized rate of 3.5%. A surge in exports helped to calm growing concern that Canada was facing significantly slower growth or recessionary conditions.

During the period under review, some of the Underlying Funds, in which the Fund invests in, engaged in forward contracts, in a manner consistent with their investment objectives and strategies, to hedge as completely as possible against the effect of currency fluctuations on the Fund's investment returns. The use of forward contracts in this manner does not completely eliminate the impact of currency fluctuations on returns. The Fund's hedged returns will differ from the local currency returns of the Fund's underlying investments.

During the period under review, the U.S. dollar strengthened by about 6.0% against the Canadian dollar. The Underlying Funds' investments primarily related to fixed-income securities engaged in forward contracts, which had minimal impact on the Fund's returns.

Fidelity Balanced Portfolio invests substantially all of its assets in units of Fidelity Funds. At the beginning of the period under review, the Fund's asset allocation was as follows: 35.1% Canadian equity funds, 10.0% international equity funds, 10.0% U.S. equity funds, 10.0% global equity funds, 24.9% Canadian fixed-income funds, 5.0% global fixed-income funds and 5.0% U.S. high-yield funds.

At the end of six-month period ended December 31, 2011, the Fund's asset allocation was as follows: 35.0% Canadian equity funds, 10.0% international equity funds, 10.0% U.S. equity funds, 10.0% global equity funds, 25.0% Canadian fixed-income funds, 5.0% global fixed-income funds and 5.0% U.S. high-yield funds.

Fidelity Balanced Portfolio is one of a suite of six multi-asset class portfolios designed to offer investors a diversified investment option in a single product, with a low to medium level of risk, that uses a balanced approach. The Fund's targeted neutral mix is 65% equity investments and 35% fixed-income investments. The Fund is managed with a view to maintaining consistent risk and return characteristics, and accordingly maintains an asset allocation balance close to its neutral mix. Fund design, construction and ongoing monitoring and management are conducted by Fund managers Mark Friebe and Mariana Egan. The Fund is monitored and actively managed on a daily basis to ensure that it adheres to its mandate. During the period under review, there were no significant changes in the Fund's asset allocation to various equity and fixed-income funds, consistent with the Fund's construction and management approach.

### Recent Developments

Fund co-managers Mark Friebe and Mariana Egan continue to manage the Fund strategically to achieve high total investment return. On a day-to-day basis, the co-managers have kept the Fund in line with its long-term strategic asset allocation, especially during today's volatile times, when many asset classes have experienced significant declines.

## **Fidelity Balanced Portfolio Management Discussion of Fund Performance – continued**

The Fund's neutral asset mix is reviewed and reassessed on a regular basis using a robust proprietary quantitative and qualitative process of assessment. The purpose of this review is to ensure that the Fund's asset mix is optimized to meet its fundamental investment objective and to confirm that the Fund's targeted risk and return characteristics remain consistent. The Fund managers invest in underlying Fidelity Funds that invest primarily in a mix of equity securities and fixed-income securities. During the period under review, Canadian equity funds accounted for the largest share of Fund's assets, followed by Canadian fixed-income funds.

### **Accounting Standards**

#### *Changeover to International Financial Reporting Standards*

The Canadian Accounting Standards Board (AcSB) of the Canadian Institute of Chartered Accountants (CICA) had planned to adopt International Financial Reporting Standards (IFRS), as published by the International Accounting Standards Board, effective January 1, 2011. Subsequently, the AcSB deferred the adoption of IFRS for investment companies, which include investment funds. Investment companies may continue to apply existing GAAP standards until fiscal years beginning on or after January 1, 2014.

The manager is reviewing and developing a plan to meet the above timetable for changeover to IFRS. The impact of IFRS on accounting policies and implementation decisions will mainly be in the areas of presentations and disclosures in the financial statements of the Fund. Currently, two significant areas that may impact the presentation are IAS 32 Financial Instruments: Presentation, and IAS 27 Consolidated and Separate Financial Statements. The manager is currently assessing the Fund's unit-holder structure and investments to determine the impact of these standards. The manager has currently not identified any changes that will impact net asset value per unit (NAVPU) as a result of the changeover to IFRS. However, this present determination is subject to change resulting from the issuance of new standards or new interpretations of existing standards.

## **Related Party Transactions**

### **Manager and Portfolio Adviser**

The Fund is managed by Fidelity Investments Canada ULC (Fidelity). Fidelity is a wholly-owned subsidiary of FMR LLC. FMR LLC is the parent company of a group of subsidiaries collectively known as Fidelity Investments.

Fidelity provides or arranges for the provision of all general management and administrative services required by the Fund in its day-to-day operations, bookkeeping, record-keeping and other administrative services for the Fund.

Pyramis Global Advisors, LLC (Pyramis), an affiliate of Fidelity, provides investment advice to the Fund. Pyramis provides investment advice with respect to the Fund's investment portfolio and arranges for the acquisition and disposition of portfolio investments, including all necessary brokerage arrangements.

The Fund pays Fidelity and Pyramis a monthly management and advisory fee for their services, based on the net asset value of each Series, calculated daily and payable monthly. The Fund paid Fidelity and Pyramis management and advisory fees of \$3,681,000 for the period ended December 31, 2011.

### **Administration Fee**

Fidelity charges the Fund a fixed administration fee in place of certain variable expenses. Fidelity, in turn, pays all of the operating expenses of the Fund, other than certain specified fund costs (e.g. the fees and expenses of the Independent Review Committee, taxes, brokerage commissions and interest charges). The Fund pays an annual rate, which is calculated on a tiered basis, based on the net asset value of each Series, calculated daily and payable monthly. The Fund paid Fidelity administration fees of \$435,000 for the period ended December 31, 2011.

# Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the period end of the years shown. This information is derived from the Fund's audited annual and/or unaudited semi-annual financial statements. Please see the front page for information about how you can obtain the Fund's annual or semi-annual financial statements.

## Series A

	Six-months ended					
	December 31, 2011	2011	2010	Periods ended June 30,		
				2009	2008	2007 <sup>A</sup>
<b>The Series' Net Assets per Unit</b>						
Net assets, beginning of period <sup>B, H</sup>	\$ 9.6672	\$ 8.7263	\$ 8.0080	\$ 9.3489	\$ 9.8988	\$ 10.0000
<b>Increase (decrease) from operations:</b>						
Total revenue	.1527	.2443	.2401	.2379	.2387	.0586
Total expenses	(.1127)	(.2292)	(.2039)	(.1802)	(.2258)	(.0477)
Realized gains (losses)	.0920	.2673	.0872	(.2446)	.2788	—
Unrealized gains (losses)	(.4505)	.7897	.5434	(.8537)	(.4431)	(.1528)
<b>Total increase (decrease) from operations<sup>B</sup></b>	<b>(.3185)</b>	<b>1.0721</b>	<b>.6668</b>	<b>(1.0406)</b>	<b>(.1514)</b>	<b>(.1419)</b>
<b>Distributions:</b>						
From income (excluding dividends)	(.0008)	(.0165)	(.0333)	(.0363)	(.0241)	—
From dividends	(.0288)	(.0288)	(.0271)	(.0216)	(.0100)	—
From capital gains	(.0314)	(.1890)	(.0343)	—	(.2893)	—
Return of capital	—	—	—	—	—	—
<b>Total distributions<sup>B, C</sup></b>	<b>(.0610)</b>	<b>(.2343)</b>	<b>(.0947)</b>	<b>(.0579)</b>	<b>(.3234)</b>	<b>—</b>
<b>Net assets, end of period<sup>B, H</sup></b>	<b>\$ 9.2907</b>	<b>\$ 9.6672</b>	<b>\$ 8.7263</b>	<b>\$ 8.0080</b>	<b>\$ 9.3489</b>	<b>\$ 9.8988</b>
<b>Ratios and Supplemental Data</b>						
Net asset value (000s) <sup>D</sup>	\$ 170,472	\$ 176,447	\$ 123,572	\$ 81,897	\$ 70,875	\$ 15,059
Units outstanding <sup>D</sup>	18,348,578	18,252,125	14,160,703	10,226,874	7,581,304	1,521,328
Management expense ratio <sup>E</sup>	2.40%	2.40%	2.33%	2.35%	2.40%	2.48%
Management expense ratio before waivers or absorptions <sup>E</sup>	2.40%	2.40%	2.33%	2.35%	2.40%	3.05%
Portfolio turnover rate <sup>F</sup>	3%	2%	3%	19%	9%	100%
Trading expense ratio <sup>G</sup>	.25%	.23%	.24%	.37%	—%	—%
Net asset value per unit, end of period	\$ 9.2907	\$ 9.6672	\$ 8.7263	\$ 8.0080	\$ 9.3489	\$ 9.8988

<sup>A</sup> For the period March 13, 2007 (inception date) to June 30, 2007.

<sup>B</sup> Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

<sup>C</sup> Distributions were paid in cash or reinvested in additional units of the Fund, or both, and excludes distributions of management fee reductions to unitholders.

<sup>D</sup> This information is provided as at period end of the year shown.

<sup>E</sup> Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net asset values during the period.

<sup>F</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high portfolio turnover rate and the performance of the Fund. The portfolio turnover rate is calculated based on the lesser of purchases or sales of securities divided by the weighted average market value of the portfolio securities, excluding short-term securities.

<sup>G</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period, based on the Fund's pro-rata share of estimated trading costs incurred in each Underlying Fund. Trading expense ratios prior to September 2008 have not been calculated.

<sup>H</sup> The net assets per unit is calculated in accordance with Section 3855 of the CICA Handbook.

## Series B

	Six-months ended					
	December 31, 2011	2011	2010	Periods ended June 30,		2007 <sup>A</sup>
				2009	2008	
<b>The Series' Net Assets per Unit</b>						
Net assets, beginning of period <sup>B, H</sup>	\$ 9.6789	\$ 8.7372	\$ 8.0182	\$ 9.3574	\$ 9.9019	\$ 10.0000
<b>Increase (decrease) from operations:</b>						
Total revenue	.1604	.2306	.2344	.2350	.2382	.0615
Total expenses	(.1035)	(.2104)	(.1855)	(.1647)	(.2060)	(.0436)
Realized gains (losses)	.0922	.2678	.0874	(.2448)	.2585	—
Unrealized gains (losses)	(.4334)	.7234	.5002	(.7689)	(.3797)	(.1483)
<b>Total increase (decrease) from operations<sup>B</sup></b>	<b>(.2843)</b>	<b>1.0114</b>	<b>.6365</b>	<b>(.9434)</b>	<b>(.0890)</b>	<b>(.1304)</b>
<b>Distributions:</b>						
From income (excluding dividends)	(.0010)	(.0179)	(.0397)	(.0453)	(.0251)	—
From dividends	(.0374)	(.0313)	(.0323)	(.0269)	(.0104)	—
From capital gains	(.0409)	(.2053)	(.0410)	—	(.3012)	—
Return of capital	—	—	—	—	—	—
<b>Total distributions<sup>B, C</sup></b>	<b>(.0793)</b>	<b>(.2545)</b>	<b>(.1130)</b>	<b>(.0722)</b>	<b>(.3367)</b>	<b>—</b>
<b>Net assets, end of period<sup>B, H</sup></b>	<b>\$ 9.2926</b>	<b>\$ 9.6789</b>	<b>\$ 8.7372</b>	<b>\$ 8.0182</b>	<b>\$ 9.3574</b>	<b>\$ 9.9019</b>
<b>Ratios and Supplemental Data</b>						
Net asset value (000s) <sup>D</sup>	\$ 197,207	\$ 184,769	\$ 105,455	\$ 61,311	\$ 49,236	\$ 8,616
Units outstanding <sup>D</sup>	21,222,155	19,089,944	12,069,695	7,646,517	5,261,693	870,151
Management expense ratio <sup>E</sup>	2.21%	2.21%	2.12%	2.15%	2.20%	2.28%
Management expense ratio before waivers or absorptions <sup>E</sup>	2.21%	2.21%	2.12%	2.17%	2.22%	2.91%
Portfolio turnover rate <sup>F</sup>	3%	2%	3%	19%	9%	100%
Trading expense ratio <sup>G</sup>	.25%	.23%	.24%	.37%	—%	—%
Net asset value per unit, end of period	\$ 9.2926	\$ 9.6789	\$ 8.7372	\$ 8.0182	\$ 9.3574	\$ 9.9019

<sup>A</sup> For the period March 13, 2007 (inception date) to June 30, 2007.

<sup>B</sup> Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

<sup>C</sup> Distributions were paid in cash or reinvested in additional units of the Fund, or both, and excludes distributions of management fee reductions to unitholders.

<sup>D</sup> This information is provided as at period end of the year shown.

<sup>E</sup> Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net asset values during the period.

<sup>F</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high portfolio turnover rate and the performance of the Fund. The portfolio turnover rate is calculated based on the lesser of purchases or sales of securities divided by the weighted average market value of the portfolio securities, excluding short-term securities.

<sup>G</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period, based on the Fund's pro-rata share of estimated trading costs incurred in each Underlying Fund. Trading expense ratios prior to September 2008 have not been calculated.

<sup>H</sup> The net assets per unit is calculated in accordance with Section 3855 of the CICA Handbook.

## Financial Highlights – continued

### Series F

	Six-months ended					
	December 31, 2011	2011	2010	Periods ended June 30,		
				2009	2008	2007 <sup>A</sup>
<b>The Series' Net Assets per Unit</b>						
Net assets, beginning of period <sup>B, H</sup>	\$ 9.7238	\$ 8.7784	\$ 8.0586	\$ 9.4094	\$ 9.9218	\$ 10.0000
<b>Increase (decrease) from operations:</b>						
Total revenue	.1311	.2278	.2239	.2039	.2423	.0575
Total expenses	(.0510)	(.1068)	(.0948)	(.0811)	(.1078)	(.0238)
Realized gains (losses)	.0924	.2687	.0855	(.2372)	.3373	—
Unrealized gains (losses)	(.3702)	.7404	.6848	(.9329)	(.6309)	(.1168)
<b>Total increase (decrease) from operations<sup>B</sup></b>	<b>(.1977)</b>	<b>1.1301</b>	<b>.8994</b>	<b>(1.0473)</b>	<b>(.1591)</b>	<b>(.0831)</b>
<b>Distributions:</b>						
From income (excluding dividends)	(.0022)	(.0256)	(.0739)	(.0931)	(.0304)	—
From dividends	(.0863)	(.0446)	(.0601)	(.0552)	(.0126)	—
From capital gains	(.0943)	(.2928)	(.0763)	—	(.3648)	—
Return of capital	—	—	—	—	—	—
<b>Total distributions<sup>B, C</sup></b>	<b>(.1828)</b>	<b>(.3630)</b>	<b>(.2103)</b>	<b>(.1483)</b>	<b>(.4078)</b>	<b>—</b>
<b>Net assets, end of period<sup>B, H</sup></b>	<b>\$ 9.2853</b>	<b>\$ 9.7238</b>	<b>\$ 8.7784</b>	<b>\$ 8.0586</b>	<b>\$ 9.4094</b>	<b>\$ 9.9218</b>
<b>Ratios and Supplemental Data</b>						
Net asset value (000s) <sup>D</sup>	\$ 6,483	\$ 3,028	\$ 1,751	\$ 1,487	\$ 2,385	\$ 549
Units outstanding <sup>D</sup>	698,194	311,434	199,522	184,552	253,474	55,333
Management expense ratio <sup>E</sup>	1.11%	1.11%	1.08%	1.09%	1.15%	1.22%
Management expense ratio before waivers or absorptions <sup>E</sup>	1.11%	1.11%	1.10%	1.10%	1.19%	2.91%
Portfolio turnover rate <sup>F</sup>	3%	2%	3%	19%	9%	100%
Trading expense ratio <sup>G</sup>	.25%	.23%	.24%	.37%	—%	—%
Net asset value per unit, end of period	\$ 9.2853	\$ 9.7238	\$ 8.7784	\$ 8.0586	\$ 9.4094	\$ 9.9218

<sup>A</sup> For the period March 13, 2007 (inception date) to June 30, 2007.

<sup>B</sup> Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

<sup>C</sup> Distributions were paid in cash or reinvested in additional units of the Fund, or both, and excludes distributions of management fee reductions to unitholders.

<sup>D</sup> This information is provided as at period end of the year shown.

<sup>E</sup> Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net asset values during the period.

<sup>F</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high portfolio turnover rate and the performance of the Fund. The portfolio turnover rate is calculated based on the lesser of purchases or sales of securities divided by the weighted average market value of the portfolio securities, excluding short-term securities.

<sup>G</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period, based on the Fund's pro-rata share of estimated trading costs incurred in each Underlying Fund. Trading expense ratios prior to September 2008 have not been calculated.

<sup>H</sup> The net assets per unit is calculated in accordance with Section 3855 of the CICA Handbook.

## Series F5

	Six-months ended					
	December 31, 2011	2011	2010	Periods ended June 30,		
				2009	2008	2007 <sup>A</sup>
<b>The Series' Net Assets per Unit</b>						
Net assets, beginning of period <sup>B, H</sup>	\$ 11.7943	\$ 11.1708	\$ 10.7469	\$ 13.2485	\$ 14.7547	\$ 15.0000
<b>Increase (decrease) from operations:</b>						
Total revenue	.1771	.2007	.3437	.3284	.3731	.0741
Total expenses	(.0621)	(.1316)	(.1245)	(.1167)	(.1495)	.0544
Realized gains (losses)	.1114	.3323	.1112	(.3334)	.4924	—
Unrealized gains (losses)	(.5837)	1.0479	1.1743	(1.4674)	(.3815)	(.3632)
<b>Total increase (decrease) from operations<sup>B</sup></b>	<b>(.3573)</b>	<b>1.4493</b>	<b>1.5047</b>	<b>(1.5891)</b>	<b>.3345</b>	<b>(.2347)</b>
<b>Distributions:</b>						
From income (excluding dividends)	(.0026)	(.0320)	(.0962)	(.1280)	(.0442)	—
From dividends	(.1033)	(.0557)	(.0782)	(.0758)	(.0184)	—
From capital gains	(.1129)	(.3655)	(.0993)	—	(.5314)	—
Return of capital	(.2870)	(.5760)	(.5400)	(.5840)	(.7520)	(.1300)
<b>Total distributions<sup>B, C</sup></b>	<b>(.5058)</b>	<b>(1.0292)</b>	<b>(.8137)</b>	<b>(.7878)</b>	<b>(1.3460)</b>	<b>(.1300)</b>
<b>Net assets, end of period<sup>B, H</sup></b>	<b>\$ 10.9778</b>	<b>\$ 11.7943</b>	<b>\$ 11.1708</b>	<b>\$ 10.7469</b>	<b>\$ 13.2485</b>	<b>\$ 14.7547</b>
<b>Ratios and Supplemental Data</b>						
Net asset value (000s) <sup>D</sup>	\$ 694	\$ 678	\$ 455	\$ 601	\$ 580	\$ 44
Units outstanding <sup>D</sup>	63,194	57,451	40,759	55,902	43,807	2,960
Management expense ratio <sup>E</sup>	1.10%	1.11%	1.08%	1.10%	1.12%	1.22%
Management expense ratio before waivers or absorptions <sup>E</sup>	1.10%	1.11%	1.11%	1.11%	1.14%	4.25%
Portfolio turnover rate <sup>F</sup>	3%	2%	3%	19%	9%	100%
Trading expense ratio <sup>G</sup>	.25%	.23%	.24%	.37%	—%	—%
Net asset value per unit, end of period	\$ 10.9778	\$ 11.7943	\$ 11.1708	\$ 10.7469	\$ 13.2485	\$ 14.7547

<sup>A</sup> For the period March 13, 2007 (inception date) to June 30, 2007.

<sup>B</sup> Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

<sup>C</sup> Distributions were paid in cash or reinvested in additional units of the Fund, or both, and excludes distributions of management fee reductions to unitholders.

<sup>D</sup> This information is provided as at period end of the year shown.

<sup>E</sup> Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net asset values during the period.

<sup>F</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high portfolio turnover rate and the performance of the Fund. The portfolio turnover rate is calculated based on the lesser of purchases or sales of securities divided by the weighted average market value of the portfolio securities, excluding short-term securities.

<sup>G</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period, based on the Fund's pro-rata share of estimated trading costs incurred in each Underlying Fund. Trading expense ratios prior to September 2008 have not been calculated.

<sup>H</sup> The net assets per unit is calculated in accordance with Section 3855 of the CICA Handbook.

## Financial Highlights – continued

### Series F8

	Six-months ended					
	December 31, 2011	2011	2010	Periods ended June 30,		
				2009	2008	2007 <sup>A</sup>
<b>The Series' Net Assets per Unit</b>						
Net assets, beginning of period <sup>B, H</sup>	\$ 10.3156	\$ 10.0888	\$ 10.0056	\$ 12.7780	\$ 14.6833	\$ 15.0000
<b>Increase (decrease) from operations:</b>						
Total revenue	.1531	.2994	.2765	.3286	.3385	.0778
Total expenses	(.0535)	(.1148)	(.1138)	(.1128)	(.1557)	(.0520)
Realized gains (losses)	.0967	.2983	.1033	(.3059)	.4397	—
Unrealized gains (losses)	(.4969)	.7249	.7842	(2.4676)	(.7205)	(.2849)
<b>Total increase (decrease) from operations<sup>B</sup></b>	<b>(.3006)</b>	<b>1.2078</b>	<b>1.0502</b>	<b>(2.5577)</b>	<b>(.0980)</b>	<b>(.2591)</b>
<b>Distributions:</b>						
From income (excluding dividends)	(.0023)	(.0287)	(.0885)	(.1214)	(.0434)	—
From dividends	(.0896)	(.0499)	(.0719)	(.0718)	(.0180)	—
From capital gains	(.0979)	(.3271)	(.0914)	—	(.5211)	—
Return of capital	(.4250)	(.8520)	(.8160)	(.9100)	(1.1640)	(.2000)
<b>Total distributions<sup>B, C</sup></b>	<b>(.6148)</b>	<b>(1.2577)</b>	<b>(1.0678)</b>	<b>(1.1032)</b>	<b>(1.7465)</b>	<b>(.2000)</b>
<b>Net assets, end of period<sup>B, H</sup></b>	<b>\$ 9.4287</b>	<b>\$ 10.3156</b>	<b>\$ 10.0888</b>	<b>\$ 10.0056</b>	<b>\$ 12.7780</b>	<b>\$ 14.6833</b>
<b>Ratios and Supplemental Data</b>						
Net asset value (000s) <sup>D</sup>	\$ 1,148	\$ 1,267	\$ 694	\$ 601	\$ 1,034	\$ 283
Units outstanding <sup>D</sup>	121,713	122,792	68,766	60,091	80,893	19,293
Management expense ratio <sup>E</sup>	1.09%	1.08%	1.08%	1.10%	1.15%	1.22%
Management expense ratio before waivers or absorptions <sup>E</sup>	1.09%	1.08%	1.10%	1.12%	1.19%	2.91%
Portfolio turnover rate <sup>F</sup>	3%	2%	3%	19%	9%	100%
Trading expense ratio <sup>G</sup>	.25%	.23%	.24%	.37%	—%	—%
Net asset value per unit, end of period	\$ 9.4287	\$ 10.3156	\$ 10.0888	\$ 10.0056	\$ 12.7780	\$ 14.6833

<sup>A</sup> For the period March 13, 2007 (inception date) to June 30, 2007.

<sup>B</sup> Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

<sup>C</sup> Distributions were paid in cash or reinvested in additional units of the Fund, or both, and excludes distributions of management fee reductions to unitholders.

<sup>D</sup> This information is provided as at period end of the year shown.

<sup>E</sup> Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net asset values during the period.

<sup>F</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high portfolio turnover rate and the performance of the Fund. The portfolio turnover rate is calculated based on the lesser of purchases or sales of securities divided by the weighted average market value of the portfolio securities, excluding short-term securities.

<sup>G</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period, based on the Fund's pro-rata share of estimated trading costs incurred in each Underlying Fund. Trading expense ratios prior to September 2008 have not been calculated.

<sup>H</sup> The net assets per unit is calculated in accordance with Section 3855 of the CICA Handbook.

## Series O

	Six-months ended					
	December 31, 2011	2011	2010	Periods ended June 30,		2007 <sup>B</sup>
				2009	2008	
<b>The Series' Net Assets per Unit</b>						
Net assets, beginning of period <sup>C, H</sup>	\$ 9.7757	\$ 8.8248	\$ 8.0957	\$ 9.4550	\$ 9.9447	\$ 10.0000
<b>Increase (decrease) from operations:</b>						
Total revenue	.1568	.2500	.1795	.2410	.2346	.0460
Total expenses	—	—	—	—	—	—
Realized gains (losses)	.0973	.2722	.0769	(.2445)	.2878	—
Unrealized gains (losses)	(.4541)	.8778	1.5223	(1.6648)	(.5211)	(.1013)
<b>Total increase (decrease) from operations<sup>C</sup></b>	<b>(.2000)</b>	<b>1.4000</b>	<b>1.7787</b>	<b>(1.6683)</b>	<b>.0013</b>	<b>(.0553)</b>
<b>Distributions:</b>						
From income (excluding dividends)	(.0035)	(.0335)	(.1097)	(.1445)	(.0365)	—
From dividends	(.1372)	(.0585)	(.0892)	(.0856)	(.0152)	—
From capital gains	(.1499)	(.3839)	(.1133)	—	(.4382)	—
Return of capital	—	—	—	—	—	—
<b>Total distributions<sup>C, D</sup></b>	<b>(.2906)</b>	<b>(.4759)</b>	<b>(.3122)</b>	<b>(.2301)</b>	<b>(.4899)</b>	<b>—</b>
<b>Net assets, end of period<sup>C, H</sup></b>	<b>\$ 9.2815</b>	<b>\$ 9.7757</b>	<b>\$ 8.8248</b>	<b>\$ 8.0957</b>	<b>\$ 9.4550</b>	<b>\$ 9.9447</b>
<b>Ratios and Supplemental Data</b>						
Net asset value (000s) <sup>E</sup>	\$ 2	\$ 2	\$ 2	\$ 5	\$ 15	\$ 15
Units outstanding <sup>F</sup>	190	185	176	564	1,578	1,500
Management expense ratio <sup>A</sup>	—%	—%	—%	—%	—%	—%
Management expense ratio before waivers or absorptions <sup>A</sup>	—%	—%	—%	—%	—%	—%
Portfolio turnover rate <sup>F</sup>	3%	2%	3%	19%	9%	100%
Trading expense ratio <sup>G</sup>	.25%	.23%	.24%	.37%	—%	—%
Net asset value per unit, end of period	\$ 9.2815	\$ 9.7757	\$ 8.8248	\$ 8.0957	\$ 9.4550	\$ 9.9447

<sup>A</sup> No fees are charged to the Series.

<sup>B</sup> For the period March 13, 2007 (inception date) to June 30, 2007.

<sup>C</sup> Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

<sup>D</sup> Distributions were paid in cash or reinvested in additional units of the Fund, or both.

<sup>E</sup> This information is provided as at period end of the year shown.

<sup>F</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high portfolio turnover rate and the performance of the Fund. The portfolio turnover rate is calculated based on the lesser of purchases or sales of securities divided by the weighted average market value of the portfolio securities, excluding short-term securities.

<sup>G</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period, based on the Fund's pro-rata share of estimated trading costs incurred in each Underlying Fund. Trading expense ratios prior to September 2008 have not been calculated.

<sup>H</sup> The net assets per unit is calculated in accordance with Section 3855 of the CICA Handbook.

## Financial Highlights – continued

### Series T5

	Six-months ended					
	December 31, 2011	2011	2010	Periods ended June 30,		
				2009	2008	2007 <sup>A</sup>
<b>The Series' Net Assets per Unit</b>						
Net assets, beginning of period <sup>B, H</sup>	\$ 11.7162	\$ 11.1008	\$ 10.6804	\$ 13.1699	\$ 14.7246	\$ 15.0000
<b>Increase (decrease) from operations:</b>						
Total revenue	.1776	.3007	.3139	.3290	.3460	.0882
Total expenses	(.1348)	(.2812)	(.2646)	(.2479)	(.3290)	(.0711)
Realized gains (losses)	.1104	.3316	.1123	(.3314)	.4125	—
Unrealized gains (losses)	(.5517)	1.0757	.8556	(1.8754)	(.7217)	(.1796)
<b>Total increase (decrease) from operations<sup>B</sup></b>	<b>(.3985)</b>	<b>1.4268</b>	<b>1.0172</b>	<b>(2.1257)</b>	<b>(.2922)</b>	<b>(.1625)</b>
<b>Distributions:</b>						
From income (excluding dividends)	(.0009)	(.0207)	(.0437)	(.0499)	(.0350)	—
From dividends	(.0346)	(.0361)	(.0355)	(.0296)	(.0146)	—
From capital gains	(.0378)	(.2366)	(.0451)	—	(.4207)	—
Return of capital	(.2880)	(.5760)	(.5400)	(.5840)	(.7520)	(.1300)
<b>Total distributions<sup>B, C</sup></b>	<b>(.3613)</b>	<b>(.8694)</b>	<b>(.6643)</b>	<b>(.6635)</b>	<b>(1.2223)</b>	<b>(.1300)</b>
<b>Net assets, end of period<sup>B, H</sup></b>	<b>\$ 10.9737</b>	<b>\$ 11.7162</b>	<b>\$ 11.1008</b>	<b>\$ 10.6804</b>	<b>\$ 13.1699</b>	<b>\$ 14.7246</b>
<b>Ratios and Supplemental Data</b>						
Net asset value (000s) <sup>D</sup>	\$ 6,739	\$ 7,752	\$ 6,983	\$ 5,864	\$ 7,847	\$ 2,690
Units outstanding <sup>D</sup>	614,095	661,677	629,055	549,029	595,794	182,666
Management expense ratio <sup>E</sup>	2.39%	2.39%	2.33%	2.34%	2.40%	2.48%
Management expense ratio before waivers or absorptions <sup>E</sup>	2.39%	2.39%	2.33%	2.34%	2.41%	3.02%
Portfolio turnover rate <sup>F</sup>	3%	2%	3%	19%	9%	100%
Trading expense ratio <sup>G</sup>	.25%	.23%	.24%	.37%	—%	—%
Net asset value per unit, end of period	\$ 10.9737	\$ 11.7162	\$ 11.1008	\$ 10.6804	\$ 13.1699	\$ 14.7246

<sup>A</sup> For the period March 13, 2007 (inception date) to June 30, 2007.

<sup>B</sup> Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

<sup>C</sup> Distributions were paid in cash or reinvested in additional units of the Fund, or both, and excludes distributions of management fee reductions to unitholders.

<sup>D</sup> This information is provided as at period end of the year shown.

<sup>E</sup> Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net asset values during the period.

<sup>F</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high portfolio turnover rate and the performance of the Fund. The portfolio turnover rate is calculated based on the lesser of purchases or sales of securities divided by the weighted average market value of the portfolio securities, excluding short-term securities.

<sup>G</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period, based on the Fund's pro-rata share of estimated trading costs incurred in each Underlying Fund. Trading expense ratios prior to September 2008 have not been calculated.

<sup>H</sup> The net assets per unit is calculated in accordance with Section 3855 of the CICA Handbook.

## Series T8

	Six-months ended					
	December 31, 2011	2011	2010	Periods ended June 30,		
				2009	2008	2007 <sup>A</sup>
<b>The Series' Net Assets per Unit</b>						
Net assets, beginning of period <sup>B, H</sup>	\$ 10.2358	\$ 10.0175	\$ 9.9390	\$ 12.6975	\$ 14.6502	\$ 15.0000
<b>Increase (decrease) from operations:</b>						
Total revenue	.1543	.2704	.2883	.3082	.3412	.0802
Total expenses	(.1181)	(.2549)	(.2444)	(.2358)	(.3228)	(.0710)
Realized gains (losses)	.0957	.2947	.1028	(.3111)	.4752	—
Unrealized gains (losses)	(.4895)	1.0209	.8276	(1.5086)	(.8519)	(.2073)
<b>Total increase (decrease) from operations<sup>B</sup></b>	<b>(.3576)</b>	<b>1.3311</b>	<b>.9743</b>	<b>(1.7473)</b>	<b>(.3583)</b>	<b>(.1981)</b>
<b>Distributions:</b>						
From income (excluding dividends)	(.0007)	(.0184)	(.0401)	(.0473)	(.0344)	—
From dividends	(.0285)	(.0319)	(.0326)	(.0280)	(.0143)	—
From capital gains	(.0312)	(.2093)	(.0414)	—	(.4135)	—
Return of capital	(.4260)	(.8520)	(.8160)	(.9100)	(1.1640)	(.2000)
<b>Total distributions<sup>B, C</sup></b>	<b>(.4864)</b>	<b>(1.1116)</b>	<b>(.9301)</b>	<b>(.9853)</b>	<b>(1.6262)</b>	<b>(.2000)</b>
<b>Net assets, end of period<sup>B, H</sup></b>	<b>\$ 9.4111</b>	<b>\$ 10.2358</b>	<b>\$ 10.0175</b>	<b>\$ 9.9390</b>	<b>\$ 12.6975</b>	<b>\$ 14.6502</b>
<b>Ratios and Supplemental Data</b>						
Net asset value (000s) <sup>D</sup>	\$ 10,826	\$ 12,269	\$ 12,786	\$ 12,163	\$ 14,164	\$ 5,018
Units outstanding <sup>D</sup>	1,150,302	1,198,649	1,276,410	1,223,760	1,115,490	342,501
Management expense ratio <sup>E</sup>	2.42%	2.42%	2.33%	2.35%	2.41%	2.48%
Management expense ratio before waivers or absorptions <sup>E</sup>	2.42%	2.42%	2.33%	2.35%	2.41%	3.07%
Portfolio turnover rate <sup>F</sup>	3%	2%	3%	19%	9%	100%
Trading expense ratio <sup>G</sup>	.25%	.23%	.24%	.37%	—%	—%
Net asset value per unit, end of period	\$ 9.4111	\$ 10.2358	\$ 10.0175	\$ 9.9390	\$ 12.6975	\$ 14.6502

<sup>A</sup> For the period March 13, 2007 (inception date) to June 30, 2007.

<sup>B</sup> Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

<sup>C</sup> Distributions were paid in cash or reinvested in additional units of the Fund, or both, and excludes distributions of management fee reductions to unitholders.

<sup>D</sup> This information is provided as at period end of the year shown.

<sup>E</sup> Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net asset values during the period.

<sup>F</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high portfolio turnover rate and the performance of the Fund. The portfolio turnover rate is calculated based on the lesser of purchases or sales of securities divided by the weighted average market value of the portfolio securities, excluding short-term securities.

<sup>G</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period, based on the Fund's pro-rata share of estimated trading costs incurred in each Underlying Fund. Trading expense ratios prior to September 2008 have not been calculated.

<sup>H</sup> The net assets per unit is calculated in accordance with Section 3855 of the CICA Handbook.

## Financial Highlights – continued

### Series S5

	Six-months ended					
	December 31, 2011	2011	2010	Periods ended June 30,		2007 <sup>A</sup>
				2009	2008	
<b>The Series' Net Assets per Unit</b>						
Net assets, beginning of period <sup>B, H</sup>	\$ 11.7386	\$ 11.1229	\$ 10.7009	\$ 13.1932	\$ 14.7237	\$ 15.0000
<b>Increase (decrease) from operations:</b>						
Total revenue	.1885	.2950	.3077	.3219	.3415	.1460
Total expenses	(.1246)	(.2619)	(.2433)	(.2300)	(.2939)	(.0624)
Realized gains (losses)	.1106	.3328	.1128	(.3208)	.3959	—
Unrealized gains (losses)	(.5655)	.9620	.8493	(1.9719)	(.6413)	.0224
<b>Total increase (decrease) from operations<sup>B</sup></b>	<b>(.3910)</b>	<b>1.3279</b>	<b>1.0265</b>	<b>(2.2008)</b>	<b>(.1978)</b>	<b>.1060</b>
<b>Distributions:</b>						
From income (excluding dividends)	(.0011)	(.0225)	(.0520)	(.0623)	(.0365)	—
From dividends	(.0442)	(.0392)	(.0423)	(.0369)	(.0152)	—
From capital gains	(.0483)	(.2569)	(.0537)	—	(.4382)	—
Return of capital	(.2880)	(.5760)	(.5400)	(.5840)	(.7520)	(.1300)
<b>Total distributions<sup>B, C</sup></b>	<b>(.3816)</b>	<b>(.8946)</b>	<b>(.6880)</b>	<b>(.6832)</b>	<b>(1.2419)</b>	<b>(.1300)</b>
<b>Net assets, end of period<sup>B, H</sup></b>	<b>\$ 10.9841</b>	<b>\$ 11.7386</b>	<b>\$ 11.1229</b>	<b>\$ 10.7009</b>	<b>\$ 13.1932</b>	<b>\$ 14.7237</b>
<b>Ratios and Supplemental Data</b>						
Net asset value (000s) <sup>D</sup>	\$ 4,209	\$ 4,204	\$ 2,887	\$ 2,407	\$ 3,377	\$ 430
Units outstanding <sup>D</sup>	383,148	358,138	259,585	224,930	255,957	29,234
Management expense ratio <sup>E</sup>	2.21%	2.21%	2.12%	2.15%	2.20%	2.28%
Management expense ratio before waivers or absorptions <sup>E</sup>	2.21%	2.21%	2.13%	2.17%	2.22%	2.86%
Portfolio turnover rate <sup>F</sup>	3%	2%	3%	19%	9%	100%
Trading expense ratio <sup>G</sup>	.25%	.23%	.24%	.37%	—%	—%
Net asset value per unit, end of period	\$ 10.9841	\$ 11.7386	\$ 11.1229	\$ 10.7009	\$ 13.1932	\$ 14.7237

<sup>A</sup> For the period March 13, 2007 (inception date) to June 30, 2007.

<sup>B</sup> Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

<sup>C</sup> Distributions were paid in cash or reinvested in additional units of the Fund, or both, and excludes distributions of management fee reductions to unitholders.

<sup>D</sup> This information is provided as at period end of the year shown.

<sup>E</sup> Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net asset values during the period.

<sup>F</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high portfolio turnover rate and the performance of the Fund. The portfolio turnover rate is calculated based on the lesser of purchases or sales of securities divided by the weighted average market value of the portfolio securities, excluding short-term securities.

<sup>G</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period, based on the Fund's pro-rata share of estimated trading costs incurred in each Underlying Fund. Trading expense ratios prior to September 2008 have not been calculated.

<sup>H</sup> The net assets per unit is calculated in accordance with Section 3855 of the CICA Handbook.

## Series S8

	Six-months ended					
	December 31, 2011	2011	2010	Periods ended June 30,		
				2009	2008	2007 <sup>A</sup>
<b>The Series' Net Assets per Unit</b>						
Net assets, beginning of period <sup>B, H</sup>	\$ 10.2492	\$ 10.0285	\$ 9.9479	\$ 12.7083	\$ 14.6555	\$ 15.0000
<b>Increase (decrease) from operations:</b>						
Total revenue	.1459	.2648	.2684	.3083	.3310	.0888
Total expenses	(.1077)	(.2317)	(.2227)	(.2178)	(.2931)	(.0660)
Realized gains (losses)	.0958	.2953	.1026	(.3038)	.3463	—
Unrealized gains (losses)	(.4759)	.8732	.7508	(1.9450)	(.5544)	(.2593)
<b>Total increase (decrease) from operations<sup>B</sup></b>	<b>(.3419)</b>	<b>1.2016</b>	<b>.8991</b>	<b>(2.1583)</b>	<b>(.1702)</b>	<b>(.2365)</b>
<b>Distributions:</b>						
From income (excluding dividends)	(.0010)	(.0200)	(.0478)	(.0592)	(.0358)	—
From dividends	(.0385)	(.0348)	(.0388)	(.0350)	(.0149)	—
From capital gains	(.0420)	(.2280)	(.0494)	—	(.4304)	—
Return of capital	(.4250)	(.8520)	(.8160)	(.9100)	(1.1640)	(.2000)
<b>Total distributions<sup>B, C</sup></b>	<b>(.5065)</b>	<b>(1.1348)</b>	<b>(.9520)</b>	<b>(1.0042)</b>	<b>(1.6451)</b>	<b>(.2000)</b>
<b>Net assets, end of period<sup>B, H</sup></b>	<b>\$ 9.4188</b>	<b>\$ 10.2492</b>	<b>\$ 10.0285</b>	<b>\$ 9.9479</b>	<b>\$ 12.7083</b>	<b>\$ 14.6555</b>
<b>Ratios and Supplemental Data</b>						
Net asset value (000s) <sup>D</sup>	\$ 6,356	\$ 7,349	\$ 4,657	\$ 3,986	\$ 5,254	\$ 830
Units outstanding <sup>D</sup>	674,838	717,002	464,407	400,708	413,395	56,624
Management expense ratio <sup>E</sup>	2.20%	2.20%	2.12%	2.14%	2.20%	2.28%
Management expense ratio before waivers or absorptions <sup>E</sup>	2.20%	2.20%	2.13%	2.17%	2.22%	3.01%
Portfolio turnover rate <sup>F</sup>	3%	2%	3%	19%	9%	100%
Trading expense ratio <sup>G</sup>	.25%	.23%	.24%	.37%	—%	—%
Net asset value per unit, end of period	\$ 9.4188	\$ 10.2492	\$ 10.0285	\$ 9.9479	\$ 12.7083	\$ 14.6555

<sup>A</sup> For the period March 13, 2007 (inception date) to June 30, 2007.

<sup>B</sup> Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

<sup>C</sup> Distributions were paid in cash or reinvested in additional units of the Fund, or both, and excludes distributions of management fee reductions to unitholders.

<sup>D</sup> This information is provided as at period end of the year shown.

<sup>E</sup> Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net asset values during the period.

<sup>F</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high portfolio turnover rate and the performance of the Fund. The portfolio turnover rate is calculated based on the lesser of purchases or sales of securities divided by the weighted average market value of the portfolio securities, excluding short-term securities.

<sup>G</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period, based on the Fund's pro-rata share of estimated trading costs incurred in each Underlying Fund. Trading expense ratios prior to September 2008 have not been calculated.

<sup>H</sup> The net assets per unit is calculated in accordance with Section 3855 of the CICA Handbook.

## Management and Advisory Fees

Fidelity serves as manager of the Fund and Pyramis serves as the investment advisor of the Fund. The Fund pays Fidelity and Pyramis a monthly management and advisory fee for their services, based on the net asset value of each Series, calculated daily and payable monthly. Fidelity uses these management fees to pay for sales and trailing commissions to registered dealers on the distribution of the Fund units, as well as for the general investment management and administrative expenses.

	Series A Units	Series B Units	Series F Units	Series F5 Units	Series F8 Units	Series T5 Units	Series T8 Units	Series S5 Units	Series S8 Units
Management and Advisory Fees	1.95%	1.80%	0.80%	0.80%	0.80%	1.95%	1.95%	1.80%	1.80%
As a percentage of management fees:									
Dealer Compensation*	47.83	55.56	—	—	—	36.66	49.09	55.56	55.56
Investment management, administration and other	52.17	44.44	100.00	100.00	100.00	63.34	50.91	44.44	44.44

\* Dealer compensation represents cash commissions paid by Fidelity to registered dealers during the period and includes upfront deferred sales charge and trailing commissions. This amount may, in certain circumstances, exceed 100% of the fees earned by Fidelity during the period. For new Funds or Series the amounts presented may not be indicative of longer term operating periods.

# Fidelity Balanced Portfolio

## Past Performance

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

### Year-by-Year Returns

The following bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the Fund's performance was changed from year to year. In percentage terms, the bar chart shows how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.

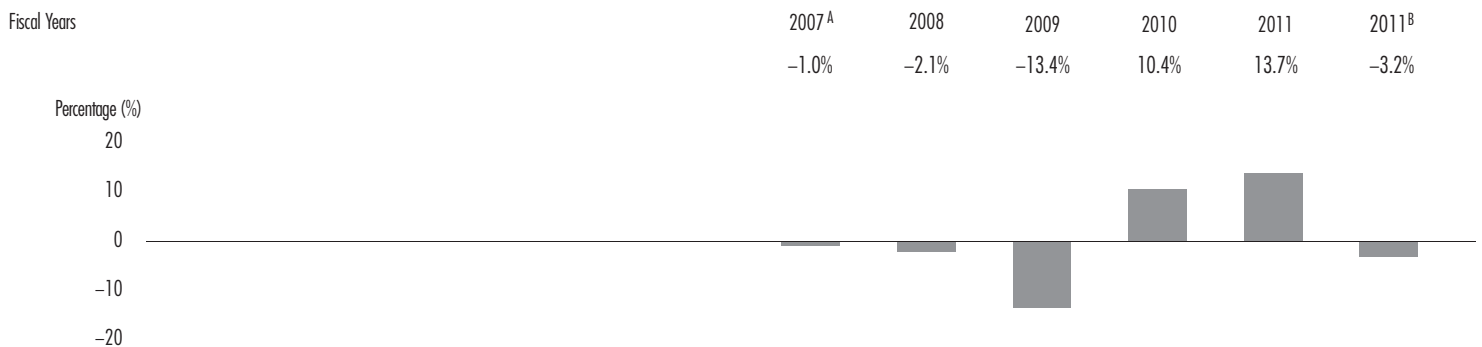
#### Series A



<sup>A</sup> Since the Commencement of Operations, from April 18, 2007 to June 30, 2007.

<sup>B</sup> For the period July 1, 2011 to December 31, 2011.

#### Series B



<sup>A</sup> Since the Commencement of Operations, from April 18, 2007 to June 30, 2007.

<sup>B</sup> For the period July 1, 2011 to December 31, 2011.

#### Series F



<sup>A</sup> Since the Commencement of Operations, from April 18, 2007 to June 30, 2007.

<sup>B</sup> For the period July 1, 2011 to December 31, 2011.

### Series F5



<sup>A</sup> Since the Commencement of Operations, from April 18, 2007 to June 30, 2007.

<sup>B</sup> For the period July 1, 2011 to December 31, 2011.

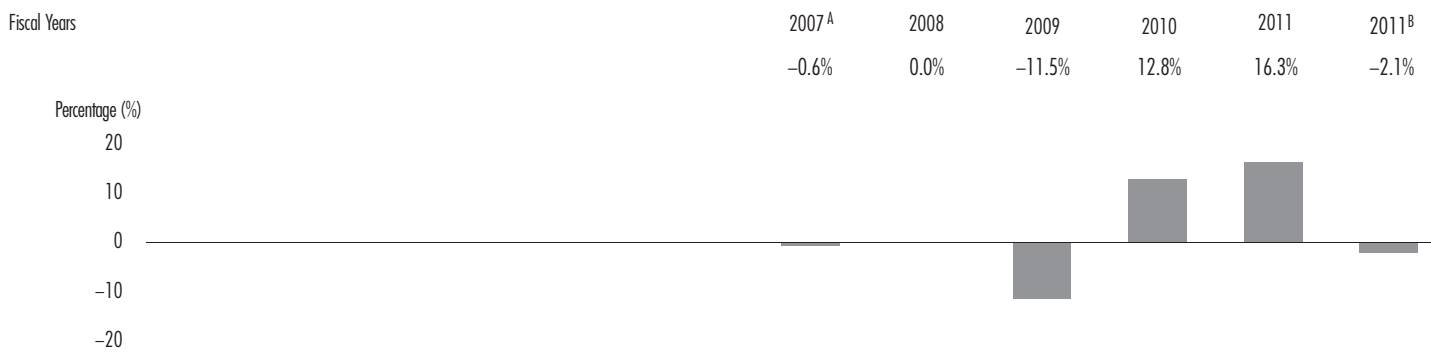
### Series F8



<sup>A</sup> Since the Commencement of Operations, from April 18, 2007 to June 30, 2007.

<sup>B</sup> For the period July 1, 2011 to December 31, 2011.

### Series O



<sup>A</sup> Since the Commencement of Operations, from April 18, 2007 to June 30, 2007.

<sup>B</sup> For the period July 1, 2011 to December 31, 2011.

**Fidelity Balanced Portfolio  
Past Performance – continued**

**Series T5**



<sup>A</sup> Since the Commencement of Operations, from April 18, 2007 to June 30, 2007.

<sup>B</sup> For the period July 1, 2011 to December 31, 2011.

**Series T8**



<sup>A</sup> Since the Commencement of Operations, from April 18, 2007 to June 30, 2007.

<sup>B</sup> For the period July 1, 2011 to December 31, 2011.

**Series S5**



<sup>A</sup> Since the Commencement of Operations, from April 18, 2007 to June 30, 2007.

<sup>B</sup> For the period July 1, 2011 to December 31, 2011.

## Series S8



<sup>A</sup> Since the Commencement of Operations, from April 18, 2007 to June 30, 2007.

<sup>B</sup> For the period July 1, 2011 to December 31, 2011.

# Fidelity Balanced Portfolio

## Summary of Investment Portfolio as at December 31, 2011

### Fund Holdings

	% of Fund's Net Assets
<b>Canadian Equity Funds</b>	
Fidelity Canadian Disciplined Equity® Fund – Series O .....	12.5
Fidelity Canadian Opportunities Fund – Series O .....	12.5
Fidelity Dividend Fund – Series O .....	10.0
	35.0
<b>Global and International Equity Funds</b>	
Fidelity Global Dividend Fund – Series O .....	5.0
Fidelity Global Real Estate Fund – Series O .....	5.0
Fidelity International Disciplined Equity® Fund – Series O .....	10.0
	20.0
<b>U.S. Equity Funds</b>	
Fidelity American Disciplined Equity® Fund – Series O .....	10.0
<b>Canadian Fixed-Income Funds</b>	
Fidelity Canadian Bond Fund – Series O .....	25.0
<b>Global Fixed-Income Funds</b>	
Fidelity Global Bond Currency Neutral Fund – Series O .....	5.0
<b>U.S. Fixed-Income Funds</b>	
Fidelity American High Yield Currency Neutral Fund – Series O .....	5.0

### Asset Allocation

	% of Fund's Net Assets
Canadian Equity Funds .....	35.0
Global and International Equity Funds .....	20.0
U.S. Equity Funds .....	10.0
Canadian Fixed-Income Funds .....	25.0
Global Fixed-Income Funds .....	5.0
U.S. Fixed-Income Funds .....	5.0
Net Other Assets .....	0.0

Total Fund Net Assets \$404,136,000

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund. The most recent annual report, semi-annual report, quarterly report or simplified prospectus for the investment fund and/or underlying fund is available at no cost, by calling 1-800-263-4077, by writing to us at Fidelity Investments Canada ULC, 483 Bay St. Suite 300, Toronto ON M5G 2N7 or by visiting our web site at [www.fidelity.ca](http://www.fidelity.ca) or SEDAR at [www.sedar.com](http://www.sedar.com).









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**Custodian**

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Toronto, Ontario

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