

# A Message to Investors

in the Fidelity Canadian, North American and U.S. Funds, Asset Allocation and Balanced Funds, Managed Portfolios, ClearPath Retirement Portfolios and Fixed Income Funds, and the Fidelity Private Investment Pools<sup>1</sup>

We are the Independent Review Committee for the Funds and are pleased to present this annual report to investors of the Funds for the year ended June 30, 2016. All mutual funds in Canada are required to have an independent committee to advise the manager of the funds regarding conflicts of interest that arise in mutual fund management.

Fidelity Investments Canada ULC is the Manager of your investment. We are proud to be working on behalf of Fidelity Fund investors and with a company that has withstood the test of time and prides itself on its reputation for integrity, quality and performance for investors.

The members of the Independent Review Committee have a broad range of expertise which includes investment fund management, regulatory, securities trading, financial, governance and accounting.

The mandate of the Committee is to review all conflicts of interest referred to it by the Manager, including the policies and procedures the Manager proposes to manage these conflicts. The Committee provides the Manager with its recommendation on whether the Manager's policies resolve the various conflicts in a way which achieves a fair and reasonable result for the Funds.

We assess the Manager's policies and procedures no less often than once annually. We also review and report on our members' independence and compensation at least once per year.

## Independent Review Committee

The members of the Independent Review Committee are:

<u>NAME</u>	<u>DOMICILE</u>	<u>FIRST APPOINTED</u>
Helen M. Meyer (Chair)	Erin, Ontario	February 23, 2011
James E. Cook	Etobicoke	September 19, 2014
Kerry D. Adams, FCPA, FCA, ICD.D	Toronto	February 25, 2014
Richard J. Kostoff	Toronto	February 25, 2014

The functions of the Independent Review Committee are to:

- Review and provide its decision to the Manager on conflict of interest matters that the Manager refers to the Independent Review Committee;
- At least annually review and assess the adequacy and effectiveness of the Manager's written policies and procedures concerning conflict of interest matters, including approving, amending or providing standing instructions that can be relied upon by the Manager; and
- Identify any conditions to a recommendation or approval it has provided to the Manager.

The Independent Review Committee meets regularly with representatives of the Manager, and also holds meetings without representatives of the Manager being present, to discuss matters affecting the Manager's policies and procedures, standing instructions and conflict of interest matters referred to the Independent Review Committee.

<sup>1</sup> This report is directed to investors in the Fidelity Canadian, North American and U.S. Funds, Asset Allocation and Balanced Funds, Managed Portfolios, ClearPath Retirement Portfolios and Fixed Income Funds, and the Fidelity Private Investment Pools, as set out in Appendix A (the "Funds"), and covers the fiscal year ended June 30, 2016.

During the year ended June 30, 2016, the Independent Review Committee held six meetings with representatives of the Manager. With the exception of one such meeting, the Independent Review Committee held a separate meeting at which representatives of the Manager were not present.

None of the members of the Independent Review Committee have any relationships which would compromise their independence with respect to the Fidelity Funds.

### **Ownership of Securities**

The percentage of securities of each class or series of voting or equity securities beneficially owned directly or indirectly, in aggregate, by all members of the Independent Review Committee in any Fund does not exceed 0.01 percent.

None of the members of the Independent Review Committee beneficially own directly or indirectly any securities of the Manager.

None of the members of the Independent Review Committee beneficially own directly or indirectly, in aggregate, any securities of any significant supplier to the Funds, with the exception of The Toronto-Dominion Bank, which provides banking services to the Funds. The percentage of securities of The Toronto-Dominion Bank beneficially owned, directly or indirectly, in aggregate, by all members of the Independent Review Committee does not exceed 0.01 percent.

### **Compensation and Indemnities**

The aggregate compensation paid to the Independent Review Committee by the Funds during the year ended June 30, 2016 was \$163,731.63. This amount is allocated among the Funds shown in Appendix A based on each Fund's net assets. Please see the annual financial statements of each Fund for the amount paid by each Fund.

No indemnities were paid to members of the Independent Review Committee by the Funds during the period.

The Manager set the initial compensation of the Independent Review Committee at the time of its initial appointment on February 23, 2007. At least annually, the Independent Review Committee reviews its compensation. In judging the appropriate level of compensation, the Independent Review Committee has considered, among other things:

- the number, size and complexity of the Fidelity Funds;
- available information on the compensation of similar committees;
- workload;
- breadth and depth of the relevant experience of its members;
- the benefits accruing to the Fidelity Funds as a result of its activity; and
- the opinion of the Manager.

In light of this review, on June 4, 2015, the Independent Review Committee approved the first increase to its compensation since 2007. The Independent Review Committee believes that the level of compensation of its members is appropriate.

### **Charter**

The Independent Review Committee has adopted and reviews on at least an annual basis, a written charter that includes its mandate, responsibilities and functions, and the policies and procedures it will follow when performing its functions.

### **Conflict of Interest Matters**

#### *Policies and Procedures*

During the period the Independent Review Committee has reviewed, and, where appropriate, arranged for periodic reporting on each of the following conflict of interest matters referred to it by the Manager. Its objective has been to achieve a fair and reasonable result for the Funds. It has provided the Manager with standing instructions to apply the following policies in accordance with their terms.

	POLICY	DESCRIPTION
1	Code of Ethics /Personal Investing	This policy governs the personal investing and other activities of employees of the Manager and certain of its affiliates.
2	Business Entertainment and Workplace Gifts	This policy governs the provision and acceptance of gifts and business entertainment by employees of the Manager and certain of its affiliates.
3	Trade Allocation	This policy governs the allocation of trades of portfolio securities between Funds or client accounts when more than one Fund or client account is buying or selling securities of a particular issuer at the same time.
4	Best Execution and Fair Trading	This policy addresses the quality of execution of trades of portfolio securities or foreign exchange trades by brokers, including both 3 <sup>rd</sup> party brokers and brokers affiliated to the Manager, on behalf of the Funds.
5	Commission Uses	Fidelity places a large volume of orders to buy and sell portfolio securities on behalf of the Fidelity Funds. It has in place arrangements with the brokers that execute the trades whereby Fidelity may receive brokerage and research services or whereby the broker may rebate a portion of the commissions paid by a Fund back to the Fund. This policy governs such arrangements.
6	Trade Error Correction	This policy governs the correction of errors made in executing trades of portfolio securities on behalf of a Fund.
7	Proxy Voting	The Funds own portfolio securities and therefore the right to vote proxies. This policy governs the voting of proxies.
8	Transfer Agency Error Correction	This policy governs the correction of errors made in executing investor transactions in the securities of a Fund.
9	NAV Calculation and Fair Value	This policy governs the calculation of a Fund's net asset value per share (NAV), including situations where market quotations for a portfolio security are not readily available or when market quotations are unreliable, in which case the Manager will calculate the NAV using the fair value of that security.
10	NAV Error Correction	This policy governs the correction of errors made in calculating a Fund's NAV.
11	Short-Term Trading	This policy governs the detection and prevention of active trading, which may be harmful to the Funds.
12	Substantial Security Holders	This policy addresses potential conflicts of interest that may arise where a company becomes a significant investor in a Fidelity Fund and the Fund invests in that company or a company related to that company.
13	Side-by-side	This policy addresses the side-by-side management of different types of accounts, including accounts that invest on a long-only basis – that is, buy securities – and accounts that may also invest on a short basis – that is, sell securities that they don't own, in the hope of repurchasing them later at a lower price. The Funds do not invest on a short basis, however Fidelity advises other accounts that do invest on a short basis.
14	Seed Capital Redemption	The Manager is required to provide seed capital to new Funds. This policy governs the manner in which the seed capital of a Fund may be redeemed by the Manager.
15	Large Investors	This policy addresses the potential conflicts of interest that may arise where large institutional and retail investors invest in the Funds.
16	Fidelity Capital Structure Corp. Dividend Allocation	This policy governs the allocation of dividends by Fidelity Capital Structure Corp. to its investors.
17	Purchase of Securities Underwritten by an Affiliate	This policy governs investments by the Funds in a class of securities of an issuer during a distribution (i.e., an offering), or within 60 days of a distribution, of those securities where an affiliate of the Manager acts as an underwriter of the offering.
18	Disclosure of Portfolio Information	This policy governs the manner and timelines regarding the disclosure of Fund portfolio information.
19	Complaints	This policy governs the process for managing and resolving complaints received from investors in the Funds.
20.	Benchmarks	This policy governs the process for selecting and changing performance benchmarks of the Funds.

## Approvals

The Independent Review Committee has provided approval for the Funds to invest in securities of significant investors in a Fund as long as the Manager follows the terms of the Substantial Security Holder Policy described above and reports quarterly to the Committee on compliance with the terms of the policy.

In December 2015, the Independent Review Committee approved the following Fund mergers, which were effected in February 2016:

Terminating Funds	Continuing Funds
Fidelity American Opportunities Fund	Fidelity American Equity Fund
Fidelity American Opportunities Class	Fidelity American Equity Class

In each case, the Terminating Fund merged into the Continuing Fund and holders of the Terminating Fund became holders of the Continuing Fund.

Independent Review Committee approval, rather than a positive recommendation from the Independent Review Committee, was required in order for Fidelity to complete these Fund mergers without obtaining securityholder or regulatory approvals.

## Conclusion

The Independent Review Committee receives periodic reports arising under the above-mentioned policies and procedures on conflict of interest matters for which it has provided standing instructions to the Manager.

During the period there were no conflict of interest matters referred to the Independent Review Committee by the Manager for which the Independent Review Committee did not give a positive recommendation and there was no instance when the Manager acted in a conflict of interest matter but did not meet a condition imposed by the Independent Review Committee in its recommendation or approval.

Helen M. Meyer  
Chair  
September 20, 2016

# APPENDIX A

## Funds Covered By This Report



### FIDELITY® FUNDS

#### Equity Funds

##### *Canadian Equity Funds*

Fidelity Canadian Disciplined Equity® Fund  
Fidelity Canadian Growth Company Fund  
Fidelity Canadian Large Cap Fund  
Fidelity Canadian Opportunities Fund  
Fidelity Dividend Fund  
Fidelity Dividend Plus Fund  
Fidelity Greater Canada Fund  
Fidelity Special Situations Fund  
Fidelity True North® Fund  
Fidelity Dividend Investment Trust (Securities are not available for public purchase)

##### *North American Equity Fund*

Fidelity North American Equity Investment Trust (Securities are not available for public purchase)

##### *U.S. Equity Funds*

Fidelity American Disciplined Equity® Fund  
Fidelity American Disciplined Equity® Currency Neutral Fund  
Fidelity American Equity Fund  
Fidelity Small Cap America Fund  
Fidelity U.S. All Cap Fund  
Fidelity U.S. Dividend Fund  
Fidelity U.S. Dividend Currency Neutral Fund  
Fidelity U.S. Dividend Investment Trust (Securities are not available for public purchase)  
Fidelity U.S. Dividend Registered Fund  
Fidelity U.S. Focused Stock Fund  
Fidelity Event Driven Opportunities Fund

#### Asset Allocation and Balanced Funds

##### *Canadian Asset Allocation and Balanced Funds*

Fidelity Canadian Asset Allocation Fund  
Fidelity Canadian Balanced Fund  
Fidelity Monthly Income Fund  
Fidelity Income Allocation Fund

##### *Global Asset Allocation and Balanced Funds*

Fidelity U.S. Monthly Income Fund

#### Fidelity Managed Portfolios

Fidelity Income Portfolio  
Fidelity Global Income Portfolio  
Fidelity Balanced Portfolio  
Fidelity Global Balanced Portfolio  
Fidelity Growth Portfolio  
Fidelity Global Growth Portfolio

#### Fidelity ClearPath® Retirement Portfolios

Fidelity ClearPath® 2005 Portfolio  
Fidelity ClearPath® 2010 Portfolio  
Fidelity ClearPath® 2015 Portfolio  
Fidelity ClearPath® 2020 Portfolio  
Fidelity ClearPath® 2025 Portfolio  
Fidelity ClearPath® 2030 Portfolio  
Fidelity ClearPath® 2035 Portfolio  
Fidelity ClearPath® 2040 Portfolio  
Fidelity ClearPath® 2045 Portfolio  
Fidelity ClearPath® 2050 Portfolio  
Fidelity ClearPath® 2055 Portfolio  
Fidelity ClearPath® Income Portfolio

#### Fixed Income Funds

##### *Canadian Fixed Income Funds*

Fidelity Canadian Bond Fund  
Fidelity Corporate Bond Fund  
Fidelity Canadian Money Market Fund  
Fidelity Canadian Short Term Bond Fund  
Fidelity Tactical Fixed Income Fund

##### *U.S. Fixed Income Funds*

Fidelity American High Yield Fund  
Fidelity American High Yield Currency Neutral Fund  
Fidelity U.S. Money Market Fund  
Fidelity Floating Rate High Income Fund

#### Fidelity® Private Investment Pools

##### Equity Pools

Fidelity U.S. Dividend Private Pool

##### Asset Allocation and Balanced Pools

Fidelity U.S. Growth and Income Private Pool

##### Fixed Income Pools

Fidelity Premium Fixed Income Private Pool  
Fidelity Premium Money Market Private Pool  
Fidelity Premium Tactical Fixed Income Private Pool

##### Investment Trusts

(Securities are not available for public purchase)

Fidelity Canadian Equity Investment Trust  
Fidelity Concentrated Canadian Equity Investment Trust  
Fidelity U.S. Equity Investment Trust  
Fidelity International Equity Investment Trust  
Fidelity Global Equity Investment Trust  
Fidelity Floating Rate High Income Investment Trust  
Fidelity High Income Commercial Real Estate Investment Trust  
Fidelity Convertible Securities Investment Trust  
Fidelity U.S. Small/Mid Cap Investment Trust  
Fidelity Concentrated Value Investment Trust  
Fidelity U.S. Multi-Cap Investment Trust  
Fidelity U.S. Bond Investment Trust