

SIMPLIFIED PROSPECTUS DATED APRIL 20, 2022

# Fidelity<sup>®</sup> Funds and Fidelity<sup>®</sup> Capital Structure Corp.

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## **Fidelity Managed Portfolios**

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| Fidelity Global Equity Portfolio | Series B, F, F5, F8, O, S5 and S8 units |
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| Fidelity Global Equity Class Portfolio* | Series B, F, F5, F8, S5 and S8 shares |
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## **Fidelity ETF Fund**

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### ***Global and International Equity ETF Fund***

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|---|-------------------------|
| Fidelity Total Metaverse Index ETF Fund | Series B, F and O units |
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\* Class of Fidelity Capital Structure Corp.

No securities regulatory authority has expressed an opinion about these securities. It's an offence to claim otherwise. The Funds and the securities of the Funds offered under this simplified prospectus are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registration.



# What's inside

|   |           |
|---|-----------|
| <b>Introduction.....</b>  | <b>1</b>  |
| <b>What is a mutual fund and what are the risks of investing in a mutual fund? .....</b>    | <b>3</b>  |
| <b>Organization and management of the Funds</b>   | <b>22</b> |
| <b>Purchases, switches and redemptions .....</b>  | <b>24</b> |
| <b>Optional services .....</b>  | <b>31</b> |
| <b>Fees and expenses .....</b>  | <b>35</b> |
| <b>Dealer compensation .....</b>  | <b>44</b> |
| <b>Dealer compensation from management fees .....</b>                                       | <b>46</b> |
| <b>Income tax considerations for investors .....</b>  | <b>46</b> |
| <b>Statement of rights .....</b>  | <b>51</b> |
| <b>Specific information about each of the mutual funds described in this document .....</b> | <b>52</b> |
| <b>Fidelity Global Equity Portfolio.....</b>  | <b>59</b> |
| <b>Fidelity Global Equity Class Portfolio .....</b>   | <b>62</b> |
| <b>Fidelity Total Metaverse Index ETF Fund .....</b>  | <b>65</b> |
| <b>Glossary .....</b>   | <b>69</b> |
| <b>Index Information .....</b>  | <b>72</b> |

# Introduction

This document is a simplified prospectus. In this document, we, us, our and Fidelity refer to Fidelity Investments Canada ULC, and the Corporation refers to Fidelity Capital Structure Corp., which is a mutual fund corporation. The funds offered under this simplified prospectus are referred to together as the Funds and individually as a Fund.

Fidelity Global Equity Portfolio and Fidelity Total Metaverse Index ETF Fund are mutual funds organized as trusts and are referred to together as the Trust Funds. Fidelity Global Equity Class Portfolio is a mutual fund offered as a class of shares of the Corporation and is referred to as a Class Fund. The Class Fund, along with other mutual funds that are organized as classes of the Corporation offered under separate simplified prospectuses, are collectively referred to as the Corporate Funds or each may be sometimes referred to as a Corporate Fund.

The Funds are grouped into the categories and sub-categories set out on the cover page of this simplified prospectus.

The Fund listed on the cover page under the heading ***Fidelity ETF Fund*** is referred to as the ETF Fund.

The term Portfolio may be used to refer to any individual Fidelity Managed Portfolio, and the term Portfolios may also be used to refer to all of these Funds.

The Funds, together with other funds managed and offered by Fidelity under separate simplified prospectuses, are referred to as the Fidelity Funds.

In this document, we refer to *financial advisors* and *dealers*. The *financial advisor* is the individual with whom you consult for investment advice and the *dealer* is the company or partnership that employs your *financial advisor*.

This simplified prospectus contains selected important information to help you make an informed investment decision about the Funds and to understand your rights as an investor. Sometimes we use industry or defined terms to describe something in this document. We provide a brief description of some of those terms in the glossary at the end of this document. Terms that are contained in the glossary are in italics in this document.

This document is divided into two parts. The first part explains what mutual funds are and the different risks you face by investing in them. It also provides general information that applies to all of the Funds. The second part contains specific information about each of the Funds.

## Introduction (*continued*)

Additional information about each Fund is available in its annual information form, its most recently filed fund facts, its most recently filed annual financial statements and any interim financial statements filed after those annual financial statements, and its most recently filed annual management report of fund performance and any interim management report of fund performance filed after that annual management report of fund performance. These documents are incorporated by reference into this simplified prospectus. That means they legally form part of this simplified prospectus just as if they were included in it.

You can get a copy of the Funds' annual information form, fund facts, financial statements and management reports of fund performance at no cost by calling us at 1-800-263-4077, by sending us an e-mail at [cs.english@fidelity.ca](mailto:cs.english@fidelity.ca) (for assistance in English) or [sc.francais@fidelity.ca](mailto:sc.francais@fidelity.ca) (for assistance in French) or by asking your *financial advisor*. You can also find this simplified prospectus, the fund facts, the financial statements and the management reports of fund performance on our website at [www.fidelity.ca](http://www.fidelity.ca).

These documents and other information about the Funds are also available at [www.sedar.com](http://www.sedar.com).

# What is a mutual fund and what are the risks of investing in a mutual fund?

Millions of Canadians are working towards their financial goals by investing their money in mutual funds. Whether it's saving for retirement or putting aside cash for a down payment on a home, mutual funds have become an investment of choice for many people.

But what exactly are mutual funds, how do they work and what are the risks? This section has the answers.

## What is a mutual fund?

Simply put, a mutual fund is a pool of investments made on behalf of a large group of people. Here's how it works: when you buy a mutual fund, you're actually putting your money together with that of many other people who like the same sorts of investments that you do. A professional investment expert – called a portfolio manager – takes that pool of cash and invests it for the whole group. If the investments make a profit, you share that profit with everyone else in the group. If the investments lose money, everyone shares in the loss.

## Sold in Securities

When you invest in a mutual fund, you're buying a piece of the mutual fund, which piece is called a unit in the case of a mutual fund organized as a trust (such as the Trust Funds) and a share in the case of a mutual fund offered as a class of shares of a mutual fund corporation (such as the Class Fund). The attributes of units and shares are generally the same. In this simplified prospectus, we use the term Securities to refer collectively to units of a trust or shares of the classes of a mutual fund corporation, as applicable, although we may use the term units or shares in reference to specific Funds, as applicable. Mutual fund companies keep track of the size of your piece of a mutual fund by recording how many Securities you own. The more money you put into a mutual fund, the more Securities you get.

Some mutual funds offer Securities in more than one series. It's possible that each series may have different management fees or expenses.

## How do you make money?

You make money on mutual funds if you buy your Securities at one price and sell – or redeem – them later at a higher price. Of course, you lose money if you redeem

your Securities for less than you paid. You can also make money when the mutual fund pays you your share of the income and capital gains it has earned on its investments. This is called a *dividend* in the case of Class Fund or a distribution in the case of the Trust Funds.

## What do mutual funds invest in?

Mutual funds invest in many of the same things as individual investors – everything from treasury bills to shares on foreign stock markets. The kind of securities a mutual fund invests in depends on the mutual fund's goal or investment objectives. For example, there are mutual funds for people who want to gain exposure to short-term *fixed income securities* as well as mutual funds for those who want to gain exposure to Canadian, U.S. or international equity securities.

The price of a Security changes every day, depending on how well the investments of the mutual fund perform. When the investments rise in value, the price of a Security goes up. When the investments drop in value, the price of a Security goes down.

Securities that trade on a public exchange are generally valued at their last sale or closing price as reported on that valuation day. If there is no reported sale and no reported closing price, we value the securities at their closing bid price on that valuation day. However, if the price is not a true reflection of the value of the security, we use another method to determine the value. This practice is called *fair value pricing*. It may happen for many reasons, including where the value is affected by events that occur after a market where the security is principally traded has closed or where there has been minimal or infrequent trading in a security.

While there are thousands of different investments available, they generally fit into two basic types: debt and equity. Some mutual funds invest in units of other funds, called *underlying funds*. *Underlying funds*, in turn, may invest in debt securities, equity securities or, in some cases, securities of other funds.

What is a mutual fund and what are the risks of investing in a mutual fund? (*continued*)

### **Debt securities**

Debt securities, or *fixed income securities*, are obligations of an issuer to repay a sum of money, usually with interest. Common examples include those issued by a company or a government. Debt securities are also an important way for companies and governments to raise money. These entities frequently sell debt securities, called bonds, and use the cash for major projects, or just to meet their daily expenses.

The government or company usually agrees to pay back the amount of the debt security within a set amount of time. If that period of time is about a year or less, the investment is often called a *money market instrument*. Examples are short-term bonds and government treasury bills. If the length of time for repayment is more than about a year, the investment is often referred to as a fixed income investment. Examples are corporate and government bonds and mortgages.

### **Equity securities**

Equity securities are investments that give the holder part ownership in a company. When a mutual fund buys equity securities, it is buying a piece of a business. The most familiar example is common shares that trade on the stock market.

Equity securities can earn money in two ways. The value of the shares can rise (or fall) as people buy and sell them on stock exchanges. If a company appears to be doing well in its business, more people may want to buy a piece of it, and the share price is likely to go up. On the other hand, if a company's business doesn't seem to be doing well, investors may decide to sell their piece of the company, and the share price is likely to go down. Some kinds of equity securities also pay you a portion of any profit the company may earn. These payments are called *dividends*.

### **What advantages do mutual funds have?**

You could make many of the same investments that portfolio managers of mutual funds make. So why buy mutual funds? There are several advantages.

### **Professional management**

For one thing, professional portfolio managers make all the decisions about exactly which securities to invest in and when to buy or sell them. It's their full-time job, so you don't have to spend the time making these investment decisions on your own. Portfolio managers may also prepare or have access to proprietary information and research that isn't as accessible to individual investors.

### **Diversification**

A second advantage is something called *diversification*. *Diversification* means owning several different investments at once. Here's why it's important. The value of your investments goes up and down over time; that's the nature of investing. But not all investments are likely to go up or down at the same time, or to the same extent, which can help to lessen the *volatility* of the mutual fund over the long-term.

Since mutual funds typically hold many investments, they offer a simple way to diversify your portfolio. In addition to diversifying through the number of investments, mutual funds often have access to investments individual investors generally cannot buy. A wider range of types of investments may increase *diversification*.

### **Easy access to your money**

Unlike some other kinds of investments, mutual funds are *liquid*. This means that you can redeem your Securities at almost any time and get your money when you need it (even though you may get less than you invested).

### **Record keeping**

And finally, mutual funds make your investments easier to keep track of. Mutual fund companies help you with the details by sending you regular financial statements, fund performance reports, and tax slips.

### **Are there any costs?**

There are a number of expenses involved in buying and owning a mutual fund. First, there are typical costs paid directly by investors when they buy Securities of a mutual fund. There may be certain instances where investors pay

costs when they redeem Securities of a mutual fund. See the **“Short Term Trading”** section as an example. Then there are expenses paid by the mutual fund itself. For example, there are management fees, brokerage commissions, and operating expenses. Even though the mutual fund, and not the investor, pays these costs, they reduce an investor’s return. See the **Fees and expenses** section for details about the costs of the Funds.

### What investors pay

*Financial advisors* who sell mutual funds may earn commissions, also known as sales charges or loads, as compensation for the advice and service that they provide. You may pay a percentage of the purchase price when you buy your mutual fund Securities. At Fidelity, we call this an *initial sales charge*.

### What the mutual fund pays

Fund managers make their money by charging a management fee. Usually, it’s a percentage of the net assets of the mutual fund. Managers collect this fee directly from the mutual fund itself, not from individual investors, except for Series O, where a negotiated management fee is charged directly to investors. The managers use the management fee to pay expenses, like employee salaries, research costs, trailing commissions, and promotional expenses. See the **Fees and expenses** section for details.

There are also a number of other expenses involved in running a mutual fund. For example, a mutual fund needs to value all of its investments every valuation day, and determine the appropriate price to process the day’s orders to buy and redeem Securities of the mutual fund. There are also transfer agency fees, brokerage commissions, legal fees, regulatory filing fees, auditing fees, custody fees, taxes, and other operating expenses that must be taken into account in arriving at the value of the Securities. Again, these costs are sometimes collected directly from the mutual fund. Alternatively, some managers, including Fidelity, may pay for some of these expenses in exchange for a fixed rate *Administration Fee* that they collect from the mutual fund.

When you divide the management fee and certain operating expenses by the mutual fund’s average net asset value for

the year, you get the mutual fund’s *management expense ratio*. If a mutual fund has more than one series of Securities, each series has its own *management expense ratio*. There are strict regulations to determine which expenses to include in the calculation.

## How do I know if mutual funds are right for me?

One of the real strengths of mutual funds is that they offer many choices that can be matched to your goals. They range from the extremely conservative to the more risky. Your *financial advisor* can help you make the important decisions about which mutual funds suit you best.

### What’s your risk tolerance?

Can you lose money? Yes.

Even before you talk to a *financial advisor*, you can start planning your mutual fund portfolio by deciding how much risk you’re willing to take. This is also known as your *risk tolerance*. Your *risk tolerance* depends on many factors, such as your age, investment time horizon, and your goals. Understanding the risks involved can help. We explain more about the risks of investing in this section and in each Fund profile under the heading *What are the risks of investing in the fund?* Your *financial advisor* can help you assess the risks.

Another factor is your goals. If you want to keep your money safe and earn a little interest at the same time, a less risky money market mutual fund may do the job nicely. But if you’re trying to build some real savings for a big goal, such as retirement, a money market fund probably won’t earn enough to do it. You need to consider increasing your risk to better your chances of earning more money.

### Time on your side

How much time do you have? That’s another key consideration. Say you’re saving for a retirement that’s still 30 years off. In that case, you may be able to afford to take some risk. If you have 30 years, the ups and downs of the stock market, for example, aren’t as much of a concern. Sure, some of your riskier investments could drop in the short-term, but over the longer term, past experience

## What is a mutual fund and what are the risks of investing in a mutual fund? *(continued)*

suggests that a broadly diversified portfolio of equity investments tends to rise more often than it falls. Of course, how well a mutual fund performed in the past doesn't tell you how it will perform in the future.

On the other hand, if you've only got a few years left until you expect you'll need your money, you should consider reducing your risk. In this case, there isn't enough time left for your investments to recover should they drop in value.

### **A good variety works best**

Finally, you should consider having a mix of mutual funds, some conservative, others less so. That's part of *diversification*. No single mutual fund is in itself a balanced investment plan. The appropriate mix depends on your *risk tolerance*, your goals, and how long you have to reach those goals.

## What are the risks of investing in a mutual fund?

Everybody wants to earn money when they invest. But you may lose money too. This is known as risk.

Unlike bank accounts or guaranteed investment certificates, mutual fund securities aren't covered by the Canada Deposit Insurance Corporation or any other government deposit insurer. It's important to remember that like all mutual funds, there's no guarantee that when you redeem your Securities of the Funds, you'll get back the full amount of money you originally invested. On rare occasions, a mutual fund may not allow you to redeem your Securities. See ***Suspending your right to redeem Securities*** under the heading ***Purchases, switches and redemptions*** for more information.

Mutual funds own different kinds of investments, depending on their investment objectives. The value of these investments changes from day to day because of changes in interest rates, economic conditions, and market or company news, for example. That means the value of a mutual fund's Securities can go up and down, and you may get more or less than you invested when you sell your Securities.

Generally speaking, the greater the risk of an investment, the greater its potential for return; the lower the risk, the

smaller the potential for return. Higher-risk investments, such as stocks and *high yield securities*, are likely to have changes in their prices from day to day. And some may have bigger changes than others. These swings in prices are called *volatility*. Investments with higher risk and higher *volatility* may suffer substantial losses over the short-term. But historically, higher-risk investments have generally offered a greater potential return over the long-term. This is one reason why it's important to diversify your portfolio, and make sure that the types of mutual funds you choose suit the length of time you expect to invest. The key is to recognize the risk involved in a particular investment, and then decide if it's a risk you want to take. Your *financial advisor* can help you understand risk and build a portfolio that's right for you.

### **How mutual funds can reduce risk**

While there's no doubt that mutual funds come with risks, they can be less risky as a whole than comparable individual investments. Mutual funds are managed by professional portfolio managers. They spend hours studying reports about the companies they're investing in, analyzing statistics, and examining the mix of investments in the mutual fund. It's work that the average investor doesn't have time for, or the necessary expertise, and it can increase the chance that the mutual fund achieves its goal.

Equally important is the fact that mutual funds offer *diversification*. Even mutual funds that specialize in one type of industry or one country usually make a variety of investments within their particular sector.

### **How you can reduce risk**

Mutual funds aren't meant to be a way of making a quick profit. They're long-term investments. If you buy a mutual fund, you should generally buy it with a view to holding it over a number of years. Don't try to second-guess the market and figure out the "best time" to get in or out. Generally speaking, a carefully chosen group of mutual funds bought and held over the long-term gives you the best chance of meeting your financial goals.

### **Specific risks of investing in mutual funds**

Mutual funds are made up of many securities, and the prices of those securities can go up or down. Here are some of the most common risks that can cause the value of Securities of a mutual fund to change. To find out which of these risks apply to each Fund, see the individual Fund profiles. A fund that invests in an *underlying fund* has similar risks as an investment in that *underlying fund*.

You must feel comfortable with the risk that you take. Before you invest, discuss it with your *financial advisor*.

### **Alternative mutual fund risk**

A mutual fund may invest up to 10% of its net asset value in one or more *underlying funds* that are referred to as alternative mutual funds. An alternative mutual fund is a type of mutual fund that, while generally subject to the requirements of NI 81-102, can invest in certain asset classes or use investment strategies that a conventional mutual fund is not permitted to invest in or use. Depending upon its investment objectives, an alternative mutual fund may invest to a greater extent in commodities, increase its use of *derivatives* for hedging and non-hedging purposes without the need to hold cover as would ordinarily be required, increase the amount of securities that it sells short and/or borrow cash. Through these investment strategies, an alternative mutual fund may make extensive use of leverage for investment purposes. This leverage can be achieved through cash borrowing, margin purchases, short selling of securities and/or derivative instruments. Any use of leverage has the potential to amplify gains and losses.

### **Asset-backed securities and mortgage-backed securities risk**

Asset-backed securities are debt obligations that are backed by pools of consumer or business loans. Mortgage-backed securities are debt obligations backed by pools of mortgages on commercial or residential real estate. The main risks associated with investing in asset-backed securities and mortgage-backed securities are:

- If there are changes in the market's perception of the issuers of these types of securities, in the creditworthiness of the underlying borrowers, or in the

assets backing the pools, then the value of the securities may be affected.

- The underlying loans may not be ultimately repaid in full, in some cases leading to holders of asset-backed securities and mortgage-backed securities not receiving full repayment.
- If these securities are prepaid before maturity and the prepayment is unexpected, or if it occurs faster than predicted, the asset-backed securities or mortgage-backed securities may pay less income, and their value might decrease. Since issuers generally choose to prepay when interest rates fall, the mutual fund may have to reinvest this money in securities that have lower rates.

### **Borrowing risk**

Certain of the underlying funds may borrow cash as a temporary measure to fund the portion of a distribution payable to its unitholders that represents amounts that have not yet been received by the underlying fund. Each underlying fund is limited to borrowing up to the amount of the unpaid distribution and, in any event, not more than 5% of the net assets of that underlying fund. There is a risk that an underlying fund will not be able to repay the borrowed amount because it is unable to collect the distribution from the applicable issuer. Under these circumstances, the underlying fund would repay the borrowed amount by disposing of portfolio assets.

### **Calculation and termination of the indices risk**

The indices tracked by those *underlying funds* that seek to replicate the performance of an index are calculated and maintained by or on behalf of the index provider. *The* index provider has the right to make adjustments to an index without regard to the particular interests of Fidelity, the *underlying fund* or its unitholders. The index provider may also cease to calculate an index in certain circumstances.

In addition, errors in respect of an index may occur, including errors in respect of the quality, accuracy and completeness of the data, and these errors will affect the applicable *underlying fund* and its unitholders.

## What is a mutual fund and what are the risks of investing in a mutual fund? *(continued)*

If the electronic or other facilities of the index provider or the applicable exchange malfunction for any reason, calculation of value of one or more indices and the determination by Fidelity of the prescribed number of units and baskets of securities for the applicable *underlying fund* may be delayed, and trading in units of the *underlying fund* may be suspended, for a period of time.

Fidelity is not responsible for the indices tracked by the *underlying funds* and does not provide any warranty or guarantee in respect of these indices or the activities of the index provider.

With respect to an *underlying fund* that seeks to replicate the performance of an index, if the index provider ceases to calculate the applicable index or the index license agreement in respect of the applicable index is terminated, Fidelity may:

- Terminate the applicable *underlying fund* on not less than 60 days' notice to unitholders.
- Change the investment objective of the applicable *underlying fund* or seek to replicate generally an alternative index (subject to any unitholder approval in accordance with Canadian securities legislation).
- Make such other arrangement as Fidelity considers appropriate and in the best interests of unitholders of the *underlying fund* in the circumstances.

### **Cease trading and halted trading of units risk**

Units of an *underlying fund* whose securities are listed on an exchange may be cease traded or trading may be halted. Units of an *underlying fund* may be cease traded at any time by a securities regulatory authority or other relevant regulator or stock exchange, in which case Fidelity may suspend the exchange or redemption of units of the *underlying fund* until such time as the transfer of the units is permitted. Trading of units of an *underlying fund* may also be halted by the activation of individual or market-wide "circuit breakers" (which halt trading for a specific period of time when the price of a particular security or overall market prices decline or increase by a specified percentage).

Trading of such units may also be halted if:

- The units are delisted from the exchange without first being listed on another exchange.
- Exchange officials determine that such action is appropriate in the interest of a fair and orderly market or to protect unitholders.

### **Cease trading of constituent securities risk**

If the *constituent securities* of an index tracked by an *underlying fund* are cease traded at any time by a securities regulatory authority or other relevant regulator or stock exchange, Fidelity may suspend the exchange or redemption of units of the *underlying fund* until such time as the transfer of the securities is permitted. As a result, an *underlying fund* that holds securities traded on an exchange or other organized market bears the risk of cease trading orders against any security held by the *underlying fund*.

### **Commodity risk**

Some mutual funds invest indirectly in commodities or commodity sectors, including gold, silver, other precious metals, industrial metals, energy, and soft (or grown) commodities, like wheat, livestock, cocoa, cotton, coffee, and sugar. There are several ways a mutual fund can obtain commodities exposure, including by:

- Purchasing securities of an exchange-traded fund or *ETF*.
- Purchasing exchange-traded *derivatives*.
- Investing directly in a company operating in a commodities sector.

We refer to *ETFs* that seek to replicate the performance of one or more physical commodities, or of an index that tracks such performance, as *Commodity ETFs*. *Commodity ETFs* are unleveraged. *Commodity ETFs* may invest directly or indirectly in physical commodities, or *derivatives* that have physical commodities as an underlying interest.

*ETFs* that seek to replicate the performance of gold, silver, or both, or of an index that tracks such performance, on a leveraged basis, are referred to as *Gold/Silver ETFs*. Typically, a *Gold/Silver ETF* attempts to magnify returns by a multiple of 200%. *Gold/Silver ETFs* may invest directly or

indirectly in gold, silver, or *derivatives* that have gold or silver as an underlying interest.

Commodity prices can fluctuate significantly in short time periods. A fund exposed to commodities may, therefore, experience *volatility* in its net asset value. Commodity prices can change as a result of a number of factors, including supply and demand, speculation, central bank and international monetary activities, political or economic instability, changes in interest rates and currency values, new discoveries, or changes in government regulations affecting commodities.

### **Concentration risk**

Some mutual funds may concentrate their investments by:

- Investing in relatively few companies.
- Investing in a particular industry or geographic region.
- Holding more than 10% of their net assets in securities of a single issuer.

A relatively high concentration of assets in, or exposure to, a particular industry, geographic region, single issuer or a small number of issuers may reduce the *diversification* of a mutual fund, and may result in increased *volatility* in the mutual fund's net asset value. Issuer concentration may also increase the illiquidity of the mutual fund's portfolio if there is a shortage of buyers willing to purchase those securities.

### **Credit risk**

Credit risk is the possibility that a borrower or issuer, or the counterparty to a derivative contract, repurchase agreement or reverse repurchase agreement, is unable or unwilling to repay the loan, obligation or interest payment, either on time or at all. Credit risk is also the risk that the issuer of a *fixed income security* can't pay interest or repay principal when it's due. Many *fixed income securities* of companies and governments are rated by third party sources, such as Standard & Poor's, to help describe the creditworthiness of the issuer. However, these credit ratings may not accurately reflect the true risk of the issuer.

Credit risk is generally considered to be lower among issuers that have a high credit rating from a credit rating

agency, and higher among issuers that have a low credit rating or no credit rating. There is no guarantee that third party credit ratings represent an accurate assessment of the risk of owning a particular issuer's securities. The market value of *fixed income securities* can be affected by adverse news, or a downgrade in the security's rating. Other factors can also affect the market value of the security, such as a change in the creditworthiness, or perceived creditworthiness, of the security's issuer or *material ESG factors*.

*Fixed income securities* that have a low credit rating, or which are unrated, are known as *high yield securities*. *High yield securities* typically:

- Offer a higher yield than securities with a high credit rating.
- Have a higher potential for loss than *fixed income securities* issued by financially stable and solvent issuers.
- Are more likely to go into default on interest and principal payments than securities with a higher credit rating.
- Are less *liquid* in times of market declines.

Certain types of *fixed income securities*, such as *floating rate debt instruments*, may be backed by specific assets that are pledged by the issuer in the event of a default, including non-payment. However, there is a risk that:

- The value of the pledged collateral declines, or is insufficient to meet the obligations of the borrower to all investors or lenders.
- Investors or lenders may incur legal costs, be subject to lengthy delays, or be unable to fully recoup the principal amount and/or lost interest in the event of the issuer's default.

These and other factors may result in losses to mutual funds that hold these types of securities.

### **Cryptocurrency ETF risk**

A mutual fund may invest up to 10% of its net asset value in one or more underlying funds that are referred to as alternative mutual funds. *Cryptocurrency ETFs* are

## What is a mutual fund and what are the risks of investing in a mutual fund? *(continued)*

alternative mutual funds that invest substantially all of their assets in commodities that are digital assets, such as cryptocurrencies like bitcoin or ether. Investing in digital assets presents a variety of risks that are not present when investing in other, more traditional asset classes. These risks include, but are not limited to:

- Digital assets are not legal tender, operate without central authority or banks, and are not backed by any government.
- Digital assets are new technological innovation with a limited history and are highly speculative. They have experienced, and are likely in the future to continue to experience, high volatility, including periods of extreme volatility.
- Digital assets could become subject to forks (i.e. software modifications to the digital asset network's protocol) and various types of cyberattacks.
- Trading platforms on which digital assets trade, including exchanges that may be used to fill trade orders, may stop operating or shut down due to fraud, technical problems, hackers or malware. These trading platforms may be more susceptible to fraud and security breaches than established, regulated exchanges for other products.
- The decentralized, open source protocol of the peer-to-peer computer network supporting a digital asset could be affected by internet disruptions, fraud or cybersecurity attacks, and such network may not be adequately maintained and protected by its participants.
- Regulatory actions or policies may limit the ability to exchange a digital asset or utilize it for payments. Federal, provincial, territorial or foreign governments may restrict the use and exchange of digital assets. Banks and other financial institutions may refuse to process funds for digital asset transactions, process wire transfers to or from digital asset trading platforms, digital asset-related companies or service providers, or maintain accounts for persons or entities transacting in digital assets.
- The regulation of digital assets continues to evolve in Canada and in foreign jurisdictions, and the regulation of digital assets within and outside of Canada is still developing. There may be limitations on the ability of a securities regulator in Canada to enforce or influence the enforcement of rules that apply to digital asset activities that occur in other jurisdictions.
- A digital asset could decline in popularity, acceptance or use, thereby impairing its price and liquidity.
- Holding digital assets with a third party may increase certain risks rather than holding digital assets in a private wallet, including insolvency risk (credit risk), fraud risk or proficiency risk on the part of a custodian or sub-custodian.
- There may be difficulty in enforcing legal rights against any digital asset sub-custodian if it is resident, or substantially all of its assets are located, outside of Canada.

### **Currency risk**

Currency risk, sometimes referred to as exchange rate risk, is the risk that the value of an investment held by a mutual fund is affected by changes in the value of the currency in which the investment is denominated. Movements in exchange rates can affect the day-to-day value of a mutual fund, especially if it holds a lot of foreign investments.

A mutual fund that buys and sells securities in currencies other than the Canadian dollar can make money when the value of the Canadian dollar decreases relative to the foreign currency, and can lose money when the value of the Canadian dollar rises compared with the foreign currency. These gains and losses occur when the fund converts its Canadian dollars to the foreign currency in order to buy a security, and when it converts the foreign currency back into Canadian dollars when it sells the security. If, for example, the value of the Canadian dollar has risen, but the market value of the investment has stayed the same, the investment is worth less in Canadian dollars when it's sold.

Some Funds that invest in securities issued in currencies other than the Canadian dollar may use the U.S. dollar as their primary working currency instead of the Canadian dollar. This means that the cash received by the mutual

fund, including Canadian dollars received from purchases by investors and the proceeds of settled trades, is converted into U.S. dollars every day. In addition, U.S. dollars are converted back into Canadian dollars to fund redemptions. A U.S. dollar working currency is generally used by Funds that invest:

- Primarily in U.S. dollar-denominated securities, since it helps to reduce currency transactions associated with the mutual fund's investment activities in these securities.
- All or a substantial portion of their assets in securities denominated in foreign currencies other than the U.S. dollar, since the U.S. dollar is typically *liquid*, and may be more efficiently traded than other currencies.

While we believe there are benefits to the Funds that use the U.S. dollar as their working currency, there is no assurance that this strategy is effective, and it is possible that costs incurred by these Funds for foreign exchange transactions may exceed the benefits.

Some of the Funds may use *derivatives*, such as options, futures contracts, forward contracts, swaps, and customized types of *derivatives*, to reduce the effect of changes in exchange rates.

### **Cyber security risk**

Cyber security risk is the risk of harm, loss, and liability resulting from a failure or breach of an organization's information technology systems.

In general, cyber security risk can result from deliberate attacks or unintentional events, and may arise from external or internal sources. Cyber attacks include gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, equipment or systems, or causing operational disruption. Cyber attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users).

Cyber security risk has the ability to negatively impact the Funds and the securityholders of the Funds by, among other things, disrupting and impacting business operations, interfering with a Fund's ability to calculate its net asset value, impeding trading by or in the Funds, or causing violations of applicable privacy and other laws.

While Fidelity has established business continuity plans and risk management systems to address cyber security risk, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Furthermore, although Fidelity has vendor oversight policies and procedures, a Fund cannot control the cyber security plans and systems put in place by its service providers, or any other third party whose operations may affect the Fund or its securityholders. The Fund and its securityholders could be negatively impacted as a result.

### **Derivative risk**

A *derivative* is an investment that bases its value on how well another kind of investment, like a stock, bond, currency, or market index, is doing. *Derivatives* usually take the form of a contract with another party to buy or sell an asset at a later time. Funds that invest in *derivatives* are in a position to make or lose money based on changes in the underlying interest, such as interest rates, securities prices, or currency exchange rates. Here are some examples of *derivatives*:

- **Options.** Options give the holder the right to buy an asset from, or sell an asset to, another party for a set price, during a set period of time. Fluctuations in the value of the asset during the life of the option impact the value of the option. It's called an option because the holder has the option of exercising the right to buy or sell the asset, and the other party is obliged to satisfy this right. The other party generally receives a cash payment (a premium) for agreeing to provide the option.
- **Forward contracts.** In a forward contract, an investor agrees to buy or sell an asset, such as a security or currency, at an agreed price on a specific date in the future.

## What is a mutual fund and what are the risks of investing in a mutual fund? (*continued*)

- **Futures contracts.** Futures contracts generally function in a similar manner as forward contracts, but are traded on an exchange.
- **Swaps.** With a swap agreement, two parties agree to exchange, or swap, payments. The payments the two parties make are based on an agreed underlying amount, like a bond. Each party's payments are calculated differently. For example, one party's payments may be based on a floating interest rate, while the other party's payments may be based on a fixed interest rate.
- **Debt-like securities.** With a debt-like security, the amount of principal and/or interest an investor receives goes up or down depending on whether there is an increase or decrease in the value of an agreed underlying security, like a share.

There are a number of risks involved in the use of *derivatives*. Here are some of the most common risks:

- There's no guarantee that a mutual fund is able to buy or sell a *derivative* at the right time to make a profit or limit a loss.
  - There's no guarantee that the other party to the contract, referred to as a *counterparty*, lives up to its obligations, which could result in a financial loss for the mutual fund.
  - If the value of a *derivative* is tied to the value of an underlying interest, there's no guarantee that the value of the *derivative* at all times accurately reflects the value of the underlying interest.
  - If the *counterparty* goes bankrupt, the mutual fund could lose any deposit that was made as part of the contract.
  - If the *derivatives* are traded on foreign markets, it may be more difficult and take longer to complete the transaction. Foreign *derivatives* can also be riskier than *derivatives* traded on North American markets.
  - Securities exchanges could set daily trading limits on options and futures contracts. This could prevent a mutual fund from completing an options or futures transaction, making it very difficult to hedge properly, to make a profit, or to limit a loss.
- If a mutual fund is required to give a security interest in order to enter into a *derivative*, there is a risk that the other party may try to enforce the security interest against the mutual fund's assets.

Mutual funds can use *derivatives* to help offset losses that other investments might suffer because of changes in stock prices, commodity prices, interest rates, or currency exchange rates. This is called *hedging*. While using *derivatives* for *hedging* has its benefits, it's not without its own risks. Here are some of them:

- There's no guarantee that a *hedging* strategy always works.
- A *derivative* doesn't always offset a drop in the value of a security, even if it has usually worked out that way in the past.
- *Hedging* doesn't prevent changes in the prices of the securities in a mutual fund's portfolio, or prevent losses if the prices of the securities go down.
- *Hedging* can also prevent a mutual fund from making a gain if the value of the currency, stock, or bond goes up.
- Currency *hedging* does not result in the impact of currency fluctuations being eliminated altogether.
- A mutual fund might not be able to find a suitable *counterparty* to enable the mutual fund to hedge against an expected change in a market if most other people are expecting the same change.
- *Hedging* may be costly.
- The *Tax Act*, or its interpretation, may change in respect of the income tax treatment of derivatives.

### **Equity risk**

Companies issue common shares and other kinds of equity securities to help pay for their operations and finance future growth. Equity securities can drop in price for many reasons. For example, they're affected by general economic and market conditions, interest rates, political

developments, *material ESG factors* and changes in the companies that issue them. If investors have confidence in a company and believe it will grow, the price of its equity securities is likely to rise. If investor confidence falls, equity prices are also likely to fall. Some companies pay dividends to holders of equity securities. These companies may change their dividend policy or reduce their dividends, which could adversely affect a mutual fund that holds these securities. As a group, dividend-paying securities may be out of favour with the market and underperform the overall equity market or stocks of companies that do not pay dividends. The prices of equity securities can vary widely, and mutual funds that invest in equity securities are generally more volatile than mutual funds that invest in *fixed income securities*.

### **Exchange-traded fund (ETF) risk**

A mutual fund may invest in an *underlying fund* whose securities are listed for trading on an exchange. These *underlying funds* are called *ETFs*. The investments held by *ETFs* may include stocks, bonds, commodities, and other financial instruments. Some *ETFs* attempt to replicate the performance of a widely-quoted market index. However, not all *ETFs* track an index. While an investment in an *ETF* generally presents similar risks as an investment in an open-ended, actively managed mutual fund that has the same investment objectives and strategies, it also carries the following additional risks, which do not apply to an investment in an open-ended, actively managed mutual fund:

- The performance of an *ETF* may be different from the performance of any index, commodity, or financial measure that the *ETF* may seek to track. There are several reasons that this might occur, including transaction costs and other expenses that are borne by the *ETF*, the *ETF's* securities may trade at a premium or a discount to their net asset value, or the *ETF* may employ complex strategies, such as leverage, making accurate tracking difficult.
- The ability of a mutual fund to realize the full value of its investment in an underlying *ETF* depends on the mutual fund's ability to sell the *ETF's* securities on a securities market. The mutual fund may receive less

than the *ETF's* net asset value per security on such sale, as the *ETF's* securities may not trade at prices that reflect their net asset value.

- There is no guarantee that any particular *ETF* is available at any time. An *ETF* may be newly or recently organized, with limited or no previous operating history, and an active trading market for an *ETF's* securities may fail to develop or be maintained. In addition, an *ETF* may not continue to meet the listing requirements of the exchange on which its securities are listed for trading.
- Commissions may apply to the purchase or sale of an *ETF's* securities by a mutual fund.

Additionally, the ETF Fund tracks the market price returns of *underlying funds* that are *ETFs*. Normally, the net asset value and closing price of an *ETF* will be substantially similar. However, during periods of market stress, price returns of *ETFs* may differ from the net asset value of the *ETF*.

Further, purchases of an *underlying fund* that is an *ETF* are made during the trading day. If there are purchases of the ETF Fund close to or following the end of a trading day, the ETF Fund will invest its assets in the securities of the *underlying fund* that is an *ETF* on the following trading day at a different price, which price may be higher or lower than the price on the day the purchase of the ETF Fund was made.

### **Foreign investment risk**

There are some significant reasons to consider investing abroad. The economies of foreign countries may grow faster than Canada's economy. This can mean that investments in those countries may also grow more quickly. Foreign investments give you *diversification*, because all your money isn't invested in Canada.

In addition to currency risk discussed above, foreign investments have other risks, including:

- Not all countries are as well regulated as Canada, or have the same consistent and reliable accounting, auditing, and financial reporting standards. Some countries may have lower standards of business

## What is a mutual fund and what are the risks of investing in a mutual fund? (*continued*)

practices and lax regulation, and may be more vulnerable to corruption. Even in some relatively well regulated countries, it can be difficult to get the information investors need about business operations. Foreign investments could suffer as a result.

- A small number of companies could make up a large part of the foreign market. If one of these companies does poorly, the whole market could drop.
- Sometimes foreign governments impose taxes, take over private businesses, or change the rights of foreign investors. They might impose currency controls that greatly restrict the ability to get money out of the country, or they may devalue their currency.
- Riots, civil unrest or wars, or unstable governments in some countries could hurt investments.
- Foreign countries may experience relatively high inflation, and high interest rates.

It's sometimes hard to enforce the mutual fund's legal rights in another country.

For *fixed income securities* bought on foreign markets, including some government bonds, there's a risk that the issuer doesn't pay off the debt, or that the price of the securities drops rapidly.

Of course, the amount of risk varies from country to country. Securities in *developed markets* generally have lower foreign investment risk because they're usually well regulated and are relatively stable. However, securities of governments and companies in the emerging or developing markets, such as South or Southeast Asia and Latin America, can have significant foreign investment risk. For example, certain Funds may invest in eligible *China A-Shares* through *Stock Connect*. *China A-Shares* generally may not be sold, purchased or transferred other than through *Stock Connect* in accordance with its rules and regulations. *Stock Connect* is novel in nature, and the uncertainty and change of relevant laws and regulations in the People's Republic of China that may affect financial markets could have an adverse impact on these Funds. While *Stock Connect* is not subject to individual investment quotas, there are daily investment quotas imposed by Chinese regulations which apply to all *Stock Connect*

participants. These quotas may restrict or preclude a Fund's ability to invest in *China A-Shares* at the Fund's preferred time.

In addition, investment income received and capital gains realized by the Funds from sources within foreign countries may be subject to foreign taxes withheld at source. Any foreign withholding taxes could reduce the Fund's *dividends* and distributions paid to you. Canada has entered into tax treaties with certain foreign countries that may entitle mutual funds to a reduced rate of withholding tax on such foreign income. Some countries require the filing of a tax reclaim or other forms to receive the benefit of the reduced tax rate. Whether or when a Fund will receive the tax reclaim is within the control of the particular foreign country. Information required on these forms may not be available (such as securityholder information); therefore, the Fund may not receive the reduced treaty rates or tax reclaims. Certain countries have conflicting and changing instructions and restrictive timing requirements that may cause a Fund not to receive the reduced treaty rates or tax reclaims.

### ***Income tax risk***

The Funds will be subject to certain tax risks generally applicable to Canadian investment funds. There can be no assurance that the *CRA* or a court will agree with the tax treatment adopted by the Funds in filing their tax returns. In the case of the Trust Funds, the *CRA* could reassess the Funds on a basis that results in an increase in the taxable component of distributions considered to have been paid to securityholders. In the case of the Class Fund, a reassessment by the *CRA* may result in an increase in the net income of the Corporation for tax purposes, which may result in tax payable by the Corporation. Investors in the Class Fund, therefore, may receive an increase in ordinary dividends payable from the Corporate Funds (including the Class Fund) and the Corporation could be liable for tax under Part III of the *Tax Act* in respect of excessive capital gains dividend elections. In the case of the Trust Funds, a reassessment by the *CRA* may also result in the Funds being liable for unremitted withholding taxes on prior distributions to non-resident unitholders. Such liability may reduce the net asset value per unit of the Funds.

The use of *derivative* strategies may also have a tax impact on certain Funds. In general, gains and losses realized by such a Fund from derivative transactions will be on income account, except where such derivatives are used to hedge portfolio securities held on capital account and provided there is sufficient linkage. A Fund will generally recognize gains or losses under a derivative contract when it is realized by the Fund upon partial settlement or upon maturity. This may result in significant gains being realized by a Fund at such times and such gains may be taxed as ordinary income. To the extent such income is not offset by any available deductions, it would be distributed to applicable unitholders in the taxation year in which it is realized and included in such unitholder's income for the year.

In general, the Corporation will not be liable to pay tax on taxable *dividends* received from taxable Canadian corporations or on its net capital gains realized because it will pay sufficient ordinary *dividends* and capital gains *dividends* to its securityholders to eliminate its tax liability thereon. The Corporation could be liable to pay tax at corporate rates applicable to a mutual fund corporation on income from other sources, such as interest, certain derivative income and foreign source income. The Corporation tries to eliminate this tax liability by reducing taxable income through using deductible expenses and tax deductions/credits. Given the investment and dividend policy of the Corporation and taking into account the deduction of anticipated expenses, it is expected that the Corporation will not be subject to non-refundable Canadian income tax this year. If the Corporation becomes subject to non-refundable Canadian income tax in the future, it will employ a methodology to allocate this tax liability among the Corporate Funds (including the Class Fund) of the Corporation, which will reduce after-tax returns to shareholders. See the ***How the Corporation is Taxed*** section for more information on the taxation of a corporate fund.

The underlying funds managed by Fidelity that are *ETFs* are also subject to certain tax risks generally applicable to Canadian investment funds. For example, as a result of recent amendments to the *Tax Act*, it is expected that taxable distributions made to non-redeeming

securityholders, including the Funds, may be greater than they would have been if the amendments had not been enacted. Additional information can be found in each *ETF's* prospectus.

Each of the Trust Funds established in 2022 is expected to qualify as a "mutual fund trust" for purposes of the *Tax Act* by the time it files its first tax return in which it will make an election to be deemed to be a mutual fund trust effective from the date of its creation. It is Fidelity's intention that the conditions prescribed in the *Tax Act* for qualification as a mutual fund trust once met will be satisfied on a continuing basis by these Trust Funds. If any of the Trust Funds fails to or ceases to qualify as a mutual fund trust under the *Tax Act*, the income tax considerations described under the ***Income tax considerations for investors*** section could be materially and adversely different in certain respects. For example, if a Trust Fund fails to or ceases to qualify as a mutual fund trust, units of the Trust Fund may no longer be qualified investments for registered plans under the *Tax Act*. The *Tax Act* imposes penalties on the annuitant of a Registered Retirement Savings Plan or Registered Retirement Income Fund, the holder of a Tax-Free Savings Account or Registered Disability Savings Plan, or the subscriber of a Registered Education Savings Plan for the acquisition or holding of non-qualified investments.

Tax loss restriction rules, referred to as the *LRE rules*, apply to a Trust Fund when an investor (counted together with its affiliates) becomes the holder of units worth more than 50% of the Trust Fund. This could happen when an investor or its affiliates acquire units, or when another investor redeems units. Each time the *LRE rules* apply to a Trust Fund, the taxation year of the Trust Fund will be deemed to end, and the Trust Fund will be deemed to realize its unrealized capital losses. The Trust Fund may elect to realize capital gains in order to offset its capital losses and non-capital losses, including undeducted losses from prior years. Any undeducted capital losses will expire and may not be deducted from the Trust Fund in future years and any undeducted non-capital losses will be restricted in future years, with the result that income and capital gains distributions in the future may be larger. The Trust Funds' declaration of trust provides for the automatic distribution to unitholders of a sufficient amount of income

## What is a mutual fund and what are the risks of investing in a mutual fund? (*continued*)

and capital gains of the Trust Funds for each taxation year (including a taxation year that is deemed to end by virtue of a loss restriction event) so that the Trust Funds will not be liable for ordinary income tax. These distributions must be included in the unitholders' income for tax purposes. For more information regarding the taxation of distributions, see the ***Income tax considerations for investors*** section.

### ***Index investment strategy risk***

For an *underlying fund* that seeks to replicate the performance of an index, the value of the applicable index may fluctuate in accordance with the financial condition of the issuers that are represented in such index (particularly those that are more heavily weighted), the value of the securities generally and other factors.

Because the investment objective of the *underlying fund* is to replicate the performance of the applicable index, the *underlying fund* is not actively managed by traditional methods and the portfolio management team will not attempt to take defensive positions in declining markets. Therefore, issuers with an adverse financial condition may not be removed from the portfolio of an *underlying fund* until that issuer is removed from the applicable index.

### ***Interest rate risk***

Interest rates impact the cost of borrowing for governments, companies, and individuals, which, in turn, impacts overall economic activity, and a wide range of investments. Lower interest rates tend to stimulate economic growth, whereas high interest rates tend to do the opposite.

When interest rates rise, *fixed income securities*, like treasury bills and bonds, tend to fall in price. On the other hand, these securities tend to rise in price when interest rates fall. The cash flow from *fixed income securities* with variable rates can change as interest rates fluctuate. Longer-term bonds and strip bonds are generally more sensitive to changes in interest rates than other kinds of securities.

When interest rates fall, the issuers of many kinds of *fixed income securities* may repay the principal before the security matures. This is called making a prepayment. This is a risk because if a *fixed income security* is paid off sooner than expected, the mutual fund may have to

reinvest its money in securities that have lower rates. Also, if paid off unexpectedly, or faster than predicted, the *fixed income security* can offer less income and/or potential for capital gains.

Changing interest rates can also indirectly impact the share prices of equity securities. When interest rates are high, it may cost a company more to fund its operations, or to pay down existing debt. This can impair a company's profitability and earnings growth potential, which can negatively impact its share price, making the company less attractive to potential investors. Conversely, lower interest rates can make financing for a company less expensive, which can potentially increase its earnings growth potential. Interest rates can also impact the demand for goods and services that a company provides by impacting overall economic activity.

Various regulators and industry bodies are working globally on transitioning from interbank offered rates ("**IBORs**"), including the London Interbank Offered Rate (LIBOR), to alternative rates. The effect of such a transition on a Fidelity Fund and the securities in which it invests cannot yet be determined, and may depend on factors that include, but are not limited to: (i) existing fallback or termination provisions in individual contracts; and (ii) whether, how, and when industry participants develop and adopt new reference rates and fallbacks for both legacy and new products and instruments. Such transition may result in a reduction in the value of IBOR-based instruments held by a Fidelity Fund, a reduction in the effectiveness of certain hedging transactions and increased illiquidity and volatility in markets that currently rely on an IBOR to determine interest rates, any of which could adversely impact a Fidelity Fund's performance.

### ***Large transaction risk***

Other investment products, such as segregated funds offered by insurance companies and other investment funds, may invest in a mutual fund. There is a risk that these investments may become large, resulting in large purchases and redemptions of Securities of the fund. Other investors may also purchase large amounts of a fund. Large purchases and redemptions may result in:

- A fund maintaining an abnormally high cash balance.

- Large sales of portfolio securities, impacting market value.
- Increased transaction costs (e.g., commissions).
- Capital gains being realized, which may increase taxable distributions and *dividends* to investors.

If this should occur, the returns of investors, including other funds, that invest in the fund may also be adversely affected.

### **Liquidity risk**

Liquidity of your investment means how quickly and easily you can sell your Securities for cash. This is also true for the securities held in a mutual fund. Most securities held in a mutual fund are *liquid*, but there are some investments that cannot be sold easily or quickly. These are considered to be illiquid.

Securities can be illiquid for a number of reasons, including:

- Legal rules may restrict the ability to sell them.
- The securities might have features that make them difficult to sell.
- There may be a shortage of buyers.
- The securities might suddenly become illiquid because of sudden changes in the market.
- An individual security's liquidity may simply change over time.

There are some types of securities that may be more illiquid when markets are volatile, or there is a sharp market decline. These include high yield bonds, *floating rate debt instruments* or loans, senior secured debt obligations, *convertible securities*, high yield commercial mortgage-backed securities, and *fixed income securities* issued by corporations and governments in emerging countries.

If these types of securities become illiquid, then there could be fewer buyers for the securities, the bid/ask spread might be wider, trade settlement and delivery of the securities to the mutual fund could take longer than normal, and it may be difficult to obtain a price for the securities. If a mutual fund has trouble selling a security, the fund could lose

money, and the value of an investment in the fund could decline.

Liquidity, as well as the value of an investment, may also be affected by factors that affect securities markets generally, such as general economic and political conditions, fluctuations in interest rates and factors unique to each issuer of the securities held by a mutual fund, such as changes in management, changes in strategic direction, achievement of strategic goals, mergers, acquisitions and divestitures, changes in distribution and dividend policies and other events.

For example, the recent international spread of COVID-19 (coronavirus disease) has caused volatility and decline in global financial markets, as well as significant disruptions to global business activity, which have caused losses for investors. The impact of unanticipated market disruptions, including COVID-19, may cause exchanges to suspend trading and/or investment funds to suspend dealing (which could be for an extended period of time), may exacerbate pre-existing political, social or economic risk, and may disproportionately affect certain issuers, industries or types of securities. These impacts may have an effect on the performance of the mutual funds, the performance of the securities in which the mutual funds invest and may lead to an increase in the amount of redemptions experienced by the mutual funds (including redemptions by large investors. See **Large Transaction Risk**). Each of these effects may lead to illiquidity and losses on your investment. Such unanticipated market disruptions, including COVID-19, may be short-term or may last for an extended period of time, and could have effects that cannot necessarily be presently foreseen. Even if general economic conditions do not change or improve, the value of an investment in a mutual fund could decline if the particular industries, sectors, companies or types of securities in which the mutual fund invests do not perform well or are adversely affected by such unanticipated events.

### **Metaverse risk**

The *metaverse* is an emerging concept and definitions, categorizations and characteristics of the *metaverse* and its attendant aspects are developing and are likely to change over time. It is not certain that the *metaverse* will be widely

## What is a mutual fund and what are the risks of investing in a mutual fund? *(continued)*

adopted or will represent a meaningful aspect of constituent issuers' revenue. The market price of constituent issuers may not be solely related to their *metaverse*-related business activities. Unforeseeable events, such as but not limited to the development of *metaverse*-related regulations, unforeseen consequences of use or fraud, could affect the adoption of the *metaverse* and its profitability for constituent issuers. Actual *metaverse* experiences going forward may or may not have the characteristics as described herein.

### **Portfolio management risk**

All actively managed mutual funds are dependent on their portfolio management team to select investments and/or allocate fund assets among various asset classes. A poor security selection or market allocation may cause a mutual fund to underperform relative to its benchmark or other mutual funds with similar investment objectives.

### **Quantitative model/techniques risk**

A quantitative model or techniques may be used to evaluate factors and/or assist with portfolio construction. Quantitative models and techniques may not work as intended in all markets. A quantitative model or techniques may not produce the intended results for a variety of reasons, including, but not limited to: errors or omissions in the data used by the model or technique, the factors and/or assumptions used in the model or technique, the weight placed on each factor and/or assumption in the model or technique, changing sources of market return or market risk, market disruption, and technical issues in the design, development, implementation, and maintenance of the model or technique. In response to market, economic, political or other conditions, the portfolio management team of a Fund or underlying fund may temporarily use a different investment strategy for defensive purposes. If it does so, different factors could affect performance and the Fund or underlying fund may not achieve its investment objective.

### **Rebalancing and subscriptions risk**

Adjustments to securities held by an *underlying fund* may result in the *underlying fund* incurring additional transaction costs, which would cause the performance of the *underlying*

*fund* to deviate more significantly from the performance of the applicable index than would otherwise be expected.

Adjustments necessitated by a rebalancing event in the index could affect the underlying market for the *constituent securities* of the applicable index, which in turn would affect the value of that index. Similarly, subscriptions for units of an *underlying fund* by *dealers* may impact the market for the *constituent securities* of the index, as the *dealer* seeks to buy or to borrow the *constituent securities* to constitute the securities to be delivered to the *underlying fund* as payment for the units to be issued.

### **Repurchase transactions, reverse repurchase transactions and securities lending transactions risk**

Sometimes mutual funds enter into what are called *repurchase transactions*, *securities lending transactions* and *reverse repurchase transactions*. A *repurchase transaction* is where a mutual fund sells a security to another party for cash and agrees to buy the same security back from the same party for cash. *Securities lending* is similar to a *repurchase transaction*, except that instead of selling the security and agreeing to buy it back later, the mutual fund loans the security and can demand the return of the security at any time. In a *reverse repurchase transaction*, a mutual fund buys a security at one price from a party and agrees to sell the same security back to the same party at a higher price later on. In each case, it is a way for the mutual fund to earn interest on cash balances.

The risk with these types of transactions is that the other party may default under the agreement, or go bankrupt. In a *reverse repurchase transaction* the fund is left holding the security, and may not be able to sell the security at the same price it paid for it, plus interest, if the market value for the security has dropped in the meantime. In the case of a *repurchase transaction* or *securities lending transaction*, the fund could incur a loss if the value of the security sold or loaned has increased more than the value of the cash and collateral held.

Fidelity reduces these risks by requiring the other party to put up collateral. The value of the collateral has to be at least 102% of the market value of the security sold (for a *repurchase transaction*), cash loaned (for a *reverse*

*repurchase transaction*), or security loaned (for a *securities lending transaction*). The value of the collateral is checked and reset daily. The Funds only deal with parties who appear to have the resources and the financial strength to live up to the terms of the agreements. *Repurchase transactions* and *securities lending transactions* are limited to 50% of a Fund's assets. Collateral held by a Fund for loaned securities and cash held for sold securities are not included in a Fund's assets when making this calculation.

### **Sampling methodology risk**

The *underlying funds* that seek to replicate the performance of an index may employ a sampling methodology. A sampling methodology involves seeking to replicate the performance of the applicable index by holding a subset of the *constituent securities* or a portfolio of some or all of the *constituent securities* and other securities selected by the sub-adviser such that the aggregate investment characteristics of the portfolio are reflective of the aggregate investment characteristics of, or a representative sample of, the applicable index. In certain circumstances, exposure to one or more securities may be obtained through the use of *derivatives*. It is possible that the use of a sampling methodology may result in a greater deviation in performance relative to the applicable index than a replication strategy in which only the *constituent securities* are held in the portfolio in approximately the same proportions as they are represented in the applicable index.

### **Series and class risk**

The Funds are available in series of Securities, as specified on the cover page and as set out in each Fund's profile of this simplified prospectus. See the section ***Specific information about each of the mutual funds described in this document*** for the features of each series and who can purchase them.

If a Fund can't pay the expenses of one series using that series' proportionate share of the Fund's assets, the Fund is required to pay those expenses out of the other series' proportionate share of the Fund's assets. This could lower the investment returns of the other series.

The Class Fund is offered as a class of shares of the Corporation. In addition to the Class Fund, the Corporation

also offers other funds, in multiple series, as classes of shares of the Corporation. These other Corporate Funds are offered under a separate simplified prospectus. The Class Fund sells shares and uses the proceeds to invest either in other Fidelity Funds or in a portfolio of securities. However, because the Class Fund is part of a single corporation, the Corporation as a whole is liable for the Class Fund's expenses, as well as the expenses of the other Corporate Funds. If the Corporation can't pay the expenses of one class of shares using its proportionate share of the Corporation's assets, the Corporation is required to pay those expenses out of the other classes' proportionate share of the Corporation's assets. This could lower the investment returns of the other classes.

The Funds may, without notice to securityholders and without securityholder approval, issue additional series.

Some of the Funds and certain series of the Funds, such as the *Fidelity Tax-Smart CashFlow™ Series*, are designed to provide a monthly cash flow to investors. Where this cash flow exceeds a Fund's net income, it includes a return of capital. When a Fund returns capital to an investor, the Fund returns a portion of the money that the investor originally invested in the Fund, rather than returns or income generated by the investment. A return of capital reduces the net asset value of the series on which it is paid and, if paid in cash, also reduces the assets the investor has invested in the Fund. As well, a return of capital reduces the total assets of the Fund available for investment, which may reduce the ability of the Fund to generate future income.

### **Short selling risk**

A *short sale* is where a mutual fund borrows securities from a borrowing agent (generally a custodian or *dealer*) and then sells the borrowed securities in the open market. At a later date, the same number and type of securities are repurchased by the fund and returned to the borrowing agent. In the interim, the proceeds from the first sale are deposited with the borrowing agent and the fund pays interest to the borrowing agent. If the value of the securities declines between the time that the fund borrows the securities and the time that it repurchases and returns the

## What is a mutual fund and what are the risks of investing in a mutual fund? *(continued)*

securities, the fund makes a profit for the difference (less any interest the fund must pay to the borrowing agent).

Short selling strategies can provide a mutual fund with an opportunity to manage *volatility* and enhance performance in declining or volatile markets. Short selling strategies also involve risks, including:

- There is no assurance that securities will sufficiently decline in value during the period of the short sale to offset the interest paid by the fund, and thereby make a profit for the fund. Securities sold short may instead increase in value and the fund may have to repurchase the securities at a higher price to return the borrowed securities, resulting in a loss to the fund.
- The short sale can result in an unlimited loss because the price of the security could increase without limit, sometimes on the basis of speculation, thereby increasing the cost of buying back the security at a future date.
- The fund may experience high costs, expenses and short sale borrow fees (i.e., interest paid by the fund), as applicable, for borrowing securities that are in high demand to be sold short or repurchasing the securities in the market at a later date, which will lower the fund's returns.
- The fund may experience difficulties repurchasing the borrowed securities and suffer a loss if a liquid market for the securities does not exist, which could result from corporate actions or events, whether the security is thinly traded, the halting or delisting of securities, or where there are no willing or able sellers of the securities borrowed.
- In a "short squeeze", where speculative investors start buying a heavily shorted security with an intention of increasing its value, and if successful, short sellers are forced to repurchase the security at a higher cost to cover their short positions at inopportune times. Each of these buy transactions drives the price of the security higher over a short period of time, which can result in a significant loss to the fund.
- The regulators may impose a ban on short sales in a specific sector, for example, to avoid panic and

unwarranted selling pressure. Such actions can cause sudden spikes in security prices, forcing short sellers to cover their short positions by repurchasing borrowed securities at significant losses.

- The borrowing agent from whom the fund has borrowed securities may go bankrupt, and the fund may lose the collateral it has deposited with the borrowing agent.

Short selling by the Funds complies with the laws of Canadian securities regulatory authorities. Compliance with regulatory rules is monitored on a daily basis.

### ***Small company risk***

Small companies can be riskier investments than larger companies. For one thing, they're often newer, and may not have a track record, extensive financial resources, or a well-established market for their securities. They generally don't have as many shares trading in the market, so it could be difficult for a mutual fund to buy or sell small company stock when it needs to. All of this means that their prices and liquidity can change significantly in a short period of time.

### ***Specialization risk***

Some mutual funds specialize in investing in a particular industry, part of the world or investment theme. Specialization lets the portfolio management team focus on specific industries or geographic areas, which can boost returns if the industry or geographic area, and the companies selected, prosper. But if the industry or geographic area has a slump, the mutual fund may suffer, because there are relatively few other investments to offset the downturn. The mutual fund must follow its investment objectives and continue to invest in securities in the industry or geographic area, whether it is growing or not. Additionally, if a specific investment approach used by a mutual fund, such as value or growth, is out of favour, the mutual fund could suffer if it is obliged to confine its investments to the specific investment approach.

### ***Tracking error risk***

An underlying fund that seeks to replicate the performance of an index will not replicate exactly the performance of the applicable index because the total return generated by the

securities of the underlying fund will be reduced by the management fee paid or payable by the underlying fund, the brokerage and commission costs incurred in acquiring and rebalancing the portfolio of securities held by the underlying fund, taxes (including withholding taxes) and the other expenses paid or payable by the underlying fund. These fees and expenses are not included in the calculation of the performance of the applicable index.

Deviations in the tracking of the applicable index by an underlying fund could occur for a variety of other reasons. For example, where an underlying fund tenders securities under a successful takeover bid for less than all securities of an issuer in the index and the issuer is not removed from the applicable index, the underlying fund may be required to buy replacement securities at a purchase price that may be more than the takeover bid price due to timing variances. Other reasons for tracking error include the temporary unavailability of the securities of certain issuers in the index in the secondary market and the investment strategies and investment restrictions applicable to the underlying fund, including the use of a sampling methodology.

# Organization and management of the Funds

The following information tells you about who's involved in running the Funds.

## Manager

Fidelity Investments Canada ULC  
483 Bay Street, Suite 300  
Toronto, Ontario M5G 2N7

As Manager, we are responsible for the day-to-day operations of the Funds and provide all general management and administrative services.

As at March 31, 2022, Fidelity managed more than \$203 (CAD) billion for its clients. We are part of a broader group of companies collectively known as Fidelity Investments®. Fidelity Investments specializes in investment management for individuals, either directly, through *financial advisors*, or through group retirement plans. We also provide a wide variety of financial services and products. As at March 31, 2022 the Fidelity Investments collection of companies managed more than \$11.3 (USD) trillion through mutual fund portfolios and other institutional accounts around the world.

## Trustee

Fidelity Investments Canada ULC  
Toronto, Ontario

The Trust Funds are mutual funds organized as trusts. As trustee, we hold title to each Trust Fund's investments in trust for unitholders under the terms described in a declaration of trust.

## Independent Review Committee

The *IRC* is the fund governance agency for the Fidelity Funds, as contemplated by *NI 81-107*. There are currently four members of the *IRC*, each of whom is independent of us and any party related to us.

The *IRC*'s mandate is to (a) consider and make decisions on those conflict of interest matters that require its approval under *NI 81-107*, (b) consider and provide its recommendations on those conflict of interest matters that are referred to it for review by Fidelity, and (c) perform any other function required by securities legislation. The *IRC* may also approve mergers involving the Funds and any change of the auditor of the Funds. Securityholder approval

will not be obtained in these circumstances, but you will be sent a written notice at least 60 days before the effective date of any merger or change of auditor that affects the Funds that you own.

The *IRC* prepares, at least annually, a report for securityholders of its activities. This report is available on our website at [www.fidelity.ca](http://www.fidelity.ca), or you may request a copy, at no cost, by sending us an email at [cs.english@fidelity.ca](mailto:cs.english@fidelity.ca) (for assistance in English) or [sc.francais@fidelity.ca](mailto:sc.francais@fidelity.ca) (for assistance in French).

Additional information about the *IRC*, including the names of the members of the *IRC*, is available in the Funds' annual information form.

## Custodian

State Street Trust Company Canada  
Toronto, Ontario

The custodian, or its sub-custodians, holds the investments of the Funds and keeps them safe to ensure that they are used only for the benefit of investors. The custodian is independent of Fidelity.

## Securities Lending Agent

State Street Bank and Trust Company  
Boston, Massachusetts

The securities lending agent acts as agent for those Funds that engage in securities lending. The securities lending agent is independent of Fidelity.

## Registrar

Fidelity Investments Canada ULC  
Toronto, Ontario

As registrar, we keep a record of all securityholders of the Funds, process orders, and issue account statements and tax slips to securityholders.

## Auditor

PricewaterhouseCoopers LLP  
Toronto, Ontario

The auditor is an independent chartered professional accounting firm and it audits the annual financial statements of each Fund.

## Portfolio Adviser

Fidelity Investments Canada ULC  
Toronto, Ontario

The portfolio adviser makes the investment decisions for the applicable Fund, buys and sells all the investments in the Fund, and deals with brokers.

## Sub-Advisers

Fidelity Management & Research Company LLC  
Boston, Massachusetts  
(FMR)  
(Fidelity Global Equity Portfolio and Fidelity Global Equity Class Portfolio)

Fidelity Management & Research (Canada) ULC, carrying on business in British Columbia as FMR Investments Canada ULC  
Toronto, Ontario  
(FMR Canada)  
(Fidelity Global Equity Portfolio and Fidelity Global Equity Class Portfolio)

Geode Capital Management LLC  
Boston, Massachusetts  
(Geode)  
(Fidelity Total Metaverse Index ETF Fund)

The portfolio adviser (or a sub-adviser) may engage one or more sub-advisers to provide investment advice in connection with securities purchased for a Fund. The annual information form for the Funds sets out the entities and individuals that act as sub-advisers and portfolio managers, respectively, to each of the Funds.

There may be difficulty in enforcing legal rights against FMR and Geode because they are resident, and substantially all of their assets are located, outside of Canada.

Certain of the Funds, which we refer to as *Top Funds* may invest some or all of their assets in underlying Fidelity Funds. Because such underlying Fidelity Funds are also managed by Fidelity, Fidelity does not vote the Securities of the underlying Fidelity Funds. Instead, Fidelity may arrange for such Securities to be voted by the Top Fund investors. If Fidelity decides to arrange for Top Fund investors to vote, then Fidelity asks each Top Fund investor for instructions on how to vote that investor's proportionate share of the underlying Fidelity Fund Securities owned by the Top Fund, and Fidelity then votes on that basis. In those circumstances, Fidelity only votes the proportion of the underlying Fidelity Fund Securities for which it has received instructions.

# Purchases, switches and redemptions

You've considered your investment objectives and *risk tolerance*. The next step is making your investment. The following pages tell you how to invest in the Funds, how much it costs and other important details.

## Opening an account

Before you make your first investment in the Funds, you need to open an account. There are several different kinds of Fidelity accounts, which we tell you about below.

You can open an account by contacting your *financial advisor* and completing an application. You can also invest in the Funds through accounts or plans offered by other financial institutions. Ask your *financial advisor* for details.

## How to buy, redeem or switch Securities of a series of a Fund

The Funds are available in series of Securities, as specified on the cover page and as set out in each Fund's profile. The differences between the series are described in the section ***Specific information about each of the mutual funds*** described in this document.

Series B, S5, and S8 Securities of the Funds are available to all investors.

Series F, F5 and F8 Securities are only available to investors whose *dealers* have entered into appropriate eligibility agreements with Fidelity. Investors may buy Series F, F5 and F8 Securities in fee-based accounts at their *dealers*, where they pay fees directly to their *dealers*. Investors may also buy Series F, F5 and F8 Securities and pay fees to their *dealers* by entering into advisor service fee agreements that authorize Fidelity to redeem Series F Securities from their accounts that have a value equal to the amount of the fees payable by them to their *dealers*, plus applicable taxes, and to pay the proceeds to their *dealers*.

Series O Securities of the Funds are only available to institutional investors who may be individuals or financial institutions who have been approved by us and have entered into a Series O fund purchase agreement with us.

See the section ***Specific information about each of the mutual funds described in this document*** for more information about the series that you can invest in.

You can buy, redeem or switch Securities of the Funds through any registered *dealer*.

When you buy, redeem or switch Securities of a Fund, we have to determine what they're worth. We do this by calculating the net asset value per Security. The net asset value per Security is the basis of all transactions involving buying, redeeming, switching or reinvesting Securities. See the ***Income tax considerations for investors*** section for further details about the tax consequences of buying, redeeming or switching Securities.

Series B and F units of the ETF Fund will not be eligible for the *Fidelity Preferred Program*. However, the size of an investor's holdings in the ETF Fund will count towards the investor's eligibility for the *Fidelity Preferred Program*.

### Figuring out the net asset value per Security

Here's how we calculate the net asset value per Security for each series of a Fund:

- We take the series' proportionate share of all the investments and other assets of the Fund.
- We subtract the series' liabilities and its proportionate share of common Fund liabilities. That gives us the net asset value for the series.
- We divide that number by the total number of Securities investors in that series hold. That gives us the net asset value per Security.

To determine what your mutual fund investment is worth, simply multiply the net asset value per Security for the series of Securities you own by the number of Securities you own.

We buy, switch or redeem Securities for you on any day that the Toronto Stock Exchange, or TSX, is open for trading. This is called a valuation day. A valuation day usually ends at 4 p.m. Toronto time, unless the TSX closes earlier on that day. We calculate the value of a Fund's Securities on each valuation day. In order to complete your transaction, we use the first net asset value per Security that we calculate after receiving your instructions.

We aren't able to calculate the price of a series of a Fund on a valuation day if it holds an *underlying fund* and the

security price of that *underlying fund* is not calculated on that valuation day.

#### **Minimum account size**

Due to the high cost of administering accounts, you must keep at least \$500 in your account. If your account falls below this amount, we may decide to redeem your Securities. We give you 30 days to bring the value of your account up to \$500 before we redeem your Securities. The Funds and certain series of the Funds may also be subject to minimum investment amounts. These amounts are determined from time to time by us, in our sole discretion. They may also be waived by us, and are subject to change without prior notice. The current minimum initial investment amounts are set out on our website at [www.fidelity.ca](http://www.fidelity.ca).

#### **U.S. Dollar Option**

The Funds are valued, and can be bought, in Canadian dollars. In addition, each series of Fidelity Global Equity Portfolio and Fidelity Global Equity Class Portfolio can also be bought in U.S. dollars. We indicate in the **Fund details** in each Fund's profile if a series can be bought using this U.S. dollar option.

The Canadian dollar net asset value for these Funds is converted to U.S. dollars at the prevailing exchange rate for a valuation day in order to determine the applicable U.S. dollar net asset value. Other than the series of the Funds indicated in the Fund profiles, no other Funds or series are currently available for purchase in U.S. dollars. We may offer the U.S. dollar option in respect of additional Funds or series in the future.

For income tax purposes, capital gains and losses are calculated in Canadian dollars. As a result, if you buy and redeem Securities under the U.S. dollar option, you need to calculate gains or losses based on the Canadian dollar value of your Securities when they were purchased and when they were sold. In addition, although distributions are made in U.S. dollars, they must be reported in Canadian dollars for income tax purposes. Consequently, all investment income is reported to you in Canadian dollars for income tax purposes. You may want to consult your tax advisor regarding this.

Our U.S. dollar option is offered only as a convenience. It allows you to invest in certain Funds using your American money. If you buy your Securities in U.S. dollars, you receive U.S. dollars when you redeem them or receive distributions from the Fund. Buying your Securities in U.S. dollars does not affect the investment return of your Fund and, in particular, does not hedge – or protect – against losses caused by changes in the exchange rate between the Canadian and U.S. dollars. If you wish to reduce your exposure to currency fluctuations, you should consider an investment in a Fidelity currency neutral fund.

#### **About sales charges**

You may pay a commission to invest in Series B, S5 and S8 Securities of the Funds. This commission is also called a *sales charge*. The commission compensates your *financial advisor* for the advice and service he or she provides to you. This is called an *initial sales charge*, and the amount you pay is negotiable with your *financial advisor*.

Series B, S5 and S8 Securities are available only under the *initial sales charge* option.

You don't pay any sales charges if you invest in Series F, F5, F8 or O Securities, which are only available to certain investors.

#### *Paying when you buy your Securities*

If you buy Securities under the *initial sales charge* option, you may pay a sales charge at the time you purchase your Securities. You and your *financial advisor* need to negotiate the level of the *initial sales charge*. See the **Fees and expenses** section for details. We may deduct the percentage from the amount you invest and pay it to your *financial advisor's dealer*. See the **Dealer compensation** section for details.

## How to buy Funds

If we receive your order before 4 p.m. Toronto time on a valuation day (which is any day that the TSX is open for trading), we process your order as of that valuation day and you pay the net asset value per Security calculated on that valuation day for the Securities that you buy. Otherwise, we process your order as of the next valuation day. If the TSX closes earlier than 4 p.m. on a valuation day, we may

## Purchases, switches and redemptions (*continued*)

impose an earlier deadline for that valuation day. Any order received after this earlier deadline is processed as of the next valuation day. For more information on how we calculate the net asset value per Security on a valuation day, see **Figuring out net asset value per Security** earlier in this section.

You have to pay for your Securities when you buy them. We do not accept cash, money orders or travellers' cheques for the purchase of Securities. If we don't receive payment in full within two business days of receiving your order, we redeem the Securities that you bought on the next valuation day or when we first learn that your payment will not be honoured. A "business day" is any day except, Saturday, Sunday or a Canadian holiday. If we redeem the Securities for more than you paid, the Fund keeps the difference. If we redeem the Securities for less than you paid, we charge your *dealer* for the difference, plus any costs. Your *dealer* may be entitled to recover any loss from you.

If we receive your payment, but the documentation in respect of your purchase for a Fidelity registered plan is incomplete or missing instructions, we may invest your money in Series B Securities of Fidelity Canadian Money Market Fund (which are offered under a separate simplified prospectus) at no sales charge. An investment in Fidelity Canadian Money Market Fund earns you daily interest until we receive complete instructions from you regarding which Fund(s) you have selected, and all documentation in respect of your purchase is received in good order. Your total investment, including any interest, is then switched into the Fund(s) you chose under the sales charge option that you selected at the Security price of the Fund(s) on the date of the switch.

The Funds are not *ETFs*. The Funds must be purchased through an appropriately registered mutual fund *dealer*. In contrast, *ETFs* are bought and sold like stocks on an exchange or marketplace through registered brokers. If you wish to purchase an *ETF*, you should read the applicable *ETF's* prospectus for further information.

### What else you need to know

Here are some other important facts about buying the Funds:

- You receive a confirmation once we process your purchase. The confirmation is a record of your purchase, and includes details about the Securities that you bought and any commission that you paid.
- If you buy Securities through our pre-authorized chequing plan, you receive a confirmation for your first purchase. After that, you receive regular account statements.
- We don't issue a certificate when you buy Securities of the Funds. Instead, you get regular statements showing how many Securities you own and their value.
- We may refuse any order to buy within one business day of receiving it. If we refuse your order, we return your money to you.
- We may require investors who are U.S. citizens or foreign (including U.S.) tax residents to redeem some or all of their Securities if their investment has the potential to cause regulatory or tax problems. For example, if an investor does not provide a valid self-certification form from a FATCA or CRS perspective or a valid taxpayer identification number, which could result in non-compliance penalty obligations for a Fund, we may redeem a portion of the investor's Securities to make the Fund whole for the imposition of such penalties. We may also be required to withhold taxes on distributions, *dividends* and/or redemption proceeds paid to U.S. citizens or foreign (including U.S.) tax residents. Speak with your *financial advisor* for details.
- We don't accept orders to buy Securities during a period when we've suspended securityholders' right to redeem Securities, unless we receive permission from the Ontario Securities Commission to accept such orders. See **Suspending your right to redeem Securities** later in this section.

## Switching to another series of the same Fund

The following switches are permitted between series of the same Fund.

### Switching Series B Securities

You can switch from Series B Securities that you bought under the *initial sales charge* option to Series F, F5, F8, O, S5 or S8 Securities of the same Fund. You may have to pay a fee to your *dealer*. You negotiate that fee with your *financial advisor*. See the **Fees and expenses** section for details.

You can only switch to Series F, F5 or F8 Securities if you're eligible for these series or to Series O Securities with our approval.

### Switching Series F Securities

You can switch from Series F Securities to Series B, F5, F8, O, S5 or S8 Securities of the same Fund. You may have to pay a fee to your *dealer*. You negotiate that fee with your *financial advisor*. See the **Fees and expenses** section for details.

You can only switch to Series O Securities with our approval. No fee is payable for this switch.

### Switching Series F5 Securities

You can switch from Series F5 Securities to Series B, F, F8, O, S5 or S8 Securities of the same Fund. You may have to pay a fee to your *dealer*. You negotiate that fee with your *financial advisor*. See the **Fees and expenses** section for details.

You can only switch to Series O Securities with our approval. No fee is payable for this switch.

### Switching Series F8 Securities

You can switch from Series F8 Securities to Series B, F, F5, O, S5 or S8 Securities of the same Fund. You may have to pay a fee to your *dealer*. You negotiate that fee with your *financial advisor*. See the **Fees and expenses** section for details.

You can only switch to Series O Securities with our approval. No fee is payable for this switch.

### Switching Series O Securities

You can switch from Series O Securities of a Fund to Series B or F Securities of the same Fund. You may have to pay a fee to your *dealer*. You negotiate that fee with your

*financial advisor*. See the **Fees and expenses** section for details.

You can only switch to Series F Securities if you are eligible for these series. No fee is payable for this switch.

### Switching Series S5 Securities

You can switch from Series S5 Securities that you bought under the *initial sales charge* option to Series B, F, F5, F8, O or S8 Securities of the same Fund. You may have to pay a fee to your *dealer*. You negotiate that fee with your *financial advisor*. See the **Fees and expenses** section for details.

You can only switch to Series F, F5 or F8 Securities if you're eligible for these series or to Series O Securities with our approval.

### Switching Series S8 Securities

You can switch from Series S8 Securities that you bought under the *initial sales charge* option to Series B, F, F5, F8, O or S5 Securities of the same Fund. You may have to pay a fee to your *dealer*. You negotiate that fee with your *financial advisor*. See the **Fees and expenses** section for details.

You can only switch to Series F, F5 or F8 Securities if you're eligible for these series or to Series O Securities with our approval.

### What else you need to know

Switches of Securities of a Fund from one series to another series of the same Fund is a redesignation that does not result in a disposition for tax purposes unless Securities are redeemed to pay fees. The amount of your investment, less any fee that is paid by redeeming Securities, will be the same after the switch. You will, however, own a different number of Securities because each series has a different Security price.

## Switching Securities to another Fidelity Fund

You can switch Securities of a Fund for Securities of another Fidelity Fund by redeeming Securities of the Fund and using the proceeds to buy Securities of the other Fidelity Fund.

## Purchases, switches and redemptions (*continued*)

You may have to pay your *dealer* a switch fee. You negotiate that fee with your *financial advisor*. A short-term trading fee may also be payable. See the **Fees and expenses** section for details.

The switch is done on the same sales charge option basis that the original Securities were bought under. See the **Dealer compensation** section for details.

### What else you need to know

Switching Securities of a Fund for Securities of another Fidelity Fund is a redemption followed by an acquisition of Securities. A redemption is a disposition for tax purposes and may trigger a capital gain or capital loss. Any capital gain realized on Securities you hold outside a registered plan may be subject to tax. For more information about how capital gains are taxed, see the **Income tax considerations for investors** section.

## How to redeem the Funds

You can cash in your Fund by selling your Securities back to the Fund. This is called a redemption. You receive the net asset value per Security calculated on the valuation day we receive your order to redeem your Securities.

You must put your order to redeem in writing and sign it. An acceptable guarantor must guarantee your signature if the redemption is for \$25,000 or more. If a corporation, partnership, agent, fiduciary or surviving joint owner holds the Securities, we may also ask for other documents.

If we receive your order before 4 p.m. Toronto time on a valuation day (which is any day the TSX is open for trading), we process your order as of that valuation day. Otherwise, we process your order as of the next valuation day. If the TSX closes earlier than 4 p.m. on a valuation day, we may impose an earlier deadline for that valuation day. Any order received after this earlier deadline is processed as of the next valuation day. See **Figuring out the net asset value per Security** in this section for more information on how we calculate the net asset value per unit on a valuation day. You receive your money back in the same currency you used to buy the Fund. We may charge you a fee of up to \$25 if you request your money back by cheque. There is no fee for electronic deposits.

We don't process orders to redeem for:

- A past date.
- A future date.
- A specific price.
- Any Securities that haven't been paid for.

We send you your money within two business days of receiving your order, as long as your order is complete. For Securities denominated in U.S. dollars, if the settlement day is a U.S. holiday, we send your money on the next business day that is not a U.S. holiday. A business day does not include Saturdays, Sundays or Canadian holidays. If we don't receive your properly completed order within 10 business days of the sale, we buy back the Securities you sold on the next valuation day. If we buy them back for less than you sold them for, the Fund keeps the difference. If we buy them back for more than you sold them for, we charge your *dealer* for the difference, plus any costs. Your *dealer* may be entitled to recover any loss from you.

Where the holding of Securities by a securityholder is, in the reasonable opinion of Fidelity, detrimental to a Fund, Fidelity is entitled to redeem some or all of the Securities held by the securityholder. This could occur, for example, if a Fund is subject to penalties as a result of a securityholder's non-compliance with regulatory or tax requirements. Redeeming Securities of a Fund is a disposition for tax purposes and may trigger a capital gain or capital loss. Any capital gain realized on Securities you hold outside a registered plan may be subject to tax. For more information about how capital gains are taxed, see the **Income tax considerations for investors** section.

## Suspending your right to redeem Securities

On rare occasions, we may temporarily suspend your right to redeem your Fund Securities and postpone paying your sale proceeds. We can only do this if we receive permission from the Ontario Securities Commission, or during all or part of a period where:

- Normal trading is suspended on any exchange on which securities or *derivatives* that make up more than half of the Fund's total assets by value are traded and

these securities or *derivatives* aren't traded on any other exchange that is a reasonable alternative for the Fund.

- The right to redeem units of an *underlying fund* is suspended.

If we receive your order to redeem on a day when we've suspended the calculation of net asset value per Security, you can withdraw your order before the end of the suspension period or you can redeem your Securities based on the net asset value per Security calculated on the first valuation day after the suspension ends.

## Short-term trading

Fidelity has adopted policies and procedures to monitor, detect, and deter inappropriate and excessive short-term trading.

Inappropriate short-term trading means purchases and redemptions, including switches between Fidelity Funds, made within 30 days which we believe is detrimental to Fund investors, and that may take advantage of Funds with investments priced in other time zones or illiquid investments that trade infrequently.

Excessive short-term trading means frequent purchases and redemptions, including switches between Fidelity Funds, that occur within a 30-day period that we believe is detrimental to Fund investors.

Inappropriate or excessive short-term trading fees may be charged to deter individuals from using the Funds as short-term investment vehicles. See the ***Fees and expenses*** section for details.

Short-term trading fees are paid to the Fund affected, and are in addition to any sales charge or switch fee. The fee is deducted from the amount you redeem or switch, or it is charged to your account, and is retained by the Fund. The types of trades that the short-term trading fee doesn't apply to include:

- If you redeem or switch Securities purchased by reinvesting distributions or *dividends*.
- Switches to different series within the same Fund.

- Securities sold as part of a fund-of-fund program or a similar pooled investment program.
- In most cases, Securities sold for retirement income fund or life income fund payments.
- Redemptions of money market funds.
- Securities sold for systematic transactions, such as automatic exchanges, pre-authorized chequing plans, and systematic withdrawal programs.
- Currency exchange transactions.
- Securities sold to pay management and advisory fees, *Administration Fees*, service fees, operating expenses, or *Fund Costs*.
- Securities sold as part of the Fidelity ClearPlan® Custom Fund Portfolio program.
- Redemption of Securities triggered by a portfolio rebalancing within a discretionary model portfolio or asset allocation program or other similar investment product ("**discretionary investment vehicles**"), excluding fund-of-fund programs, held by multiple individual discretionary client accounts managed by a portfolio manager licensed to engage in discretionary trading on behalf of its clients. We believe the concern for inappropriate or excessive short-term trading is limited because the discretionary investment vehicle itself is not considered to be engaged in harmful short-term trading activity as it is typically acting on behalf of numerous investors. Your *dealer* or *financial advisor* needs to determine whether your accounts qualify and notify us before trade execution in order for us to waive the short-term trading fee.
- Payments made as a result of the death of the securityholder.

In addition, Fidelity may consider the following when determining whether a short-term trade is inappropriate or excessive:

- Bona fide changes in securityholder circumstances or intentions.
- Unanticipated financial emergencies.

## Purchases, switches and redemptions (*continued*)

- Unusual market circumstances.

While we actively take steps to monitor, detect, and deter inappropriate or excessive short-term trading, we cannot ensure that all such activity is completely eliminated.

### Sizable transactions

In general, sizable transactions by certain investors can disadvantage other investors in a Fund. Fidelity has adopted policies and procedures to help minimize the potential impact of sizable purchases and redemptions by an investor, or by a group of investors that follow a proprietary model portfolio of a *financial advisor* or *dealer* (“**Model Investors**”), on a Fund’s other securityholders.

A retail investor will be deemed to become a sizable investor (a “**Sizable Investor**”) and Model Investors may be deemed to become a sizable investing group (a “**Sizable Investing Group**”) under the policies and procedures when a purchase/switch into a Fund will cause the investor or Model Investors (in the aggregate) to own:

- More than \$5 million where the Fund’s total net assets are less than \$100 million; or
- More than 5% of the Fund where the Fund’s total net assets are equal to or greater than \$100 million.

We will notify you once you become a Sizable Investor in a Fund. If you are a *financial advisor* or *dealer* who manages a Sizable Investing Group, commencing on a date following the date of this simplified prospectus, we may contact you with respect to notice obligations and/or penalties that may apply.

If you are a Sizable Investor, you will be required to provide notice to Fidelity of sizable redemptions as follows:

- Three business days’ notice for redemptions constituting 3% or greater, but less than 10% of the Fund’s total net assets; and
- Five business days’ notice for redemptions constituting 10% or greater of the Fund’s total net assets.

Sizable Investors of a Fund are subject to a 1% penalty of the value of the Securities that they sell/switch if they sell/switch their Securities of the Fund within 30 days of their most recent purchase/switch into the Fund. Sizable

investors *may* be subject to a 1% penalty of the value of the Securities if they fail to provide the required notice to Fidelity prior to completing a sizable redemption. This fee goes to the Fund.

If the sell/switch transaction would be subject to both a sizable redemption fee and a short-term trading fee, the Sizable Investor will only be subject to the sizable redemption fee. For greater certainty, the total penalty applied will not exceed 1% of the value of the Securities sold/switched.

Where a Fund, except for an ETF Fund, invests substantially all of its assets in one underlying Fidelity Fund, we calculate the foregoing thresholds and notice periods using the total net assets of the underlying Fidelity Fund.

See ***Large transaction risk*** in ***What is a mutual fund and what are the risks of investing in a mutual fund, Short-term trading fee*** and ***Fee for sizable redemptions*** in ***Fees and expenses*** for further details.

# Optional services

We offer the following plans to make it easier to buy and redeem the Funds. To sign up for a plan, contact your *financial advisor* or call us for details.

## Pre-authorized chequing plan

Our pre-authorized chequing plan lets you invest a small amount at regular intervals. This can be an affordable and effective way to build your investments. Putting a little away at a time is a good way to get into the habit of investing.

Here are some facts about our pre-authorized chequing plan:

- You can invest as little as \$25 each time. Just tell us how much you want to invest and when.
- We withdraw the money directly from your bank account and invest it in the Funds you choose.
- You can change how much you invest and how often, or cancel the plan, whenever you like.
- There are no fees for the plan, other than any sales charges.

When you enrol in our pre-authorized chequing plan, you receive a copy of the Funds' most recently filed fund facts. Thereafter, we only send you the most recently filed fund facts upon request. You can request that a copy of the most recently filed fund facts be sent to you at the time you enrol in our pre-authorized chequing plan, or at any time thereafter, by calling us toll-free at 1-800-263-4077, by sending us an e-mail at [cs.english@fidelity.ca](mailto:cs.english@fidelity.ca) (for assistance in English) or [sc.francais@fidelity.ca](mailto:sc.francais@fidelity.ca) (for assistance in French), or by asking your *financial advisor*. You can also find the most recently filed fund facts at [www.sedar.com](http://www.sedar.com) or on our website at [www.fidelity.ca](http://www.fidelity.ca).

You have a statutory right to withdraw from an initial purchase of the Funds under our pre-authorized chequing plan, but you do not have a statutory right to withdraw from subsequent purchases of the Funds under the pre-authorized chequing plan. However, you continue to have all other statutory rights under securities law, including a misrepresentation right as described in the section ***What are your legal rights?***, whether or not you have requested the most recently filed fund facts.

## Systematic withdrawal program

Our systematic withdrawal program lets you withdraw a fixed amount from your Funds at regular intervals. This is an easy way to receive cash, while giving the rest of your money the chance to grow.

Here are some facts about our systematic withdrawal program:

- The systematic withdrawal program is available for non-registered accounts only.
- You can take out as little as \$50 each time, as long as you have at least \$5,000 in your account when you start the withdrawal program.
- You choose when you receive your money – e.g., monthly, quarterly, or every six months. We send you a cheque or deposit the money directly into your bank account. We may charge you a fee of up to \$25 if you request your payment by cheque.
- There are no other fees or charges for the withdrawal program other than any short-term trading fees, if applicable.
- You can cancel the withdrawal program by telling us in writing.

It's important to remember that if your regular withdrawals are more than what your Fund is earning, you'll eventually use up your original investment.

## Systematic exchange program

Our systematic exchange program lets you move money from one Fund to another Fund at regular intervals. Here are some facts about our systematic exchange program:

- Systematic exchanges can be processed for either a fixed dollar amount or a specific number of Securities.
- You choose how often the exchange occurs – e.g., twice a month, monthly, every two months, quarterly, semi-annually or annually.
- You may be charged a short-term trading fee or you may have to pay your *dealer* a switch fee when you switch Securities from one Fund to another Fund. See the ***Fees and expenses*** section for details.

## Optional services (*continued*)

- Systematic exchanges may trigger capital gains or capital losses.

### Fidelity ClearPlan® Custom Fund Portfolios

Our Fidelity ClearPlan® Custom Fund Portfolios (“ClearPlan®”) program lets you invest in any number of Fidelity Funds (other than the Fidelity ClearPath® Retirement Portfolios, which are offered under a separate simplified prospectus) with specific target fund allocations selected by you. In this way, with the help of your *financial advisor*, you can create your own customized portfolio of investments. We then rebalance your holdings from time to time, based on your chosen frequency and deviation, in order to make sure that your portfolio mix is allocated in accordance with your instructions. Rebalancing may trigger capital gains or losses.

#### Program options

The ClearPlan® program has two types of rebalancing options you can choose from.

##### Fixed rebalancing option

You can choose which Fidelity Funds you want to invest in, and fix the percentages to be invested in each Fidelity Fund. We then see to it that your portfolio is rebalanced back to your specified target allocations, either quarterly, semi-annually, or annually. This is known as the fixed rebalancing option. This program can be for an indefinite period, and you can change your specified target allocations or rebalancing frequency at any time.

##### Custom rebalancing option

Alternatively, you can have a customized portfolio of Fidelity Funds with target fund allocations that change over a designated period of time. You specify what your portfolio should consist of at the time you start, both in terms of asset mix and fund selection, and what it should look like by the time the end date is reached. You can also select up to five specific portfolio mixes for different points in time between the start and end dates. We see to it that your portfolio is rebalanced to reflect the different portfolio mixes you selected for each designated point in time. This is known as the custom rebalancing option. This program

must be for a period of at least 3 years and for no longer than 60 years.

#### Fund eligibility

All of our Canadian dollar-denominated Fidelity Funds (other than the Fidelity ClearPath® Retirement Portfolios), in all series except Series O Securities, are eligible for this program. Any Fidelity Fund where your investment is made in U.S. dollars is not eligible to be included in this service. You may also hold Fidelity Funds separate and apart from your ClearPlan® portfolio if you choose.

#### How to participate

To participate in this program, you must have a minimum of \$10,000 to invest in your ClearPlan® portfolio, and you must complete and sign our application form made specifically for this program. By completing the application, you authorize us to monitor your ClearPlan® portfolio, and to rebalance it at intervals selected by you, which can be quarterly, semi-annually, or annually, so that your ClearPlan® portfolio is allocated in accordance with your instructions.

In order to facilitate investing in the service, we have created a special series of Fidelity Canadian Money Market Fund – Series D, which is offered under a separate simplified prospectus. Series D units can only be purchased under the *initial sales charge* option. When you enrol in the program, your investment is placed initially in units of this series.

Upon activation of your rebalancing program, your Series D units of Fidelity Canadian Money Market Fund are automatically redeemed (at no charge), and the proceeds are allocated among the various Fidelity Funds you have elected to include in your rebalancing portfolio. Series D units of Fidelity Canadian Money Market Fund are only for use with the portfolio rebalancing program. If you are invested in this series and have not activated your rebalancing program within 90 days, you are automatically switched to Series B units of Fidelity Canadian Money Market Fund.

Short-term trading fees, discussed in the **Fees and expenses** section, are not payable for trades made as part of your portfolio rebalancing program portfolio while you are enrolled in the ClearPlan® program.

You do not pay a switch fee when you switch Series D units of Fidelity Canadian Money Market Fund to any other Fidelity Fund as part of your portfolio rebalancing program.

Here are some other facts about our ClearPlan® program:

- We only act on your standing trade instructions, which must be given to us by your *financial advisor*.
- Your *financial advisor* can help you with your selection of Fidelity Funds to make sure that they are suitable for you, as well as with your choice of rebalancing options and frequency. Your *financial advisor*, as your agent, and not Fidelity, is responsible for assessing your continued suitability for this program.
- Rebalancing occurs at the intervals you specify, provided the market value of your holdings is between two and ten percentage points (you select the deviation, which must be in increments of 0.5 percentage points) above or below your stated target allocation at the time.
- You tell us if you want the rebalancing done quarterly, semi-annually, or annually.
- If you redeem all of your investments in a Fund that was part of your target fund allocation without providing us with new standing instructions through your *financial advisor*, then at the time of your next scheduled rebalancing, we rebalance the remaining Fidelity Funds in your portfolio and proportionately reallocate your investments among the same Fidelity Funds in your target fund allocation (which would include the Fidelity Fund for which you would have just redeemed your Securities).
- You always retain the option of changing your target allocation, rebalancing options, or rebalancing frequency of your portfolio by providing written instructions to us through your *financial advisor*. You may also request a manual rebalancing of your portfolio outside of the scheduled automatic rebalancing period at any time. In some cases, a manual rebalancing may trigger short-term trading fees. See the **Purchases, switches and redemptions** section for details of our short-term trading policy.

- There are no separate fees for this program. Any applicable Fidelity Fund charges apply.
- Rebalancing transactions could trigger a capital gain or loss.

When you enrol in our ClearPlan® service or change the Fidelity Funds selected, you receive a copy of the Fidelity Funds' most recently filed fund facts. Thereafter, we only send you the most recently filed fund facts upon request. You can request that a copy of the most recently filed fund facts be sent to you at the time you enrol in our ClearPlan® service, if you change the Fidelity Funds selected, or at any time thereafter, by calling us toll-free at 1 800 263 4077, by sending us an e-mail at [cs.english@fidelity.ca](mailto:cs.english@fidelity.ca) (for assistance in English) or [sc.francais@fidelity.ca](mailto:sc.francais@fidelity.ca) (for assistance in French), or by asking your *financial advisor*. You can also find the most recently filed fund facts at [www.sedar.com](http://www.sedar.com) or on our website at [www.fidelity.ca](http://www.fidelity.ca).

You have a statutory right to withdraw from an initial purchase of the Funds under the ClearPlan® service, but you do not have a statutory right to withdraw from subsequent purchases of the Fidelity Funds under the ClearPlan® service. However, you continue to have all other statutory rights under securities law, including a misrepresentation right as described in the section **What are your legal rights?**, whether or not you have requested the most recently filed fund facts.

All of the terms and conditions of the program are on our application forms, which are available from your *financial advisor* or on our website at [www.fidelity.ca](http://www.fidelity.ca).

## Registered plans

Registered plans receive special treatment under the *Tax Act*. A key benefit is that generally you don't pay tax on the money earned in these plans until you withdraw the money from the registered plans. Earnings withdrawn from your Tax-Free Savings Accounts and certain permitted withdrawals from Registered Education Savings Plans and Registered Disability Savings Plans are not subject to tax. In addition, contributions to a Registered Retirement Savings Plan are deductible from your taxable income, up to your allowable limit.

We offer the following Fidelity registered plans:

## Optional services (*continued*)

- Registered Retirement Savings Plans (RRSPs).
- Locked-in Retirement Accounts (LIRAs).
- Locked-in Retirement Savings Plans (LRSPs).
- Restricted Locked-in Savings Plans (RLSPs).
- Registered Retirement Income Funds (RRIFs).
- Life Income Funds (LIFs).
- Locked-in Retirement Income Funds (LRIFs).
- Prescribed Retirement Income Funds (PRIFs).
- Restricted Life Income Funds (RLIFs).
- Tax-Free Savings Accounts (TFSAs).
- Registered Education Savings Plans (RESPs) (with the ability to accept supplemental grants from Saskatchewan, British Columbia and Quebec).

Please see the Fund details section of each Fund's profile to determine if a Fund can be purchased for registered plans. There are no annual administration fees or fees to open, maintain, or close a plan. Contact Fidelity or your *financial advisor* for more information about these plans.

# Fees and expenses

The fees and expenses you may have to pay if you invest in the Funds are shown in each Fund's profile. You may pay less to invest in the Funds based on the amount you invest. See **Fee reductions** below for details.

You may have to pay some of these fees and expenses directly. The Funds pay some of these fees and expenses, which reduce the value of your investment.

## Fees and expenses payable by the Fund

### **Management and Advisory Fees**

Each Fund pays annual management and advisory fees for the management of the Fund, and for the investment management of its portfolio. The fees are used to pay expenses, like employee salaries, research costs, trailing commissions, and promotional expenses. The fees are calculated as a percentage of the net assets of each series of the Fund (except Series O Securities), and are accrued daily and paid monthly. The management and advisory fees are subject to harmonized *sales tax* and other applicable taxes, called *Sales Tax*. In some cases, Fidelity may waive its right to receive a portion of the management and advisory fees.

The annual management and advisory fees for each series of Securities of a Fund, other than Series O, is shown in each Fund's profile. We charge a negotiated management fee directly to investors in Series O Securities of the Funds (which fee is no greater than the maximum of the Series F annual management and advisory fee).

## Fees and expenses (continued)

### Operating expenses

#### **All series, except Series O**

For each series of the Funds, except Series O, Fidelity pays all of the operating expenses (including for services provided by Fidelity and/or its affiliates), except for certain costs described below that we refer to as *Fund Costs*, in exchange for a fixed rate administration fee that we refer to as the *Administration Fee*. The *Administration Fee* is paid by the Funds in respect of these series. The *Administration Fee* is subject to *Sales Tax*.

The *Fund Costs* include the following:

- The fees and expenses of the *IRC*, which includes compensation paid to *IRC* members as an annual retainer, as well as per meeting attendance fees, and the reimbursement of applicable expenses of *IRC* members.
- Taxes, including income tax and *Sales Tax* on fees and expenses paid by the Funds.
- Portfolio transaction costs, including brokerage commissions and other securities transaction related expenses, including the costs of *derivatives* and foreign exchange transactions.
- Interest and borrowing costs.
- Any new fee related to external services that was not commonly charged in the Canadian mutual fund industry as of September 10, 2009.
- The costs of complying with any new regulatory requirement, including any new fee introduced after September 10, 2009.

Each series is responsible for its proportionate share of common *Fund Costs* in addition to expenses that it alone incurs.

The operating expenses borne by Fidelity in exchange for the *Administration Fee* include: transfer agency; pricing and bookkeeping fees, which include processing purchases and sales of Securities of the Funds and calculating each Fund's Security price; legal, audit and custodial fees; administrative costs and trustee services relating to registered tax plans; filing fees; the costs of preparing and

distributing the Funds' financial reports, simplified prospectus, fund facts, and the other investor communications that Fidelity is required to prepare to comply with applicable laws; and other expenses not otherwise included in the management and advisory fees.

The *Administration Fee* falls under one of three tiers, depending on the amount of net assets of a Fund. The three tiers are: less than \$100 million in net assets; \$100 million to \$1 billion in net assets; and greater than \$1 billion in net assets. As a Fund surpasses these net asset level thresholds, the *Administration Fee* on each of its series is reduced by 0.01% (i.e., one basis point). The *Administration Fee* is calculated as a fixed annual percentage (accrued daily and payable monthly) of the net asset value of each Fund. The *Administration Fee* for each series of Securities of each Fund is shown in the Fund's profile.

The *Administration Fee* is charged in addition to the management and advisory fees, and is subject to *Sales Tax*. The *Administration Fee* charged to the Funds may, in any particular period, exceed or be lower than the expenses Fidelity incurs in providing such services to the Funds.

Fidelity may waive a portion of the *Administration Fee* that it receives from the Funds or from certain series of the Funds. As a result, the *Administration Fee* payable by each Fund or a series of a Fund may be lower than the fees shown in the Fund profiles. Fidelity may, in its sole discretion, suspend or cease to offer any waiver at any time without notice.

#### *IRC fees and expenses*

As of the date of this simplified prospectus, each member of the *IRC* receives an annual retainer of \$55,000 (\$65,000 for the Chair) and a fee of \$2,500 (\$4,000 for the Chair) for each *IRC* meeting the member attends, plus expenses for each meeting. These fees and expenses, plus other expenses associated with the *IRC*, such as insurance and applicable legal costs, are allocated among all the Fidelity Funds that are subject to *NI 81-107*, including the Funds, in a manner considered by Fidelity to be fair and reasonable.

As the Funds are new, none of the costs of the *IRC* have been allocated to them as of the date of this simplified prospectus.

## Series O

Fidelity pays all of the operating expenses and other costs incurred by the Funds in respect of Series O Securities (including for services provided by Fidelity and/or its affiliates), except for the following *Fund Costs*:

- Taxes, including, but not limited to, income tax.
- Brokerage commissions and other securities transaction expenses, including the costs of *derivatives* and foreign exchange transactions.
- Interest charges.

## Sales Tax paid by the Funds

The Funds are required to pay *Sales Tax* on management and advisory fees, *administration fees*, and most of the *Fund Costs* at a rate determined separately for each series for each year. The rate that ultimately applies to the fees and expenses paid during a year for a series is determined based on the portion of the net asset value of the series attributable to investors resident in each province or territory at a certain point in time during the prior year and the *Sales Tax* rate for each of those provinces or territories. The rate is different from year to year. This happens because different securityholders invest in the different series, and the securityholders who invest in each series change from year to year because of purchases, switches, and redemptions.

## Fee reductions

Some investors in the Funds such as large investors, group plans, charitable or not-for-profit organizations, and Fidelity employees, may be eligible for reduced fees. For investors in a Trust Fund, we reduce the fees we would otherwise charge the Fund and the Fund makes a special distribution equal to the amount of the reduction to the investor. We refer to this special distribution as a *fee distribution*. *Fee distributions* are paid first out of net income and net realized capital gains allocable to the applicable series of the Fund, and then out of the capital of the Fund. For investors in the Class Fund, we will provide a rebate for the fees that apply to their Securities from Fidelity. We refer to this special rebate as a *fee rebate*. *Fee distributions* and *fee rebates* are automatically reinvested in additional Securities of the

relevant series of the Fund and are not paid to investors in cash. We may, in our sole discretion, increase, decrease, or cease to make any *fee distributions* or *fee rebates* to any investor at any time. The income tax consequences of *fee distributions* made by a Trust Fund and *fee rebates* made by the Class Fund generally will be borne by the securityholders receiving the *fee distributions* or *fee rebates*.

## Fidelity Preferred Program (excluding the ETF Fund)

All holders of Series B, S5, S8, F, F5 or F8 Securities are part of the *Fidelity Preferred Program* and pay declining combined management and advisory fees and *Administration Fees* (before *Sales Tax*) based on a tiered structure through the use of automatic *fee distributions* and *fee rebates*. The tier for which you are eligible is based on your total investments with us, as follows:

| Tier | Asset Level               |
|------|---------------------------|
| 1    | \$250,000 - \$999,999     |
| 2    | \$1,000,000 - \$2,499,999 |
| 3    | \$2,500,000 - \$4,999,999 |
| 4    | \$5,000,000 - \$9,999,999 |
| 5    | \$10,000,000+             |

The higher the tier, the lower the combined management and advisory fees and *Administration Fees* (before *Sales Tax*) associated with holding your Securities as a result of automatic *fee distributions* or *fee rebates* that you will receive directly from the Fund or Fidelity, respectively. *Fee distributions* and *fee rebates* are accrued daily based on the tier for which you qualify on the previous day and paid monthly as a reinvestment in the same series of Securities of the Fund that you own. The amount of a *fee distribution* or *fee rebate* increases with each tier. The amount of each *fee distribution* or *fee rebate* (before *Sales Tax*) for each tier is set out in each Fund's profile, as applicable.

An investor only becomes eligible for a tier once the investor's holdings in the Funds and other Fidelity Funds reaches a minimum of \$250,000, for an individual, or \$500,000, for a *Fidelity Preferred Program* financial group, provided that the *Fidelity Preferred Program* financial group has a primary account holder who holds Fidelity Funds valued at a minimum of \$250,000.

## Fees and expenses (*continued*)

Fidelity offers account-linking as part of the *Fidelity Preferred Program* to you if your *dealer* and your *financial advisor* choose to participate. The account-linking that is part of the *Fidelity Preferred Program* is optional for your *dealer* and your *financial advisor*. If your *dealer* and your *financial advisor* participate in this account-linking program, your *financial advisor* must complete a “*Fidelity Preferred Program Account Linking Form*”. This form requires you to advise your *financial advisor* of the accounts that qualify to be part of the *Fidelity Preferred Program* financial group. You are responsible for ensuring that your *financial advisor* is aware of all of the accounts that should be linked or listed in the Account Linking Form.

If you hold your Securities through a discount brokerage platform and your discount broker has entered into the appropriate eligibility agreement, you may wish to participate in the account-linking program as part of the *Fidelity Preferred Program*. If you choose to participate in this account-linking program, you must complete a “*Fidelity Preferred Program Account Linking Form*”, which you can obtain by contacting Fidelity. You are responsible for advising Fidelity of the accounts that qualify to be part of the *Fidelity Preferred Program* financial group.

Once a *Fidelity Preferred Program* financial group is created, the primary account holder can leave that *Fidelity Preferred Program* financial group without consequence to the *Fidelity Preferred Program* financial group, as long as the *Fidelity Preferred Program* financial group maintains minimum total investments with us, as set out below.

In addition, in determining your eligibility for the *Fidelity Preferred Program*, we will automatically link accounts of the same individual, not including joint accounts or corporate accounts, for which the following information, as provided to us by you (if you hold your Securities through a discount brokerage platform) or your *dealer*, is identical: (i) your name; (ii) your address; and (iii) the *dealer* representative code. This means that, for example, if you have two or more accounts with the same *dealer*, provided your *dealer* maintains these accounts under the same *dealer* representative code and your name and address on these accounts is identical, they will be automatically linked by us.

A *Fidelity Preferred Program* financial group is all accounts held by the primary account holder, who must be an individual holding a minimum of \$250,000 in Fidelity Funds, and the following individuals and entities that are related to that investor:

- The primary account holder’s spouse; at the primary account holder’s election, former spouses may remain part of the *Fidelity Preferred Program* financial group.
- The primary account holder’s children, grandchildren and great-grandchildren, in each case, including adoptive and step-children, and the spouses of these persons.
- Accounts in the names of companies for which one or more members of the *Fidelity Preferred Program* financial group are beneficial owners of greater than 50% of the voting equity.

In all cases the accounts must be held with the same *financial advisor* and *dealer*. You should let your *financial advisor* know of any such relationship. To create a *Fidelity Preferred Program* financial group, you (if you hold your units through a discount brokerage platform) or your *dealer* must complete and submit an account linking form and disclose the accounts that are part of the *Fidelity Preferred Program* financial group. Once a *Fidelity Preferred Program* financial group is created, the primary account holder can leave that *Fidelity Preferred Program* financial group without consequence to the *Fidelity Preferred Program* financial group as long as the *Fidelity Preferred Program* financial group maintains a minimum total investment with us of \$250,000.

Unless an individual’s total investments with us falls below \$150,000 or a *Fidelity Preferred Program* financial group’s total holdings with us falls below \$250,000, we do not switch investors out of the first tier.

These minimums are intended to provide investors with flexibility in connection with major life events. We reserve the right to switch investors and *Fidelity Preferred Program* financial groups out of a tier if, in our view, the investor or the members of the *Fidelity Preferred Program* financial group are misusing this flexibility to fall below the applicable initial investment minimum.

Once you are invested in Series B, S5, S8, F, F5 or F8 Securities, the calculation of your total investments with us for the purposes of moving you between the tiers, and determining whether you remain eligible for a tier, is based on the following:

- Only redemptions decrease the amount of total investments with us for the purposes of the calculation.
- Market value declines in your or your *Fidelity Preferred Program* financial group's accounts do not result in decreases of the amount of total investments with us for the purposes of the calculation.
- In the case of Series F, F5 and F8 Securities, while Fidelity will, on your instructions, redeem Securities of your Funds and send the proceeds of redemption to your *dealer* in payment of advisor service fees (plus applicable taxes), these redemptions decrease the amount of total investments with us for the purposes of the calculation.
- Market value increases and/or any additional investment you make in your or your *Fidelity Preferred Program* financial group's accounts can move you to a higher tier. Market value increases and any additional investment you make create a "high water mark" and are the amount upon which we determine your tier, as applicable, and the amount from which we deduct any redemption, regardless of any market value declines that occur after the high water mark is set.

We may, in our sole discretion, make changes to the *Fidelity Preferred Program*, including changing, adding or eliminating tiers, the account minimum for individuals, the account minimum or composition rules for *Fidelity Preferred Program* financial groups, or ceasing to offer *fee distributions* and *fee rebates* altogether. We may also decrease the amount of a *fee distribution* or *fee rebate* if the Series B or F management and advisory fees and/or *Administration Fees* are reduced. In that case, the reduction in the *fee distribution* or *fee rebate* would be no more than the Series B or F fee reduction. Speak with your *financial advisor* for details about this program.

### **Large Account Program**

We also offer a program for large investors that we call our *Large Account Program* or *LAP*. Under this program, our decision to reduce the typical fees depends on a number of factors, including the size of the investment and the investor's total investments with us. We currently only consider an investor a "large investor" for purposes of considering a fee reduction if the holdings with Fidelity are a minimum of \$250,000 individually, or \$500,000 for a *LAP financial group*. A *LAP financial group* is all accounts held by related persons living at the same address, and includes accounts in the names of companies for which one or more members of the *LAP financial group* are beneficial owners of greater than 50% of the voting equity. You can obtain further details by contacting your *financial advisor*.

The *Large Account Program* is closed to new individuals who are not related to existing *LAP* participants. For existing participants in the *LAP*, Fidelity offers the fee reductions set out in the chart below, provided the conditions set out below are met. We may, at our discretion, offer different tiers and larger fee reductions to investors or *LAP financial groups* that invest greater than \$10 million in the Fidelity Funds.

|                 | Fee Reductions<br>(basis points)   |  |   |
|-----------------|------------------------------------|--|---|
|                 | Tier 1<br>(Individual<br>Accounts) | Tier 2<br>(Individual<br>and LAP<br>Financial<br>Groups) | Tier 3<br>(Individual and<br>LAP Financial<br>Groups) |
| Fund            | \$250k-<br>\$500k                  | \$500k-\$5M  | Greater than<br>\$5M                                  |
| ETF Fund        | 0                                  | 0  | 0   |
| All other Funds | 10                                 | 15   | 20  |

These reductions apply to each dollar invested with Fidelity that is part of the *LAP*. For example, if an investor has assets that fall within the Tier 2 category, each dollar invested as part of the *LAP* receives the applicable reduction. *LAP* is available in respect of all the Fidelity Funds in all series. As a condition of participation in the *LAP*, we require a reduction to the applicable trailing commission that we would otherwise pay to the *dealer* (except for Series F, F5, F8 and O Securities, where no trailing commission is typically paid), a portion of which would be received by the investor's *financial advisor*. The

## Fees and expenses (*continued*)

expected reduction is a minimum of 10 basis points for the Funds. The amount of this trailing commission reduction is payable to the investor in the same manner as the fee reductions described above. To determine the total reduction payable, you add the fee reduction from Fidelity to the trailing commission reduction from your *dealer*.

You cannot participate in both the *LAP* and the *Fidelity Preferred Program*. Existing *LAP* participants may choose to permanently move to the *Fidelity Preferred Program*, or you may continue to participate in the *LAP*.

We may, in our sole discretion, make any change to this program, including increasing or decreasing the reductions available, changing or eliminating the tiers, or ceasing to offer them altogether. Speak with your *financial advisor* for details about this program.

### **Underlying funds fees and expenses**

Where a Fund invests, directly or indirectly, in one or more *underlying funds*, the fees and expenses payable for the management and advisory services of the *underlying funds* are in addition to those payable by the Fund. However, we make sure that any Fund that invests in another *underlying fund* that is managed by Fidelity does not pay duplicate management and advisory fees or expenses on the portion of its assets that it invests in an *underlying fund* that is managed by Fidelity for the same service. We usually achieve this by having the Fund invest in Series O Securities of the *underlying fund* managed by Fidelity. If necessary, we may also waive expenses otherwise payable by the Fund.

Similarly, if a Fund invests in one or more *underlying funds* that in turn invest in one or more *third-tier funds* that in turn may invest in one or more *fourth-tier funds*, then the fees and expenses payable for the management and advisory services of the *third-tier fund* or *fourth-tier fund* are in addition to those payable by the *underlying fund*. However, we make sure that any *underlying fund* that invests in a *third-tier fund* that is managed by Fidelity or any *third-tier fund* that invests in a *fourth-tier fund* that is managed by Fidelity does not pay duplicate management and advisory fees on the portion of its assets that it invests in the *third-tier fund* or *fourth-tier fund*.

In addition, neither a Fund nor any *underlying fund* managed by Fidelity pays sales fees or redemption fees with respect to the purchase or redemption by it of Securities of an *underlying fund* or a *third-tier fund* or *fourth-tier fund*, as applicable, managed by Fidelity. However, commissions are paid for the purchase of an *underlying fund* or a *third-tier fund* or a *fourth-tier fund* that is an ETF.

### **Securityholder notice**

We give securityholders 60 days' written notice of any change to the basis of the calculation of the fees or expenses that are charged to a Fund or its securityholders by an arm's-length party that could result in an increase in charges, or the introduction of a fee or expense to be charged to a Fund or its securityholders that could result in an increase in charges. Because Series F, F5, F8 and O Securities are sold without a sales charge, a meeting of securityholders of these series of the Funds is not required to approve any increase in, or introduction of, a fee or expense charged to the Funds. Any such increase is only made if securityholders are notified of the increase at least 60 days before the increase takes effect.

## Fees and expenses payable directly by you

### **Sales charges**

#### *Initial sales charge option*

Series B, S5 and S8 Securities are available only under the *initial sales charge* option. You may have to pay an *initial sales charge* if you buy Securities of these series of a Fund. You and your *financial advisor* negotiate the amount you pay. The charge can be from 0% to 5% of the initial cost of your Securities of a Fund. We deduct the sales charge from the amount you invest and pay it to your *dealer* as a commission.

You pay no *initial sales charge* when you buy Series F, F5, F8 or O Securities of a Fund.

### **Switch fees**

You may have to pay a fee of up to 2% of the value of your Securities to your *dealer* when you switch your Securities to a different series of the same Fund (where permitted), or when you switch from Securities of a Fund to Securities of

another Fund or Fidelity Fund. The fee is paid by redeeming your Securities immediately before the switch is made. You negotiate that fee with your *financial advisor*.

You do not pay a switch fee when you switch from Series F, F5 or F8 Securities of one Fund to Series F, F5 or F8 Securities of another Fidelity Fund.

If you switch to Securities of another Fidelity Fund within 30 days of buying them, you may also be charged a short-term trading fee.

You can find more information about permitted switches of Securities in the ***Purchases, switches and redemptions*** section.

You may have to pay a fee of up to 2% of the value of your Securities to your *dealer* when you switch from:

- Series B Securities of a Fund to Series O, S5 or S8 Securities of the same Fund.
- Series F Securities of a Fund to Series B, S5 or S8 Securities of the same Fund.
- Series F5 Securities of a Fund to Series B, S5 or S8 Securities of the same Fund.
- Series F8 Securities of a Fund to Series B, S5 or S8 Securities of the same Fund.
- Series S5 Securities of a Fund to Series B, O or S8 Securities of the same Fund.
- Series S8 Securities of a Fund to Series B, O or S5 Securities of the same Fund.

You negotiate that fee with your *financial advisor*.

You pay no switch fee when you switch from:

- Series B, S5 or S8 Securities of a Fund to Series F, F5 or F8 Securities of the same Fund.
- Series F Securities of a Fund to Series F5, F8 or O Securities of the same Fund.
- Series F5 Securities of a Fund to Series F, F8 or O Securities of the same Fund.
- Series F8 Securities of a Fund to Series F, F5 or O Securities of the same Fund.

- Series O Securities of a Fund to Series F, F5 or F8 Securities of the same Fund

#### **Registered plan fees**

None.

#### **Short-term trading fee**

Fidelity monitors for inappropriate and excessive short-term trading activity.

For inappropriate short-term trading as defined in ***Purchases, switches and redemptions*** section, you are charged a fee of 1% of the value of the Securities if you redeem or switch Securities within 30 days of buying Securities of the Funds.

We may decide to waive the fee in certain limited circumstances, for example, the death of a securityholder. For this purpose, Securities held for the longest time period are treated as being redeemed first, and Securities held for the shortest time period are treated as being redeemed last.

In addition, excessive short-term trading activity is determined by the number of redemptions or switches out of a Fund within 30 days of a purchase or switch into a Fund. For this purpose, Securities held for the shortest time period are treated as being redeemed first, and Securities held for the longest time period are treated as being redeemed last. If you redeem or switch Securities of the Funds within this period, you *may*:

- Receive a warning letter.
- Be charged a short-term trading fee of up to 1% of the value of the Securities.
- Have your account blocked from further purchases and switches for a period of time.
- Be required to redeem your account.

Further to the above sanctions, Fidelity may, in its sole discretion, restrict, reject, or cancel any purchase or switch into a Fund, or apply additional sanctions where we deem activity to not be in the Funds' interests.

In certain circumstances, the short-term trading fee does not apply. See the ***Purchases, switches and redemptions*** section for details.

## Fees and expenses (continued)

### Fee for sizable redemptions

Fidelity monitors for sizable transaction activity.

Sizable Investors of a Fund are subject to a 1% penalty of the value of the Securities that they sell/switch if they sell/switch their Securities of the Fund within 30 days of their most recent purchase/switch into the Fund. Sizable investors *may* be subject to a 1% penalty of the value of the Securities if they fail to provide the required notice to Fidelity prior to completing a sizable redemption (as described in **Sizable transactions in the Purchases, switches and redemptions** section). At the time the redemption order is received without notice, Fidelity will assess the potential impact to the Fund and determine whether the 1% penalty is applied. This fee goes to the Fund.

If the redemption or switch transaction would be subject to both a sizable redemption fee and a short-term trading fee, the Sizable Investor will only be subject to the sizable redemption fee. For greater certainty, the total penalty applied will not exceed 1% of the value of the Securities redeemed or switched.

See **Short-term trading** and **Sizable transactions** in the section **Purchases, switches and redemptions** for details.

### Other

#### Cheque fees

You may be charged a fee of \$25 plus applicable taxes for each payment that you request by cheque in respect of redemptions, payments under a systematic withdrawal plan, cash distributions or *dividends* or *Fidelity Tax-Smart CashFlow™ Series* distributions or *dividends*.

#### Insufficient funds fee

You may be charged a fee of \$25 plus applicable taxes for each payment not honoured by your financial institution.

#### Advisor Service Fee

Investors in Series F, F5 and F8 Securities may pay their advisor service fees to their *dealer* by authorizing Fidelity to redeem Securities of these series from their account equal to the amount of the fees payable by the investor to their

*dealer* (plus applicable taxes) and to pay the proceeds to their *dealer*.

These redemptions are made on a quarterly basis, and the redemption proceeds for the advisor service fees (plus applicable taxes) are forwarded on to the *dealer*. Where such an arrangement exists, the maximum annual advisor service fee rate that Fidelity facilitates the payment of is 1.50% (excluding applicable taxes). The advisor service fee is calculated on a daily basis based on the daily net asset value of the investor's Securities at the end of each business day.

Investors are eligible to have Securities of these series redeemed by Fidelity and the proceeds paid to their *dealer*, if:

- They do not hold their Securities in a fee-based account where they pay fees directly to their *dealer*.
- Their *dealer* has entered into the appropriate eligibility agreement with Fidelity.
- They have entered into an advisor service fee agreement with their *dealer* and Fidelity.

The advisor service fee agreement must disclose the advisor service fee rate(s) the investor has negotiated with the *dealer* for the advice provided by the *dealer* to the investor with respect to purchasing and selling Securities of the Fidelity Funds and/or administration and management services with respect to the investor's Securities of the Fidelity Funds.

#### Series O management fee

The Funds do not pay any management fee in respect of Series O units. Instead, you have to pay an annual fee to us, which is negotiable. This fee accrues daily and is paid monthly and does not exceed the aggregate maximum annual rate of the management and advisory fees payable for Series F units of the Funds.

## Impact of sales charges

The table below shows the fees you would have to pay if you bought Securities of a Fund under our different purchase options. It assumes that:

- You invest \$1,000 in Securities of the Fund for each period and redeem all of your Securities immediately before the end of that period.
- The sales charge under the *initial sales charge* option is 5%.

|   | When you buy your Securities | Within 1 year | Within 3 years | Within 5 years | Within 10 years |
|---|------------------------------|---------------|----------------|----------------|-----------------|
| <i>Initial sales charge option</i> <sup>(1)</sup> | \$50                         | —             | —              | —              | —               |
| No load option <sup>(2)</sup>                     | n/a                          | n/a           | n/a            | n/a            | n/a             |

<sup>(1)</sup> Only Series B, S5 and S8 Securities are available under this option. You do not pay any sales charges if you buy Series F, F5, F8 and Securities. Instead, you pay your *dealer* an annual fee for investment advice and/or other services. Series O Securities are also sold without a sales charge.

<sup>(2)</sup> We do not offer a no load option.

# Dealer compensation

## How your *financial advisor* and *dealer* are paid

Your *financial advisor* usually is the person you buy Fidelity Funds from. Your *financial advisor* could be a broker, financial planner, or other person who sells mutual funds. Your *dealer* is the firm your *financial advisor* works for.

### Commissions

Your *financial advisor* usually receives a commission when you invest in Series B, S5 or S8 Securities of the Funds. The commission depends on how you invest in the Funds.

#### *Initial sales charge option*

You and your *financial advisor* decide on the percentage sales charge you are charged when you buy Series B, S5 or S8 Securities under the *initial sales charge* option. The percentage of the sales charge ranges from 0% to 5%. We may deduct the sales charge from the amount you invest and pay it to your *dealer* as a commission. See the **Fees and expenses** section for details.

### Switch fees

You may have to pay a fee of up to 2% of the value of your Securities to your *dealer* when you switch from Securities of a Fund to a different series of the same Fund, or when you switch from Securities of a Fund to Securities of another Fund or other Fidelity Fund. You negotiate that fee with your *financial advisor*. The charge is paid by redeeming Securities of the Fund you're switching out of. You don't pay a switch fee when you switch Series D Securities of Fidelity Canadian Money Market Fund to any other Fidelity Fund as part of your ClearPlan® program. See the **Fees and expenses** section for details about this fee. Also see the **Purchases, switches and redemptions** section for more information about permitted switches.

### Trailing commissions

We pay trailing commissions to your *dealer* on Series B, S5 or S8 Securities at the end of each quarter or, if the *dealer* qualifies to be paid electronically, possibly on a more frequent basis. We expect that *dealers* pay a portion of the trailing commission to their *financial advisors*. Trailing commissions are paid to all *dealers*, including discount

brokers. These commissions are a percentage of the average daily value of the above series of Securities of each Fund held by the *dealer's* clients. The commissions depend on the Fund and the sales charge option. We may change or cancel the terms of the trailing commissions in our discretion and without advance notice. The following table shows the annual trailing commissions rates for the Funds:

| Annual trailing commission rates |  |
|----------------------------------|--|
| Fund                             | Series B, S5 and S8 Securities<br><i>Initial sales charge option</i> |
| The Funds                        | 1.00%  |

### Discount brokers

On September 17, 2020, the CSA published rule amendments that effective June 1, 2022 will prohibit the payment of trailing commissions to order execution only (“OEO”) *dealers*, which includes discount brokers and other *dealers* that do not make a suitability determination, in connection with an investor's purchase and ongoing ownership of Securities of the Funds in an OEO account. These regulatory changes may result in changes to your account or to the Securities of the Funds you own.

### Marketing support programs

We pay for materials we give to *dealers* to help support their sales efforts. These materials include reports and commentaries on securities, the markets, and the Fidelity Funds. We pay for our own marketing and advertising programs.

We may share with *dealers* up to 50% of their costs in marketing the Fidelity Funds. This may include paying a portion of the costs of a *dealer* in advertising the availability of Fidelity Funds through its *financial advisors*. We may also pay part of the costs of a *dealer* in presenting seminars to educate investors about the Fidelity Funds, or generally about the benefits of investing in mutual funds.

We may pay up to 10% of the costs for *dealers* to hold educational seminars or conferences for their *financial advisors* to provide them with information about, among

other things, financial planning or mutual fund industry matters.

We also arrange seminars for *financial advisors* from time to time, where we inform them about new developments in the Fidelity Funds, our products and services, and mutual fund industry matters. We invite *dealers* to send their *financial advisors* to our seminars, but the *dealers* decide if their *financial advisors* can attend. The *financial advisors* must pay for their own travel, accommodation, and personal expenses if they attend our seminars.

We may also pay the registration costs for *financial advisors* to attend educational conferences or seminars organized and presented by other organizations.

All of our programs that benefit *dealers* comply with securities laws. The Fidelity Funds do not pay the costs of these programs.

## Dealer compensation from management fees

We paid *dealers* compensation of approximately 43.2% of the total management fees we received from all the Fidelity Funds we managed during our financial year ended December 31, 2021. This includes amounts we paid to *dealers* for commissions, trailing commissions, marketing support programs, and introduction fees.

## Income tax considerations for investors

This information is a general summary of tax rules and is not intended to be legal advice. For this discussion, we assume you are an individual (other than a trust), who, at all relevant times, for the purposes of the Tax Act, is resident in Canada, deals at arm's length and is not affiliated with the Funds, and that you hold your Securities directly as capital property or within a registered plan. More information is contained in the Funds' annual information form.

We have tried to make this discussion easy to understand. As a result, we cannot be technically precise, or cover all the tax consequences that may apply. We suggest that you consult your tax advisor for details about your individual situation.

### How the Funds aim to make money

A Fund can make money in two ways. First, it can earn income. Some examples of income are interest paid on bonds, *dividends* paid on stocks, and gains on certain *derivatives*. Second, a Fund can have capital gains if the value of its investments goes up. If the Fund sells an investment at a gain, the gain is realized. If the Fund continues to hold the investment, the gain is unrealized. Income and capital gains can also be earned through investments in *underlying funds*. The distributions paid by an underlying Fidelity Fund may have the character of a dividend from Canadian companies, taxable capital gain, Canadian income from a trust, foreign income, or return of capital.

### How the Trust Funds are taxed

The Trust Funds are established as separate trusts. Each year, the Trust Funds pay out a sufficient amount of their income and realized capital gains (after deducting expenses) so that, generally, they don't have to pay ordinary income tax. This is known as a distribution.

Typically, foreign source income is subject to foreign withholding tax.

Generally, a gain or loss from a cash settled option, futures contract, forward contract, total return swap and other *derivative* instrument is treated on account of income rather than as a capital gain or loss unless the *derivative* is used

by a Fund or an *underlying fund* as a hedge to limit its gain or loss on a specific capital asset or group of capital assets held by the Fund or *underlying fund*.

## How the Corporation is taxed

The Class Fund offered in this simplified prospectus is established as a class of shares of the Corporation. The Corporation pays sufficient capital gains *dividends* and ordinary *dividends* so that, generally, the tax paid or payable by the Corporation with respect to realized capital gains and *dividends* from taxable Canadian corporations is refunded or credited to the Corporation. The Corporation is liable to pay tax at corporate rates applicable to a mutual fund corporation on income from other sources such as interest, certain derivative income and foreign source income. The Corporation tries to eliminate this tax liability by reducing taxable income through using deductible expenses and tax deductions/credits. Given the investment and dividend policy of the Corporation and taking into account the deduction of anticipated expenses, it is not expected that the Corporation will be subject to non-refundable Canadian income tax.

Generally, a gain or loss from a cash settled option, futures contract, forward contract, total return swap and other *derivative* instrument is treated on account of income rather than as a capital gain or loss unless the *derivative* is used by a Fund as a hedge to limit its gain or loss on a specific capital asset or group of capital assets held by the Funds. Where a Fund uses *derivatives* to hedge exposure with respect to securities held on capital account and the *derivatives* are sufficiently linked to such Securities gains or losses realized on such *derivatives* will be treated as capital gains or losses.

The Corporation keeps track of the assets and liabilities of each Corporate Fund (i.e., each class of shares) separately, but for tax purposes it must calculate its net income (loss), net realized capital gains (losses), tax credits, tax refunds and tax liability as a single corporation. As a result, the ordinary *dividends* and capital gains *dividends* paid to you on your Securities of the Class Fund will likely be different than the amount you would have received if the Class Fund was a stand-alone fund. To explain, if the Class Fund has expenses in a year that are greater than the income earned on its assets in that year, it

may be necessary to deduct those expenses against income earned on the assets of another Corporate Fund. In this way, expenses or losses from one Corporate Fund may be used to reduce income or capital gains from another Corporate Fund, thus reducing the tax liability attributed to that Corporate Fund. Also, the amount of capital gains *dividends* that the Corporation must pay to eliminate tax on its net realized capital gains is affected by the level of taxable redemptions of all Securities of all Corporate Funds and by all realized and unrealized gains and losses on all of the assets of the Corporation. The Corporation may be forced to buy and sell assets of a Corporate Fund more quickly than a Corporate Fund would otherwise choose to do because of switching between Corporate Funds (including switching that occurs under the ClearPlan® service or the systematic exchange program), resulting in earlier recognition of gains and losses. This may increase or decrease the amount of capital gains *dividends* paid in a year.

The Corporation employs a methodology to calculate the income, capital gains, expenses, loss carryforwards, tax credits, tax refunds and tax liability of the Corporation in a tax-efficient manner and to allocate them among the Corporate Funds in a manner that, in Fidelity's view, is both consistent and fair to investors in accordance with an allocation policy that has been approved by the Board of Directors of the Corporation. The Board of Directors of the Corporation may approve for payment ordinary *dividends* and capital gains *dividends* on any Corporate Fund in order to reduce taxes payable by the Corporation as a whole.

Many Corporate Funds invest their assets in Securities of *underlying funds*. In determining the taxable income of the Corporation and the amount of ordinary *dividends* and capital gains *dividends* to be paid at the level of each Corporate Fund, the Corporation must consider the income and capital gains distributions received from *underlying funds*, capital gains and losses realized on the disposition of Securities of the *underlying funds*, as well as capital gains and losses from the disposition of other securities and income on other securities held by the Corporation. In certain circumstances, capital losses realized by the Corporation on the disposition of securities held by it may be suspended and, therefore, will not be immediately available to shelter capital gains. Generally, Canadian

## Income tax considerations for investors (*continued*)

source *dividends* received from an *underlying fund* or earned directly will be paid as ordinary *dividends* to shareholders of the Corporate Fund that invests in that *underlying fund* or security. Other income, capital gains and losses on assets attributable to a Corporate Fund and expenses incurred in respect of those assets will generally be attributed to that Corporate Fund. However, the expenses and losses attributable to a Corporate Fund may also be used to reduce income and/or capital gains attributable to another Corporate Fund. Due to the complexity of the Corporation's structure, there are other factors that will be taken into account in determining the amount of ordinary *dividends* and capital gains *dividends* to be paid at the level of each Corporate Fund.

The Board of Directors of the Corporation has final discretion as to the payment of ordinary *dividends* and capital gains *dividends* and will consider appropriate deviations from the above considering the best interests of all investors of the Corporation. Ordinary *dividends* and/or capital gains *dividends* may be paid on the Class Fund in respect of a year when no Canadian source *dividends* or capital gains are attributable to the Class Fund.

### How you are taxed

The tax you pay on your mutual fund investment depends on whether you hold your Securities in a registered plan or in a non-registered account.

#### **Funds held in your registered plan**

Generally, neither you nor your registered plan are subject to tax on distributions or *dividends* paid on Securities held in your registered plan or on capital gains realized when those Securities are redeemed or switched. This assumes the Securities are a qualified investment and not a prohibited investment. Securities of the Funds are expected to be qualified investments for registered plans at all material times. However, even when Securities of a Fund are a qualified investment, you may be subject to tax if a Security held in your registered plan (other than a deferred profit-sharing plan (DPSP)) is a prohibited investment for your registered plan.

Under a safe harbour rule for new mutual funds, Securities of the Funds will not be a prohibited investment for your registered plan at any time during the first 24 months of the

Fund's existence, provided the Fund is a class of a mutual fund corporation, a mutual fund trust or a registered investment under the *Tax Act* during that time and is in substantial compliance with *NI 81-102* or follows a reasonable policy of investment diversification.

After that time, Securities of the Class Fund or a Trust Fund should not be a prohibited investment for your registered plan if you and persons with whom you do not deal at arm's length, and any trusts or partnerships in which you or persons with whom you do not deal at arm's length have an interest, do not, in total, own 10% or more of the Securities of a Trust Fund, or 10% or more of any series of a Corporate Fund. Securities of a Fund are also not a prohibited investment for your registered plan if they are "excluded property" under the *Tax Act*.

**Investors should consult their own tax advisor for advice regarding the implications of acquiring, holding or disposing of any Securities of a Fund in their registered plan, including whether or not Securities of a Fund are at risk of being or becoming a prohibited investment under the Tax Act for their registered plans.**

#### **Funds held in your non-registered account**

You must compute and report all income and taxable capital gains in Canadian dollars. If you hold your Securities in a non-registered account and receive a distribution or *dividend* during a year, we'll send you a tax slip for the year. It shows, in the case of the Class Fund, your share of ordinary *dividends*, capital gains *dividends* and your return of capital, if any, paid to you during the previous calendar year, as well as any allowable tax credits. In the case of a Trust Fund, it shows your share of the Trust Fund's net income, and net realized capital gains and your return of capital, if any, paid to you for the previous year, as well as any allowable tax credits. You must include the taxable portion of the amounts shown on the tax slip as part of your annual income. This applies even if your distributions or *dividends* are reinvested in Securities of the Fund. Distributions paid by a Trust Fund may include *dividends* from taxable Canadian companies, foreign income, capital gains and other income (such as interest and *derivative* income). Provided appropriate designations are made by a Trust Fund, such amounts realized by the Fund and distributed to you will preserve their character as dividends,

foreign income, and taxable capital gains, respectively. *Dividends* paid by Canadian companies, including the Corporation, will be taxed subject to the gross up and dividend tax credit. An enhanced gross-up and dividend tax credit is available for certain eligible *dividends* paid by Canadian companies, including the Corporation. A Fund or an *underlying fund* may pay foreign withholding tax on its foreign income. In the case of a Trust Fund, some or all of the foreign tax paid by a Fund or an *underlying fund* may be credited against the Canadian income tax you pay. Capital gains distributed by a Trust Fund and capital gains *dividends* paid by the Corporation will be treated as if you realized them directly as a capital gain.

Distributions of capital are not taxable. Instead a return of capital reduces the adjusted cost base of your Securities of a Fund. If the adjusted cost base of your Securities is reduced to less than zero you will realize a capital gain equal to the negative amount and your adjusted cost base will be increased to zero. Monthly distributions on some series of the Funds (such as *Fidelity Tax-Smart CashFlow™ Series* securities) are comprised in whole or in part of returns of capital.

Generally, fees paid by you to your *dealer* in respect of Series F, F5 or F8 Securities of the Funds held outside a registered plan should be deductible for income tax purposes from the income earned on the Funds to the extent that the fees are reasonable, represent fees for advice to you regarding the purchase or sale of specific securities (including Securities of the Funds) by you directly or for services provided to you in respect of the administration or management of securities (including Securities of the Funds) owned by you directly, and the fees are paid by you to a *dealer* whose principal business is advising others regarding the purchase or sale of specific securities, or includes the provision of administration or management services in respect of securities. Fees paid directly by you to Fidelity for services provided by Fidelity to the Funds (such as with respect to Series O units) are not deductible. **You should consult your tax advisor regarding the deductibility of fees paid directly by you in your particular circumstances.**

Generally, you must include fee rebates received in your income for tax purposes. However, in certain

circumstances, you may instead elect to have the amount of the rebate reduce the cost of the related Securities.

## Capital gains and losses when you redeem or switch your Securities

A switch between series of the same Fund are a re-designation that does not result in a disposition for tax purposes, unless Securities are redeemed to pay fees. Other switches result in a redemption of Securities followed by a purchase of Securities. A redemption is a disposition for tax purposes and triggers a capital gain or loss. Switches that result in a disposition for tax purposes include those that occur under the Fidelity ClearPlan® service or the systematic exchange program.

You realize a capital gain if the amount you receive from redeeming or otherwise disposing of Securities is more than the adjusted cost base of the Securities, after deducting any costs of redeeming or switching the Securities. You'll realize a capital loss if the amount you receive from a redemption or other disposition is less than the adjusted cost base, after deducting any cost of redeeming your Securities. Capital gains or capital losses are realized on redemptions made to pay fees to your *dealer*, including in connection with Series F, F5 and F8 Securities.

Generally, one-half of a capital gain is included in calculating your income as a taxable capital gain, and one-half of a capital loss can be deducted against taxable capital gains, subject to any applicable loss restriction rules under the *Tax Act*.

If you've bought Securities at various times, you will likely have paid various prices. The adjusted cost base of a Security is the average of the adjusted cost base of all the identical Securities you hold in the Fund. That includes Securities you got through reinvestments of distributions or *dividends*. If you've bought and sold Securities in U.S. dollars, the cost and proceeds of disposition must be converted into Canadian dollars at the exchange rate on the date of purchase and redemption, as applicable.

### How to calculate adjusted cost base

Here's how the total adjusted cost base of your Securities of a series of a particular Fund is generally calculated:

## Income tax considerations for investors (*continued*)

- Start with your initial investment, including any sales charges you paid.
- Add any additional investments, including any sales charges you paid (and also any reinvested *fee rebates* if you did not elect to reduce the adjusted cost base of your Securities).
- Add any distributions or *dividends* you reinvested, including *fee distributions* and returns of capital.
- Add the adjusted cost base of Securities received on a tax-deferred switch and the net asset value of the Securities received on a taxable switch.
- Subtract the return of capital distributions.
- Subtract the adjusted cost base of any previous redemptions and switches.

To calculate adjusted cost base, you'll need to keep detailed records of the price you paid and received for your investments, and also keep the tax slips we send to you. They include distributions that are a return of capital. You may wish to consult a tax advisor to help you with these calculations.

### Buying Securities late in the year

The price of a Security may include income and/or capital gains that the Fund has accrued, earned or realized, but not yet distributed. You will be taxable on *dividends* and on distributions of a Fund's income and capital gains even if that income and capital gains is attributable to a time before you acquired the Securities and may have been reflected in the price you paid for the Securities. This could be particularly significant if you purchase Securities of a Fund late in the year, or on or before the date on which a dividend or distribution is paid.

### Portfolio turnover

The higher a Fund's or *underlying fund's* portfolio turnover rate is in a year, the greater the chance that you will receive a capital gains distribution or capital gains *dividend*. Any gains realized would be offset by any losses realized on portfolio transactions. There is not necessarily a relationship between a high turnover rate and the performance of a Fund or an *underlying fund*.

## Additional considerations for investors

You will generally be required to provide your *financial advisor* with information related to your citizenship and tax residence, including your taxpayer identification number(s). If you are identified as a U.S. Person (including a U.S. resident or citizen) or a tax resident of a country other than Canada or the U.S., or do not provide the required information and indicia of U.S. or non-Canadian status is present, details about you and your investment in a Fund will generally be reported to the *CRA*, unless the Securities are held in a registered plan. The *CRA* will provide that information to the U.S. Internal Revenue Service (*IRS*) (in the case of U.S. Persons) or the relevant tax authority of any country that is a signatory of the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information or that has otherwise agreed to a bilateral information exchange with Canada under the Common Reporting Standard (in the case of non-Canadian tax residents other than U.S. tax residents).

The *IRS* issued a clarification to a set of existing tax rules that resulted in Canadian mutual funds (such as the Fidelity Funds) generally being classified as corporations for U.S. tax purposes. As a result, U.S. taxpayers (including Canadian residents who are U.S. citizens) who hold Canadian mutual funds generally are subject to the Passive Foreign Investment Company rules, known as *PFIC*, including an annual requirement to report each *PFIC* investment, held directly or indirectly on a separate U.S. tax form. **If you are a U.S. citizen, you should consult your tax advisor about the U.S. tax rules that apply to you and the advisability of making (or refraining from making) any U.S. tax election, such as a Qualified Electing Fund or QEF election.**

Generally, the *QEF* election more closely aligns the Canadian and U.S. tax treatment of an investment in Canadian mutual funds. To assist investors who choose to make *QEF* elections, Fidelity makes available *PFIC* annual information statements, referred to as *AIS*, for the Fidelity Funds. Investors should consult their *dealer* or *financial advisors* about obtaining their *AIS* from Fidelity.

# Statement of rights

Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the simplified prospectus or fund facts, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund securities and get your money back, or to make a claim for damages, if the simplified prospectus, annual information form, fund facts or financial statements misrepresent any facts about the fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult a lawyer.

# Specific information about each of the mutual funds described in this document

## Your guide to the Funds

The Funds offered under this simplified prospectus are categorized into groups as set out on the cover page of this simplified prospectus. Choosing the right ones means knowing what kinds of investments the Funds make and what kinds of risks they face. Here's what the Fund profiles look like and what they will tell you.

### 1. Fund name

### 2. Fund details

This is a quick overview of the Fund — what kind of fund it is, when it was started, the types of Securities offered, and series available under the U.S. dollar option, and whether it is a qualified investment for registered plans, and the management and advisory fees and *Administration Fee* for each series. Your *dealer* and *financial advisor* can assist you in determining the series that you are eligible to invest in.

#### **About the Series**

We currently offer series of Securities for the Funds as set out on the cover page of this simplified prospectus. The series offered by a Fund are set out in that Fund's profile. We may offer additional series in the future.

#### **Series B Securities**

Series B Securities are available to all investors who purchase under the *initial sales charge* option. The minimum initial investment for Series B Securities of a Fund is \$500.

Series B Securities of the ETF Fund will not be eligible for the *Fidelity Preferred Program*. However, the size of an investor's holdings in the ETF Fund will count towards the investor's eligibility for the *Fidelity Preferred Program*.

#### **Series F Securities**

Series F Securities have lower combined management and advisory fees and *Administration Fees* than Series B, S5 or S8 Securities. Instead of paying sales charges, investors in Series F Securities may pay their *dealer* a fee for the investment advice and/or administration and management services they provide or may pay their discount broker a fee for services and any tools or other assistance they provide.

Investors may buy Series F Securities in a fee-based account at their *dealer*, where they pay fees directly to their *dealer*, provided their *dealer* has entered into the appropriate eligibility agreement with Fidelity. Investors may also buy Series F Securities through a discount brokerage platform, provided the discount broker offers Series F Securities on their platform.

We don't pay any commissions or trailing commissions to *dealers* or discount brokers who sell Series F Securities, which means we can charge lower management and advisory fees because you may pay a fee directly to your *dealer* or discount broker. The minimum initial investment for Series F Securities of a Fund is \$500.

#### *Additional considerations when buying Series F Securities through a dealer*

Investors may also buy Series F Securities and pay fees to their *dealer* by authorizing Fidelity to redeem Series F Securities from their account having a value equal to the amount of the fees payable by the investor to the *dealer* (plus applicable taxes) and to pay the proceeds to their *dealer*. Investors are eligible to have their Series F Securities redeemed by Fidelity, and the proceeds paid to their *dealer*, if:

- They do not hold their Series F Securities in a fee-based account where they pay fees directly to their *dealer*.
- Their *dealer* has entered into the appropriate eligibility agreement with Fidelity.
- They have entered into an advisor service fee agreement with their *dealer* and Fidelity.
- The advisor service fee agreement must disclose the advisor service fee rate(s) the investor has negotiated with the *dealer* for the advice to be provided by the *dealer* to the investor with respect to purchasing and selling securities of the Fidelity Funds and/or for the administration and management services with respect to the investor's securities of the Fidelity Funds.

If an investor enters into an advisor service fee agreement, Fidelity facilitates the payment of the advisor service fee (plus applicable taxes) by the investor to the *dealer* by redeeming the investor's Series F Securities on a quarterly

basis and forwarding the redemption proceeds for the advisor service fees to the *dealer*. See the **Fees and expenses** section for details.

Your *dealer* is responsible for deciding whether you are eligible to buy and continue to hold Series F Securities. If you're no longer eligible to hold Series F Securities, your *dealer* is responsible for telling us to switch your Securities into Series B Securities of the same Fund or to redeem them.

Series F Securities of the ETF Fund will not be eligible for the *Fidelity Preferred Program*. However, the size of an investor's holdings in the ETF Fund will count towards the investor's eligibility for the *Fidelity Preferred Program*.

### **Series F5 Securities**

Series F5 Securities are designed to provide tax efficient cash flow to investors by making monthly distributions. The above provisions in connection with Series F Securities apply equally to Series F5 Securities. If you are no longer eligible to hold Series F5 Securities, they are switched to Series S5 Securities. The minimum initial investment for Series F5 Securities of a Fund is \$5,000.

### **Series F8 Securities**

Series F8 Securities are designed to provide tax efficient cash flow to investors by making monthly distributions. The above provisions in connection with Series F Securities apply equally to Series F8 Securities. If you are no longer eligible to hold Series F8 Securities, they are switched to Series S8 Securities. The minimum initial investment for Series F8 Securities of a Fund is \$5,000.

### **Series O Securities**

Series O Securities of the Funds are only available for purchase by the Fidelity Funds, other funds and accounts managed or advised by Fidelity and to institutional investors who may be individuals or financial institutions who have been approved by us and have entered into a Series O fund purchase agreement with us. Series O investors are typically financial services companies that make large investments in the Fidelity Funds, and that use units of the Fidelity Funds to facilitate offering other products to investors or to provide administrative services to group

plans. The criteria for approval as a Series O investor may include the size of the investment, the expected level of account activity, and the investor's total investments with us. No management and advisory fees are charged to the Funds with respect to the Series O Securities, but the institutional investors who hold these Series O Securities are charged a negotiated management fee for the provision of our services to them. Consequently, investors in Series O Securities may pay, as a percentage of their investment, a management fee that is different from that payable by other investors in Series O Securities. We don't pay any commissions or trailing commissions to *dealers* who sell Series O Securities. There are no sales charges payable by investors who purchase Series O Securities.

Since Series O investors are typically financial services companies, their need for portfolio information may be different from other investors. As a result, we may provide them with portfolio disclosure more frequently than we provide this disclosure to other investors, and the information provided may be more detailed and/or presented in a somewhat different fashion. This information is only provided subject to an agreement limiting the investor's use of the information and prohibiting the investor from disclosing it to any other party.

We don't pay any commissions or trailing commissions to *dealers* who sell Series O Securities of these Funds. These third-party investors are charged a negotiated management fee for the provision of our services to them

### **Series S5 Securities**

Series S5 Securities are available to all investors who purchase under the *initial sales charge* option. Series S5 Securities are designed to provide tax-efficient cash flow to investors by making monthly distributions. The minimum initial investment for Series S5 Securities of a Fund is \$5,000.

### **Series S8 Securities**

Series S8 Securities are available to all investors who purchase under the *initial sales charge* option. Series S8 Securities are designed to provide tax-efficient cash flow to investors by making monthly distributions. The minimum

Specific information about each of the mutual funds described in this document (*continued*)

initial investment for Series S8 Securities of a Fund is \$5,000.

### **Other series information**

Fidelity, in its sole discretion, may waive or change any of the above minimum initial investment amounts at any time. The current minimum initial investment amounts may be obtained on our website at [www.fidelity.ca](http://www.fidelity.ca). For information on buying Securities of the Funds, see the **Purchases, switches and redemptions** section.

For each series of a Fund, excluding Series O, Fidelity pays all of the operating expenses incurred by the Fund for that series (including for services provided by Fidelity and/or its affiliates), except for *Fund Costs*, in exchange for the *Administration Fee* that is paid by the Fund in respect of these series. For Series O, Fidelity pays all of the operating expenses and costs incurred by the Funds in respect of Series O (including for services provided by Fidelity and/or its affiliates), except for certain costs that are paid by the Funds in respect of Series O. See the **Fees and expenses** section for details. The differences in expenses and fees between series mean that each series of a Fund has a different net asset value per Security.

### **3. What does the fund invest in?**

This section tells you the investment objectives and strategies of the Fund.

#### **Investment objectives**

Just like you, each Fund has goals for the money it invests. This section tells you what those goals are. Some Funds seek to earn income, while others seek to increase the value of their investments as much as possible. Still others seek to do both. Each Fund has its distinct investment objectives. You will find details about the kinds of securities the Fund invests in, as well as any special investment focus, such as a particular country or industry.

Each of Fidelity Global Equity Portfolio and Fidelity Global Equity Class Portfolio invests primarily in a number of *underlying funds* or *underlying Pools*. The return of these Funds is not tied to the performance of any one specific *underlying fund*.

We can't change a Fund's investment objectives unless we get approval from a majority of securityholders who vote at a special meeting we call.

#### **Investment strategies**

This section tells you how the portfolio management team tries to achieve the Fund's investment objectives. You will find the portfolio management team's general approach to investing, and how the portfolio management team chooses investments for the Fund.

For Funds that invest in *underlying funds*, this section will focus on the strategies relating to the Fund and *underlying funds*.

Except where exemptive relief has been obtained from the securities regulators (as described below), all of the Funds follow the standard limits, restrictions, and practices set by Canadian securities regulations.

All of the Funds and *underlying funds* managed by Fidelity can hold cash and invest in *fixed income securities*. The Class Fund can engage in *reverse repurchase transactions* and a Trust Fund can engage in *repurchase, reverse repurchase* and *securities lending transactions*, which are described in the section. ***What is a mutual fund and what are the risks of investing in a mutual fund?***

The *underlying funds* managed by Fidelity may also invest a portion of their assets in securities of other mutual funds, as permitted under Canadian securities regulations.

All of the Funds can use *derivatives*. You'll find out how a Fund uses *derivatives* in the Investment strategies section of its Fund profile. For more information about *derivatives*, see ***What is a mutual fund and what are the risks of investing in a mutual fund?***

#### **Regulatory exemptions**

##### **Derivatives**

Certain Funds may use *derivatives*, as indicated in each Fund's profile. *Derivatives*, like options, futures contracts, forward contracts, and swaps, may be used to hedge against losses caused by changes in security prices, interest rates, or exchange rates. These Funds may also use *derivatives* for non-*hedging* purposes, including as a

substitute for a stock, stock market, or other security, or where their use is considered efficient from a portfolio management perspective.

When a Fund uses a *derivative* for *hedging* purposes, it must hold assets, including another *derivative*, that carry a risk that the *derivative* aims to offset. When a Fund uses a *derivative* for non-*hedging* purposes, it must generally hold cash or other assets that are equal to the Fund's market exposure from the *derivative*.

Interest rate swaps and credit default swaps are examples of the types of swaps that certain Funds may use. In an interest rate swap, a right to receive a payment based on a fixed interest rate is swapped for a right to receive a payment based on a floating interest rate. In a credit default swap, a premium is swapped for a right to receive a payment if an issuer of *fixed income securities* fails to make a required payment, or if an event occurs that calls into question the creditworthiness of the issuer.

Subject to certain conditions, Fidelity Funds that use *derivatives* have been granted an exemption by the securities regulators to permit these Funds to use additional assets to cover a Fidelity Fund's market exposure:

- When opening or maintaining a long position in a debt-like security that has a component that is a long position in a forward contract, or in a standardized future or forward contract.
- When entering into or maintaining a swap position.

See each Fund's most recently filed management report of fund performance for information relating to any material use of *derivatives* by a Fund over the applicable reporting period. Also, summary information on a Fund's *derivatives* positions, if any, may be obtained on our website at [www.fidelity.ca](http://www.fidelity.ca).

For more information about *derivative* risk, see ***What is a mutual fund and what are the risks of investing in a mutual fund?***

### ***Precious metals and other commodities***

Certain Fidelity Funds may invest up to 10% of their net assets in commodities pursuant to regulatory relief obtained by the Fidelity Funds. These investments may include the

permitted precious metals of gold, silver, platinum and palladium, precious metal certificates, *Commodity ETFs* on an unlevered basis, or *derivatives* the underlying interest of which are physical commodities. *Commodity ETFs* are *ETFs* that seek to replicate the performance of either one or more physical commodities, or an index that seeks to replicate the performance of such physical commodities.

For more information about commodity risk, see ***What is a mutual fund and what are the risks of investing in a mutual fund?***

### ***Three-tier funds***

The Fidelity Funds have received an exemption to permit them to invest in securities of an *ETF* managed by Fidelity or an affiliate (*Underlying ETF*) that may, at the time of the purchase, hold more than 10% of its net asset value in securities that are not index participation units (*IPUs*) of another *Underlying ETF*.

The Fidelity Funds that are part of a three-tier structure have received an exemption to allow them to invest directly or indirectly in *underlying funds* managed by Fidelity and these *underlying funds* may, in turn, hold directly or indirectly more than 10% of their net assets in securities of other funds that we manage.

### ***Cleared swaps***

The Fidelity Funds that use *derivatives* have received an exemption from the *counterparty* credit rating requirement, the *counterparty* exposure threshold, and the custodial requirements set out in *NI 81-102* in order to permit these Funds to clear certain swaps, such as interest rate and credit default swaps, through futures commission merchants that are subject to U.S. or European clearing requirements. These Funds can also deposit cash and other assets as margin for such swaps provided that certain conditions are satisfied.

For more information on these and other exemptions that have been granted to the Funds, and the applicable conditions, see the Funds' annual information form.

Specific information about each of the mutual funds described in this document (*continued*)

### **Investments in securities issued by substantial securityholders**

The Fidelity Funds have received regulatory approval to invest in debt securities issued by a “substantial securityholder” of a Fidelity Fund. Substantial securityholders are persons or companies that hold voting securities of a Fidelity Fund that represent more than 20% of the voting rights of that Fidelity Fund. Certain conditions must be met, including the approval of the *IRC* of the Fidelity Funds.

### **Rule 144A Securities**

The Fidelity Funds have received regulatory approval to exclude certain *fixed income securities* from certain aspects of the definition of “illiquid assets” as set out in *NI 81-102*. These *fixed income securities* are called Rule 144A Securities because they are exempt from registration requirements under Rule 144A of the (U.S.) *Securities Act of 1933* for resales to “qualified institutional buyers”. In general, a Fund qualifies as a qualified institutional buyer when it has over \$100 million (USD) in net assets. Despite the foregoing restrictions, Fidelity believes that Rule 144A Securities are inherently liquid.

For more information on these and other exemptions that have been granted to the Fidelity Funds, and the applicable conditions, see the Funds’ annual information form.

## **4. What are the risks of investing in the fund?**

This section sets out a risk checklist that tells you all of the risks of the Fund. For a complete description of each risk, see ***What is a mutual fund and what are the risks of investing in a mutual fund?***

## **5. Who should invest in this fund?**

When you’re deciding on a Fund, it’s important to find one that has the same investment goals that you do. This section tells you the kind of investor the Fund may be appropriate for, and how the Fund could fit in your portfolio. It’s meant as a guide only. Your *financial advisor* can help you make the decisions about which Funds best match your goals.

### **Risk classification methodology**

The risk ratings referred to in this section help you decide, along with your *financial advisor*, whether a Fund is right for you. This information is only a guide. The investment risk level indicated for each Fund is required to be determined in accordance with the CSA standardized risk classification methodology, which is based on the historical *volatility* of the Fund as measured by the 10-year annualized *standard deviation* of the returns of the Fund. *Standard deviation* is used to quantify the historical dispersion of returns around the average returns over a recent 10-year period. In this context, it can provide an indication of the amount of variability of returns that occurred relative to the average return over the 10-year measurement period. The higher the *standard deviation* of a Fund, the greater the range of returns it experienced in the past. In general, the greater the range of observed or possible returns, the higher the risk.

For Funds that do not have a 10-year return history, Fidelity calculates the investment risk level of each Fund by using the actual return history of the Fund, and imputing the return history of one or more reference indices for the remainder of the 10-year period. In the case where a Fund invests substantially all of its assets in one or more *underlying funds* that have existed for at least 10 years, Fidelity uses the returns of the *underlying fund(s)* to complete a 10-year return history of the Fund for the purpose of estimating its 10-year *standard deviation*. In the case where a Fund follows a substantially similar investment strategy of another Fidelity Fund that has been in existence for at least 10 years, Fidelity uses the returns of that Fidelity Fund to complete a 10-year return history of the Fund for the purpose of estimating its 10-year *standard deviation*.

Fidelity assigns a risk rating category that is at, or higher than, the applicable rating indicated by the *standard deviation* ranges in the CSA standardized risk classification methodology, as outlined in the table below.

#### **CSA standard deviation ranges and risk ratings**

| <b>Standard deviation range</b> | <b>Risk rating</b> |
|---------------------------------|--------------------|
| 0 to less than 6                | Low                |
| 6 to less than 11               | Low to Medium      |
| 11 to less than 16              | Medium             |

| <b>Standard deviation range</b> | <b>Risk rating</b> |
|---------------------------------|--------------------|
| 16 to less than 20              | Medium to High     |
| 20 or greater                   | High               |

It is important to note that other types of risk, both measurable and non-measurable, may exist. It is also important to note that a Fund's historical *volatility* may not be indicative of its future *volatility*. Fidelity may exercise its discretion and assign a Fund a higher risk classification than indicated by the 10-year annualized *standard deviation* and the prescribed ranges if we believe that the Fund may be subject to other foreseeable risks that the 10-year annualized *standard deviation* does not reflect.

#### **Reference index for each Fund**

For Funds that do not have 10-years of historical returns, the following indices or combinations of indices were used as proxies for Fund returns for periods between the inception of the Fund and ten years prior to the inception of the Fund.

| <b>FUND</b>                             | <b>REFERENCE INDEX OR FIDELITY FUND</b>  |
|---|--|
| Fidelity Global Equity Portfolio        | <ul style="list-style-type: none"> <li>• 60% MSCI All Country World Index ex-Canada</li> <li>• 40% S&amp;P/TSX Capped Composite Index</li> </ul> |
| Fidelity Global Equity Class Portfolio  | <ul style="list-style-type: none"> <li>• 60% MSCI All Country World Index ex-Canada</li> <li>• 40% S&amp;P/TSX Capped Composite Index</li> </ul> |
| Fidelity Total Metaverse Index ETF Fund | <ul style="list-style-type: none"> <li>• NASDAQ Composite Index</li> </ul>   |

#### **Benchmark Definitions**

The **MSCI All Country World Index ex Canada** is an unmanaged, free float-adjusted market capitalization weighted index composed of stocks of companies located in countries throughout the world except Canada. It is designed to measure equity market performance in global developed and emerging markets excluding Canada.

The **S&P/TSX Capped Composite Index** is an index that is made up of the largest and most actively traded companies on the Toronto Stock Exchange, divided into eleven sectors based on the Global Industry Classification

Standard. If a company makes up more than 10% of the value of the index, it is "capped" at 10%.

The **NASDAQ Composite Index** measures all NASDAQ domestic and international based common type stocks listed on The Nasdaq Stock Market. The Index includes over 3,000 securities. The Index is calculated under a market capitalization weighted methodology index.

You can get details of the methodology that we use to identify the risk level of a Fund by calling us at 1-800-263-4077, by sending us an email at [cs.english@fidelity.ca](mailto:cs.english@fidelity.ca) (for assistance in English) or [sc.francais@fidelity.ca](mailto:sc.francais@fidelity.ca) (for assistance in French), or by writing to us at Fidelity Investments Canada ULC, 483 Bay Street, Suite 300, Toronto, Ontario, M5G 2N7.

## **6. Distribution policy**

This section tells you when you can expect to receive payments of net income, capital gains, or returns of capital from the Trust Funds, and payments of ordinary *dividends*, capital gains *dividends*, or return of capital distributions from the Class Fund. We may pay distributions at other times.

Distributions or *dividends* on Securities held in Fidelity registered plans are always reinvested in additional Securities of the same series of the same Fund.

Except as described below, distributions or *dividends* on Securities held in other registered plans or in non-registered accounts are reinvested in additional Securities of the same series of the same Fund unless you tell us in writing that you want to receive them in cash. You won't pay any sales charges on reinvested distributions or *dividends* or on cash distributions or *dividends*. Distributions or *dividends* paid on the redemption of Securities are not reinvested, but are instead paid to you in cash.

Cash distributions or *dividends* can be paid directly to your bank account by way of electronic funds transfer or by cheque. We may charge you a fee of \$25 for each cash distribution or *dividend* you request by cheque.

The *Fidelity Tax-Smart CashFlow™ Series* make monthly return of capital distributions on the last business day of each month.

## Specific information about each of the mutual funds described in this document (*continued*)

The monthly distributions on the *Fidelity Tax-Smart CashFlow™* Series (as indicated in the relevant Fund profile) are paid in cash unless you tell us in writing that you want them to be reinvested in additional Securities of the same series of the Fund.

You can customize your *Fidelity Tax-Smart CashFlow™* Series monthly distributions to select the portion that you wish to be paid in cash (between 0-100%) with the amount remaining to be reinvested in: (i) additional Securities of the same series of the Fund, and (ii) Securities of another Fund. In order to use these options, you will need to provide us with instructions in writing.

The aggregate monthly distributions or *dividends* that are made on Series F5 and S5 Securities each year are expected to be between approximately 4% and 6% of the average net asset value of the applicable series of the Equity Classes over that year, and between approximately 4.5% and 5.5% of the average net asset value of the applicable series of the Asset Allocation and Balanced Fund over that year.

The aggregate monthly distributions or *dividends* that are made on Series F8 and S8 Securities each year are expected to be between approximately 6% and 10% of the average net asset value of the applicable series of the Equity Classes over that year, and between approximately 7.5% and 9% of the average net asset value of the applicable series of the Asset Allocation and Balanced Fund over that year.

A return of capital distribution is not taxable, but reduces the adjusted cost base of your Securities. You should not confuse this cash flow distribution with a Fund's rate of return or yield.

You can find more information about distributions and *dividends* and adjusted cost base in the ***Income tax considerations for investors*** section.

### **7. Fund expenses indirectly borne by investors**

Each series of a Fund is responsible for its own expenses and its proportionate share of common Fund expenses that are not included as part of the *Administration Fee*. While you don't pay these costs directly, they reduce the Fund's return. The hypothetical example in this section helps you

compare the expenses of the Fund to the costs of investing in other Funds. You can find more information about the costs of investing in the Funds in the ***Fees and expenses*** section.

The example shows the expenses you would pay if:

- You invested \$1,000 in the Fund for each period shown and paid the maximum sales charge.
- The Fund's return was 5% each year.
- The Fund paid the same *management expense ratio* or *MER* in all periods as it did in its last financial year.

We have not shown examples of these expenses because the Funds are new and have no historical fund expense information to disclose.

# Fidelity Global Equity Portfolio

## Fund details

|   |  |                                      |        |                              |        |        |
|---|--|--------------------------------------|--------|------------------------------|--------|--------|
| <b>Fund type</b>  | Global equity fund   |                                      |        |                              |        |        |
| <b>Date started</b>   | Series B, F, F5, F8, O, S5 and S8 - April 20, 2022                       |                                      |        |                              |        |        |
| <b>Type of securities</b>                                       | Series B*, F*, F5*, F8*, O*, S5* and S8* units of a mutual fund trust    |                                      |        |                              |        |        |
| <b>Eligibility for registered plans</b>                         | The units are expected to be a qualified investment for registered plans |                                      |        |                              |        |        |
| <b>Management and advisory fee and administration fee</b>       | <b>Series</b>  | <b>Management and advisory fee**</b> |        | <b>Administration fee***</b> |        |        |
|   | B, S5 and S8   | 1.85%                                |        | 0.240%                       |        |        |
|   | F, F5 and F8   | 0.85%                                |        | 0.190%                       |        |        |
| <b>Combined management and administration fee distributions</b> | <b>Tier</b>  | 1                                    | 2      | 3                            | 4      | 5      |
|   | <b>Series B, F, F5, F8, S5 and S8</b>                                    | 0.050%                               | 0.100% | 0.150%                       | 0.200% | 0.250% |

\*This series can also be bought in U.S. dollars.

\*\*With respect to the Portfolio's investments in *underlying funds* managed by Fidelity, we adjust the management fees payable by the Portfolio to ensure that the total annual fees paid directly and indirectly to us by the Portfolio do not exceed the annual management fee set out above.

\*\*\*This is the *Administration Fee* if the Portfolio has less than \$100 million in net assets. If the Portfolio has between \$100 million and \$1 billion in net assets, the *Administration Fee* on each series is reduced by 0.01%. If the Portfolio has over \$1 billion in net assets, there is a further 0.01% reduction.

## What does the fund invest in?

### Investment objectives

The Portfolio aims to achieve long-term capital growth.

It invests primarily in *underlying funds* that generally invest in global equity securities. These *underlying funds* can invest in global equity securities either directly or indirectly through investments in other *underlying funds*.

We can't change the Portfolio's investment objectives unless we get approval from a majority of unitholders who vote at a special meeting we call.

### Investment strategies

To meet the Portfolio's objectives, the portfolio management team:

- Uses an *asset allocation* strategy, and invests primarily in *underlying funds*, including other Fidelity Funds and *ETFs*.
- Invests in *underlying funds* that invest in any kind of equity securities.
- Invests in *underlying funds*, each of which may, in turn, invest more than 10% of its net assets in other *underlying funds* managed by Fidelity. We call these other funds *third-tier funds* for the Fund.
- May change the *underlying funds* invested in, or the percentage of the Portfolio's assets invested in a particular *underlying fund*, at any time. The portfolio management team of the *underlying funds* may change the percentage of assets invested in a particular *third-tier fund* at any time.

The Portfolio may also:

- Invest in other types of securities.
- Hold cash.

In accordance with the limits, restrictions and requirements under applicable law, or as permitted under the terms of exemptive relief obtained from the Canadian securities regulators and described in ***Specific information about each of the mutual funds described in this document***, the Portfolio, the *underlying funds* or any *third-tier fund* may:

- Engage in *securities lending*, *repurchase* and *reverse repurchase transactions*.
- Use *derivatives* for *hedging* and *non-hedging* purposes.
- Invest in precious metals and other physical commodities through *Commodity ETFs* and/or *derivatives*.

The Portfolio may hedge some or all of its foreign currency exposure. The portfolio management team makes this decision as part of the implementation of the overall investment strategy of the Portfolio based on a number of factors, including its view of the relative investment merits of the particular foreign currency versus the Canadian dollar. The Portfolio's exposure to foreign currency varies based on the extent of its foreign currency denominated

Fidelity Global Equity Portfolio (continued)

investments, as well as the extent to which the portfolio management team decides to hedge the Portfolio's currency exposure. The Portfolio's foreign currency exposure may change at any time, and without notice.

Portfolio management responsibility is at the level of:

- The *underlying fund* regarding the selection of any *third-tier funds* and other assets held by the *underlying fund*.
- Any *third-tier fund* regarding the selection of the assets held by the *third-tier fund*.

The Portfolio, the *underlying funds* or any *third-tier fund* may depart from their investment objectives or strategies by temporarily investing all or a portion of their assets in cash or *fixed income securities* issued or guaranteed by a Canadian or U.S. government, government agency or company. The portfolio management team may take this action to seek protection during a market downturn, or for other reasons.

The portfolio management team of the Portfolio, the *underlying funds* or any *third-tier fund* may actively trade their investments. This can increase trading costs, which lowers returns. It also increases the possibility that you receive capital gains distributions, which are taxable if you hold the Portfolio in a non-registered account.

What are the risks of investing in the fund?

While the aim of employing these strategies is to help achieve the objectives of the Portfolio, the strategies also include risks that could result in losses. The checklist below shows you the risks that apply to the Portfolio. The risks without a bullet in either column are low or not a risk for the Portfolio. You'll find a complete description of each risk in ***What is a mutual fund and what are the risks of investing in a mutual fund?***

Risk checklist

|  | Main risk | Additional risk |
|--|-----------|-----------------|
| Alternative mutual fund                                |           |                 |
| Asset-backed securities and mortgage-backed securities |           |                 |

|  | Main risk | Additional risk |
|--|-----------|-----------------|
| Borrowing                                  |           |                 |
| Calculation and termination of the indices |           |                 |
| Cease trading and halted trading of units  |           |                 |
| Cease trading of constituent securities    |           |                 |
| Class and series                           |           | ●               |
| Commodity                                  |           | ●               |
| Concentration                              |           |                 |
| Credit                                     |           |                 |
| Cryptocurrency ETF                         |           |                 |
| Currency                                   | ●         |                 |
| Cyber security                             |           | ●               |
| Derivative                                 |           | ●               |
| Equity                                     | ●         |                 |
| ETF  |           | ●               |
| Foreign investment                         | ●         |                 |
| Income tax                                 |           | ●               |
| Index investment strategy                  |           |                 |
| Interest rate                              |           |                 |
| Large transaction                          |           | ●               |
| Liquidity                                  |           | ●               |
| Metaverse                                  |           |                 |
| Portfolio management                       |           | ●               |
| Quantitative model/techniques              |           |                 |
| Rebalancing and subscriptions              |           |                 |
| Repurchase transactions                    |           | ●               |
| Reverse repurchase transactions            |           | ●               |
| Sampling methodology                       |           |                 |
| Securities lending transactions            |           | ●               |
| Short selling                              |           |                 |
| Small company                              |           | ●               |
| Specialization                             |           | ●               |
| Tracking error                             |           |                 |

## Who should invest in this fund?

You might want to consider the Portfolio if you plan to hold your investment for the medium- to long-term, want to gain exposure to global equity *securities*, want the convenience of a diversified portfolio in a single fund and can handle the *volatility* of returns generally associated with equity investments. The Portfolio is not an appropriate investment if you have a short-term investment horizon.

To invest in the Portfolio, you should be able to accept a medium level of risk. For more information on how a fund's risk level is determined, see ***Specific information about each of the mutual funds described in this document.***

## Distribution policy

The Portfolio generally distributes any net income and capital gains in December of each year, and may pay distributions at other times during the year.

Distributions on units held in Fidelity registered plans are always reinvested in additional units of the Portfolio. Distributions on units held in other registered plans or in non-registered accounts are reinvested in additional units of the Portfolio unless you tell us in writing that you want to receive them in cash. However, the monthly distributions on the *Fidelity Tax-Smart CashFlow™ Series* are paid in cash unless you tell us in writing that you want them to be reinvested in additional units of the Portfolio or another Fund or Portfolio.

For other options that may be available to you, see ***Specific information about each of the mutual funds described in this document.***

## Fund expenses indirectly borne by investors

This information has not been provided because the Fund is new, and has no historical fund expense information.

# Fidelity Global Equity Class Portfolio

## Class details

|   |  |                                      |        |                              |        |        |
|---|--|--------------------------------------|--------|------------------------------|--------|--------|
| <b>Fund type</b>  | Global equity fund   |                                      |        |                              |        |        |
| <b>Date started</b>                                       | Series B, F, F5, F8, S5 and S8 – April 20, 2022  |                                      |        |                              |        |        |
| <b>Type of securities</b>                                 | Series B*, F*, F5*, F8*, S5* and S8*, shares of a class of a mutual fund corporation                   |                                      |        |                              |        |        |
| <b>Eligibility for registered plans</b>                   | Qualified investment for registered plans (please see section <i>Who should invest in this fund?</i> ) |                                      |        |                              |        |        |
| <b>Management and advisory fee and administration fee</b> | <b>Series</b>  | <b>Management and advisory fee**</b> |        | <b>Administration fee***</b> |        |        |
|   | B, S5 and S8   | 1.85%                                |        | 0.240%                       |        |        |
|   | F, F5 and F8   | 0.85%                                |        | 0.190%                       |        |        |
| <b>Combined management and administration fee rebates</b> | <b>Tier</b>  | 1                                    | 2      | 3                            | 4      | 5      |
|   | <b>Series B, F, F5, F8, S5 and S8</b>  | 0.050%                               | 0.100% | 0.150%                       | 0.200% | 0.250% |

\*This series can also be bought in U.S. dollars.

\*\*With respect to the Portfolio's investments in *underlying funds* managed by Fidelity, we adjust the management fees payable by the Portfolio to ensure that the total annual fees paid directly and indirectly to us by the Portfolio do not exceed the annual management fee set out above.

\*\*\*This is the *Administration Fee* if the Portfolio has less than \$100 million in net assets. If the Portfolio has between \$100 million and \$1 billion in net assets, the *Administration Fee* on each series is reduced by 0.01%. If the Portfolio has over \$1 billion in net assets, there is a further 0.01% reduction.

## What does the fund invest in?

### Investment objectives

The Portfolio aims to achieve long-term capital growth.

It invests primarily in *underlying funds* that generally invest in global equity securities. These *underlying funds* can invest in global equity securities either directly or indirectly through investments in other *underlying funds*.

We can't change the Portfolio's investment objectives unless we get approval from a majority of shareholders who vote at a special meeting we call.

### Investment strategies

To meet the Portfolio's objectives, the portfolio management team:

- Uses an *asset allocation* strategy, and invests primarily in *underlying funds*, including other Fidelity Funds and *ETFs*.
- Invests in *underlying funds* that invest in any kind of equity securities.
- Invests in *underlying funds*, each of which may, in turn, invest more than 10% of its net assets in other *underlying funds* managed by Fidelity. We call these other funds *third-tier funds* for the Fund.
- May change the *underlying funds* invested in, or the percentage of the Portfolio's assets invested in a particular *underlying fund*, at any time. The portfolio management team of the *underlying funds* may change the percentage of assets invested in a particular *third-tier fund* at any time.

The Portfolio may also:

- Invest in other types of securities.
- Hold cash.

In accordance with the limits, restrictions and requirements under applicable law, or as permitted under the terms of exemptive relief obtained from the Canadian securities regulators and described in ***Specific information about each of the mutual funds described in this document***, the Portfolio, the *underlying funds* or any *third-tier fund* may:

- Engage in *securities lending*, *repurchase* and *reverse repurchase transactions*.
- Use *derivatives* for *hedging* and non-*hedging* purposes.
- Invest in precious metals and other physical commodities through *Commodity ETFs* and/or *derivatives*.

The Portfolio may hedge some or all of its foreign currency exposure. The portfolio management team makes this decision as part of the implementation of the overall investment strategy of the Portfolio based on a number of factors, including its view of the relative investment merits of the particular foreign currency versus the Canadian dollar. The Portfolio's exposure to foreign currency varies based on the extent of its foreign currency denominated

investments, as well as the extent to which the portfolio management team decides to hedge the Portfolio's currency exposure. The Portfolio's foreign currency exposure may change at any time, and without notice.

Portfolio management responsibility is at the level of:

- The *underlying fund* regarding the selection of any *third-tier funds* and other assets held by the *underlying fund*.
- Any *third-tier fund* regarding the selection of the assets held by the *third-tier fund*.

The Portfolio, the *underlying funds* or any *third-tier fund* may depart from their investment objectives or strategies by temporarily investing all or a portion of their assets in cash or *fixed income securities* issued or guaranteed by a Canadian or U.S. government, government agency or company. The portfolio management team may take this action to seek protection during a market downturn, or for other reasons.

The portfolio management team of the Portfolio, the *underlying funds* or any *third-tier fund* may actively trade their investments. This can increase trading costs, which lowers returns. It also increases the possibility that you receive capital gains *dividends*, which are taxable if you hold the Portfolio in a non-registered account.

## What are the risks of investing in the fund?

While the aim of employing these strategies is to help achieve the objectives of the Portfolio, the strategies also include risks that could result in losses. The checklist below shows you the risks that apply to the Portfolio. The risks without a bullet in either column are low or not a risk for the Portfolio. You'll find a complete description of each risk in ***What is a mutual fund and what are the risks of investing in a mutual fund?***

### Risk Checklist

|  | Main risk | Additional risk |
|--|-----------|-----------------|
| Alternative mutual fund                                |           |                 |
| Asset-backed securities and mortgage-backed securities |           |                 |

|  | Main risk | Additional risk |
|--|-----------|-----------------|
| Borrowing                                  |           |                 |
| Calculation and termination of the indices |           |                 |
| Cease trading and halted trading of units  |           |                 |
| Cease trading of constituent securities    |           |                 |
| Class and series                           |           | ●               |
| Commodity                                  |           | ●               |
| Concentration                              |           |                 |
| Credit                                     |           |                 |
| <i>Cryptocurrency ETF</i>                  |           |                 |
| Currency                                   | ●         |                 |
| Cyber security                             |           | ●               |
| Derivative                                 |           | ●               |
| Equity                                     | ●         |                 |
| <i>ETF</i>                                 |           | ●               |
| Foreign investment                         | ●         |                 |
| Income tax                                 |           | ●               |
| Index investment strategy                  |           |                 |
| Interest rate                              |           |                 |
| Large transaction                          |           | ●               |
| Liquidity                                  |           | ●               |
| <i>Metaverse</i>                           |           |                 |
| Portfolio management                       |           | ●               |
| Quantitative model/techniques              |           |                 |
| Rebalancing and subscriptions              |           |                 |
| Repurchase transactions                    |           | ●               |
| Reverse repurchase transactions            |           | ●               |
| Sampling methodology                       |           |                 |
| Securities lending transactions            |           | ●               |
| Short selling                              |           |                 |
| Small company                              |           | ●               |
| Specialization                             |           | ●               |
| Tracking error                             |           |                 |

## Fidelity Global Equity Class Portfolio (*continued*)

### Who should invest in this fund?

You might want to consider the Portfolio if you plan to hold your investment for the medium- to long-term, want to gain exposure to global equity *securities*, want the convenience of a diversified portfolio in a single fund and can handle the *volatility* of returns generally associated with equity investments. The Portfolio is not an appropriate investment if you have a short-term investment horizon.

The Portfolio is not recommended for registered plans. Registered plan investors should consider Fidelity Global Equity Portfolio.

To invest in the Portfolio, you should be able to accept a medium level of risk. For more information on how a fund's risk level is determined, see ***Specific information about each of the mutual funds described in this document.***

### Distribution policy

The Corporation pays any ordinary *dividends* in May and capital gains *dividends* in January of each year and may distribute at other times during the year.

*Dividends* on shares held in Fidelity registered plans are always reinvested in additional shares of the Portfolio. Subject to the automatic reinvestment of *dividends*, *dividends* on shares held in other registered plans or in non-registered accounts are reinvested in additional shares of the Portfolio unless you tell us in writing that you want to receive them in cash. However, the monthly distributions on the *Fidelity Tax-Smart CashFlow™ Series* are paid in cash unless you tell us in writing that you want them to be reinvested in additional shares of the Portfolio or another Fund or Portfolio.

For other options that may be available to you, see ***Specific information about each of the mutual funds described in this document.***

### Fund expenses indirectly borne by investors

This information has not been provided because the Fund is new, and has no historical fund expense information.

# Fidelity Total Metaverse Index ETF Fund

## Fund details

|   |  |                                     |                             |
|---|--|-------------------------------------|-----------------------------|
| <b>Fund type</b>  | Global equity fund   |                                     |                             |
| <b>Date started</b>                                       | Series B, F and O - April 20, 2022                                       |                                     |                             |
| <b>Type of securities</b>                                 | Series B, F and O units of a mutual fund trust                           |                                     |                             |
| <b>Eligibility for registered plans</b>                   | The units are expected to be a qualified investment for registered plans |                                     |                             |
| <b>Management and advisory fee and administration fee</b> | <b>Series</b>  | <b>Management and advisory fee*</b> | <b>Administration fee**</b> |
|   | B  | 1.50%                               | 0.180%                      |
|   | F  | 0.50%                               | 0.160%                      |

\*With respect to the Fund's investments in *underlying funds* managed by Fidelity, we adjust the management fees payable by the Fund to ensure that the total annual fees paid directly and indirectly to us by the Fund do not exceed the annual management fee set out above.

\*\*This is the *Administration Fee* if the Fund has less than \$100 million in net assets. If the Fund has between \$100 million and \$1 billion in net assets, the *Administration Fee* on each series is reduced by 0.01%. If the Fund has over \$1 billion in net assets, there is a further 0.01% reduction.

- Normally invests its assets in the securities that make up the Fidelity Canada Total Metaverse Index (the “**Index**”).
- In the alternative, the *underlying fund* may use a sampling methodology to invest in a broadly diversified collection of securities that, in the aggregate, approximates the Index in terms of key characteristics by taking into account such factors as thematic relevancy, capitalization, industry exposure, fundamental characteristics, liquidity and the effect of foreign taxes.

Fidelity Total Metaverse Index ETF invests in equity securities of issuers from around the world based on certain thematic relevancy scores that are used to assess a company's relevance to a specific theme. Thematic relevancy scores are based on identification of relevant business activities as well as natural language processing (“**NLP**”), which is used as a method of identifying relevant issuers for thematic investing by using keywords based on relevant business activities to analyze an issuer's documents using artificial intelligence.

With respect to the *metaverse* theme, relevant business activities include computing hardware/components, digital infrastructure, virtual worlds, content software and services and smart phone and wearable technology. With respect to the digital payments and cryptocurrency theme, relevant business activities include digital payment solutions, cryptocurrency mining, cryptocurrency trading platforms and services, and other blockchain technologies.

In addition to these thematic factors, there are many general factors that can impact the market price of an equity security. These factors include specific developments relating to the company that issued the securities, conditions in the market where the securities are traded, and general economic, financial and political conditions in the country or countries where the company operates. The value of equity securities generally tends to change more frequently and varies more widely than the value of *fixed income securities*.

The Index is designed to reflect the performance of a global universe of companies that develop, manufacture, distribute, sell products and/or services related to

## What does the fund invest in?

### Investment objectives

The Fund seeks a similar return to its *underlying fund*, which is also managed by Fidelity, by investing substantially all of its assets in securities of that *underlying fund*. The *underlying fund* seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the Fidelity Canada Total Metaverse Index. The *underlying fund* invests primarily in equity securities of issuers from around the world that develop, manufacture, distribute and sell products and/or services related to establishing and enabling the *metaverse*, including digital payment processing and cryptocurrency-related industries, which aim to support the digital economy of the *metaverse*.

We can't change the Fund's investment objectives unless we get approval from a majority of unitholders who vote at a special meeting we call.

### Investment strategies

The strategies described below relate to the Fund and the *underlying fund*, Fidelity Total Metaverse Index ETF.

To meet the Fund's objectives, the portfolio management team of the *underlying fund*:

## Fidelity Total Metaverse Index ETF Fund (*continued*)

establishing and enabling the *metaverse*, including digital payment processing and cryptocurrency-related industries, which aim to support the digital economy of the *metaverse*.

The Index represents an example of what is commonly referred to as a thematic investment methodology. Thematic investing involves constructing a portfolio of issuers that are related to a potential long-term trend or theme. Passive thematic investing products employ specific inclusion criteria and portfolio construction rules to inform security selection.

Securities are identified for inclusion in the Index based on their thematic relevancy score, a proprietary measure developed by the index provider, which is based on three factors: (1) total revenue of the issuer tied to “relevant business activities”; (2) percentage of total revenue of the issuer tied to “relevant business activities”; and (3) the issuer’s NLP score. NLP is a subfield of artificial intelligence which enables computers to process and analyze large amounts of natural language data. Relevant theme-related keywords are identified and searched across documents (e.g. earning call transcripts) using a natural language processing algorithm. The outputs of this process are company level scores - generally companies with more keyword hits will receive higher scores than those with less.

“Relevant business activities” are business activities in the areas of computing hardware/components, digital infrastructure, virtual worlds, content software and service, and smartphone and wearable technologies, or business activities in digital payment solutions, cryptocurrency mining, cryptocurrency trading platforms and services, and other blockchain technologies. Securities must meet liquidity and investability criteria set by the index provider. Securities of issuers engaged in *metaverse* related business activities must also meet a quality screen. Securities included in the Index must be traded on a stock exchange located anywhere in the world.

Index construction begins by applying the non-proprietary screens noted above and then ranking the remaining issuers by their thematic relevancy score. The approximately top 50 ranked securities of issuers that engage in the digital payments and cryptocurrency industries and the approximately top 50 ranked securities

with *metaverse* connections other than digital payments and cryptocurrency industries are then selected for inclusion in the Index. The Index is weighted so that the exposure to digital payments and cryptocurrency industry-related securities is limited to approximately 15%. The Index seeks to include 100 securities, but the final constituent count may be more or less than the applicable target. Individual weightings in the Index are based on adjusted market capitalization, percentage of the issuer’s revenue from relevant business activities, and additional liquidity constraints. There is generally a 4.5% weight cap on individual securities, although the redistribution process may cause some securities to exceed that limit.

The Index is rebalanced on a quarterly basis on the 3rd Friday of March, June, September and December as at the close of business on the day that is 10 business days prior to the scheduled rebalance.

The index provider’s website, at <https://research2.fidelity.com/pi/FidelityIndex/RebalanceSchedules>, provides more detailed information on the methodology of the Index.

The Fund may also hold cash. If the Fund is holding excess cash, the portfolio management team for the Fund may purchase securities that make up or approximate the Index or use short-term *derivatives* to track the Index until such excess cash can be invested in securities of the *underlying fund*.

In accordance with the limits, restrictions and requirements under applicable law, or as permitted under the terms of exemptive relief obtained from the Canadian securities regulators and described in ***Specific information about each of the mutual funds described in this document***, the Fund and the *underlying fund*, as applicable, may:

- Engage in securities lending, *repurchase* and *reverse repurchase transactions*.
- Use *derivatives* for *hedging* and non-*hedging* purposes.
- Invest in securities of *underlying funds* that are selected in accordance with the Fund’s investment strategies.

Additional information about Fidelity Total Metaverse Index ETF is set out in its prospectus. You can get copies by contacting us or by asking your *financial advisor*.

## What are the risks of investing in the fund?

While the aim of employing these strategies is to help achieve the objectives of the Fund, the strategies also include risks that could result in losses. The checklist below shows you the risks that apply to the Fund. The risks without a bullet in either column are low or not a risk for the Fund. You'll find a complete description of each risk in ***What is a mutual fund and what are the risks of investing in a mutual fund?***

### Risk checklist

|  | Main risk | Additional risk |
|--|-----------|-----------------|
| Alternative mutual fund                                |           |                 |
| Asset-backed securities and mortgage-backed securities |           |                 |
| Borrowing  |           | ●               |
| Calculation and termination of the indices             | ●         |                 |
| Cease trading and halted trading of units              |           | ●               |
| Cease trading of constituent securities                |           | ●               |
| Class and series                                       |           | ●               |
| Commodity  |           |                 |
| Concentration  |           | ●               |
| Credit   |           |                 |
| Cryptocurrency ETF                                     |           | ●               |
| Currency   | ●         |                 |
| Cyber security   |           | ●               |
| Derivative   |           | ●               |
| Equity   | ●         |                 |
| ETF  | ●         |                 |
| Foreign investment                                     | ●         |                 |
| Income tax   |           | ●               |
| Index investment strategy                              | ●         |                 |
| Interest rate  |           |                 |
| Large transaction                                      |           | ●               |

|                                 | Main risk | Additional risk |
|---------------------------------|-----------|-----------------|
| Liquidity                       |           | ●               |
| Metaverse                       | ●         |                 |
| Portfolio management            |           |                 |
| Quantitative model/techniques   |           |                 |
| Rebalancing and subscriptions   |           | ●               |
| Repurchase transactions         |           | ●               |
| Reverse repurchase transactions |           | ●               |
| Sampling methodology            |           | ●               |
| Securities lending transactions |           | ●               |
| Short selling                   |           |                 |
| Small company                   |           | ●               |
| Specialization                  | ●         |                 |
| Tracking error                  | ●         |                 |

## Who should invest in this fund?

You might want to consider the Fund if you plan to hold your investment for the medium- to long-term, want to gain exposure to global equity securities of issuers that develop, manufacture, distribute and sell products and/or services related to establishing and enabling the *metaverse* or which aim to support the digital economy of the *metaverse*, and can handle the *volatility* of returns generally associated with equity investments. The Fund is not an appropriate investment if you have a short-term investment horizon.

To invest in the Fund, you should be able to accept a high level of risk. For more information on how a fund's risk level is determined, see ***Specific information about each of the mutual funds described in this document.***

## Distribution policy

The Fund generally distributes any net income and capital gains in December of each year, and may pay distributions at other times during the year.

Distributions on units held in Fidelity registered plans are always reinvested in additional units of the Fund. Distributions on units held in other registered plans or in non-registered accounts are reinvested in additional units of

## Fidelity Total Metaverse Index ETF Fund *(continued)*

the Fund unless you tell us in writing that you want to receive them in cash.

For other options that may be available to you, see ***Specific information about each of the mutual funds described in this document.***

### Fund expenses indirectly borne by investors

This information has not been provided because the Fund is new, and has no historical fund expense information.

# Glossary

**Administration Fee** is a fixed rate administration fee that is paid by all of the Funds. For each series of the Funds, except Series O, Fidelity pays all of the operating costs (including for services provided by Fidelity and/or its affiliates), except for *Fund Costs*, in exchange for the Administration Fee. Series O Securities are only charged *Fund Costs*.

**AIS** is the *PFIC* annual information statement.

**asset allocation** refers to investing in different types of investments and/or asset classes.

**China A-Shares** means those securities that are listed and traded on the Shanghai Stock Exchange or Shenzhen Stock Exchange through *Stock Connect* programs.

**Commodity ETFs** are *ETFs* that seek to replicate the performance of one or more physical commodities, or of an index that tracks such performance, on an unleveraged basis.

**constituent securities** are, in relation to a particular index, the specific class or series of securities of the issuers included in that index, and may include American depositary receipts, global depositary receipts, and other negotiable financial instruments that represent such securities.

**counterparty** is the other party to a *derivatives* contract.

**CRA** is the Canada Revenue Agency.

**CRS** refers to the Organization for Economic Co-operation and Development's (OECD) Common Reporting Standard as implemented by Part XIX of the *Tax Act*.

**CSA** means the Canadian Securities Administrators.

**dealer** is the company or partnership that employs your *financial advisor*.

**derivative** is an investment that bases its value on how well another kind of investment, like a stock, bond, currency, or market index, is doing. Derivatives usually take the form of a contract with another party to buy or sell an asset at a later time. Funds that invest in derivatives are in a position to make or lose money based on changes in the underlying interest, such as interest rates, securities prices, or currency exchange rates.

**developed market** is a country that is most developed in terms of its economy and capital markets. The country must be high income, but this also includes openness to foreign ownership, ease of capital movement, and efficiency of market institutions. This term is contrasted with developing market (emerging markets and frontier markets are types of developing markets).

**diversification** means owning several different investments at once.

**dividends** are the portion of any profit a company earns that are paid to you when you invest in equity securities of that company.

**ETF** is an exchange-traded fund.

**fair value pricing** is the method used to determine value if the price is not a true reflection of the value of the security.

**FATCA** refers to the Foreign Account Tax Compliance Act as implemented in Canada by the Canada-United States Enhanced Tax Information Exchange Agreement and Part XVIII of the *Tax Act*.

**fee distribution** is a special distribution that the Fund makes to investors. We reduce the fees we charge, and the fee distribution equal is to such amount. The fee distribution is paid first out of net income and net realized capital gains allocable to the applicable series of the Fund, and then out of the capital of the Fund. Fee distributions are automatically reinvested in additional units of the relevant series of the Fund, and are not paid to investors in cash.

**fee rebate** is a special distribution that Fidelity makes to investors. We reduce the fees we would otherwise charge, and the fee rebate is equal to such amount. Fee rebates are automatically reinvested in additional shares of the relevant series of the Fund, and are not paid to investors in cash.

**Fidelity Preferred Program** The program is available to Series B, S5, S8, F, F5 and F8 securityholders who qualify for automatic fee distributions or *fee rebates* based on their total eligible investments in Fidelity Funds. The program offers declining combined management and advisory fees and *Administration Fees* based on a tiered structure through the use of automatic *fee distributions* and *fee rebates*. The tier for which you are eligible is based on your

## Glossary (continued)

total investments in Fidelity Funds. Currently, you may be eligible for the program if your holdings in Fidelity Funds exceed \$250,000 for an individual or \$500,000 for a *Fidelity Preferred Program* financial group.

**Fidelity Tax-Smart CashFlow™ Series** refers to Series S5 and S8 Securities of the Funds collectively.

**financial advisor** is the individual with whom you consult for investment advice.

**fixed income securities** are the obligations of an issuer to repay a sum of money, usually with interest.

**fourth-tier funds** are funds in which the *third-tier funds* may invest, including *ETFs* managed by third parties or other Fidelity entities and other funds managed by Fidelity.

**Fund Costs** are certain costs that are not included in the *Administration Fee*. Each series is responsible for its proportionate share of common fund costs. For series O *Fund Costs*, see Series O fees.

**Gold/Silver ETFs** are *ETFs* that seek to replicate the performance of gold, silver, or both, on a leveraged basis.

**hedging** is when mutual funds use derivatives to help offset losses that other investments might suffer because of changes in stock prices, commodity prices, interest rates, or currency exchange rates.

**high yield securities** are higher yielding, lower quality *fixed income securities*. *Fixed income securities* of lower quality have lower credit ratings. For example, bonds rated below BBB- by Standard & Poor's are considered high yield bonds.

**IRC** is the independent review committee, which is the fund governance agency for the Fidelity Funds, as contemplated by *NI 81-107*.

**initial sales charge** is the percentage of the purchase price you pay when you buy certain series of mutual fund Securities.

**LAP financial group** is accounts held by related persons living at the same address, and includes accounts in the names of companies for which one or more members of the LAP financial group are beneficial owners of greater than 50% of the voting equity.

**Large Account Program** or **LAP** is a program we offer to large investors. Under this program, our decision to reduce the typical fees depends on a number of factors, including the size of the investment and the investor's total investments with us. We currently only consider an investor a "large investor" if the holdings with Fidelity are a minimum of \$250,000 individually, or \$500,000 for a *LAP financial group*.

**liquid** means that you can redeem your Securities at almost any time and get your money when you need it, even though you may get less than you invested. Unlike some other kinds of investments, mutual funds are liquid.

**management expense ratio** or **MER** is the management fee and certain operating expenses divided by the mutual fund's average net asset value for the year.

**market capitalization** is a measure of the size of a company. It's calculated by multiplying the current share price by the number of outstanding common shares of the company.

**material ESG factors** means environmental, social and governance factors that are considered material to an issuer's business and may impact the issuer's financial performance.

**metaverse** is a term that describes a future state of the internet characterized by a network of both augmented reality and virtual worlds that can be experienced persistently and in a shared environment by large numbers of users.

**money market instrument** is an investment that the government or company agrees to pay back within a year or less. Examples are short-term bonds and government treasury bills.

**NI 81-102** is National Instrument 81-102 *Investment Funds*.

**NI 81-107** is National Instrument 81-107 *Independent Review Committee for Investment Funds*.

**PFIC** is the Passive Foreign Investment Company rules.

**QEF** is a Qualified Electing Fund.

**REITs** are real estate investment trusts.

**repurchase transaction** is where a mutual fund sells a security to another party for cash and agrees to buy the same security back from the same party for cash.

**reverse repurchase transaction** is when a mutual fund buys a security at one price from a party and agrees to sell the same security back to the same party at a higher price later on.

**risk tolerance** is the amount of risk you are willing to take with your investment.

**Sales Tax** is harmonized sales tax and other applicable taxes that the management and advisory fees, *administration fees* and most of the *Fund Costs* are subject to.

**securities lending transaction** is similar to a *repurchase transaction*, except that instead of selling the security and agreeing to buy it back later, the mutual fund loans the security and can demand the return of the security at any time.

**standard deviation** is one of the most widely accepted ways to quantify the *volatility* of investment returns.

**Stock Connect** means the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect programs, which are securities trading and clearing linked programs that allow international investors to trade *China A-Shares* listed on the Shanghai Stock Exchange or Shenzhen Stock Exchange.

**Tax Act** is the *Income Tax Act* (Canada) and the regulations issued thereunder, as the same may be amended from time to time.

**third-tier funds** are funds in which the *underlying funds* may invest, including *ETFs* managed by third parties or other Fidelity entities and other funds managed by Fidelity.

**underlying funds** are funds in which the Funds may invest, including *ETFs* managed by Fidelity, other Fidelity entities or third parties and other funds managed by Fidelity.

**volatility** is swings in the prices of investments. Higher-risk investments, such as stocks and *high yield securities*, are likely to have changes in their prices from day to day. And some may have bigger changes than others.

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Fidelity Investments Canada ULC, 483 Bay Street, Suite 300, Toronto, Ontario M5G 2N7

