

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.



PROSPECTUS

Initial Public Offering and Continuous Distribution

January 9, 2025

FIDELITY CORE U.S. BOND ETF (FCUB/FCUB.U)

This prospectus qualifies the distribution of series L units (the “**Units**”) of Fidelity Core U.S. Bond ETF (the “**Fidelity ETF**”).

The Fidelity ETF is an exchange-traded mutual fund established as a trust under the laws of the Province of Ontario.

Investment Objectives

Fidelity Core U.S. Bond ETF aims to provide a steady flow of income with the potential for capital gains. It invests primarily in U.S. fixed income securities, with an emphasis on investment grade fixed income securities. It can invest in these securities either directly or indirectly through investments in underlying investment funds. The Fidelity ETF uses a proprietary quantitative model based on advanced research capabilities in the construction of its portfolio. The Fidelity ETF uses derivatives to try to achieve a desired risk exposure and/or minimize the exposure to currency fluctuations between developed market foreign currencies (such as the U.S. dollar) and the Canadian dollar.

See “**Investment Objectives**”.

Fidelity Investments Canada ULC (the “**Manager**”), a registered portfolio manager and investment fund manager, is the trustee, manager and portfolio manager of the Fidelity ETF and is responsible for the administration of the Fidelity ETF. See “**Organization and Management Details of the Fidelity ETF – Manager of the Fidelity ETF**” and “**Organization and Management Details of the Fidelity ETF – Portfolio Manager**”.

The Manager, as portfolio manager of the Fidelity ETF, has retained Fidelity Management & Research Company LLC to act as sub-advisor to the Fidelity ETF. See “**Organization and Management Details of the Fidelity ETF – Sub-advisor**”.

Listing of Units

The Fidelity ETF issues Units on a continuous basis and there is no maximum number of Units that may be issued.

The Toronto Stock Exchange (the “**TSX**”) has conditionally approved the listing of the Units of the Fidelity ETF. Listing is subject to the Fidelity ETF fulfilling all of the TSX’s listing requirements, including the minimum distribution requirement.

A Unitholder may incur customary brokerage commissions in buying or selling Units. No fees are paid by a Unitholder to the Manager or the Fidelity ETF in connection with the buying or selling of Units on the TSX or another exchange or marketplace. Unitholders may redeem Units in any whole number for cash for a redemption price per Unit of 95% of the closing price for the Units on the TSX on the effective day of the redemption, subject to a maximum redemption price of the applicable NAV per Unit (defined below), or may exchange a minimum of a Prescribed Number of Units (defined below) (and any additional multiple thereof) for, in the discretion of the Manager, securities and cash or only

cash. Unitholders are advised to consult their brokers or investment advisers, and their tax advisers, before redeeming Units for cash. See “**Redemption of Units**”.

Unitholders that hold USD Units (defined below) will be paid any cash redemption proceeds in Canadian dollars. Unitholders are advised to consult their brokers or investment advisers, and their tax advisers, before redeeming Units for cash. See “**Redemption of Units**”.

The Fidelity ETF will issue Units directly to Designated Brokers and Dealers (each defined below).

The base currency of the Fidelity ETF is Canadian dollars. However, the Fidelity ETF offers a U.S. dollar purchase option, which means that it makes its Units available for purchase and sale on the TSX in both Canadian dollars (“**CAD Units**”) and U.S. dollars (“**USD Units**”). The CAD Units trade in Canadian dollars and the USD Units trade in U.S. dollars. The Designated Brokers and Dealers that purchase or redeem Units for cash can purchase and redeem both the CAD Units and the USD Units only in Canadian dollars. No currency hedging is entered into by the Fidelity ETF in respect of USD Units. Purchasing USD Units does not hedge – or protect – against losses caused by changes in the exchange rate between the Canadian and U.S. dollar.

Additional Considerations

No Dealer or Designated Broker has been involved in the preparation of the prospectus or has performed any review of the contents of the prospectus and, as such, the Dealers and the Designated Brokers do not perform many of the usual underwriting activities in connection with the distribution by the Fidelity ETF of its Units under this prospectus.

For a discussion of the risks associated with an investment in Units of the Fidelity ETF, see “**Risk Factors**”.

Registration of interests in, and transfer of, the Units are made only through CDS Clearing and Depository Services Inc. Beneficial owners do not have the right to receive physical certificates evidencing their ownership.

The Fidelity ETF is a mutual fund under the securities legislation of certain provinces and territories of Canada.

The Units are not and will not be registered under the U.S. *Securities Act of 1933*, as amended. Subject to certain exceptions, the Units may not be offered or sold in the U.S. or offered or sold to U.S. persons. The Fidelity ETF is not and will not be registered under, and the Manager is not registered under, the U.S. *Investment Company Act of 1940*, as amended.

Documents Incorporated by Reference

Additional information about the Fidelity ETF is available in the most recently filed ETF Facts, the most recently filed annual financial statements, if any, any interim financial statements filed after those annual financial statements, the most recently filed annual management report of fund performance (“**MRFP**”), if any, and any interim MRFP filed after that annual MRFP. These documents are incorporated by reference into, and legally form an integral part of, this prospectus. These documents are publicly available on the Manager’s designated website at www.fidelity.ca and may be obtained upon request, at no cost, by calling 1-800-263-4077 or by contacting a registered dealer. These documents and other information about the Fidelity ETF are also publicly available at www.sedarplus.ca. See “**Documents Incorporated by Reference**” for further details.

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IMPORTANT TERMS

Unless otherwise indicated, all references to dollar amounts in this prospectus are to Canadian dollars and all references to times in this prospectus are to Toronto time.

ADRs – American depository receipts.

AML Regulation – the statutes, regulations and other laws enacted by the government of the applicable jurisdiction aimed at the prevention and detection of money laundering and terrorist financing activities.

ATR Rule – has the meaning ascribed thereto under “**Risk Factors – Taxation Risk**”.

Basket of Securities – (A) a group of securities selected by the Sub-advisor from time to time that collectively reflect the constituents of, and their weightings in, the portfolio of the Fidelity ETF, or (B) a group of securities selected by the Sub-advisor from time to time.

business day – any day other than a Saturday, Sunday or a statutory holiday in Ontario, Canada.

Canadian securities legislation – the securities legislation in force in each province and territory of Canada, all regulations, rules, orders and policies made thereunder and all multilateral and national instruments adopted by the securities regulatory authorities, as the same may be amended, restated or replaced from time to time.

Capital Gains Designation Limit - has the meaning ascribed thereto under “**Risk Factors – Taxation Risk**”.

Capital Gains Proposals – has the meaning ascribed thereto under “**Income Tax Considerations**”.

Capital Gains Refund – has the meaning ascribed thereto under “**Income Tax Considerations – Taxation of the Fidelity ETF**”.

CDS – CDS Clearing and Depository Services Inc.

CDS Participant – a registered dealer or other financial institution that is a participant in CDS and that holds Units on behalf of beneficial owners of Units.

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

Commodity ETFs – exchange-traded funds that trade on a stock exchange in Canada or the U.S. the securities of which do not qualify as index participation units, as defined in NI 81-102, and that have exposure to one or more physical commodities, including, but not limited to, gold and silver on an unlevered basis.

CRA – the Canada Revenue Agency.

Custodian – State Street Trust Company Canada or its successor.

Custodian Agreement – the master custodial services agreement dated November 16, 2012, between, among others the Fidelity ETF, Fidelity Capital Structure Corp, the Custodian and State Street Bank and Trust Company, as the same may be amended or restated from time to time.

Cut-Off Time – in relation to each issuance or exchange of Units of the Fidelity ETF, the applicable time set out under “**Purchases of Units – Issuance of Units**”.

Dealer – a registered dealer (that may or may not be a Designated Broker) that has entered into a continuous distribution dealer agreement with the Manager, on behalf of one or more Fidelity ETF, and that subscribes for and purchases Units from such Fidelity ETF as described under “**Purchases of Units – Issuance of Units**”.

Declaration of Trust – the amended and restated master declaration of trust establishing, among others, the Fidelity ETF dated August 23, 2024 as the same may be amended or restated from time to time.

Designated Broker – a registered dealer that has entered into a designated broker agreement with the Manager, on behalf of one or more Fidelity ETFs, pursuant to which the Designated Broker agrees to perform certain duties in relation to those Fidelity ETFs.

distribution payment date – a date, which is no later than the tenth business day following the applicable distribution record date, on which the Fidelity ETF pays a distribution to its Unitholders.

distribution record date – a date designated by the Manager as a record date for the determination of Unitholders entitled to receive a distribution from the Fidelity ETF.

ESG – refers to environmental, social and governance.

ETF Facts – a document that summarizes certain features of Units of the Fidelity ETF.

Fidelity - refers to Fidelity Investments Canada ULC.

Fidelity ETF – the exchange-traded fund listed on the front cover page of this prospectus, established as a trust under the laws of the Province of Ontario pursuant to the Declaration of Trust. The **Fidelity ETFs** may (as the context requires) refer to all exchange-traded funds offered by Fidelity under separate prospectuses.

FMR – Fidelity Management & Research Company, LLC.

FMR Sub-advisory Agreement – the sub-advisory agreement dated as of August 28, 2019, between the Portfolio Manager and Fidelity Investments Money Management, Inc., which was assumed by FMR effective January 1, 2020, as the same may be amended or restated from time to time.

Fund Administrator - FSC, or its successor.

GDRs – global depository receipts.

GST/HST – the taxes exigible under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder.

IFRS – International Financial Reporting Standards.

IRC – the Independent Review Committee of, among others, the Fidelity ETF.

Management Agreement – the master management and distribution agreement dated May 4, 2023, between Fidelity Investments Canada ULC, as trustee of, among others, the Fidelity ETF, and the Manager, as the same may be amended or restated from time to time.

Management Fee Distributions – has the meaning ascribed thereto under “**Fees and Expenses Payable by the Fidelity ETF – Management Fee Distributions**”.

Manager – Fidelity Investments Canada ULC, a corporation continued under the laws of the Province of Alberta, or its successor.

MRFP – management report of fund performance, as defined in NI 81-106.

NAV and **NAV per Unit** – in relation to a particular Fidelity ETF, the aggregate net asset value of the Units of the Fidelity ETF and the net asset value per Unit, respectively, calculated by the Fund Administrator as described in “**Calculation of Net Asset Value**”.

NI 81-102 – National Instrument 81-102 – *Investment Funds*, as the same may be amended, restated or replaced from time to time.

NI 81-106 – National Instrument 81-106 – *Investment Fund Continuous Disclosure*, as the same may be amended, restated or replaced from time to time.

NI 81-107 – National Instrument 81-107 – *Independent Review Committee for Investment Funds*, as the same may be amended, restated or replaced from time to time.

Plan Agent – State Street Trust Company Canada or its successor, as the plan agent under the Reinvestment Plan.

Plan Participant – a Unitholder that participates in the Reinvestment Plan.

Plan Units – additional Units acquired in the market by the Plan Agent under the Reinvestment Plan.

Portfolio Manager – Fidelity Investments Canada ULC, a corporation continued under the laws of the Province of Alberta, or its successor.

Prescribed Number of Units – in relation to a particular Fidelity ETF, the number of Units determined by the Manager from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

Registered Plans – trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans (with the ability to accept supplemental grants from a designated provincial program), tax-free savings accounts, deferred profit-sharing plans, registered disability savings plans and first home savings accounts.

Registrar and Transfer Agent – State Street Trust Company Canada or its successor.

Reinvestment Plan – means the distribution reinvestment plan offered by the Manager for the Fidelity ETF.

Securities Lending Agent – State Street Bank and Trust Company or its successor.

Securities Lending Agreement – the agreement between, among others, the Fidelity ETF, the Manager and the Securities Lending Agent, as the same may be amended or restated from time to time.

securities regulatory authorities – the securities commission or similar regulatory authority in each province and territory of Canada that is responsible for administering the Canadian securities legislation in force in such province or territory.

SIFT trust – a specified investment flow-through trust within the meaning of the Tax Act.

Stock Connect - 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.

Sub-advisor – FMR or its successors.

Sub-advisory Agreement – the FMR Sub-advisory Agreement.

Tax Act – the *Income Tax Act* (Canada) and the regulations issued thereunder, as amended from time to time.

Tax Proposals – all specific proposals to amend the Tax Act that have been publicly announced in writing by the Minister of Finance (Canada) prior to the date of this prospectus.

Trading Day – means unless otherwise agreed by the Manager, a day on which (i) a session of the exchange on which the Units of the Fidelity ETF are listed is held; and (ii) if applicable, the primary market or exchange for the securities held by the Fidelity ETF is open for trading.

TSX – the Toronto Stock Exchange.

Underlying Fidelity ETFs – exchange-traded funds managed by Fidelity or an affiliate that are held by one or more other Fidelity ETFs.

Underlying Fidelity Fund – mutual funds managed by Fidelity or an affiliate that are held by one or more Fidelity ETF.

Unit – a redeemable, transferable series L unit of the Fidelity ETF, which represents an equal, undivided interest in that series' proportionate share of the assets of the Fidelity ETF.

Unitholder – a holder of one or more Units of the Fidelity ETF.

Valuation Date – each business day and any other day designated by the Manager on which the NAV and NAV per Unit of the Fidelity ETF is calculated.

Valuation Time – 4:00 p.m. (Toronto time) or such other time that the Manager deems appropriate on each Valuation Date.

PROSPECTUS SUMMARY

The following is a summary of the principal features of the Units of the Fidelity ETF and should be read together with the more detailed information, financial data and financial statements contained elsewhere in this prospectus or incorporated by reference in this prospectus.

Issuers: **Fidelity Core U.S. Bond ETF**

The Fidelity ETF is an exchange-traded mutual fund established as a trust under the laws of Ontario. Fidelity Investments Canada ULC is the trustee, manager and portfolio manager of the Fidelity ETF.

Units: The Fidelity ETF offers series L Units under this prospectus which are Canadian dollar denominated units (the “**Units**”). The Fidelity ETF also offers a U.S. dollar purchase option, which means that its Units are available for purchase and sale on the TSX in both Canadian dollars (“**CAD Units**”) and U.S. dollars (“**USD Units**”). The CAD Units trade in Canadian dollars and the USD Units trade in U.S. dollars. No currency hedging is entered into by the Fidelity ETF in respect of the USD Units. Purchasing USD Units does not hedge - or protect - against losses caused by changes in the exchange rate between the Canadian and U.S. dollar.

Continuous Distribution: Units of the Fidelity ETF are being offered on a continuous basis and there is no maximum number of Units that may be issued.

The TSX has conditionally approved the listing of the Units of the Fidelity ETF. Listing is subject to the Fidelity ETF fulfilling all of the TSX’s listing requirements, including the minimum distribution requirement.

A Unitholder may incur customary brokerage commissions in buying or selling Units. No fees are paid by a Unitholder to the Manager or the Fidelity ETF in connection with the buying or selling of Units on the TSX or another exchange or marketplace, as applicable. Unitholders may trade Units in the same way as other securities listed on the TSX, including by using market orders and limit orders.

The Fidelity ETF will issue Units directly to the Designated Broker and Dealers. The initial issuance of Units of the Fidelity ETF to the Designated Broker will not occur until the relevant Fidelity ETF has received, in aggregate, subscriptions sufficient to satisfy the original listing requirements of the TSX.

See “**Purchases of Units – Issuance of Units**” and “**Purchases of Units – Buying and Selling Units**”.

Investment Objectives: Fidelity Core U.S. Bond ETF aims to provide a steady flow of income with the potential for capital gains. It invests primarily in U.S. fixed income securities, with an emphasis on investment grade fixed income securities. It can invest in these securities either directly or indirectly through investments in underlying investment funds. The Fidelity ETF uses a proprietary quantitative model based on advanced research capabilities in the construction of its portfolio. The Fidelity ETF uses derivatives to try to achieve a desired risk exposure and/or minimize the exposure to currency fluctuations between developed market foreign currencies (such as the U.S. dollar) and the Canadian dollar.

See “**Investment Objectives**”.

Investment Strategies In order to achieve its investment objective, Fidelity Core U.S. Bond ETF invests, either directly or indirectly through investments in underlying investment funds, in a wide variety of U.S. fixed income securities, including investment grade fixed income securities, high yield securities and floating rate debt instruments.

The Sub-advisor uses quantitative techniques to systematically construct a broadly diversified portfolio. Advanced techniques developed through research capabilities are used in evaluating multiple factors to achieve a desired risk exposure or return characteristic for the Fidelity ETF through the model's dynamic weightings to each factor. When buying and selling fixed income securities, the research process that informs portfolio selection considers factors from multiple sources such as financial condition, industry position, economic and market condition (e.g. at the security level), earnings potential, quality of management, the security's features, price compared to estimated long-term value, credit quality of the issuer, current yield, balance sheet strength, financial leverage, liquidity, expected ability to service debt, and any short-term trading opportunities resulting from market inefficiencies. The above factors are combined with quantitative and advanced statistical techniques for portfolio construction. The model also considers current market conditions (e.g., at the macroeconomic level), how the Fidelity ETF is positioned from a security and portfolio-level risk perspective, and trading opportunities.

The Sub-advisor uses a proprietary portfolio construction and multi-layered risk management framework, which evaluates macroeconomic (e.g., interest rates and inflation) and credit considerations, to select a portfolio of U.S. fixed income securities that may have the potential for enhanced returns and has a similar risk profile to the Bloomberg U.S. Aggregate Bond Index (CAD-Hedged).

The Sub-advisor allocates the Fidelity ETF's assets among issuers in different market sectors, industries, asset classes, and maturities, based on its view of the relative value of each sector, industry, asset class, or maturity.

The Fidelity ETF invests primarily in direct securities and underlying investment funds and may use varying combinations of derivatives, including interest rate, total return and credit default swaps, options, futures contracts and currency forward contracts, to achieve a desired risk exposure and potentially generate additional income, in an efficient manner. Derivatives are used by the portfolio management team to manage interest rate and currency exposures, where they may represent a more liquid investment than purchasing bonds directly, or for other reasons.

The Sub-advisor uses forward contracts to hedge as completely as possible against fluctuations caused by changes in exchange rates between developed market foreign currencies and the Canadian dollar. The Fidelity ETF does not generally benefit from an increase in the value of developed market foreign currencies against the Canadian dollar.

The Sub-advisor may use non-traditional or alternative data sources, including credit card data, satellite imagery, foot traffic, and advertisement spending. The Sub-advisor may also use artificial intelligence tools to aggregate and summarize data from data sources.

In certain circumstances and based on factors such as liquidity and market volatility, the Sub-advisor may override the quantitative model's results in the selection of the Fidelity ETF's securities.

See **"Investment Strategies"**.

**Special
Considerations
for Purchasers:**

The provisions of the so-called "early warning" reporting requirements in Canadian securities legislation do not apply if a person or company acquires 10% or more of the Units of the Fidelity ETF. The Fidelity ETF has obtained exemptive relief to permit Unitholders to acquire more than 20% of the Units of the Fidelity ETF without regard to the takeover bid requirements of applicable Canadian securities legislation.

See **"Purchases of Units – Special Considerations for Unitholders"**.

Risk Factors: There are certain general risk factors inherent in an investment in the Fidelity ETF, including:

- (i) illiquidity risk;
- (ii) concentration risk;
- (iii) large-capitalization investing risk;
- (iv) mid-capitalization investing risk;
- (v) large transaction risk;
- (vi) absence of active market risk;
- (vii) trading price of Units risk;
- (viii) fluctuations in NAV risk;
- (ix) borrowing risk;
- (x) commodity risk;
- (xi) legislation risk;
- (xii) securities lending risk;
- (xiii) derivatives risk;
- (xiv) taxation risk;
- (xv) cease trading of securities risk;
- (xvi) halted trading of Units risk;
- (xvii) cyber security risk;
- (xviii) series risk; and
- (xix) Unit split and Unit consolidation risk.

In addition to the general risk factors, the following additional risk factors are inherent in an investment in the Fidelity ETF as indicated in the table below.

Fidelity ETF	Additional Risks
Fidelity Core U.S. Bond ETF	asset-backed securities and mortgage-backed securities risk; credit risk; swaps and futures risk; currency hedging risk; currency risk; foreign investment risk; interest rate risk; portfolio management risk; quantitative model/technique risk.

See “**Risk Factors**”.

Income Tax Considerations:

Each year a Unitholder who is an individual (other than a trust) resident in Canada and who holds Units as capital property (all within the meaning of the Tax Act) will generally be required to include in computing income for tax purposes the amount of any income and the taxable portion of any capital gains of the Fidelity ETF distributed to the Unitholder in the year (including any Management Fee Distributions), whether such amounts are paid in cash or reinvested in additional Units. Any other non-taxable distribution (other than the non-taxable portion of any capital gains of the Fidelity ETF), paid or payable to a Unitholder in a taxation year, such as a return of capital, reduces the adjusted cost base of the Unitholder’s Units. A Unitholder will generally realize a capital gain (or loss) on the sale, redemption, exchange or other disposition of a Unit to the extent that the proceeds of disposition for the Unit exceed (or are less than) the total of the adjusted cost base to the Unitholder of the Unit and any reasonable costs of disposition.

Each investor should satisfy himself, herself, or itself as to the tax consequences of an investment in Units of the Fidelity ETF by obtaining advice from their tax advisor.

See “**Income Tax Considerations**”.

Exchanges and Redemptions:

In addition to the ability to sell Units on the TSX or another exchange or marketplace, as applicable, Unitholders may (i) redeem Units in any whole number for cash for a redemption price per Unit of 95% of the closing price for the Units on the TSX on the effective day of the redemption, subject to a maximum redemption price of the NAV per Unit, or (ii) exchange a minimum of a Prescribed Number of Units (and any additional multiple thereof) for, in the

discretion of the Manager, a Basket of Securities and cash, only cash or other securities and cash.

See “**Redemption of Units**”.

Distributions

Cash distributions on Units of the Fidelity ETF will be paid monthly. Distributions on USD Units will be made in Canadian dollars.

The Manager may, in its discretion, change the frequency of cash distributions, and will issue a press release if such a change is made. Cash distributions are expected to consist primarily of income but may, at the Manager’s discretion, include capital gains and/or returns of capital.

The Fidelity ETF distributes a sufficient amount of its net income and net realized capital gains to Unitholders for each taxation year so that it will not be liable for ordinary income tax. To the extent that the Fidelity ETF has not otherwise distributed a sufficient amount of its net income or net realized capital gains, it will pay a distribution to Unitholders at the end of the year and that distribution will be automatically reinvested in additional Units. Immediately following such reinvestment, the number of Units outstanding will be consolidated so that the NAV per Unit following the distribution and reinvestment is the same as it would have been if the distribution had not been paid. These reinvested distributions may be subject to withholding tax. The income tax treatment to Unitholders of distributions is discussed under the heading “**Income Tax Considerations**”.

See “**Distribution Policy**”.

Distribution Reinvestment:

The Manager has implemented a Reinvestment Plan for the Fidelity ETF under which cash distributions are used to acquire Plan Units in the market, which are then credited to the account of the Plan Participant through CDS. A Unitholder may elect to participate in the Reinvestment Plan by contacting the CDS Participant through which the Unitholder holds his, her, or its Units.

See “**Distribution Policy - Reinvestment Plan**”.

Termination:

The Fidelity ETF does not have a fixed termination date but may be terminated by the Manager upon not less than 60 days’ written notice to Unitholders.

See “**Termination of the Fidelity ETF**”.

Documents Incorporated by Reference:

Additional information about the Fidelity ETF is available in the most recently filed ETF Facts, the most recently filed annual financial statements, if any, any interim financial statements filed after those annual financial statements, the most recently filed annual MRFP, if any, and any interim MRFP filed after that annual MRFP. These documents are incorporated by reference into, and legally form an integral part of, this prospectus. These documents are publicly available on the Manager’s designated website at www.fidelity.ca and may be obtained upon request, at no cost, by calling 1-800-263-4077 or by contacting a registered dealer. These documents and other information about the Fidelity ETF are also publicly available at www.sedarplus.ca.

See “**Documents Incorporated by Reference**”.

Eligibility for Investment:

The Units of the Fidelity ETF will be a “qualified investment” under the Tax Act for a Registered Plan at any time that the Fidelity ETF qualifies or is deemed to qualify as a “mutual fund trust” under the Tax Act or that the Units are listed on a “designated stock exchange” within the meaning of the Tax Act, which includes the TSX.

The TSX has conditionally approved the listing of the Units of the Fidelity ETF.

Investors should consult their own tax advisers for advice on whether Units of the Fidelity ETF would be a “prohibited investment” under the Tax Act for their Registered Plan. See “**Eligibility for Investment**”.

ORGANIZATION AND MANAGEMENT OF THE FIDELITY ETF

Manager: Fidelity Investments Canada ULC is the manager of the Fidelity ETF and is responsible for managing the overall business of the Fidelity ETF, including selecting the portfolio management team for the Fidelity ETF’s portfolio, providing the Fidelity ETF with accounting and administration services and promoting sales of the Fidelity ETF’s securities through financial advisers in each province and territory of Canada.

The head office of the Manager is located at 483 Bay Street, Suite 300, Toronto, Ontario M5G 2N7.

See “**Organization and Management Details of the Fidelity ETF – Manager of the Fidelity ETF**”.

Trustee: Fidelity Investments Canada ULC is the trustee of the Fidelity ETF pursuant to the Declaration of Trust and holds title to the assets of the Fidelity ETF in trust for the Unitholders.

See “**Organization and Management Details of the Fidelity ETF – Trustee**”.

Portfolio Manager: Fidelity Investments Canada ULC has been appointed portfolio manager to the Fidelity ETF. The Portfolio Manager provides investment management services with respect to the Fidelity ETF. The Portfolio Manager has the authority to appoint sub-advisors to provide investment management services in respect of the Fidelity ETF. The Portfolio Manager is responsible for the investment advice provided by the Sub-advisor.

See “**Organization and Management Details of the Fidelity ETF – Portfolio Manager**”.

Sub-advisor: Fidelity Investments Canada ULC, acting as portfolio manager of the Fidelity ETF, has retained Fidelity Management & Research Company LLC (“**FMR**”) to act as sub-advisor to the Fidelity ETF. FMR is a registered investment adviser in the United States with offices based in Boston, Massachusetts.

FMR manages the investment portfolio of the Fidelity ETF, provides analysis and makes investment and, if applicable, rebalancing decisions.

The Portfolio Manager is responsible for the investment advice that FMR provides to the Fidelity ETF. As FMR is resident outside of Canada, and all or a substantial portion of its assets are situated outside of Canada, there may be difficulty in enforcing any legal rights against it.

See “**Organization and Management Details of the Fidelity ETF – Sub-advisor**”.

Promoter: Fidelity Investments Canada ULC has taken the initiative in founding and organizing the Fidelity ETF and is, accordingly, the promoter of the Fidelity ETF within the meaning of securities legislation of certain provinces and territories of Canada.

See “**Organization and Management Details of the Fidelity ETF – Promoter**”.

Custodian: The Manager has retained the services of State Street Trust Company Canada, at its principal offices in Toronto, Ontario, to act as the custodian of the assets of the Fidelity ETF and to hold those assets in safekeeping.

See “**Organization and Management Details of the Fidelity ETF – Custodian**”.

Securities Lending Agent: The Manager has retained the services of State Street Bank and Trust Company to act as the securities lending agent of the Fidelity ETF.

See “**Organization and Management Details of the Fidelity ETF – Securities Lending Agent**”.

Registrar and Transfer Agent: The Manager has retained the services of State Street Trust Company Canada at its principal offices in Toronto, Ontario, to act as the registrar and transfer agent for the Units of the Fidelity ETF and to maintain the register of registered Unitholders. The register of the Fidelity ETF is kept in Toronto, Ontario.

See “**Organization and Management Details of the Fidelity ETF – Registrar and Transfer Agent**”.

Auditor: PricewaterhouseCoopers LLP, at its principal offices in Toronto, Ontario, is the auditor of the Fidelity ETF. The auditor audits the Fidelity ETF’s annual financial statements and provides an opinion as to whether they present fairly the Fidelity ETF’s financial position, financial performance, and cash flows in accordance with International Financial Reporting Standards. The auditor is independent of the Manager.

See “**Organization and Management Details of the Fidelity ETF – Auditor**”.

Fund Administrator: The Manager has retained the services of Fidelity Service Company, Inc., with its offices in Boston, Massachusetts, to act as the fund administrator. The Fund Administrator provides fund accounting and investment management support services to the Fidelity ETF and is responsible for certain aspects of the day-to-day administration of the Fidelity ETF, including NAV calculations, accounting for net income and net realized capital gains of the Fidelity ETF and maintaining books and records with respect to the Fidelity ETF.

See “**Organization and Management Details of the Fidelity ETF – Fund Administrator**”.

SUMMARY OF FEES AND EXPENSES

The following sets out the fees and expenses that a Unitholder may have to pay if the Unitholder invests in the Fidelity ETF. A Unitholder may have to pay some of these fees and expenses directly. The Fidelity ETF may have to pay some of these fees and expenses, which will therefore reduce the value of an investment in the Fidelity ETF.

See “**Fees and Expenses**”.

Fees and Expenses Payable by the Fidelity ETF

Type of Fee

Amount and Description

Management Fee:

The Fidelity ETF pays a management fee to the Manager based on the annual rate set forth in the table below and the NAV of the Units of the Fidelity ETF. This management fee, plus applicable GST/HST, is calculated and accrued daily and paid monthly.

The management fee covers certain of the Manager's fees and costs associated with acting as the manager and the portfolio manager of the Fidelity ETF, the fees paid to the Sub-advisor and the other expenses described below that are payable by the Manager in connection with the Fidelity ETF. See "**Fees and Expenses Payable Directly by the Manager**".

Fidelity ETF	Management fee (annual rate)
Fidelity Core U.S. Bond ETF	0.30% of NAV

Certain Expenses:

In addition to the applicable management fee, the only expenses payable by the Fidelity ETF are: (i) interest and borrowing costs; (ii) all trading expenses, including transaction-related fees payable to the Custodian or its agents; (iii) any costs and expenses relating to the operation of the IRC, including all fees and expenses payable to the members of the IRC; (iv) all fees relating to any derivative instrument entered into or purchased by the Fidelity ETF that are not considered to be trading expenses; (v) the costs of complying with the regulatory requirement to produce summary documents, ETF Facts or other similar disclosure documents; (vi) the costs of complying with any new governmental or regulatory requirement introduced after the date that the Fidelity ETF is established, including any new fees or increases in fees, introduced after the date of creation of the Fidelity ETF; (vii) all fees related to external services that are not commonly charged in the Canadian exchange-traded fund industry as of the creation of the Fidelity ETF; (viii) any costs incurred in connection with termination of the Fidelity ETF that may be allocated to the Fidelity ETF; (ix) all fees paid to external service providers associated with tax reclaims, refunds or the preparation of foreign tax reports of the Fidelity ETF; (x) all fees paid to external counsel and/or others in connection with corporate or other actions affecting the portfolio holdings of the Fidelity ETF; and (xi) any applicable taxes, including income, withholding or other taxes, and also including applicable GST/HST on expenses.

The Manager may decide, in its discretion, to pay some of these expenses, rather than having the Fidelity ETF incur such expenses. The Manager is under no obligation to do so and, if any expense is reimbursed by the Manager, it may discontinue this practice at any time.

Fund of Funds:

The Fidelity ETF may, in accordance with applicable securities laws, invest in other exchange-traded funds or other investment funds managed by the Manager or its affiliates and other exchange-traded funds managed by third parties. With respect to such investments, no management or incentive fees are payable by the Fidelity ETF that, to a reasonable person, would duplicate a fee payable by the other investment funds for the same service. Where the Fidelity ETF invests in another exchange-traded fund or other investment fund managed by the Manager or its affiliates and such other fund pays a management fee to the Manager or its affiliates in respect of such investment that is higher than the management fee payable by the Fidelity ETF, the Manager will adjust the management fee payable by the Fidelity ETF to ensure that the total annual fees paid, directly or indirectly, to the Manager by the Fidelity ETF does not exceed the annual management fee set out above for the Fidelity ETF.

Where the Fidelity ETF invests in an exchange-traded fund or other investment fund that is not managed by the Manager or its affiliate, the fees and expenses payable in connection with the management of that exchange-traded fund, including management

and incentive fees, are not duplicative and are in addition to those payable by the Fidelity ETF. No sales or redemption fees are payable by the Fidelity ETF in relation to any purchase or redemption of the securities of such investment funds. Commissions may apply to the purchase or sale of exchange-traded fund securities.

Fees and Expenses Payable Directly by the Manager

Type of Fee

Amount and Description

Other Expenses:

Other than the expenses payable by the Fidelity ETF, as described above, in exchange for the management fee, the Manager is responsible for paying on its own account all of the other costs and expenses of the Fidelity ETF. These costs and expenses include, but are not limited to: (i) transfer agency fees; (ii) pricing and bookkeeping fees, which include processing purchases and sales of units of the ETF and calculating the ETF's net asset value per unit; (iii) legal, audit and custodial fees; (iv) administrative costs and trustee services relating to Registered Plans; (v) filing, listing and other regulatory fees; and (vi) the costs of preparing and distributing the Fidelity ETF's financial reports, prospectus, ETF Facts and the other investor communications that the Manager is required to prepare to comply with applicable laws.

Fees and Expenses Payable Directly by Unitholders

Type of Fee

Amount and Description

Other Charges:

An amount may be charged to a Designated Broker or Dealer to offset certain transaction and other costs associated with the listing, issue, exchange and/or redemption of Units of the Fidelity ETF. This charge, which is payable to the Fidelity ETF, does not apply to Unitholders who buy and sell their Units through the facilities of the TSX or another exchange or marketplace. See "**Purchases of Units**" and "**Redemption of Units**".

See "**Fees and Expenses**".

OVERVIEW OF THE LEGAL STRUCTURE OF THE FIDELITY ETF

The Fidelity ETF is an exchange-traded fund established as a unit trust under the laws of the Province of Ontario. The Fidelity ETF has been established pursuant to the Declaration of Trust.

While the Fidelity ETF is a mutual fund under the securities legislation of certain provinces and territories of Canada, the Fidelity ETF has obtained exemptive relief from certain provisions of Canadian securities legislation applicable to conventional mutual funds.

The head office of the Fidelity ETF and the Manager is located at 483 Bay Street, Suite 300, Toronto, Ontario M5G 2N7.

INVESTMENT OBJECTIVES

Fidelity Core U.S. Bond ETF aims to provide a steady flow of income with the potential for capital gains. It invests primarily in U.S. fixed income securities, with an emphasis on investment grade fixed income securities. It can invest in these securities either directly or indirectly through investments in underlying investment funds. The Fidelity ETF uses a proprietary quantitative model based on advanced research capabilities in the construction of its portfolio. The Fidelity ETF uses derivatives to try to achieve a desired risk exposure and/or minimize the exposure to currency fluctuations between developed market foreign currencies (such as the U.S. dollar) and the Canadian dollar.

INVESTMENT STRATEGIES

In order to achieve its investment objective, Fidelity Core U.S. Bond ETF invests, either directly or indirectly through investments in underlying investment funds, in a wide variety of U.S. fixed income securities, including investment grade fixed income securities, high yield securities and floating rate debt instruments.

The Sub-advisor uses quantitative techniques to systematically construct a broadly diversified portfolio. Advanced techniques developed through research capabilities are used in evaluating multiple factors to achieve a desired risk exposure or return characteristic for the Fidelity ETF through the model's dynamic weightings to each factor. When buying and selling fixed income securities, the research process that informs portfolio selection considers factors from multiple sources such as financial condition, industry position, economic and market condition (e.g. at the security level), earnings potential, quality of management, the security's features, price compared to estimated long-term value, credit quality of the issuer, current yield, balance sheet strength, financial leverage, liquidity, expected ability to service debt, and any short-term trading opportunities resulting from market inefficiencies. The above factors are combined with quantitative and advanced statistical techniques for portfolio construction. The model also considers current market conditions (e.g., at the macroeconomic level), how the Fidelity ETF is positioned from a security and portfolio-level risk perspective, and trading opportunities.

The Sub-advisor uses a proprietary portfolio construction and multi-layered risk management framework, which evaluates macroeconomic (e.g., interest rates and inflation) and credit considerations, to select a portfolio of U.S. fixed income securities that may have the potential for enhanced returns and has a similar risk profile to the Bloomberg U.S. Aggregate Bond Index (CAD-Hedged).

The Sub-advisor allocates the Fidelity ETF's assets among issuers in different market sectors, industries, asset classes, and maturities, based on its view of the relative value of each sector, industry, asset class, or maturity.

The Fidelity ETF invests primarily in direct securities and underlying investment funds and may use varying combinations of derivatives, including interest rate, total return and credit default swaps, options, futures contracts and currency forward contracts, to achieve a desired risk exposure and potentially generate additional income, in an efficient manner. Derivatives are used by the portfolio management team to manage interest rate and currency exposures, where they may represent a more liquid investment than purchasing bonds directly, or for other reasons.

The Sub-advisor uses forward contracts to hedge as completely as possible against fluctuations caused by changes in exchange rates between developed market foreign currencies and the Canadian dollar. The Fidelity ETF does not generally benefit from an increase in the value of developed market foreign currencies against the Canadian dollar.

The Sub-advisor may use non-traditional or alternative data sources, including credit card data, satellite imagery, foot traffic, and advertisement spending. The Sub-advisor may also use artificial intelligence tools to aggregate and summarize data from data sources.

In certain circumstances and based on factors such as liquidity and market volatility, the Sub-advisor may override the quantitative model's results in the selection of the Fidelity ETF's securities.

Investments in non-investment grade fixed income securities will typically not exceed 10% of the Fidelity ETF's net assets.

The Fidelity ETF may also invest in securities that do not produce income, including defaulted securities (e.g., fixed income securities that have defaulted on their payment obligations) and common shares, and in companies in a troubled or uncertain financial condition. It may also hold cash.

The Fidelity ETF may depart from its investment objectives or strategies by temporarily investing all or a portion of its assets in cash or fixed income securities issued or guaranteed by a Canadian or U.S. government, government agency or company. The Sub-advisor of the Fidelity ETF may take this action in the event there is a cease-trade order against it, as protection during a market downturn or for other reasons.

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 under the heading "**Investment Restrictions – Exemptions and Approvals**", this Fidelity ETF may engage in securities lending, repurchase and reverse repurchase transactions, use derivatives for hedging and non-hedging purposes and invest in securities of underlying funds that are selected in accordance with the Fidelity ETF's investment strategies.

Additional Investment Strategies of the Fidelity ETF

Securities Lending Transactions

The Fidelity ETF may, in compliance with NI 81-102, lend securities to securities borrowers acceptable to it pursuant to the terms of a securities lending agreement between the Securities Lending Agent and any such borrower under which: (i) the borrower will pay to the Fidelity ETF a negotiated securities lending fee and will make compensation payments to the Fidelity ETF equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as "securities lending arrangements" for the purposes of the Tax Act; and (iii) the Fidelity ETF will receive collateral security.

Securities lending transactions may be utilized by the Fidelity ETF to provide incremental return to the Fidelity ETF or to generate income for the purposes of meeting its current obligations. Any securities lending transaction entered into by the Fidelity ETF must be consistent with the investment objectives of the Fidelity ETF.

Under applicable securities legislation, the collateral posted by the securities borrower is required to have an aggregate value of not less than 102% of the market value of the loaned securities. The total value of the securities loaned by the Fidelity ETF at any time is not permitted to exceed 50% of the NAV of the Fidelity ETF (excluding any collateral received from securities lending activities). Any cash collateral acquired by the Fidelity ETF may be invested only in the securities permitted under NI 81-102 that have a remaining term to maturity of no longer than 90 days. The securities lending agent is responsible for the ongoing administration of the securities loans, including the obligation to mark-to-market the collateral on a daily basis.

Use of Derivative Instruments

The Fidelity ETF will use derivative instruments for hedging or investment purposes. Any use of derivative instruments by the Fidelity ETF must be in compliance with NI 81-102 and any exemptive relief obtained by the

Fidelity ETF from the requirements of NI 81-102 and must be consistent with the investment objectives and investment strategies of the Fidelity ETF.

The derivatives most likely to be used by the Fidelity ETF are options and futures. If the Fidelity ETF purchases an option, it has the right, but not the obligation, to buy or sell the underlying interest at an agreed price within a certain time period. A purchased call option gives the Fidelity ETF the right to buy; a purchased put option gives the Fidelity ETF the right to sell. If the Fidelity ETF writes an option, it has the obligation, at the election of the holder of the option, to buy or sell the underlying interest at an agreed price within a certain time period. A written call option obliges the Fidelity ETF to sell if the option is exercised; a written put option obliges the Fidelity ETF to purchase if the option is exercised. A forward is a commitment to buy or sell the underlying interest for an agreed price on a future date. A future is similar to a forward, except that futures are traded on exchanges. A swap is a commitment to exchange one set of payments for another set of payments.

The Fidelity ETF uses derivative instruments, such as foreign currency forward contracts, to seek to hedge its U.S. dollar or other developed market foreign currency exposure to the Canadian dollar. The Fidelity ETF enters into these derivative transactions with financial institutions that have a “designated rating” (as defined in NI 81-102). See “**Risk Factors - Additional Risks Relating to an Investment in the Fidelity ETF - Currency Hedging Risk**”.

Cash Management

From time to time, the Fidelity ETF may receive or hold surplus cash. The Fidelity ETF may temporarily hold this cash or invest it in money market instruments or other cash management investment vehicles managed by the Manager or an affiliate of the Manager. Alternatively, the Fidelity ETF may use the cash to pay those expenses that the Fidelity ETF is responsible for paying, to purchase additional Baskets of Securities or portions thereof or to increase the notional amount under its derivative instruments, as applicable.

From time to time, the Fidelity ETF, or an Underlying Fidelity ETF or Underlying Fidelity Fund in which the Fidelity ETF invests, may depart from its investment objective or strategies by temporarily investing all or a portion of its assets in cash or fixed income securities issued or guaranteed by a Canadian or U.S. government, government agency or company. The Sub-advisor may take this action to try to protect the Fidelity ETF, or an Underlying Fidelity ETF or Underlying Fidelity Fund, during a market downturn, or for other reasons.

USD Units

The Fidelity ETF offers a U.S. dollar purchase option, which means that the Fidelity ETF makes its Units available for purchase and sale on the TSX or another exchange or marketplace, as applicable, in both Canadian dollars and U.S. Dollars. The CAD Units trade in Canadian dollars and the USD Units trade in U.S. dollars. No currency hedging is entered into by the Fidelity ETF in respect of the USD Units.

ESG investing at Fidelity

ESG investing is an approach to investing that incorporates environmental, social and/or governance (ESG) factors into our fundamental research process to assess a company’s risks and opportunities. Fidelity leverages dedicated sustainable investing resources, which are generally focused on common key areas such as ESG research, engagement with issuers and proxy voting. Engagement is implemented as part of our overall fundamental research process and is generally applied across issuers and will include discussions of ESG and other factors where they have a material impact on either investment risk or return potential. Proxy voting is carried out across the Fidelity ETFs according to each sub-advisor’s proxy voting guidelines.

For Fidelity ETFs that have an ESG-focused investment objective, please refer to those Fidelity ETFs’ investment objectives and investment strategies which articulates the ESG parameters. For non-ESG-focused Fidelity ETFs, the applicable Fidelity sub-advisor and portfolio manager(s) have full discretion in determining whether and how relevant and material ESG factors are to a company’s evaluation, consistent with their investment objectives, investment strategies and investable universe. In cases where a non-ESG-focused Fidelity ETF uses one or more ESG strategies (e.g., best-in-class, ESG integration, negative screening, etc.), either as part of its principal investment strategy or

investment selection process, we will describe the ESG strategy used in the applicable Fidelity ETF's investment strategies.

ESG factors may serve as one of many research inputs in security valuation. Fidelity believes ESG factors are important inputs into the overall research process and can help identify companies that can drive long-term value creation for investors. Fidelity incorporates the use of proprietary and/or third-party ESG/sustainability ratings to inform investment research. For example, the proprietary ESG/sustainability ratings of Fidelity are driven by fundamental inputs and determined by research professionals across the organization using multiple data sources including public disclosures, company management engagements, and third-party data, such as MSCI ESG research data, which is used to supplement our own fundamental research. Companies are evaluated based on the ESG factors that are germane and material to their operations and business over the long term. The proprietary ratings serve as a forward-looking assessment of how a company is incorporating ESG considerations into its business model as well as its ESG performance and trajectory. The monitoring process of ESG risks, factors and opportunities is undertaken as part of the fundamental research process, which includes the assessment of material financial and ESG factors for all companies under coverage, which is updated on a regular basis.

Fidelity has a responsible investment policy that outlines how ESG considerations are integrated into its fundamental research process. Furthermore, Fidelity has demonstrated a commitment to furthering the adoption and use of sustainable investment practices by becoming a signatory to the United Nations-supported Principles for Responsible Investment. In addition, Fidelity is a member of the Responsible Investment Association.

For more information on ESG investing initiatives and policies of the Manager, visit www.fidelity.ca/en/investments/sustainable-investing/.

Investors should consult their dealer or financial advisor to determine which Fidelity ETFs suit their investment needs.

OVERVIEW OF THE SECTORS IN WHICH THE FIDELITY ETF INVESTS

The Fidelity ETF invests primarily in a variety of fixed income securities. These investments may include debt securities with different maturity dates, issue currencies, methodologies for interest payments (such as fixed or floating rate) and other attributes. Depending on their assessment of these factors, rating agencies and other market actors may deem the securities to have varying credit qualities and thus varying risks of default. There are many factors that can impact the market price of a fixed income security, such as interest rate fluctuations, changes in the financial condition of an issuer, market liquidity conditions, and other market circumstances.

Please see “**Investment Objectives**” and “**Investment Strategies**” for additional information on the Fidelity ETF.

INVESTMENT RESTRICTIONS

The Fidelity ETF is subject to certain restrictions and practices contained in securities legislation, including NI 81-102. The Fidelity ETF is managed in accordance with these restrictions and practices, except as otherwise permitted by exemptions obtained from the Canadian securities regulatory authorities (see “**Exemptions and Approvals**”). A change to the investment objective of the Fidelity ETF would require the approval of the Unitholders. Please see “**Unitholder Matters – Matters Requiring Unitholders Approval**”.

The Fidelity ETF is also restricted from making an investment or undertaking an activity that would result in the Fidelity ETF failing to qualify as a “mutual fund trust” for the purposes of the Tax Act. In addition, no Fidelity ETF may invest in any property or engage in any undertaking that would cause the Fidelity ETF to have “non-portfolio earnings” as defined in section 122.1 of the Tax Act in an amount that would result in the Fidelity ETF paying a material amount of income tax.

Exemptions and Approvals

The Fidelity ETF has obtained exemptive relief from the Canadian securities regulatory authorities to permit:

- (i) the purchase by a Unitholder of more than 20% of the Units of the Fidelity ETF without regard to the takeover bid requirements of applicable Canadian securities legislation;
- (ii) the Fidelity ETF to borrow cash in an amount not exceeding 5% of the net assets of the Fidelity ETF for a period not longer than 45 days and, if required by the lender, to provide a security interest over any of its portfolio assets as a temporary measure to fund the portion of any distribution payable to Unitholders that represents amounts that have not yet been received by the Fidelity ETF;
- (iii) the Fidelity ETF to prepare a prospectus without including a certificate of an underwriter;
- (iv) the Fidelity ETF to purchase debt securities from, or sell debt securities to investment funds that are not reporting issuers and to which NI 81-102 and NI 81-107 do not apply (each, a “**Pooled Fund**”) or a fund managed by Fidelity in the U.S. and offered to U.S. investors (a “**U.S. Fund**”) and to engage in inter-fund trades between and amongst the Fidelity ETFs, other ETFs and mutual funds managed by Fidelity and Pooled Funds, a Canadian client account managed by Fidelity, a Fidelity ETF, other ETFs and mutual funds managed by Fidelity and the Pooled Fund, and the Fidelity ETF, other ETFs and mutual funds managed by Fidelity, the Pooled Fund and a U.S. Fund, subject to compliance with Section 6.1(2) of NI 81-107 Investment Funds Independent Review Committee. Certain conditions must be met, including, the approval of the IRC of the Fidelity ETF engaging in such transactions;
- (v) an exemption from the requirements relating to holding illiquid assets under Sections 2.4(1), (2) and (3) of NI 81-102 with respect to fixed income securities that qualify for, and may be traded pursuant to the exemption from the registration requirements of the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), as set out in Rule 144A of the U.S. Securities Act for resales of certain fixed income securities to “qualified institutional buyers” (as defined in the U.S. Securities Act). Certain conditions must be met including that the Fidelity ETF qualifies as a “qualified institutional buyer” at the time of purchase of the securities, the securities can be readily disposed of through market facilities on which public quotations in common use are widely available at an amount that at least approximates the amount at which the portfolio asset is valued in calculating the net asset value per security of the Fidelity ETF, the securities are traded on a mature and liquid market, and that the prospectus of the Fidelity ETF relying on the exemption discloses the fact that the Fidelity ETF has obtained this exemption; and
- (vi) an exemption from subsection 6.8(1) and 6.8(2)(c) of NI 81-102 to permit the Fidelity ETF to deposit as margin portfolio assets of up to 35% of the Fidelity ETF’s NAV as at the time of deposit with any one future commission merchant in Canada or the United States (each a “**Dealer**”) and up to 70% of the Fidelity ETF’s NAV at the time of deposit with all Dealers in the aggregate, for transactions involving standardized future, clearing corporation options, option on future, or cleared specified derivatives, such as cleared swaps, that are traded on a stock exchange or future exchange, or through a swap execution facility that is exempted from recognition as an exchange under subsection 21(1) of the *Securities Act* (Ontario).

In addition, the Fidelity ETF may rely on exemptive relief obtained by Fidelity’s mutual funds to permit it to:

- (i) invest up to 10% of the Fidelity ETF’s NAV in precious metals and other physical commodities on an unlevered basis through Commodity ETFs and U.S. non-redeemable investment funds;
- (ii) use additional assets to cover the Fidelity ETF’s market exposure: (i) 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; and (ii) when entering into or maintaining a swap position; and
- (iii) hold as cover, in respect of the requirement under Section 2.8(1)(d) of NI 81-102, receivables arising from declared dividends to facilitate equitization of those payments once declared, thereby permitting the Fidelity ETF to track its applicable index in respect of the receivable or to otherwise invest the amount of the receivable, as applicable. For each long position in a standardized future that the Fidelity ETF opens or maintains in order to equitize a receivable, the Fidelity ETF must hold a combination of the amount of the

receivable, cash cover and margin or collateral posted by the Fidelity ETF in connection with its obligation under that futures position that, in the aggregate, has a value that is not less than the underlying market exposure of the standardized future.

The Fidelity ETF has received an exemption to permit it to invest in securities of an Underlying Fidelity ETF or an Underlying Fidelity Fund, as applicable, 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 of another Underlying Fidelity ETF or another Underlying Fidelity Fund, as applicable.

Cash borrowing relief

The Fidelity ETF obtained exemptive relief from the 5% of NAV threshold on cash borrowing set forth in subparagraph 2.6(1)(a)(i) of NI 81-102 (the “**Borrowing Limit**”) to allow the Fidelity ETF to borrow cash on a temporary basis in an amount that does not exceed 10% of its NAV at the time of borrowing:

- (i) in the case where the Fidelity ETF settles trades in securities on the first business day after a trade date, to accommodate requests for the redemption of securities of the Fidelity ETF while the Fidelity ETF settles portfolio transactions initiated to satisfy such redemption requests (the “**Redemption Settlement Gap Funding**”); and
- (ii) in the case where the Fidelity ETF that settles trades in securities on a day that is later than the first business day after a trade date, to permit the Fidelity ETF to settle a purchase of T+1 portfolio securities that is executed in anticipation of the settlement of an investor’s purchase of securities of the Fidelity ETF (the “**Purchase Settlement Gap Funding**”).

The Fidelity ETF may rely on this relief to borrow cash in an amount that does not exceed 10% of its NAV at the time of borrowing for the purposes of Redemption Settlement Gap Funding and Purchase Settlement Gap Funding provided that:

- (i) the Fidelity ETF has used all of its freely available cash that is not being held by the Fidelity ETF for the purpose of seeking to meet its investment objectives or as part of its investment strategies;
- (ii) the outstanding amount of all borrowings of the Fidelity ETF do not exceed 10% of the NAV of the Fidelity ETF at the time of borrowing;
- (iii) in the case of Redemption Settlement Gap Funding, the amount of cash borrowed by the Fidelity ETF will not exceed the amount of cash that the Fidelity ETF will receive in respect of the sale of portfolio securities;
- (iv) in the case of Purchase Settlement Gap Funding, the amount of cash borrowed by the Fidelity ETF will not exceed the amount of cash that the Fidelity ETF will receive from the investor in a purchase of securities of the Fidelity ETF; and
- (v) the Manager has written policies and procedures for relying on the relief that require the Manager to implement controls on decision-making on borrowing above the Borrowing Limit and to monitor levels of Fidelity ETF redemptions, Fidelity ETF purchases and the cash balance of each Fidelity ETF.

Independent Review Committee Policies and Procedures

The IRC reviews and, where appropriate, arranges for periodic reporting on each of the following conflict of interest matters referred to it by the Manager. The Manager has received standing instructions from the IRC to apply the following policies, related to the Fidelity ETF or the Manager in accordance with their terms.

	POLICY	DESCRIPTION
1	Code of Ethics /Personal Investing	This policy governs the personal investing and other activities of employees of the Manager and certain of its affiliates.
2	Business Entertainment and Workplace Gifts	This policy governs the provision and acceptance of gifts and business entertainment by employees of the Manager and certain of its affiliates.
3	Trade Allocation	This policy governs the allocation of trades of portfolio securities between the Fidelity ETF and other Fidelity ETFs or client accounts when more than one Fidelity ETF or client account is buying or selling securities of a particular issuer at the same time.
4	Best Execution and Fair Trading	This policy addresses the quality of execution of trades of portfolio securities or foreign exchange trades by brokers, including both 3 rd party brokers and brokers affiliated to the Manager, on behalf of the Fidelity ETF.
5	Trade Errors	This policy governs the correction of errors made in executing trades of portfolio securities on behalf of the Fidelity ETF, including the resolution of errors taking place as the Fidelity ETF seeks to repatriate foreign currencies to its working currency or hedge currency exposure.
6	Proxy Voting	The Fidelity ETF owns portfolio securities and therefore the right to vote proxies. This policy governs the voting of proxies.
7	NAV Calculation and Fair Value	This policy governs the calculation of the Fidelity ETF's net asset value per unit (NAV), including situations where market quotations for a portfolio security are not readily available or when market quotations are unreliable, in which case the Manager will calculate the NAV using the fair value of that security.
8	NAV Error Correction	This policy governs the correction of errors made in calculating the Fidelity ETF's NAV.
9	Side-by-side	This policy addresses the side-by-side management of different types of accounts, including accounts that invest on a long-only basis – that is, buy securities – and accounts that may also invest on a short basis – that is, sell securities that they don't own, in the hope of repurchasing them later at a lower price.
10	Purchase of Securities Underwritten by an Affiliate	This policy governs investments by the Fidelity ETF in a class of securities of an issuer during a distribution (i.e., an offering), or within 60 days of a distribution, of those securities where an affiliate of the Manager acts as an underwriter of the offering.
11	Disclosure of Portfolio Information	This policy governs the manner and timelines regarding the disclosure of the Fidelity ETF's portfolio information.
12	Complaints	This policy governs the process for managing and resolving complaints received from investors in the Fidelity ETF.
13	Retail Benchmarks	This policy governs the process for selecting and changing performance benchmarks of the Fidelity ETF.
14	<i>In specie</i> Transactions	This policy governs the process of transferring portfolio assets between the Fidelity ETF, other Fidelity ETFs, pooled funds and managed accounts, all of which are managed or advised by the Manager.
15	Co-Investing Conflicts	This policy addresses potential conflicts of interest where the Fidelity ETF may desire to invest in a company in which another Manager entity wishes to make a simultaneous investment or has a pre-existing interest.
16	Fund Mergers	This policy addresses potential conflicts of interest that may arise in fund mergers involving the Fidelity ETF.
17	Inter-fund Trades	This policy addresses potential conflicts of interest that may arise in inter-fund trades involving the Fidelity ETF.

FEES AND EXPENSES

This section details the fees and expenses that a Unitholder may have to pay if the Unitholder invests in the Fidelity ETF. A Unitholder may have to pay some of these fees and expenses directly. The Fidelity ETF may have to pay some of these fees and expenses, which will therefore reduce the value of an investment in the Fidelity ETF.

Fees and Expenses Payable by the Fidelity ETF

Management Fee

The Fidelity ETF pays a management fee to the Manager based on the annual rate set forth in the table below and the NAV of the Units of the Fidelity ETF. This management fee, plus applicable GST/HST, is calculated and accrued daily and paid monthly.

The management fee covers certain of the Manager's fees and costs associated with acting as the manager and the portfolio manager of the Fidelity ETF, the fees paid to the Sub-advisor and the other expenses described below that are payable by the Manager in connection with the Fidelity ETF. See "**Fees and Expenses Payable Directly by the Manager**".

Fidelity ETF	Management fee (annual rate)
Fidelity Core U.S. Bond ETF	0.30% of NAV

From time to time the Manager may decide, in its discretion, to waive a portion of the management fees. The Manager is under no obligation to do so and, if any portion of a management fee is waived by the Manager, it may discontinue this practice at any time without notice.

Management Fee Distributions

In respect of large investments in the Fidelity ETF by a particular Unitholder or for other purposes, the Manager may, in its discretion, agree to charge the Fidelity ETF a reduced management fee as compared to the management fee that it otherwise would be entitled to receive, provided that an amount equal to the reduction in the management fee is distributed and payable periodically by the Fidelity ETF to the Unitholder as a special distribution (the "**Management Fee Distribution**"). Management Fee Distributions, if any, will be paid first out of net income and net realized capital gains of the Fidelity ETF and then out of capital. The availability, amount and timing of Management Fee Distributions with respect to Units of the Fidelity ETF will be determined from time to time by the Manager in its sole discretion. The Manager reserves the right to discontinue or change this management fee distribution program at any time. The income tax consequences of a Management Fee Distribution will generally be borne by the Unitholder who receives the distribution.

Certain Expenses

In addition to the applicable management fee, the only expenses payable by the Fidelity ETF are: (i) interest and borrowing costs; (ii) all trading expenses, including transaction-related fees payable to the Custodian or its agents; (iii) any costs and expenses relating to the operation of the IRC, including all fees and expenses payable to the members of the IRC; (iv) all fees relating to any derivative instrument entered into or purchased by the Fidelity ETF that are not considered to be trading expenses; (v) the costs of complying with the regulatory requirement to produce summary documents, ETF Facts or other similar disclosure documents; (vi) the costs of complying with any new governmental or regulatory requirement introduced after the date that the Fidelity ETF is established, including any new fees or increases in fees, introduced after the date of creation of the Fidelity ETF (vii) all fees related to external services that are not commonly charged in the Canadian exchange-traded fund industry as of the creation of the Fidelity ETF; (viii) any costs incurred in connection with termination of the Fidelity ETF that may be allocated to the Fidelity ETF; (ix) all fees paid to external service providers associated with tax reclaims, refunds or the preparation of foreign tax reports of the Fidelity ETF; (x) all fees paid to external counsel and/or others in connection with corporate or other actions affecting the portfolio holdings of the Fidelity ETF; and (xi) any applicable taxes, including income, withholding or other taxes, and also including applicable GST/HST on expenses.

The Manager may decide, in its discretion, to reduce the management fees by paying some of these expenses, rather than having the Fidelity ETF incur such expenses. The Manager is under no obligation to do so and, if any expense is reimbursed by the Manager, it may discontinue this practice at any time.

Fund of Funds

The Fidelity ETF may, in accordance with applicable securities laws, invest in other exchange-traded funds and other investment funds managed by the Manager or its affiliates and other exchange-traded funds managed by third parties. These other exchange-traded funds and other investment funds managed by the Manager may, in turn, invest in other investment funds. With respect to such investments, no management or incentive fees are payable by the Fidelity ETF or such other investment funds that, to a reasonable person, would duplicate a fee payable by the other investment funds for the same service. Where the Fidelity ETF or another investment fund managed by the Manager invests in an Underlying Fidelity ETF or other investment fund managed by the Manager or its affiliates and such other fund pays a management fee to the Manager or its affiliates in respect of such investment that is higher than the management fee payable by the Fidelity ETF, the Manager will adjust the management fee payable by the Fidelity ETF to ensure that the total annual fees paid directly or indirectly to the Manager by the Fidelity ETF do not exceed the annual management fee set out above for the Fidelity ETF.

Where the Fidelity ETF invests in exchange-traded funds or other investment funds that are not managed by the Manager or its affiliates, the fees and expenses payable in connection with the management of those exchange-traded funds, including management and incentive fees, are not duplicative and are in addition to those payable by the Fidelity ETF. No sales or redemption fees are payable by the Fidelity ETF in relation to any purchase or redemption of the securities of such investment funds. Commissions may apply to the purchase or sale of exchange-traded fund securities.

Fees and Expenses Payable Directly by the Manager

Other Expenses

Other than the expenses payable by the Fidelity ETF, as described above, in exchange for the management fees, the Manager is responsible for paying on its own account all of the other costs and expenses of the Fidelity ETF. These costs and expenses include, but are not limited to: (i) transfer agency fees; (ii) pricing and bookkeeping fees, which include processing purchases and sales of units of the ETF and calculating the ETF's net asset value per unit; (iii) legal, audit and custodial fees; (iv) administrative costs and trustee services relating to Registered Plans; (v) filing, listing and other regulatory fees; and (vi) the costs of preparing and distributing the Fidelity ETF's financial reports, prospectus, ETF Facts and the other investor communications that the Manager is required to prepare to comply with applicable laws.

Fees and Expenses Payable Directly by Unitholders

Other Charges

An amount may be charged to a Designated Broker or Dealer to offset certain transaction and other costs associated with the listing, issue, exchange and/or redemption of Units of the Fidelity ETF. This charge, which is payable to the Fidelity ETF, does not apply to Unitholders who buy and sell their Units through the facilities of the TSX or another exchange or marketplace. See "**Purchases of Units**" and "**Redemption of Units**".

RISK FACTORS

In addition to the considerations set out elsewhere in this prospectus, the following are certain considerations relating to an investment in Units. These considerations also apply to an investment in an Underlying Fidelity ETF or an Underlying Fidelity Fund, as applicable. While the aim of employing the investment strategies is to help achieve the

investment objectives of the Fidelity ETF, Underlying Fidelity ETF or Underlying Fidelity Fund, as applicable, the strategies also include risks that could result in losses.

General Risks Relating to an Investment in the Fidelity ETF

Illiquidity Risk

A security is illiquid if it cannot be readily sold at an amount that at least approximates the amount at which the security is valued. Most securities held in an exchange-traded fund are liquid, but there are some investments that cannot be sold easily or quickly.

Securities can be illiquid for a number of reasons, including: (i) legal rules may restrict the ability to sell them; (ii) the securities might have features that make them difficult to sell; (iii) there may be a shortage of buyers; (iv) the securities might suddenly become illiquid because of sudden changes in the market; and (v) an individual security's liquidity may simply change over time.

If the Fidelity ETF is unable to dispose of some or all of the securities held by it, the Fidelity ETF may experience a delay in the receipt of the proceeds of disposition until such time as it is able to dispose of such securities.

Concentration Risk

The Fidelity ETF may concentrate its investments by (i) investing a large portion of its net assets in relatively few companies, (ii) investing in a particular industry or geographic region, or (iii) holding more than 10% of its net assets in securities of a single issuer. A relatively high concentration of assets in, or exposure to, a particular company, industry or geographic region may reduce the diversification of the Fidelity ETF, and may result in increased volatility in the Fidelity ETF's NAV.

Derivatives Risk

The Fidelity ETF may use derivatives to pursue its investment objectives. Derivatives usually take the form of a contract with another party whose value is determined with reference to the market price of an asset, such as a currency, commodity or stock, or the value of an index or an economic indicator, such as a stock market index or a specified interest rate (the "**underlying interest**"). The Fidelity ETF to the extent it invests in derivatives is 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. The following 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. 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.

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.

The use of derivatives by the Fidelity ETF carries several risks, including: (i) there is no guarantee that the Fidelity ETF is able to buy or sell a derivative at the right time to make a profit or limit a loss; (ii) it is possible that the other party to the derivative contract (“**counterparty**”) will fail to perform its obligations under the contract, resulting in a loss to the Fidelity ETF; (iii) if the value of a derivative is tied to the value of an underlying interest, there is no guarantee that the value of the derivative at all times accurately reflects the value of the underlying interest; (iv) if the counterparty goes bankrupt, the Fidelity ETF could lose any deposit that was made as part of the contract; (v) 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; (vi) securities exchanges could set daily trading limits on options and futures contracts, and this could prevent the Fidelity ETF from completing an options or futures transaction, making it very difficult to hedge properly, to make a profit, or to limit a loss; and (vii) if the Fidelity ETF 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 Fidelity ETF’s assets.

The Fidelity ETF 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 is not without its own risks, including: (i) there is no guarantee that a hedging strategy is always successful; (ii) a derivative does not always offset a drop in the value of a security, even if it has historically done so; (iii) hedging does not prevent changes in the prices of the securities in the Fidelity ETF’s portfolio, or prevent losses if the prices of the securities go down; (iv) hedging can also prevent the Fidelity ETF from making a gain if the value of the currency, stock or bond goes up; (v) currency hedging does not result in the impact of currency fluctuations being eliminated altogether; (vi) the Fidelity ETF might not be able to find a suitable counterparty to enable the Fidelity ETF to hedge against an expected change in a market if most other people are expecting the same change; and (vii) hedging may be costly.

Large-Capitalization Investing Risk

The Fidelity ETF may invest a relatively large percentage of its assets in the securities of large-capitalization companies. As a result, the performance of the Fidelity ETF may be adversely affected if securities of large-capitalization companies underperform securities of smaller-capitalization companies or the market as a whole. The securities of large-capitalization companies may be relatively mature compared to smaller companies and therefore subject to slower growth during times of economic expansion.

Mid-Capitalization Investing Risk

The Fidelity ETF may invest in securities of mid-capitalization companies. As a result, the performance of the Fidelity ETF may be adversely affected if securities of mid-capitalization companies underperform securities of other capitalization ranges or the market as a whole. Securities of smaller companies are often more vulnerable to market volatility than securities of larger companies.

Large Transaction Risk

The Units may be bought by other mutual funds, investment funds or segregated funds, including mutual funds managed by the Manager, financial institutions in connection with other investment offerings and/or investors who participate in an asset allocation program or model portfolio program. There is a risk that these investments may become large, resulting in large purchases and redemptions of Units. Other investors may also purchase large amounts of the Fidelity ETF. Large purchases and redemptions may result in: (i) the Fidelity ETF maintaining an abnormally high cash balance; (ii) large sales of portfolio securities, impacting market value; (iii) increased transaction costs (e.g., commissions); and (iv) capital gains being realized, which may increase taxable distributions to investors.

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

Absence of Active Market Risk

Although the Fidelity ETF may be listed on the TSX, there can be no assurance that an active public market for the Units will develop or be sustained.

Trading Price of Units Risk

Units may trade in the market at a premium or a discount to the NAV per Unit. There can be no assurance that Units will trade at prices that reflect their NAV per Unit. The trading price of the Units will fluctuate in accordance with changes in the Fidelity ETF's NAV, as well as market supply and demand on the TSX or another exchange or marketplace, as applicable. However, as the Designated Broker and Dealers subscribe for and exchange Prescribed Number of Units of the Fidelity ETF at the NAV per Unit, large discounts or premiums to NAV should not be sustained.

Fluctuations in NAV Risk

The NAV per Unit of the Fidelity ETF will vary according to, among other things, the value of the securities held by the Fidelity ETF. The Manager and the Fidelity ETF have no control over the factors that affect the value of the securities held by the Fidelity ETF, including 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 the Fidelity ETF, 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 Fidelity ETF, the performance of the securities in which the Fidelity ETF invest and may lead to an increase in the amount of redemptions experienced by the Fidelity ETF (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 the Fidelity ETF could decline if the particular industries, sectors, companies or types of securities in which the Fidelity ETF invests do not perform well or are adversely affected by such unanticipated events.

Borrowing Risk

From time to time, the Fidelity ETF 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 Fidelity ETF. The Fidelity ETF 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 Fidelity ETF, as permitted under the terms of exemptive relief obtained from the Canadian securities regulators and described under the heading "**Investment Restrictions - Exemptions and Approvals**". There is a risk that the Fidelity ETF 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 Fidelity ETF would repay the borrowed amount by disposing of portfolio assets.

Commodity Risk

The Fidelity ETF may invest in commodities or in companies engaged in commodity-focused industries and may obtain exposure to commodities using derivatives or by investing in exchange-traded funds, the underlying interests of which are commodities. Commodity prices can fluctuate significantly in short time periods, which will have direct or indirect impact on the value of the Fidelity ETF.

Legislation Risk

Securities, tax or other regulators make changes to legislation, rules and administrative practice. Those changes may have an adverse impact on the value of the Fidelity ETF. For instance, there can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA respecting the treatment of mutual fund trusts, SIFT trusts or an investment in a non-resident trust will not be changed in a manner that adversely affects the Fidelity ETF or the Unitholders. See also “**Risk Factors - Taxation Risk**” for an additional discussion of the risks associated with changes in tax legislation, rules and administrative practice.

Securities Lending Risk

The Fidelity ETF is eligible to enter into securities lending transactions. In a securities lending transaction, the Fidelity ETF lends its securities through the Securities Lending Agent to another party (often called a “**counterparty**”) in exchange for a fee and a form of acceptable collateral. Some of the general risks associated with securities lending transactions include: (i) when entering into securities lending transactions, the Fidelity ETF is subject to credit risk that the counterparty may go bankrupt or may default under the agreement and the Fidelity ETF would be forced to make a claim in order to recover its investment; and (ii) when recovering its investment on a default, the Fidelity ETF could incur a loss if the value of the securities loaned has increased in value relative to the value of the collateral held by the Fidelity ETF.

The Fidelity ETF reduces these risks by requiring the other party to put up collateral. The value of the collateral must be at least 102% of the market value of the security loaned. The value of the collateral is checked and reset daily. The Fidelity ETF only deals with parties who appear to have the resources and the financial strength to live up to the terms of the agreements. Securities lending transactions are limited to 50% of the Fidelity ETF’s assets. Collateral held by the Fidelity ETF for loaned securities is not included in the Fidelity ETF’s assets when making this calculation.

Taxation Risk

The Fidelity ETF will be subject to certain tax risks generally applicable to Canadian investment funds, including the following.

The Fidelity ETF is expected to qualify as a “mutual fund trust” for the 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. If the Fidelity ETF does not qualify or ceases to qualify as a mutual fund trust under the Tax Act, the income tax considerations described under the heading “**Income Tax Considerations**” could be materially and adversely different in some respects. For example, if the Fidelity ETF does not qualify as a mutual fund trust within the meaning of the Tax Act throughout a taxation year, the Fidelity ETF may be liable to pay alternative minimum tax and/or tax under Part XII.2 of the Tax Act and would not be entitled to the Capital Gains Refund (as defined herein). Recent amendments to the Tax Act will exempt unit trusts from the alternative minimum tax regime if the total fair market value of the units of the trust that are listed on a designated stock exchange for purposes of the Tax Act (which includes the TSX) represents all or substantially all of the total fair market value of all the units of the trust. The Manager advised that the Fidelity ETF is expected to qualify for this new exemption.

If the Fidelity ETF does not qualify as a “mutual fund trust” for purposes of the Tax Act and more than 50% (based on fair market value) of the Units of the Fidelity ETF are held by one or more Unitholders that are considered “financial institutions” for the purposes of certain mark-to-market rules in the Tax Act, then the Fidelity ETF itself will be treated as a financial institution under those rules. As a result, the Fidelity ETF will be required to recognize income for each taxation year during which it is a deemed financial institution on the full amount of any gains and losses accruing on certain types of securities that it holds, and also will be subject to special rules with respect to income inclusion on these securities. Any income arising from such treatment will be included in amounts to be distributed to Unitholders. If more than 50% of the Units of the Fidelity ETF cease to be held by financial institutions, the tax year of the Fidelity ETF will be deemed to end immediately before that time and any gains or losses accrued before that time will be deemed realized by the Fidelity ETF and will be distributed to Unitholders. A new taxation year for the Fidelity ETF will then begin and for that and subsequent taxation years, for so long as not more than 50% of the Units of the Fidelity ETF are held by financial institutions or the Fidelity ETF qualifies as a mutual fund trust, the Fidelity ETF will not be

subject to these mark-to-market rules. Initially, following the creation of the Fidelity ETF, financial institutions will hold all the outstanding Units of the Fidelity ETF.

The tax treatment of gains and losses realized by the Fidelity ETF will depend on whether such gains or losses are treated as being on income or capital account, as described in this paragraph, subject to the discussion above pertaining to “financial institutions” for purposes of the mark-to-market rules in the Tax Act. In determining its income for tax purposes, the Fidelity ETF will treat gains or losses realized on the disposition of portfolio securities (other than derivatives) held by it as capital gains and losses. In general, gains and losses realized by the Fidelity ETF from derivative transactions will be on income account except where such derivatives are used to hedge portfolio securities held on capital account and there is sufficient linkage. Designations with respect to a Fidelity ETF’s income and capital gains will be made and reported to Unitholders on the foregoing basis. There can be no assurance that the CRA will agree with the tax treatment adopted by a Fidelity ETF in filing its tax returns. The CRA could reassess a Fidelity ETF on a basis that results in tax being payable by the Fidelity ETF or in an increase in the taxable component of distributions considered to have been paid to Unitholders. The CRA could assess a Fidelity ETF for its failure to withhold tax on distributions made by it to non-resident Unitholders that are subject to withholding tax, and typically would do so rather than assessing the non-resident Unitholders directly. Any such redetermination by the CRA may result in a Fidelity ETF being liable for unremitted withholding taxes on prior distributions made to Unitholders who were not resident in Canada at the time of the distributions. As the Fidelity ETF may not be able to recover such withholding taxes from the non-resident Unitholders whose Units are redeemed, payment of any such amounts by the Fidelity ETF would reduce the applicable NAV of the Fidelity ETF.

Rules in the Tax Act that apply to “loss restriction events” (as defined in the Tax Act) of certain trusts (the “**LRE Rules**”) may have an impact on the Fidelity ETF in certain circumstances. Generally, the Fidelity ETF will have a “loss restriction event” if any person, together with other persons with whom that person is affiliated within the meaning of the Tax Act, or any group of persons acting in concert, acquires Units of the Fidelity ETF having a fair market value that is greater than 50% of the fair market value of all the Units of the Fidelity ETF. Upon the occurrence of a “loss restriction event”, the taxation year of the Fidelity ETF will be deemed to end, and the Fidelity ETF will be deemed to realize its unrealized capital losses. The Fidelity ETF 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 by the Fidelity ETF in future years and any undeducted non-capital losses in future years will be restricted, with the result that income and capital gains distributions in the future may be larger. The Declaration of Trust provides for the automatic distribution to Unitholders of a sufficient amount of income and capital gains of the Fidelity ETF for each taxation year (including a taxation year that is deemed to end by virtue of a loss restriction event) so that the Fidelity ETF will not be liable for ordinary income tax. The Declaration of Trust provides that any such distribution is automatically reinvested in Units of the Fidelity ETF and the Units of the Fidelity ETF are immediately consolidated to the pre-distribution NAV per Unit. These reinvested distributions may be subject to withholding tax. It may not be possible for the Fidelity ETF to determine if or when a loss restriction event has occurred because of the nature of its investments and the way Units are bought and sold. There can be no assurances that the Fidelity ETF will not experience a loss restriction event and there can be no assurances regarding when or to whom the distributions resulting from a loss restriction event will be made, or that the Fidelity ETF will not be required to pay tax notwithstanding such distributions.

The Fidelity ETF will be a SIFT trust if it holds a “non-portfolio property” (as defined in the Tax Act), or holds derivative instruments held in its portfolio or any other property in the course of carrying on a business in Canada. If the Fidelity ETF is a SIFT trust, it will generally be subject to tax at rates applicable to a Canadian corporation on income from a non-portfolio property and net taxable capital gains realized on the disposition of a non-portfolio property. Unitholders who receive distributions from the Fidelity ETF of this type of income and capital gains are deemed to receive an eligible dividend from a Canadian corporation for tax purposes. The total of the tax payable by the Fidelity ETF on its non-portfolio earnings and the tax payable by a Unitholder on the distribution of those earnings will generally be more than the tax that would have been payable in the absence of the tax rules that apply to a SIFT trust. The Declaration of Trust requires that the Fidelity ETF restrict its investments and activities so its non-portfolio earnings and thus SIFT tax liability is immaterial for each taxation year; however, no assurance can be given in this regard.

If the Fidelity ETF realizes capital gains as a result of a transfer or disposition of its property undertaken to permit an exchange or redemption of Units by a Unitholder, allocation of fund-level capital gains may be permitted pursuant to

the Declaration of Trust. Pursuant to rules in the Tax Act applicable to trusts that are “mutual fund trusts” for purposes of the Tax Act throughout the taxation year (the “**ATR Rule**”), the Fidelity ETF will be able to allocate and designate capital gains to Unitholders on an exchange or redemption of Units in an amount determined by a formula (the “**Capital Gains Designation Limit**”) which is based on (i) the amount of capital gains designated to Unitholders on an exchange or redemption of Units in the taxation year, (ii) the total amount paid for exchanges or redemptions of the Units in the taxation year, (iii) the Fidelity ETF’s NAV at the end of the taxation year and the end of the previous taxation year, and (iv) the Fidelity ETF’s net taxable capital gains for the taxation year. In general the formula contained in the Tax Act is meant to limit the Fidelity ETF’s designation to an amount that does not exceed the portion of the Fidelity ETF’s taxable capital gains considered to be attributable to Unitholders that exchanged or redeemed their Units in the year. The amount of capital gains allocated and designated to each redeeming or exchanging Unitholder shall be equal to the Unitholder’s *pro rata* share of the Capital Gains Designation Limit. The amount of taxable distributions made to non-redeeming Unitholders of the Fidelity ETF may be greater than they would have been in the absence of the ATR Rule. The Manager does not intend to allocate capital gains to exchanging or redeeming Unitholders in a manner that would result in the allocated amounts being non-deductible under the Tax Act.

Recent amendments to the Tax Act (the “**EIFEL Rules**”) generally limit the deductibility of interest and financing expenses of a Canadian resident corporation or trust that is not an “excluded entity” to a fixed ratio of tax EBITDA (as calculated in accordance with the EIFEL Rules). If the EIFEL Rules apply to the Fidelity ETF, the amount of interest and other financing expenses otherwise deductible by the Fidelity ETF may be reduced and the taxable component of distributions by the Fidelity ETF to its Unitholders may be increased accordingly. The Manager is reviewing the impact, if any, of the EIFEL Rules on the Fidelity ETF.

Cease Trading of Securities Risk

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

Halted Trading of Units Risk

Trading of Units on the TSX may 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 Units may also be halted if (i) the Units are delisted from the TSX without first being listed on another exchange; or (ii) TSX officials determine that such action is appropriate in the interest of a fair and orderly market or to protect Unitholders.

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 attacks affecting the Fidelity ETF, the Manager or the Fidelity ETF’s third-party service providers (including the Fidelity ETF’s custodian, portfolio adviser, sub-adviser and transfer agent) have the ability to negatively impact the Fidelity ETF and the Unitholders of the Fidelity ETF by, among other things, disrupting and impacting business operations, interfering with the Fidelity ETF’s ability to calculate its NAV, impeding trading by or in the Fidelity ETF, or causing violations of applicable privacy and other laws. Similar adverse consequences could result

from cyber incidents affecting individual issuers in which the Fidelity ETF may invest or be exposed to and counterparties with which the Fidelity ETF may engage with.

While the Manager has established resiliency 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 or assessed, especially related to new threads or zero-day attacks. Furthermore, although the Manager has vendor oversight policies and procedures, the Manager and the Fidelity ETF cannot control the cyber security plans and systems put in place by its third- or fourth-party service providers, whose operations may affect the Fidelity ETF or its Unitholders. The Fidelity ETF and its Unitholders could be negatively impacted as a result.

Series Risk

The Fidelity ETF may, without notice to Unitholders and without Unitholder approval, offer more than one series of units. If the Fidelity ETF is unable to pay the expenses of one series using that series’ proportionate share of the Fidelity ETF’s assets, the Fidelity ETF is required to pay those expenses out of the other series’ proportionate share of the Fidelity ETF’s assets. This could lower the investment returns of the other series.

Unit Split and Unit Consolidation Risk

The Manager may, from time to time, split or consolidate Units when the trading price of Units of the Fidelity ETF reaches certain thresholds, or for other reasons. A consolidation is a reduction in the number of Units of the Fidelity ETF, and a corresponding increase in the net asset value per Unit and in the investor’s average cost per Unit. A split is an increase in the number of Units of the Fidelity ETF, and a corresponding decrease in the net asset value per Unit and in the investor’s average cost per Unit. A split or consolidation has no effect on the net asset value or the adjusted cost base of an investor’s overall position. Splits and consolidations are announced publicly, in advance, by a press release that is posted on SEDAR+ and on the Manager’s website. While the Manager works closely with major brokerage firms in respect of splits and consolidations of Units of the Fidelity ETF and provides these firms with complete and timely information regarding such splits and consolidations, it can take up to 3-5 business days for an investor’s holdings to be properly updated in their brokerage account. Under such circumstances, with certain brokers or custodians, splits and consolidations can disrupt an investor’s ability to engage in the normal trading of Units on the TSX or another exchange or marketplace, as applicable. It is advisable to take extra care and contact your broker prior to trading Units of the Fidelity ETF during the first 3-5 business days following a split or consolidation of Units.

Additional Risks Relating to an Investment in the Fidelity ETF

In addition to the general risk factors, the following additional risk factors are inherent in an investment in the Fidelity ETF or in any Underlying Fidelity ETF or Underlying Fidelity Fund. A description of each of these risks, listed in alphabetical order, follows the table.

Fidelity ETF	Additional Risks
Fidelity Core U.S. Bond ETF	asset-backed securities and mortgage-backed securities risk; credit risk; swaps and futures risk; currency hedging risk; currency risk; foreign investment risk; interest rate risk; portfolio management risk; quantitative model/technique risk.

Asset-backed Securities and Mortgage-backed Securities Risk

The Fidelity ETF may invest, directly or indirectly, in debt obligations that are backed by pools of consumer or business loans, known as asset-backed securities, or debt obligations backed by pools of mortgages on commercial or residential real estate, known as mortgage-backed securities. The value of those securities may be affected 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. Holders of asset-backed securities and mortgage-backed securities may not receive full repayment if the underlying loans are not ultimately repaid in full. Additionally, 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 Fidelity ETF or Underlying Fidelity ETF, as applicable, may have to reinvest this money in securities that have lower rates.

Credit Risk

The Fidelity ETF may be subject to credit risk, directly or indirectly through Underlying Fidelity ETFs or Underlying Fidelity Funds, as applicable. 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 an issuer of a fixed-income security cannot pay interest or repay principal when it is due. Many fixed-income securities of companies and governments are assigned credit ratings by specialized rating agencies, such as Standard & Poor's, which help measure 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, changes to the inflation rate 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: (i) offer a higher yield than securities with a high credit rating; (ii) have a higher potential for loss than fixed-income securities issued by financially stable and solvent issuers; (iii) are more likely to go into default on interest and principal payments than securities with a higher credit rating; and (iv) 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: (i) the value of the pledged collateral declines or is insufficient to meet the obligations of the borrower to all investors or lenders; and (ii) 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 a loss to the Fidelity ETF, an Underlying Fidelity ETF or an Underlying Fidelity Fund, as applicable, if it holds these types of securities.

Swaps and Futures Risk

As part of the Fidelity ETF's investment strategies, the Fidelity ETF may use derivatives, including swaps (e.g., interest rate swaps, credit default swaps, total return swaps) and futures (e.g. Treasury futures) for hedging and non-hedging purposes. A swap is a contract between two parties to exchange payments based on an agreed amount. A futures contract is an agreement between two parties to buy/sell an asset at a predetermined price on a future date. Swaps and futures, similar to other derivatives, are subject to additional risks, including counterparty risk (i.e., where one or more parties in a contract may default on their obligation or be unable to fulfill their obligation), liquidity risk (i.e., where the security cannot be traded quickly or easily due to financial market conditions), and market risk (i.e., where unfavourable market conditions negatively impact the value of the securities). There is no guarantee that the Fidelity ETF's use of swaps and/or futures will enhance performance or reduce risk relative to the overall market.

Currency Hedging Risk

The Fidelity ETF seeks to hedge its developed market foreign currency exposure (such as the U.S. dollar) to the Canadian dollar by entering into currency forward transactions with financial institutions that have a "designated rating" as defined in NI 81-102. Although there is no assurance that these currency forward transactions will be effective, the Sub-advisor expects these currency forward transactions to be substantially effective.

The effectiveness of the Fidelity ETF's currency hedging strategy will, in general, be affected by the volatility of the Canadian dollar relative to the currencies to be hedged. Increased volatility will generally reduce the effectiveness of

the currency hedging strategy. The effectiveness of this currency hedging strategy may also be affected by any significant difference between Canadian dollar interest rates and foreign currency interest rates. See “**Investment Strategies – Use of Derivative Instruments**”.

USD Units are offered as a convenience for investors and do not hedge - or protect - against losses caused by changes in the exchange rate between the Canadian and U.S. dollar.

Currency Risk

Currency risk, sometimes referred to as exchange rate risk, is the risk that the value of an investment held by the Fidelity ETF or an Underlying Fidelity 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 the Fidelity ETF or an Underlying Fidelity Fund, especially if the Fidelity ETF or Underlying Fidelity Fund invests a large percentage of its assets in foreign securities. To understand the exposure of the Fidelity ETF to foreign securities, please refer to its objectives and strategies.

The Fidelity ETF or an Underlying Fidelity 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 Fidelity ETF or Underlying Fidelity 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 is sold.

The base currency of the Fidelity ETF is Canadian dollars. A Unitholder buying or selling USD Units on the TSX or another exchange or marketplace, as applicable, may, therefore, experience a gain or loss due to a fluctuation in the relative value between the U.S. dollar and the Canadian dollar on any given day. No currency hedging is entered into by the Fidelity ETF in respect of the USD Units. USD Units are offered as a convenience for investors who wish to buy or sell USD Units on the TSX or another exchange or marketplace, as applicable, with U.S. dollars. Distributions and the proceeds of sale or redemption will be paid in Canadian dollars. Depending on the arrangements between an investor and the investor’s broker and the terms of the investor’s brokerage account, these Canadian dollar amounts may be converted into U.S. dollars. Brokers may charge a fee for this service.

The Fidelity ETF, Underlying Fidelity ETFs or Underlying Fidelity 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.

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 can offer diversification, since all of an investor’s money is not invested in Canada.

In addition to currency risk discussed herein, foreign investments have other risks, including: (i) 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 practices and less stringent 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; (ii) 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 decline; (iii) 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; (iv) riots, civil unrest or wars, or unstable governments in some countries could hurt investments; and (v) foreign countries may experience relatively high inflation and high interest rates.

It is sometimes difficult to enforce the Fidelity ETF's, an Underlying Fidelity ETF's or an Underlying Fidelity 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 are 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, the Fidelity ETF or Underlying Fidelity Funds may invest in eligible China A-Shares. 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 the Fidelity ETF or Underlying Fidelity Fund. 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 the Fidelity ETF's or Underlying Fidelity Fund's ability to invest in China A-Shares at the Fidelity ETF's or Underlying Fidelity Fund's preferred time.

In addition, investment income received, and capital gains realized by the Fidelity ETF or an Underlying Fidelity Fund from sources within foreign countries may be subject to foreign taxes withheld at the source. Any foreign withholding taxes could reduce the Underlying Fidelity Fund's distributions, as applicable, and the Fidelity ETF's distributions paid to you. Canada has entered into tax treaties with certain foreign countries that may entitle mutual funds to a reduced rate of 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 the Fidelity ETF or an Underlying Fidelity 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 unitholder information); therefore, the Fidelity ETF or Underlying Fidelity Fund may not receive the reduced treaty rates or potential reclaims. Certain countries have conflicting and changing instructions and restrictive timing requirements which may cause the Fidelity ETF or an Underlying Fidelity Fund not to receive the reduced treaty rates or potential reclaims.

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. Interest rates may rise during the term of a fixed-income investment. 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.

Longer-term bonds and strip bonds are generally more sensitive to changes in interest rates than other kinds of securities. The cash flow from fixed-income securities with variable rates can change as interest rates fluctuate.

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. For callable bonds with a predetermined call price and call date, there is a risk that issuers may call existing bonds before maturity. These are risks because if a fixed income security is paid off or called sooner than expected, a Fidelity ETF 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.

Portfolio Management Risk

The Fidelity ETF is dependent on its Sub-advisor to select its investments and is subject to the risk that poor security selection will cause it to underperform relative to other investment funds with similar investment objectives.

Quantitative Model/Technique Risk

The Sub-advisor will generally use quantitative models or techniques to evaluate factors and/or assist with portfolio construction. Quantitative models and techniques may not work as intended in all markets. In particular, the Sub- advisor's models 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 a model or technique, the factors and/or assumptions used in a model or technique, the weight placed on each factor and/or assumption in a model or technique, changing sources of market return or market risk, market disruption, and technical issues in the design, development, implementation, and maintenance of a model or technique.

In response to market, economic, political, or other conditions, the Sub-advisor may temporarily use a different investment strategy for defensive purposes. If it does so, different factors could affect performance and the Fidelity ETF may not achieve its investment objective.

Risk Classification Methodology

The investment risk level of the Fidelity ETF is required to be determined in accordance with a standardized risk classification methodology that is based on the historical volatility of the Fidelity ETF, as measured by the 10-year standard deviation of the returns of the Fidelity ETF. As the Fidelity ETF has less than 10 years of performance history, the Manager calculates the investment risk level of the Fidelity ETF using a reference index that is expected to reasonably approximate the standard deviation of the Fidelity ETF. Once the Fidelity ETF has 10 years of performance history, the methodology will calculate the standard deviation of the Fidelity ETF using the return history of the Fidelity ETF rather than that of the reference index. In such cases, the Fidelity ETF is assigned an investment risk rating in one of the following categories: low, low to medium, medium, medium to high or high risk.

The following chart sets out the risk rating of the Fidelity ETF, as well as the reference index used for the Fidelity ETF:

Fidelity ETF	Risk Rating	Reference Index
Fidelity Core U.S. Bond ETF	Low	Bloomberg U.S. Aggregate Bond Index (Hedged to CAD)

The following chart sets out a description of the reference index used for the Fidelity ETF:

Reference Index	Description of Reference Index
Bloomberg U.S. Aggregate Bond Index (Hedged to CAD)	The Bloomberg U.S. Aggregate Bond Index (Hedged to CAD) is an unmanaged, market-value-weighted index of taxable investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage backed securities, with maturities of one year or more, hedged to the Canadian dollar.

Unitholders should know that other types of risks, both measurable and non-measurable, exist. Also, just as historical performance may not be indicative of future returns, historical volatility may not be indicative of future volatility.

The risk rating of the Fidelity ETF set out above is reviewed annually and any time that it is no longer reasonable in the circumstances. A more detailed explanation of the risk classification methodology used to identify the risk ratings of the Fidelity ETF is available on request, at no cost, by calling toll free at 1-800-263-4077 or by writing to Fidelity Investments Canada ULC, 483 Bay Street, Suite 300, Toronto, Ontario M5G 2N7.

DISTRIBUTION POLICY

Distributions

Cash distributions on Units of the Fidelity ETF will be paid monthly.

Cash distributions on Units will be paid in Canadian dollars. Where the Fidelity ETF offers more than one series of Units, separate cash distributions are declared for each series, and the ratio of the distribution amount for each series to the NAV per Unit of that series at the time of distribution will be approximately equal. Where the Fidelity ETF has declared a distribution on its USD Units and the exchange rate between the Canadian and U.S. currencies changes between the ex-dividend date (when the distribution is recognized as a liability in the financial records of the Fidelity ETF) and the time the distribution on the USD Units is paid, then the Fidelity ETF may realize a foreign exchange loss or gain that will be reflected in the NAV per Unit for the USD Units on the payment date. The Manager may, in its discretion, change the frequency of cash distributions, and will issue a press release if such a change is made, or the Manager may make additional distributions if determined to be appropriate. Cash distributions are expected to consist primarily of income, but may, at the Manager's discretion, include capital gains and/or returns of capital. Distributions are not fixed or guaranteed.

The Fidelity ETF distributes a sufficient amount of its net income and net realized capital gains to Unitholders for each taxation year so that the Fidelity ETF will not be liable for ordinary income tax. To the extent that the Fidelity ETF has not otherwise distributed a sufficient amount of its net income or net realized capital gains, it will pay a distribution to Unitholders at the end of the year and that distribution will be automatically reinvested in additional Units. Immediately following such reinvestment, the number of Units outstanding will be consolidated so that the NAV per Unit following the distribution and reinvestment is the same as it would have been if the distribution had not been paid. In the case of a non-resident Unitholder, if tax has to be withheld in respect of the distribution, the Unitholder's Canadian market intermediaries may debit his, her or its account for any such required withholding tax.

Units of the Fidelity ETF trade on an ex-dividend basis at the opening of trading on the date that is one Trading Day prior to the record date for the applicable distribution. A Unitholder that subscribes for Units during the period commencing on and including the date that is one Trading Day before a distribution record date until that distribution record date will not be entitled to receive the applicable distribution in respect of those Units. Capital gains of the Fidelity ETF may be distributed to a Unitholder as part of the price paid to the Unitholder on the exchange or redemption of Units.

Management Fee Distributions, if any, will be paid first out of the net income and net realized capital gains of the Fidelity ETF and then out of capital.

The income tax treatment to Unitholders of distributions is discussed under the heading "**Income Tax Considerations**".

Reinvestment Plan

The Manager has implemented a Reinvestment Plan for the Fidelity ETF under which cash distributions are used to purchase Plan Units in the market, which are then credited to the Plan Participant through CDS. A Unitholder who wishes to enrol in the Reinvestment Plan as of a particular distribution record date should notify his, her or its CDS Participant sufficiently in advance of that distribution record date to allow the CDS Participant to notify CDS no later than 3:00 p.m. (Toronto time) on that distribution record date.

Fractional Units

No fractional Plan Units are delivered under the Reinvestment Plan. Payment in cash for any remaining uninvested funds may be made in lieu of delivering fractional Plan Units by the Plan Agent to CDS or a CDS Participant, on a monthly basis. Where applicable, CDS will, in turn, credit the Plan Participant, via the applicable CDS Participant.

Amendments, Suspension or Termination of the Reinvestment Plan

Plan Participants are able to terminate their participation in the Reinvestment Plan as of a particular distribution record date by notifying their CDS Participant no later than 4:00 p.m. (Toronto time) at least two business days prior to the applicable distribution record date. Beginning on the first distribution payment date after such notice is delivered, distributions to such Unitholders will be in cash. The form of termination notice is available from CDS Participants and any expenses associated with the preparation and delivery of such termination notice is for the account of the Plan Participant exercising his, her or its right to terminate participation in the Reinvestment Plan.

The Manager is permitted to terminate the Reinvestment Plan, in its sole discretion, upon not less than 30 days' notice to the Plan Participants and the Plan Agent, subject to any required regulatory approval. The Manager is also permitted to amend, modify or suspend the Reinvestment Plan at any time, in its sole discretion, provided that it complies with certain requirements, and gives notice of such amendment, modification or suspension to the Plan Participants and the Plan Agent, subject to any required regulatory approval, which notice may be given by issuing a press release containing a summary description of the amendment or in any other manner that the Manager determines to be appropriate.

The Manager may from time to time adopt rules and regulations to facilitate the administration of the Reinvestment Plan. The Manager reserves the right to regulate and interpret the Reinvestment Plan as it deems necessary or desirable to ensure the efficient and equitable operation of the Reinvestment Plan.

Other Provisions

Participation in the Reinvestment Plan is restricted to Unitholders who are residents of Canada for the purposes of the Tax Act or "Canadian partnerships" as defined in the Tax Act. Immediately upon becoming a non-resident of Canada or ceasing to be a Canadian partnership, a Plan Participant is required to notify his, her or its CDS Participant and terminate participation in the Reinvestment Plan.

The automatic reinvestment of distributions under the Reinvestment Plan does not relieve Plan Participants of any income tax applicable to the distributions. See "**Income Tax Considerations**".

PURCHASES OF UNITS

Continuous Distribution

Units of the Fidelity ETF are being offered on a continuous basis and there is no maximum number of Units that may be issued.

Designated Broker

The Manager, on behalf of the Fidelity ETF, has entered into a designated broker agreement with a Designated Broker pursuant to which the Designated Broker has agreed to perform certain duties relating to the Fidelity ETF including, without limitation: (i) to subscribe for a sufficient number of Units to satisfy the original listing requirements of the TSX; (ii) to subscribe for Units when cash redemptions of Units occur as described under "**Redemption of Units**"; and (iii) to post a liquid two-way market for the trading of Units on the TSX.

In accordance with the designated broker agreement, the Manager may from time to time require the Designated Broker to subscribe for Units of the Fidelity ETF for cash.

Issuance of Units

To Designated Brokers and Dealers

Generally, all orders to purchase Units directly from the Fidelity ETF must be placed by a Designated Broker or a Dealer. The Fidelity ETF reserves the absolute right to reject any subscription order placed by a Designated Broker or a Dealer. No fees will be payable by the Fidelity ETF to a Designated Broker or a Dealer in connection with the

issuance of Units. On the issuance of Units, an amount may be charged to a Designated Broker or a Dealer to offset the expenses incurred in issuing the Units.

After the initial issuance of Units of the Fidelity ETF to the Designated Broker to satisfy the TSX’s original listing requirements, on any Trading Day, a Dealer (who may also be a Designated Broker) may place a subscription order for a Prescribed Number of Units (and any additional multiple thereof) of the Fidelity ETF. If a subscription order is not received before the times set out below, subject to the discretion of the Manager, the subscription order will be deemed to be received only on the next business day. If a subscription order is received by the Fidelity ETF by the applicable Cut-Off Time on a Trading Day (or such other time on such trading day as the Manager may permit), the Fidelity ETF will issue to the Dealer a Prescribed Number of Units (and any additional multiple thereof) based on the NAV per Unit determined on the applicable Trading Day. If a subscription order is not received by the applicable Cut-Off Time on a Trading Day (or such other time on such trading day as the Manager may permit), subject to the discretion of the Manager, the subscription order will be deemed to be received only on the next business day. The Cut-Off Times for the Fidelity ETF are set out in the table below.

Fidelity ETF	Cut-Off Time for Subscriptions/ Exchanges, Paid in Cash Only	Cut-Off Time for all other Subscriptions/ Exchanges
Fidelity Core U.S. Bond ETF	3:00 p.m. (Toronto time) on a Trading Day (or such other time on such trading day as the Manager may permit)	

For each Prescribed Number of Units issued, a Dealer must deliver payment consisting of, depending on the terms of the agreement with the Dealer or in the Sub-advisor’s discretion: (i) one Basket of Securities and cash in an amount sufficient so that the value of the securities and the cash received is equal to the aggregate NAV per Unit of the Prescribed Number of Units next determined following the receipt of the subscription order; (ii) cash in an amount equal to the aggregate NAV per Unit of the Prescribed Number of Units next determined following the receipt of the subscription order; or (iii) other securities and cash, as determined by the Manager, in an amount sufficient so that the value of the securities and cash received is equal to the aggregate NAV per Unit of the Prescribed Number of Units next determined following the receipt of the subscription order.

If a Dealer purchases Units for cash, the purchase price for both CAD Units and USD Units must be paid in Canadian dollars.

The Manager will make available to the applicable Designated Broker and Dealers information as to the Prescribed Number of Units and any Basket of Securities for the Fidelity ETF for each Trading Day. The Manager may, in its discretion, increase or decrease the Prescribed Number of Units from time to time.

To Designated Brokers in Special Circumstances

Units may also be issued by the Fidelity ETF to its Designated Broker in certain special circumstances, including when cash redemptions of Units occur as described under “**Redemption of Units – Redemption of Units in any Number for Cash**”.

To Unitholders

Units may be issued by the Fidelity ETF to Unitholders on the automatic reinvestment of certain distributions as described under “**Distribution Policy - Distributions**”, and “**Income Tax Considerations - Taxation of the Fidelity ETF**”.

Buying and Selling Units

The TSX has conditionally approved the listing of the Units of the Fidelity ETF. Subject to fulfilling the TSX’s original listing requirements, the Units of the Fidelity ETF will be listed on the TSX and a Unitholder will be able to buy or sell Units of the Fidelity ETF on the TSX or another exchange or marketplace through registered brokers and dealers in the province or territory where the Unitholder resides.

A Unitholder may incur customary brokerage commissions in buying or selling Units. No fees are paid by a Unitholder to the Manager or the Fidelity ETF in connection with the buying or selling of Units on the TSX or another exchange or marketplace, as applicable. Unitholders may trade Units in the same way as other securities listed on the TSX, including by using market orders and limit orders.

A Unitholder that purchases or sells the Fidelity ETF may buy and sell CAD Units or USD Units. A U.S. dollar NAV per USD Unit is calculated for the USD Units by converting the Canadian dollar NAV per Unit to U.S. dollars at the prevailing exchange rate on the applicable Valuation Date. USD Units are offered as a convenience for investors who wish to purchase and sell with U.S. dollars. USD Units are not hedged and purchased USD Units does not hedge - or protect - against losses caused by changes in the exchange rate between the Canadian and U.S. dollar.

Special Considerations for Unitholders

The provisions of the so-called “early warning” reporting requirements in Canadian securities legislation do not apply if a person or company acquires 10% or more of the Units of the Fidelity ETF. The Fidelity ETF has obtained exemptive relief to permit Unitholders to acquire more than 20% of the Units of the Fidelity ETF without regard to the takeover bid requirements of applicable Canadian securities legislation.

Non-Resident Unitholders

At no time may (i) non-residents of Canada, (ii) partnerships that are not Canadian partnerships, or (iii) a combination of non-residents of Canada and such partnerships (all as defined in the Tax Act) be the beneficial owners of a majority of the Units of the Fidelity ETF at any time during which more than 10% of the property of the Fidelity ETF consists of certain “taxable Canadian property” (as defined in the Tax Act). The Manager shall inform the Registrar and Transfer Agent of this restriction. The Manager may require declarations as to the jurisdictions in which a beneficial owner of Units is resident and, if a partnership, its status as a Canadian partnership. If the Manager becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 40% of the Units of the Fidelity ETF then outstanding are, or may be, non-residents and/or partnerships that are not Canadian partnerships, or that such a situation is imminent, the Manager may make a public announcement thereof. If the Manager determines that more than 40% of such Units are beneficially held by non-residents and/or partnerships that are not Canadian partnerships, the Manager may send a notice to such non-resident Unitholders and partnerships, chosen in inverse order to the order of acquisition or in such manner as the Manager may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 30 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Manager with satisfactory evidence that they are not non-residents or partnerships other than Canadian partnerships within such period, the Manager may, on behalf of such Unitholders, sell such Units and, in the interim, shall suspend the voting and distribution rights attached to such Units. Upon such sale, the affected holders shall cease to be beneficial holders of Units and their rights shall be limited to receiving the net proceeds of sale of such Units.

Notwithstanding the foregoing, the Manager may determine not to take any of the actions described above if the Manager reasonably determines that the failure to take any such action would not adversely impact the status of the Fidelity ETF as a mutual fund trust for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the Fidelity ETF as a mutual fund trust for purposes of the Tax Act. Such action may include, without limitation, causing the Fidelity ETF to redeem the Units of that Unitholder for a redemption price equal to their NAV per Unit on the redemption date.

Registration and Transfer through CDS

Registration of interests in, and transfers of, the Units will be made only through the book-entry only system of CDS. Units must be purchased, transferred, and surrendered for exchange or redemption only through a CDS Participant. All rights of an owner of Units must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such Units. Upon purchase of any Units, the owner will receive only the customary confirmation. All distributions and redemption proceeds in respect of Units will be made or paid initially to CDS, which payments will be forwarded by CDS to the CDS Participants and, thereafter, by such CDS Participants to the applicable Unitholders. References in this prospectus to a holder of Units means, unless the context otherwise requires, the owner of the beneficial interest in such Units.

Neither the Fidelity ETF nor the Manager will have any liability for: (i) any aspect of the records maintained by CDS relating to the beneficial interests in the Units or the book-entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS, whether contained in this prospectus or otherwise, or made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS Participants. The rules governing CDS provide that it acts as the agent and depository for the CDS Participants. As a result, CDS Participants must look solely to CDS and persons, other than CDS Participants, having an interest in the Units must look solely to CDS Participants for payment made by the Fidelity ETF to CDS.

The ability of a beneficial owner of Units to pledge such Units or otherwise take action with respect to such owner's interest in such Units (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

The Fidelity ETF has the option to terminate registration of the Units through the book-entry only system, in which case certificates for Units in fully registered form will be issued to beneficial owners of such Units or to their nominees.

REDEMPTION OF UNITS

Redemption of Units in any Number for Cash

On any Trading Day, Unitholders may redeem Units of the Fidelity ETF in any whole number for cash at a redemption price per Unit equal to 95% of the closing price for the Units on the TSX on the effective day of the redemption, subject to a maximum redemption price of the NAV per Unit. Because Unitholders will generally be able to sell Units at the market price on the TSX or another exchange or marketplace, as applicable, through a registered broker or dealer subject only to customary brokerage commissions, Unitholders are advised to consult their brokers, dealers or investment advisers before redeeming their Units for cash.

For such a cash redemption to be effective on a Trading Day, a cash redemption request in the form prescribed by the Manager from time to time must be delivered through a CDS Participant by 9:00 a.m. (Toronto time) on that day to the Fidelity ETF at its head office or as the Manager may otherwise direct. If a cash redemption request is received after 9:00 a.m. (Toronto time) on a Trading Day, the cash redemption request will be effective only on the next business day.

The redemption price for both CAD Units and USD Units will be paid in Canadian dollars. Payment of the redemption price will be made by no later than the next business day after the effective day of the redemption. The cash redemption request forms may be obtained from the Manager.

Units of the Fidelity ETF trade on an ex-dividend basis at the opening of trading on the date that is one Trading Day prior to the record date for the applicable distribution. A Unitholder that exercises this cash redemption right in respect of Units during the period commencing on and including the date that is one Trading Day before a distribution record date until that distribution record date will not be entitled to receive the applicable distribution in respect of those Units. Subject to the limits imposed by the ATR Rule, capital gains of the Fidelity ETF may be distributed to a Unitholder as part of the price paid to the Unitholder on the exchange or redemption of Units. The remaining portion of the exchange or redemption price will be proceeds of redemption.

The Manager reserves the right to cause the Fidelity ETF to redeem the Units held by a Unitholder at a price equal to the NAV per Unit on the effective date of such redemption if the Manager believes it is in the best interests of the Fidelity ETF to do so.

Exchange of Prescribed Number of Units

On any Trading Day, Unitholders may exchange a minimum of a Prescribed Number of Units (and any additional multiple thereof) for, in the discretion of the Manager, Baskets of Securities and cash, only cash or other securities and cash. To effect an exchange of Units, a Unitholder must submit an exchange request in the form prescribed by the Manager from time to time to the Fidelity ETF at its head office or as the Manager may otherwise direct by the applicable Cut-Off Time on a Trading Day. The exchange price will be equal to the aggregate NAV per Unit of the Prescribed

Number of Units on the effective day of the exchange request, payable by delivery of the Baskets of Securities (constituted prior to the receipt of the exchange request) and cash, only cash or other securities and cash, depending on the terms of any agreement with the Unitholder or with the consent of the Manager. If the Unitholder receives only cash, the Manager may, in its discretion, require the Unitholder to pay or reimburse the Fidelity ETF for the trading expenses incurred, or expected to be incurred, by the Fidelity ETF in connection with the sale by such Fidelity ETF of securities in order to obtain the necessary cash to fund the exchange price. On an exchange, the applicable Units will be redeemed. Any cash component of the exchange price for Units will be paid only in Canadian dollars.

If an exchange request is not received by the applicable Cut-Off Time on a Trading Day, subject to the discretion of the Manager, the exchange request will be deemed to be received only on the next business day. Settlement of exchanges for Baskets of Securities and cash, only cash or other securities and cash, as the case may be, will be made by no later than the next business day after the effective day of the exchange request. The exchange price for both CAD Units and USD Units will be paid in Canadian dollars.

The Manager will make available to the applicable Designated Broker and the Dealers information as to the Prescribed Number of Units and any Basket of Securities for the Fidelity ETF for each Trading Day. The Manager may, in its discretion, increase or decrease the Prescribed Number of Units from time to time.

Units of the Fidelity ETF trade on an ex-dividend basis at the opening of trading on the date that is one Trading Day prior to the record date for the applicable distribution. A Unitholder that exchanges or redeems Units during the period commencing on and including the date that is one Trading Day prior to the distribution record date until that distribution record date will be entitled to receive the applicable distribution in respect of those Units.

If securities held in the portfolio of the Fidelity ETF are cease traded at any time by order of a securities regulatory authority or other relevant regulator or stock exchange, the delivery of such securities to a Unitholder on an exchange may be postponed until such time as the transfer of the securities is permitted by law.

Characterization of Redemption or Exchange Amount

Subject to the limits imposed by the ATR Rule, the exchange or redemption price paid to a Unitholder may include capital gains realized by the Fidelity ETF that are allocated and distributed to the Unitholder. The remaining portion of the exchange or redemption price will be proceeds of disposition.

Suspension of Exchanges and Redemptions

The Manager may suspend the exchange and/or redemption of Units or the payment of the exchange or redemption price of the Fidelity ETF: (i) during any period when normal trading is suspended on a stock exchange or other market on which securities owned by the Fidelity ETF or an Underlying ETF or Underlying Fidelity Fund are listed and traded, if these securities represent more than 50% by value or underlying market exposure of the total assets of the Fidelity ETF or an Underlying Fidelity ETF or Underlying Fidelity Fund, without allowance for liabilities, and if these securities are not traded on any other exchange that represents a reasonably practical alternative for the Fidelity ETF or an Underlying Fidelity ETF or Underlying Fidelity Fund; or (ii) with the prior permission of the securities regulatory authorities. The suspension shall apply to all requests for exchange or redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall be advised by the Manager of the suspension and that the exchange or redemption will be effected at a price determined on the first Valuation Date following the termination of the suspension. All such Unitholders shall have, and shall be advised that they have, the right to withdraw their requests for exchange or redemption. The Manager shall not accept a subscription order for Units during any period when exchanges or redemptions are suspended unless it has received permission from the Ontario Securities Commission to accept such orders. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with the official rules and regulations promulgated by any government body having jurisdiction over the Fidelity ETF, any declaration of suspension made by the Manager shall be conclusive.

Exchange and Redemption of Units through CDS Participants

The exchange and redemption rights described above must be exercised through the CDS Participant through which the owner holds Units. Beneficial owners of Units should ensure that they provide exchange and/or redemption instructions to the CDS Participants through which they hold Units sufficiently in advance of the cut-off times set by CDS Participants to allow such CDS Participants to notify the Manager or as the Manager may direct prior to the relevant cut-off time.

Short-Term Trading

The Manager does not believe that it is necessary to impose any short-term trading restrictions on the Fidelity ETF at this time, as the Fidelity ETF is an exchange-traded fund that is primarily traded in the secondary market.

INCOME TAX CONSIDERATIONS

In the opinion of Borden Ladner Gervais LLP, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act for the Fidelity ETF and for a prospective investor in the Fidelity ETF that, for the purposes of the Tax Act at all relevant times, is an individual (other than a trust), is resident in Canada, holds Units of the Fidelity ETF either directly as capital property or in a Registered Plan, is not affiliated with the Fidelity ETF and deals at arm's length with the Fidelity ETF. This summary is based on the current provisions of the Tax Act, the Tax Proposals, counsel's understanding of the current published administrative policies and assessing practices of the CRA, and certain facts regarding the Fidelity ETF provided to counsel by the Manager. This summary does not take into account or anticipate any other changes in law whether by legislative, administrative or judicial action and it does not take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from the considerations described below.

This summary is of a general nature only and is not exhaustive of all possible income tax considerations. Prospective investors should therefore consult their own tax advisers about their individual circumstances.

This summary is also based on the assumptions that the Fidelity ETF will: (i) qualify or be deemed to qualify as a mutual fund trust under the Tax Act at all material times; (ii) not be a SIFT trust at any time; (iii) not invest in any "offshore investment fund property" as defined in section 94.1 of the Tax Act; (iv) none of the securities held by the Fidelity ETF will be an interest in a non-resident trust other than an "exempt foreign trust" as defined in the Tax Act; (v) not invest 10% or more in any "exempt foreign trust" as described in section 94.2 of the Tax Act; (vi) not invest in securities of an issuer that would be treated as a "foreign affiliate" or a "controlled foreign affiliate" of the Fidelity ETF; and (vii) not enter into any arrangement where the result would be a "dividend rental arrangement" under the Tax Act. The Manager has advised counsel that it expects this to be the case and that these assumptions are reasonable.

Tax Proposals released on September 23, 2024 to implement Tax Proposals first announced in the 2024 Federal Budget (the "**Capital Gains Proposals**") would generally increase the capital gains inclusion rate from one-half to two-thirds. The Capital Gains Proposals are described in this summary under the heading "**Taxation of Capital Gains and Capital Losses**".

For the purposes of the Tax Act and subject to certain exceptions that are not discussed herein, all amounts relating to the acquisition, holding or disposition of Units (including distributions, adjusted cost base and proceeds of disposition), or transactions of the Fidelity ETF, must be expressed in Canadian dollars. Amounts denominated in U.S. dollars must be converted into Canadian dollars using the rate of exchange quoted by the Bank of Canada on the day on which the amount first arose (or, if the Bank of Canada ordinarily quotes such a rate, but there is no such rate quoted for that day, the closest preceding day for which such a rate is quoted) or such other rate of exchange as is acceptable to the CRA.

Status of the Fidelity ETF

As noted above, this summary assumes that the Fidelity ETF will be deemed to qualify as a mutual fund trust under the Tax Act effective from the date of its creation and at all material times. If the Fidelity ETF were not to qualify as a mutual fund trust under the Tax Act throughout a taxation year, the Fidelity ETF, among other things: (i) would not

be eligible for a Capital Gains Refund (defined below) for such year; (ii) may be subject to the “mark-to-market” rules in the Tax Act; (iii) would be required to withhold on capital gains distributions made to Unitholders who are non-residents of Canada for purposes of the Tax Act; and (iv) may be subject to a special tax under Part XII.2 of the Tax Act in such year. See “**Risk Factors - Taxation Risk**” for further information.

Taxation of the Fidelity ETF

The Fidelity ETF will elect to have a taxation year that ends on December 15 of each calendar year. The Fidelity ETF is subject to tax under Part I of the Tax Act on its net income, including net taxable capital gains, as calculated under the Tax Act for a taxation year (after deducting available loss carryforwards) to the extent that it is not paid or payable to Unitholders. If the Fidelity ETF is a mutual fund trust throughout its taxation year, it is entitled to a refund (“**Capital Gains Refund**”) of its tax liability on its net realized taxable capital gains equal to an amount determined by formula under the Tax Act based on the redemption of Units during the year and accrued gains on its assets. The Capital Gains Proposals provide for certain adjustments to the Capital Gains Refund to generally take into account the increase in the capital gains inclusion rate. The Declaration of Trust requires the Fidelity ETF to distribute a sufficient amount of its net income and net realized capital gains, if any, for each taxation year to Unitholders so that it will not be liable in any taxation year for income tax under Part I of the Tax Act after taking into account any applicable losses and any entitlement to a Capital Gains Refund.

The Fidelity ETF is required to calculate its net income, including net taxable capital gains, in Canadian dollars for each taxation year according to the rules in the Tax Act. Net income, including net taxable capital gains, is affected by fluctuations in the value of the Canadian dollar relative to foreign currency where amounts of income, expense, cost or proceeds of disposition are denominated in foreign currency. The Fidelity ETF is generally required to include in the calculation of its income interest as it accrues, dividends when they are received and capital gains and losses when they are realized. Foreign source income received by the Fidelity ETF is generally received net of any taxes withheld in the foreign jurisdiction. The foreign taxes so withheld are included in the calculation of the Fidelity ETF’s income. Trust income that is paid or becomes payable to the Fidelity ETF in a calendar year is generally included in income for the taxation year of the Fidelity ETF that ends in the calendar year. Trust income paid or payable to the Fidelity ETF by a Canadian-resident trust (including an Underlying Fidelity ETF) may have the character of ordinary property income, foreign source income, dividends received from a taxable Canadian corporation or taxable capital gains. If such underlying fund distributes amounts as return of capital to the Fidelity ETF, generally, such amounts will not be included in the Fidelity ETF’s income but will reduce the adjusted cost base of the Fidelity ETF’s investment in such underlying fund.

Gains or losses realized by the Fidelity ETF on the disposition of securities held as capital property constitute capital gains or capital losses. Securities will generally be considered to be held by the Fidelity ETF as capital property unless the Fidelity ETF is considered to be trading or dealing in securities, or otherwise carrying on a business of buying and selling securities or has acquired the securities in a transaction or transactions considered to be an adventure in the nature of trade. The Manager has advised counsel that the Fidelity ETF will purchase securities (other than derivative instruments) with the objective of earning income thereon and takes the position that gains, and losses realized on the disposition of those securities will be capital gains and capital losses. 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 the Fidelity ETF as a hedge to limit its gain or loss on a specific capital asset or group of capital assets. Where the Fidelity ETF 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.

Capital gains realized during a taxation year are reduced by capital losses realized during the year. In certain circumstances, a capital loss realized by the Fidelity ETF may be denied or suspended and, therefore, may not be available to offset capital gains. For example, a capital loss will be suspended if, during the period that begins 30 days before and ends 30 days after the date on which the capital loss was realized, the Fidelity ETF (or a person affiliated with the Fidelity ETF for the purposes of the Tax Act) acquires a property that is the same as or is identical to the particular property on which the loss was realized and owns that property at the end of the period.

The Fidelity ETF will be able to designate capital gains to Unitholders on an exchange or redemption of Units up to the Capital Gains Designation Limit. The Manager does not intend to allocate capital gains to exchanging or redeeming Unitholders in a manner that would result in the allocated amounts being non-deductible under the ATR Rule.

The LRE Rules could potentially apply to the Fidelity ETF. In general, the Fidelity ETF is subject to a “loss restriction event” for the purposes of the Tax Act each time any person, together with other persons with whom that person is affiliated within the meaning of the Tax Act, or any group of persons acting in concert, acquires Units of the Fidelity ETF having a fair market value that is greater than 50% of the fair market value of all of the Units of the Fidelity ETF. If the Fidelity ETF experiences a loss restriction event, the taxation year of the Fidelity ETF will be deemed to end and the Fidelity ETF will be deemed to realize its unrealized capital losses. The Fidelity ETF 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 by the Fidelity ETF in future years and any undeducted non-capital losses in future years will be restricted, with the result that income and capital gains distributions in the future may be larger.

Taxation of Unitholders (other than Registered Plans)

Distributions

A Unitholder is required to include in computing income for tax purposes, the amount of any income and the taxable portion of any capital gains of the Fidelity ETF (including any Management Fee Distributions) that is paid or payable to the Unitholder in the year and deducted by the Fidelity ETF in computing its income, whether such amounts are paid in cash or reinvested in additional Units. The non-taxable portion of any capital gains of the Fidelity ETF that is paid or payable to the Unitholder in the year is not included in the Unitholder’s income for the year and, provided the Fidelity ETF makes the appropriate designation on its tax return, does not reduce the adjusted cost base of the Unitholder’s Units of the Fidelity ETF. Any other non-taxable distribution, such as a return of capital, reduces the Unitholder’s adjusted cost base. To the extent that a Unitholder’s adjusted cost base would otherwise be a negative amount, the negative amount will be deemed to be a capital gain realized by the Unitholder and the Unitholder’s adjusted cost base will be nil immediately thereafter.

The Fidelity ETF may, and is expected to designate to the extent permitted by the Tax Act, the portion of the net income distributed to Unitholders that may reasonably be considered to consist of: (i) taxable dividends (including eligible dividends) received or considered to be received by the Fidelity ETF on shares of taxable Canadian corporations; and (ii) net taxable capital gains realized or considered to be realized by the Fidelity ETF. Any amount so designated is deemed for tax purposes to be received or realized by Unitholders in the year as a taxable dividend and as a taxable capital gain, respectively. The dividend gross-up and tax credit treatment normally applicable to taxable dividends (including eligible dividends) paid by a taxable Canadian corporation applies to amounts designated as taxable dividends. Taxable capital gains so designated are subject to the general rules relating to the taxation of capital gains described below. In addition, the Fidelity ETF may make designations in respect of its foreign source income, if any, so that Unitholders may be able to claim a foreign tax credit (in accordance with and subject to the general limitations under the Tax Act) for foreign taxes paid (and not deducted) by the Fidelity ETF. A loss realized by the Fidelity ETF may not be allocated to, and may not be treated as a loss of the Unitholders of the Fidelity ETF.

Composition of Distributions

Unitholders will be informed each year of the composition of the amounts distributed to them, including amounts in respect of both cash and reinvested distributions. This information will indicate whether distributions are to be treated as ordinary income, taxable dividends (eligible dividends or dividends other than eligible dividends), taxable capital gains, returns of capital and foreign source income, and whether foreign tax has been paid for which the Unitholder might be able to claim a foreign tax credit, where those items are applicable.

Dividends and capital gains distributed by the Fidelity ETF and capital gains realized on the disposition of Units may give rise to alternative minimum tax.

Disposition of Units

Generally, a Unitholder realizes a capital gain (or loss) on the sale, redemption, exchange or other disposition of a Unit to the extent that the proceeds of disposition for the Unit exceed (or are less than) the total of the adjusted cost base to the Unitholder of the Unit and any reasonable costs of disposition. In general, the adjusted cost base of all Units of the Fidelity ETF held by the Unitholder at a particular time is the total amount paid for all the Units of the Fidelity ETF currently and previously held by the Unitholder (including brokerage commissions paid and the amount of reinvested distributions) less any distributions of capital and less the adjusted cost base of any Units of the Fidelity ETF previously disposed of by the Unitholder. The adjusted cost base to a Unitholder of one Unit is the average adjusted cost base of all Units owned by the Unitholder as capital property at that time. A consolidation of Units after the reinvestment of a distribution in additional Units will not be regarded as a disposition of Units.

Subject to the limits imposed by the ATR Rule, when a Unitholder redeems Units for cash or exchanges Units for Baskets of Securities and cash, the Fidelity ETF may distribute capital gains to the Unitholder as partial payment of the redemption price or exchange price, as applicable. Any capital gains so distributed must be included in the calculation of the Unitholder's income in the manner described above and will reduce the Unitholder's proceeds of disposition. The Capital Gains Proposals include changes to the ATR Rule intended to reflect the increased capital gains inclusion rate.

A Unitholder may acquire securities *in specie* from the Fidelity ETF on an exchange or redemption of Units or on the termination of the Fidelity ETF. The cost of any securities acquired by the Unitholder from the Fidelity ETF on the exchange or redemption of the Units will generally be the fair market value of the securities at that time. Unitholders who exchange or redeem Units are advised to confirm with the Manager the details of any distributions paid at the time of exchange or redemption and the fair market value of any securities received from the Fidelity ETF and are also advised to consult with their own tax advisers.

Taxation of Capital Gains and Capital Losses

Based on the current provisions of the Tax Act, one-half of any capital gain realized by a Unitholder and the amount of any net taxable capital gains realized or considered to be realized by the Fidelity ETF and designated by the Fidelity ETF in respect of the Unitholder is included in the Unitholder's income as a taxable capital gain. One-half of a capital loss may be deducted from taxable capital gains subject to and in accordance with detailed rules in the Tax Act. Under the Capital Gains Proposals, the portion of a capital gain realized on or after June 25, 2024 that must be included in a Unitholder's income and the portion of a capital loss which is or can be deducted against the taxable portion of capital gains will be increased from one-half to two-thirds. However, the two-thirds inclusion rate will only apply to a Unitholder who generally realizes net capital gains (including net taxable capital gains designated by the Fidelity ETF) above an annual \$250,000 threshold (with such threshold not being pro-rated for 2024). Under the Capital Gains Proposals, two-thirds of capital losses realized prior to 2024 will be deductible against capital gains included in income at the two-thirds inclusion rate such that a capital loss will offset an equivalent capital gain regardless of the inclusion rate. The Capital Gains Proposals are complex and may be subject to further changes, and their application to a particular Unitholder will depend on the Unitholder's particular circumstances. Unitholders should consult their own tax advisers with respect to the Capital Gains Proposals.

A Unitholder is required to compute all amounts, including the adjusted cost base of Units and proceeds of disposition in Canadian dollars. A Unitholder that acquires USD Units on the applicable stock exchange may realize a foreign exchange gain or loss if the exchange rate between the Canadian and the U.S. dollar at the time of purchase of the USD Units differs from the exchange rate at the time the USD Units are disposed of.

Taxation of Registered Plans

A Registered Plan that holds Units and the planholder, annuitant or subscriber of that Registered Plan, as the case may be, will generally not be subject to tax on the value of the Units, income or capital gains distributed by the Fidelity ETF to the Registered Plan or a gain realized by the Registered Plan on the disposition of the Units (whether payment is received in cash or by reinvestment in additional Units), provided the Units are a qualified investment under the Tax Act for the Registered Plan and, in the case of Registered Plans (other than deferred profit-sharing plans), not a prohibited investment for the Registered Plan.

Tax Implications of the Fidelity ETF's Distribution Policy

A portion of the NAV of a Unit of the Fidelity ETF may reflect income and/or capital gains accrued or realized by the Fidelity ETF before the Unit was acquired by a Unitholder. The income and taxable portion of capital gains paid or payable to a Unitholder must be included in the calculation of the Unitholder's income in the manner described above, even if it relates to a period before the Unitholder owned the Units and may have been reflected in the price paid by the Unitholder for the Units. In particular, this may be the case when Units are acquired late in the year, or on or before the date on which a distribution will be paid.

INTERNATIONAL INFORMATION REPORTING

Generally, Unitholders will be required to provide their dealer with information related to their citizenship and tax residence, including their foreign taxpayer identification number (if applicable). If a Unitholder is identified as a U.S. citizen or a foreign (including U.S.) tax resident, or if the Unitholder fails to provide the required information and indicia of U.S. or non-Canadian status is present, details about the Unitholder and their investment in the Fidelity ETF will be reported to the CRA, unless the investment is held within a Registered Plan. The CRA will provide that information to the U.S. Internal Revenue Service ("IRS") (in the case of U.S. citizens or tax residents) 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 (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 ETF) 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 ("PFIC") rules, 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 ("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, the Manager will make available PFIC Annual Information Statements ("AIS") for the Fidelity ETF. Investors should consult their dealer or financial advisors about obtaining their AIS from the Manager.

ELIGIBILITY FOR INVESTMENT

In the opinion of Borden Ladner Gervais LLP, the Units of the Fidelity ETF will be a qualified investment under the Tax Act for a Registered Plan at any time that the Fidelity ETF qualifies or is deemed to qualify as a "mutual fund trust" under the Tax Act or that the Units are listed on a "designated stock exchange" within the meaning of the Tax Act, which includes the TSX.

A Unit of the Fidelity ETF that is a qualified investment under the Tax Act for a Registered Plan may nevertheless be a prohibited investment under the Tax Act for a Registered Plan (other than a deferred profit-sharing plan). Generally, the Units of the Fidelity ETF will not be a prohibited investment under the Tax Act for a Registered Plan unless the plan holder, annuitant or subscriber, as the case may be (together with non-arm's length partnerships and persons, including the Registered Plan) directly or indirectly holds Units having a fair market value of 10% or more of the Fidelity ETF. However, under a safe harbour for newly established mutual funds, Units of the Fidelity ETF will not be a prohibited investment under the Tax Act for a Registered Plan at any time during the first 24 months of the Fidelity ETF's existence if the Fidelity ETF is or is deemed to be a mutual fund trust under the Tax Act and either remains in substantial compliance with the requirements of NI 81-102 or follows a reasonable policy of investment diversification throughout that period. Investors should consult their own tax advisers for advice on whether Units would be a prohibited investment for their Registered Plans.

On a distribution *in specie* from the Fidelity ETF on the redemption of Units or on the termination of the Fidelity ETF, a Registered Plan will acquire securities. The Registered Plan and the plan holder, annuitant or subscriber of the Registered Plan, as the case may be, will generally not be subject to tax on the value of those securities, income

received by the Registered Plan from those securities or gains realized by the Registered Plan on the disposition of those securities, provided each of those securities is a qualified investment under the Tax Act for the Registered Plan at all times that the security is held by the Registered Plan and, in the case of Registered Plans (other than deferred profit-sharing plans), not a prohibited investment for the Registered Plan. Investors should consult their own tax advisers for advice on whether or not such securities would be qualified investments and not prohibited investments for their Registered Plans.

ORGANIZATION AND MANAGEMENT DETAILS OF THE FIDELITY ETF

Manager of the Fidelity ETF

Fidelity Investments Canada ULC, a registered portfolio manager and investment fund manager, is the trustee, manager and portfolio manager of the Fidelity ETF. The head office of the Fidelity ETF and the Manager is located at 483 Bay Street, Suite 300, Toronto, Ontario M5G 2N7.

Duties and Services Provided by the Manager

Pursuant to the Management Agreement, the Manager has been appointed as the investment fund manager of the Fidelity ETF and has agreed to provide, or arrange for the provision of, all general management and administrative services required by the Fidelity ETF in its day-to-day operations, including bookkeeping, record-keeping and other administrative services for the Fidelity ETF. The Manager may delegate all or some of its powers, provided that the Manager shall be fully liable to the Fidelity ETF in the event of a failure of such persons to discharge the duties of the Manager under the Management Agreement, and shall require such persons to perform their services to a standard of care that is at least as high as that imposed on the Manager under the Management Agreement.

The Manager is responsible for providing management, administrative and portfolio advisory and investment management services to the Fidelity ETF. The Manager's duties include, without limitation,

- (i) approving the expenses of the Fidelity ETF and the payment of expenses on behalf of the Fidelity ETF that are the responsibility of the Fidelity ETF;
- (ii) providing office accommodation, office facilities and personnel;
- (iii) preparing financial statements and other financial and accounting information as required by the Fidelity ETF;
- (iv) ensuring that the Fidelity ETF complies with all securities legislation, regulations, rules, policies and guidelines applicable to the Fidelity ETF or the Manager, including stock exchange listing requirements and stock exchange rules;
- (v) delivering or causing to be delivered, all statements, reports, notices, announcements, proxies and other documents to Unitholders, including notices of Unitholder meetings, payment of distributions and dividends, tax disclosure documents and other announcements to Unitholders;
- (vi) determining the amount of distributions to be made by the Fidelity ETF;
- (vii) communicating with Unitholders and preparing for and holding any meetings of Unitholders as required;
- (viii) ensuring that the NAV per Unit is calculated and published;
- (ix) administering the issue, exchange and redemption of Units;
- (x) negotiating contractual agreements with third party providers of services, including the Sub-advisor, the Designated Brokers, the Dealers, the Custodian, the Registrar and Transfer Agent, the Fund Administrator, the auditor, legal counsel and printers; and

- (xi) providing, or causing to be provided, all other services necessary or desirable to conduct and operate the day-to-day business of the Fidelity ETF.

Details of the Management Agreement

Pursuant to the Management Agreement, the Manager is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Fidelity ETF and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances. The Manager will be liable to the Fidelity ETF in the event of any failure to meet this standard of care by the Manager, any associate or affiliate of the Manager or any of its or their respective directors, officers or employees, but will not otherwise be liable to the Fidelity ETF in respect of any matter.

The Management Agreement may be terminated by any of the Fidelity ETF or by the Manager upon 60 days’ prior written notice. In addition, either party may terminate the Management Agreement as a result of the insolvency or default of the other party, if the other party ceases to carry on business or if the other party commits any material breach of the Management Agreement and fails to remedy such breach within 30 days after receiving written notice requiring the same to be remedied. The Management Agreement may not be assigned by either party without consent, unless the assignment is to a company affiliated with the Manager within the meaning of the *Securities Act* (Ontario).

The Manager is entitled to fees for its services as manager under the Management Agreement as described under “**Fees and Expenses – Management Fee**”. The Manager is indemnified by the Fidelity ETF for any legal fees, judgments and amounts paid in settlement, actually and reasonably incurred by the Manager in connection with the services provided by the Manager to the Fidelity ETF, if: (i) those fees, judgments and amounts were not incurred as a result of a breach by the Manager of the standard of care set out in the Management Agreement; and (ii) the Fidelity ETF has reasonable grounds to believe that the action or inaction that caused the payment of the fees, judgments and amounts paid in settlement was in the best interests of the Fidelity ETF.

The management services of the Manager under the Management Agreement are not exclusive and nothing in the Management Agreement prevents the Manager from providing similar services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Fidelity ETF) or from engaging in other activities. See “**Conflicts of Interest**” below.

Executive Officers and Directors of the Manager of the Fidelity ETF

The name and municipality of residence of each of the directors and executive officers of the Manager, and their principal occupations, are as follows:

Name and Municipality of Residence	Position with the Manager	Principal Occupation Within Preceding Five Years
Kevin Barber Toronto, Ontario	Senior Vice-President, Client Services	Senior Vice-President, Client Services. Prior thereto, Senior Vice-President, Risk Management and Fund Treasurer, Senior Vice-President, Business Manager Institutional Sales & Service and Vice-President, Distribution, Products & Marketing.
Michael Barnett Toronto, Ontario	Executive Vice-President, Institutional	Executive Vice-President, Institutional.
W. Sian Burgess Toronto, Ontario	Senior Vice-President, Fund Oversight and Secretary	Senior Vice-President, Fund Oversight and Secretary. Prior thereto, also Chief Compliance Officer, Chief Anti-Money Laundering Officer and Chief Privacy Officer.
David Bushnell East York, Ontario	Senior Vice-President, Advisor Distribution and Director	Senior Vice-President, Advisor Distribution. Prior thereto, Senior Vice-President, Marketing and Vice President, Regional Sales.

Name and Municipality of Residence	Position with the Manager	Principal Occupation Within Preceding Five Years
Kelly Creelman Coldwater, Ontario	Senior Vice-President, Products and Marketing and Director	Senior Vice-President, Products and Marketing. Prior thereto, Senior Vice-President, Products and Vice-President, Retail Products & Solutions.
Peter Eccleton Toronto, Ontario	Director	Self-employed consultant. Prior thereto, Partner, PricewaterhouseCoopers LLP.
Diana Godfrey Burlington, Ontario	Senior Vice-President, Human Resources	Senior Vice-President, Human Resources. Prior thereto, Vice-President, Human Resources.
John E. Hall Toronto, Ontario	Director	Self-employed advisor. Prior thereto, Partner, Borden Ladner Gervais LLP.
Mitzie Hunter Toronto, Ontario	Director	President and CEO, Canadian Women's Foundation. Prior thereto, Member of Provincial Parliament for Ontario.
Andrew Marchese Burlington, Ontario	Chief Investment Officer and Director	Chief Investment Officer.
Russell Kaunds Oakville, Ontario	Chief Technology Officer and Director	Chief Technology Officer. Prior thereto, Vice-President, Infrastructure Services Group.
Jason Louie Richmond Hill, Ontario	Chief Financial Officer, Fidelity Canada and Director	Chief Financial Officer, Fidelity Canada. Prior thereto, Vice-President, Corporate Finance.
Barry Myers Toronto, Ontario	Director	Self-employed advisor. Prior thereto, Partner, PricewaterhouseCoopers LLP.
Bradley Prince Burlington, Ontario	Vice-President, Chief Compliance Officer, Fund Manager and Chief Anti-Money Laundering Officer	Vice-President, Chief Compliance Officer, Fund Manager and Chief Anti-Money Laundering Officer. Prior thereto, Vice-President, Compliance and Risk Management.
Andrew Pringle Toronto, Ontario	Director	Principal and Chairman, RP Investment Advisors LP.
Robert Strickland Toronto, Ontario	President, Chief Executive Officer, Ultimate Designated Person and Director	President and Chief Executive Officer.
Don Wilkinson Mississauga, Ontario	Director	Self-employed advisor. Prior thereto, Partner, Deloitte Canada.

Portfolio Manager

Fidelity Investments Canada ULC, a registered portfolio manager, is the portfolio manager of the Fidelity ETF. Under the Management Agreement, the Portfolio Manager is responsible for providing portfolio advisory and investment management services to the Fidelity ETF and has the authority to engage the services of sub-advisors in connection with any investment advice and/or portfolio management services required by the Fidelity ETF. The Portfolio Manager has engaged the services of FMR as sub-advisor of the Fidelity ETF.

Sub-advisor

FMR

Fidelity Management & Research Company, LLC (“**FMR**”) has been retained by the Portfolio Manager pursuant to the FMR Sub-advisory Agreement to provide all portfolio management services to the Fidelity ETF.

FMR is a registered investment adviser in the United States with offices based in Boston, Massachusetts.

The individuals at FMR principally responsible for providing advice to the Fidelity ETF are as follows:

Name and Title	With FMR Since	Principal Occupation Within Preceding Five Years
Orhan Imer BSc, PhD, CFA (co-lead manager)	2023	Since joining FMR, Mr. Imer has worked as a portfolio manager. Prior to joining FMR, Mr. Imer worked as a senior portfolio manager at State Street Global Advisors from 2017 to 2023.
Rahul Bhargava BA, PhD (co-lead manager)	2024	Since joining FMR, Mr. Bhargava has worked as a portfolio manager. Prior to joining FMR, Mr. Bhargava worked as a portfolio manager at Jocassee Quantitative from 2021 to 2024 and prior to that worked as a managing director at Blackstone from 2019 to 2020.

Details of the Sub-advisory Agreement

FMR Sub-advisory Agreement

Under the terms of the FMR Sub-advisory Agreement, FMR is responsible for providing investment advice and arranging for the acquisition and disposition of all portfolio investments with respect to all or a portion of the investments of the Fidelity ETF. FMR may place orders on behalf of the Fidelity ETF for the purchase and sale of portfolio securities through brokers or dealers who are affiliates or subsidiaries of the Manager or FMR, provided that such orders are to be executed on terms and conditions as favourable to the Fidelity ETF as could be expected to be obtained from other brokers or dealers and at commission rates comparable to that which would have been charged by such other brokers or dealers.

Either FMR or the Portfolio Manager may terminate the FMR Sub-advisory Agreement at any time without penalty on 90 days' prior written notice.

Brokerage Arrangements

Decisions as to the purchase and sale of portfolio securities and decisions as to the execution of all portfolio transactions, including selection of market, dealer or broker, and the negotiation, on behalf of the Fidelity ETF where applicable, of commissions that are payable by the Fidelity ETF are made by the Sub-advisor.

In selecting brokers, many factors are considered in the context of a particular trade and in regard to the Sub-advisor's overall responsibilities with respect to the Fidelity ETF and to other investment accounts the Sub-advisor manages. Factors deemed relevant may include the following: (i) price; (ii) size and type of the transaction; (iii) reasonableness of compensation to be paid; (iv) speed and certainty of trade executions, including the broker's willingness to commit capital; (v) nature of markets on which the security is to be purchased or sold; (vi) the availability of liquidity in the security; (vii) reliability of a market center or broker; (viii) overall trading relationship with the broker; (ix) assessment of whether and how closely the broker will likely follow instructions; (x) degree of anonymity that a particular broker or market can provide; (xi) the potential for avoiding market impact; (xii) the execution services rendered on a continuing basis; (xiii) the execution efficiency, settlement capability and financial condition of the firm; (xiv) arrangements for payment of fund expenses, if applicable; and (xv) the provision of additional brokerage and research products and services, if applicable. Notwithstanding the factors listed above, in effecting portfolio transactions, overall service and prompt execution of orders on favourable terms are of primary consideration.

Portfolio transactions may be executed with brokers who provide research services to assist the Sub-advisor with its investment management responsibilities. Such services include reports and analysis that are used to assist with investment decisions in the following subject areas: economic, industry, company, municipal, sovereign, legal or political research reports, market colour commentary, company meeting facilitation, compilation of securities prices,

earnings, dividends and similar data, quotation services, data, information and other services, analytical computer software and services and investment recommendations.

The Sub-advisor has established procedures to assist it in making a good faith determination that its clients, including the Fidelity ETF, receive a reasonable benefit considering the value of research goods and services and the amount of brokerage commissions paid.

The Sub-advisor may enter into commission sharing arrangements (“CSA”) whereby the Fidelity ETF pays a bundled commission into a CSA account maintained by the broker for order execution and research goods and services. The Sub-advisor directs the broker to use the CSA account to purchase and pay for research goods and services. Research goods and services must be used to assist with investment or trading decisions or with effecting securities transactions. The research goods and services that are purchased through CSAs generally support broad categories of investment mandates. In order to ensure that the Fidelity ETF is receiving reasonable benefit from CSAs, the Sub-advisor uses an annual budget process to ensure that: (i) only eligible research goods and services are purchased; (ii) such research goods and services add value to the Sub-advisor’s quantitative or qualitative reviews and are not duplicated by other goods or services; (iii) the cost of such research goods and services are reasonable given the nature of the investment mandates, the availability of alternative services and the extent to which the research good or service is used; and (iv) the research good or service is paid for by the Fidelity ETF which will benefit from the research goods and services.

The Sub-advisor may place trades with certain affiliated brokers, and in doing so determine that their trade execution capabilities and costs are comparable to those of non-affiliated, qualified brokerage firms. In addition, the Sub-advisor may place trades with brokers that use affiliated companies as a clearing agent. With respect to client trades that are executed by affiliates, the Sub-advisor seeks to ensure that the trade execution obtained is comparable to that of unaffiliated brokers and that the continued use of such affiliate is appropriate.

Where brokerage transactions involving client brokerage commissions of the Fidelity ETF have been or might be directed to a broker in return for the provision of any good or service by the broker or a third party, other than order execution, the names of such dealers or third parties will be provided upon request by contacting Fidelity at 1-800-263-4077 or via email at cs.english@fidelity.ca (for assistance in English) or sc.francais@fidelity.ca (for assistance in French).

Investment decisions for the Fidelity ETF are made independently from those of other funds or investment accounts, including proprietary accounts advised by the Sub-advisor. The same security is often held in the portfolio of more than one of these funds or investment accounts. Simultaneous transactions are inevitable when several funds and investment accounts are managed by the same sub-advisor, particularly when the same security is suitable for the investment objective of more than one fund or investment account. The Sub-advisor has established allocation policies for its various funds and investment accounts to ensure allocations are appropriate given its clients’ differing investment objectives and other considerations.

The policy of the Manager regarding purchases and sales of bitcoin, ether, derivative instruments and any other portfolio assets is to give primary consideration to obtaining the most favourable prices and efficient execution of transactions under the circumstances. Consistent with this policy, when portfolio transactions are effected on an exchange or trading platform, the Manager’s policy is to pay commissions that are considered fair and reasonable without necessarily determining that the lowest possible commissions are paid in all circumstances. In seeking to determine the reasonableness of brokerage commissions paid in any transaction, the Manager relies upon its experience and knowledge regarding commissions various broker-dealers generally charge.

Conflicts of Interest

The management services of the Manager under the Management Agreement are not exclusive and nothing in the Management Agreement prevents the Manager from providing similar management services to other investment funds and other clients (whether or not their investment objectives and policies are similar to the Fidelity ETF) or from engaging in other activities. The portfolio management services of the Sub-advisor under the FMR Sub-advisory Agreement are not exclusive and nothing in the FMR Sub-advisory Agreement prevents the Sub-advisor from

providing similar portfolio management services to other investment funds and other clients (whether or not their investment objectives and policies are similar to the Fidelity ETF) or from engaging in other activities.

Directors and officers of the Manager and of the Sub-advisor must obtain the prior approval of the Manager or the Sub-advisor, as the case may be, in order to engage in any outside business activities. One of the activities that requires approval is acting as a director or officer of another company (an “**Issuer**”). The Fidelity ETF may purchase securities of an Issuer if this transaction is permitted by law and the Manager or the Sub-advisor, as the case may be, has approved this transaction. This approval will be given only if the Manager is satisfied that there has been proper resolution of any potential conflicts of interest.

No Designated Broker or Dealer has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus and, as such, the Designated Brokers and the Dealers do not perform many of the usual underwriting activities in connection with the distribution by the Fidelity ETF of its Units under this prospectus. Units of the Fidelity ETF do not represent an interest or an obligation of any Designated Broker, any Dealer or any affiliate thereof and a Unitholder does not have any recourse against any such parties in respect of amounts payable by the Fidelity ETF to such Designated Brokers or Dealers.

One or more registered dealers act or may act as a Designated Broker, a Dealer and/or a market maker. These relationships may create actual or perceived conflicts of interest that Unitholders should consider in relation to an investment in the Fidelity ETF. In particular, by virtue of these relationships, these registered dealers may profit from the sale and trading of Units. The Designated Broker, as market maker of the Fidelity ETF in the secondary market, may therefore have economic interests that differ from, and may be adverse to, those of Unitholders. Any such registered dealer and its affiliates may, at present or in the future, engage in business with the Fidelity ETF, with the issuers of securities making up the investment portfolio of the Fidelity ETF or with the Manager or any funds sponsored by the Manager or its affiliates, including by making loans, entering into derivative transactions or providing advisory or agency services. In addition, the relationship between any such registered dealer and its affiliates and the Manager and its affiliates may extend to other activities, such as being part of a distribution syndicate for other funds sponsored by the Manager or its affiliates.

Independent Review Committee

As required by NI 81-107, the Manager has established an IRC to review all conflicts of interest matters identified and referred to the IRC by the Manager relating to the investment funds managed by the Manager, including the Fidelity ETF. The IRC reviews and gives its approval or recommendations as to the conflict of interest matters referred to it. A conflict of interest matter is a situation where a reasonable person would consider the Manager or an entity related to the Manager to have an interest that conflicts with the Manager’s ability to act in good faith and in the best interest of the Fidelity ETF. The IRC is also required to approve certain mergers involving the Fidelity ETF and any change of the auditor of the Fidelity ETF.

The IRC must have all independent members. The Manager considers that an individual is independent if the individual is not a director, officer, or employee of any of the Manager, the Sub-advisor, an affiliate of the Manager or an affiliate of the Sub-advisor. In addition, the individual must be independent of management and free from any interest and any business or other relationship that could, or could reasonably be perceived to, materially interfere with the individual’s ability to act with the view to the best interest of the Fidelity ETF.

The members of the IRC are as follows:

Douglas Nowers (Chair)
Anne Bell
Frances Horodelski
Kevin Regan

The IRC has a written charter that sets out its powers, duties, and responsibilities. Additionally, pursuant to NI 81-107, the IRC assesses, at least annually, the adequacy and effectiveness of the following:

- (i) the Manager's policies and procedures regarding conflict of interest matters;
- (ii) any standing instructions that the IRC gave to the Manager for conflict of interest matters related to the Fidelity ETF;
- (iii) the compliance of the Manager and the Fidelity ETF with any conditions imposed by the IRC in a recommendation or approval it has provided to the Manager; and
- (iv) the independence and compensation of its members, the IRC's effectiveness as a committee and the contribution of each member to the IRC.

The IRC prepares a report for Unitholders, at least annually, of its activities. Such report is made available on the Manager's designated website at www.fidelity.ca or, at the request of a Unitholder and at no cost, by contacting the Manager at 483 Bay Street, Suite 300, Toronto, Ontario M5G 2N7, or by sending an e-mail to at cs.english@fidelity.ca (for assistance in English) or sc.francais@fidelity.ca (for assistance in French).

Each member of the IRC is paid an annual retainer of \$63,000 (\$75,000 for the Chair) by the Manager to serve on the IRC and a fee of \$3,000 (\$4,000 for the Chair) for each meeting attended. A portion of the retainer and meeting fees paid to each member is allocated to each investment fund managed by the Manager, including the Fidelity ETF, and depends, among other things, on the total number of investment funds managed by the Manager for which such member acted as an IRC member during the fiscal year.

Trustee

Pursuant to the Declaration of Trust, the Manager is also the trustee of the Fidelity ETF.

The trustee may resign upon 90 days' notice to Unitholders and the Manager. If the trustee resigns or if it becomes incapable of acting as trustee, the trustee may appoint a successor trustee and its resignation shall become effective upon the acceptance of such appointment by its successor. If no successor has been appointed within 90 days, the Fidelity ETF will be terminated.

The Declaration of Trust provides that the trustee shall act honestly, in good faith and in the best interests of the Fidelity ETF and shall perform its duties to the standard of care that a reasonably prudent person would exercise in the circumstances. In addition, the Declaration of Trust contains other customary provisions limiting the liability of the trustee and indemnifying the trustee in respect of certain liabilities incurred by it in carrying out the trustee's duties.

At any time during which the Manager is the trustee, the Manager will receive no fee in respect of the provision of services as trustee.

Custodian

State Street Trust Company Canada, at its principal offices in Toronto, Ontario, is custodian of the assets of the Fidelity ETF pursuant to the Custodian Agreement. The Custodian has a qualified foreign sub-custodian in each jurisdiction in which the Fidelity ETF has securities. The Custodian may terminate the Custodian Agreement at any time upon 180 days' written notice and the Manager may terminate the Custodian Agreement at any time upon 30 days' written notice.

The Custodian is entitled to receive fees from the Manager as described under "**Fees and Expenses**" and to be reimbursed for all expenses and liabilities that are properly incurred by the Custodian in connection with the activities of the Fidelity ETF.

Securities Lending Agent

The Manager, on behalf of the Fidelity ETF, has entered into a Securities Lending Agreement. The Securities Lending Agreement appoints and authorizes State Street Bank and Trust Company, a sub-custodian of the Fidelity ETF, to act

as agent for securities lending transactions for the Fidelity ETF to the extent that it engages in securities lending and to execute, in the Fidelity ETF's name and on its behalf, securities lending agreements with borrowers in accordance with NI 81-102. The Securities Lending Agreement requires that the collateral received by the Fidelity ETF in a securities lending transaction must have a market value of not less than 102% of the value of the securities loaned. Under the Securities Lending Agreement, the Securities Lending Agent agrees to indemnify the Fidelity ETF from certain losses incurred in connection with its failure to perform any of its obligations under the Securities Lending Agreement. The Securities Lending Agreement may be terminated at any time at the option of either party upon 30 days' prior notice to the other party.

Auditor

The auditor of the Fidelity ETF is PricewaterhouseCoopers LLP, Chartered Professional Accountants, PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario M5J 0B2.

Registrar and Transfer Agent

State Street Trust Company Canada is the registrar and transfer agent for the Units of the Fidelity ETF. The register of the Fidelity ETF is kept in Toronto, Ontario.

Promoter

The Manager has taken the initiative in founding and organizing the Fidelity ETF and is, accordingly, the promoter of the Fidelity ETF within the meaning of securities legislation of certain provinces and territories of Canada. The Manager, in its capacity as manager of the Fidelity ETF, receives compensation from the Fidelity ETF and any Underlying Fidelity ETFs, as applicable. See "**Fees and Expenses**".

Fund Administrator

The Manager has retained the services of Fidelity Service Company, Inc., of Boston, Massachusetts, to act as the fund administrator. The Fund Administrator provides fund accounting and investment management support services to the Fidelity ETF and is responsible for certain aspects of the day-to-day administration of the Fidelity ETF, including NAV calculations, accounting for net income and net realized capital gains of the Fidelity ETF and maintaining books and records with respect to the Fidelity ETF. These services are provided by Fidelity Fund and Investment Operations (FFIO), a division of FSC. The agreement between Fidelity and FSC is in effect for an indefinite period and continues in force unless terminated by a party giving six months prior written notice.

Designated Website

An investment fund is required to post certain regulatory disclosure documents on a designated website. The designated website of the Fidelity ETF this document pertains to can be found at www.fidelity.ca.

CALCULATION OF NET ASSET VALUE

The NAV of the Fidelity ETF is the value of all assets of the Fidelity ETF less its liabilities. The NAV and the NAV per Unit of the Fidelity ETF is calculated by the Fund Administrator on each Valuation Date, subject to any temporary suspension of the right to exchange or redeem units as described under "**Redemption of Units – Suspension of Exchanges and Redemptions**" above. If the Fidelity ETF offers different series of Units, a separate NAV is calculated for each series of Units of the Fidelity ETF. The NAV per Unit of each series of the Fidelity ETF is calculated by dividing the NAV of the series at the close of business on a Valuation Date by the total number of Units of the series outstanding at that time. The Fidelity ETF is valued, and can be bought, in Canadian dollars.

The base currency of the Fidelity ETF is Canadian dollars and both the CAD Units and the USD Units can be bought only in Canadian dollars. However, a U.S. dollar NAV per Unit is calculated for the USD Units of the Fidelity ETF because it trades on the TSX in U.S. dollars. For purposes of this calculation, the Canadian dollar NAV per Unit is converted to U.S. dollars at the prevailing exchange rate on the applicable Valuation Date.

The issue, exchange or redemption of Units and the reinvestment of distributions is reflected in the next calculation of the NAV made after the time such transactions become binding. Portfolio transactions (investment purchases and sales) are reflected in the next calculation of the NAV made after the date on which they become binding. The NAV per Unit of the Fidelity ETF calculated on each Valuation Day remains in effect until the NAV per Unit of the Fidelity ETF is next calculated.

Valuation Policies and Procedures of the Fidelity ETF

The value of the portfolio securities and other assets of the Fidelity ETF is determined by applying the following rules:

- (i) liquid assets (which term includes cash on hand or on deposit or on call, bills and demand notes and accounts receivable, prepaid expenses, cash dividends declared, and interest accrued and not yet received) will be valued at the full amount thereof unless the Manager determines an otherwise fair value;
- (ii) securities listed on a public securities exchange are valued at their last sale or closing price as reported on that Valuation Date or, if no sale is reported to have taken place on that Valuation Date and there is no reported closing price, at the closing bid price on that Valuation Date;
- (iii) unlisted securities traded on an over-the-counter market are valued at the closing bid price on that Valuation Date;
- (iv) restricted securities that are not illiquid are valued at the lesser of:
 - (a) the value thereof based on reported quotations in common use on that Valuation Date; and
 - (b) that percentage of the market value of securities of the same class, the trading of which is not restricted or limited by reason of any representation, undertaking or agreement or by law, equal to the percentage that the Fidelity ETF's acquisition cost was of the market value of such securities at the time of acquisition, provided that a gradual taking into account of the actual value of the securities may be made where the date on which the restrictions will be lifted is known;
- (v) long positions in clearing corporation options, options on futures, over-the-counter options, debt-like securities and listed warrants shall be valued at the fair value thereof;
- (vi) where a covered clearing corporation option, option on futures or over the counter option is written by the Fidelity ETF, the premium received by the Fidelity ETF will be reflected as a deferred credit which will be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over-the-counter option which would have the effect of closing the position; any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment; the deferred credit shall be deducted in arriving at the NAV of the Fidelity ETF; the securities, if any, which are the subject of a written covered clearing corporation option or over-the-counter option will be valued in the manner described above for listed securities;
- (vii) securities quoted in currencies other than the Canadian dollar are translated to Canadian dollars using the closing rate of exchange as quoted by customary banking sources on that Valuation Date;
- (viii) the value of a futures contract, forward contract or swap shall be the gain or loss, if any, that would arise as a result of closing the position in the futures contract or forward contract or swap, as the case may be, on that Valuation Date unless daily limits are in effect, in which case fair market value shall be based on the current value of the underlying interest;
- (ix) where the Fidelity ETF owns securities issued by another investment fund, the securities of the other investment fund are valued at either the NAV for the applicable series of securities for that Valuation Date or at their close price or last sale price reported per their primary listed exchange at the Valuation Time on that Valuation Date;

- (x) if securities are interlisted or traded on more than one exchange or market the Manager shall use the last sale price or the closing bid price, as the case may be, reported on the exchange or market determined by the Manager to be the principal exchange or market for such securities;
- (xi) margin paid or deposited in respect of futures contracts, forward contracts, and swaps shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin;
- (xii) short-term securities may be valued using market quotations, amortized cost or original cost plus accrued interest, unless the Manager determines that these no longer approximate market value of the assets;
- (xiii) securities or assets quoted in currencies other than the Canadian dollar are translated to Canadian dollars using the closing rate of exchange as quoted by customary banking sources on that Valuation Date; and
- (xiv) notwithstanding the foregoing, securities and other assets for which market quotations are, in the Manager's opinion, inaccurate, unreliable, not reflective of all available material information or not readily available are valued at their fair value, as determined by the Manager.

The Declaration of Trust contains details of the method of determining the value of liabilities to be deducted in determining the NAV of the Fidelity ETF. In arriving at the NAV, the Manager will generally use the latest reported information available to it on the Valuation Day.

The financial statements of the Fidelity ETF are required to be prepared in compliance with IFRS. The Fidelity ETF's accounting policies for measuring the fair value of their investments under IFRS are identical to those used in measuring the NAV per Unit for transactions with Unitholders. However, if the closing price of a security of the Fidelity ETF falls outside of the bid and ask price spread of the security, the Manager may adjust the net assets attributable to holders of redeemable Units in the Fidelity ETF's financial statements. As a result, the NAV per Unit for transactions with Unitholders may be different from the net assets attributable to securityholders of that series of Units that is reported in the Fidelity ETF's financial statements under IFRS.

Reporting of Net Asset Value

The aggregate NAV of the Fidelity ETF and the NAV per CAD Unit and the NAV per USD Unit is available to the public on the Manager's designated website at www.fidelity.ca.

ATTRIBUTES OF THE UNITS

Description of the Securities Distributed

The Fidelity ETF is authorized to issue an unlimited number of Units, each of which represents an equal, undivided interest in the Units' proportionate share of the assets of the Fidelity ETF.

On December 16, 2004, the *Trust Beneficiaries' Liability Act, 2004* (Ontario) came into force. This statute provides that holders of units of a trust are not, as beneficiaries, liable for any default, obligation or liability of the trust if, when the default occurs or the liability arises (i) the trust is a reporting issuer under the *Securities Act* (Ontario); and (ii) the trust is governed by the laws of the Province of Ontario. The Fidelity ETF is a reporting issuer under the *Securities Act* (Ontario) and the Fidelity ETF is governed by the laws of the Province of Ontario by virtue of the provisions of the Declaration of Trust.

Certain Provisions of the Units

Each Unit held by a Unitholder entitles that Unitholder to one vote at all meetings of Unitholders. Each Unit is entitled to participate equally with all other Units with respect to all distributions made by the Fidelity ETF to Unitholders, other than Management Fee Distributions and amounts paid on the exchange or redemption of Units. Units are issued only as fully paid and are non-assessable.

On any Trading Day, Unitholders may exchange a minimum of a Prescribed Number of Units (and any additional multiple thereof) for a Baskets of Securities and cash, only cash or other securities and cash, at the discretion of the Manager. See “**Redemption of Units – Exchange of Prescribed Number of Units**”.

On any Trading Day, Unitholders may redeem Units in any whole number for cash at a redemption price per Unit equal to 95% of the closing price for the Units on the TSX on the effective day of the redemption, subject to a maximum redemption price of the NAV per Unit. Unitholders that hold USD Units will be paid their redemption proceeds in Canadian dollars. Depending on the arrangements between an investor and the investor’s broker and the terms of the investor’s brokerage account, these Canadian dollar amounts may be converted into U.S. dollars. Brokers may charge a fee for this service. See “**Redemption of Units – Redemption of Units in any Number for Cash**”.

Modification of Terms

All rights attached to the Units may only be modified, amended, or varied in accordance with the terms of the Declaration of Trust. See “**Unitholder Matters – Amendments to the Declaration of Trust**”.

The Manager may amend the Declaration of Trust from time to time to redesignate the name of the Fidelity ETF or to create a new class or series of units of the Fidelity ETF without notice to existing Unitholders, unless such amendment in some way affects the existing Unitholders’ rights or the value of their investment.

UNITHOLDER MATTERS

Meeting of Unitholders

Except as otherwise required by law, meetings of Unitholders of the Fidelity ETF will be held if called by the Manager upon written notice of not less than 21 days nor more than 50 days before the meeting.

Matters Requiring Unitholders Approval

Under the Declaration of Trust, Unitholders are entitled to vote on any matter that pursuant to Canadian securities legislation must be submitted to Unitholders for approval. NI 81-102 requires that Unitholders of the Fidelity ETF approve the following:

- (i) any change to the basis of the calculation of a fee or expense that is charged to the Fidelity ETF or directly to its Unitholders if such change could result in an increase in charges to the Fidelity ETF or its Unitholders, except where:
 - (a) the Fidelity ETF is at arm’s length with the person or company charging the fee or expense;
 - (b) the Unitholders have received at least 60 days’ written notice before the effective date of the change; and
 - (c) the right to notice described in (b) is disclosed in the prospectus of the Fidelity ETF;
- (ii) the introduction of a fee or expense, to be charged to the Fidelity ETF or directly to its Unitholders by the Fidelity ETF or the Manager in connection with the holding of Units of the Fidelity ETF that could result in an increase in charges to the Fidelity ETF or its Unitholders (which would not include expenses associated with complying with governmental or regulatory requirements introduced after the date the Fidelity ETF was created), except where:
 - (a) the Fidelity ETF is at arm’s length with the person or company charging the fee or expense;
 - (b) the Unitholders have received at least 60 days’ written notice before the effective date of the change; and

- (c) the right to notice described in (b) is disclosed in the prospectus of the Fidelity ETF;
- (iii) any change to the Manager, unless the new manager of the Fidelity ETF is an affiliate of the Manager;
- (iv) any change to the fundamental investment objective of the Fidelity ETF;
- (v) the decrease in the frequency of the calculation of the Fidelity ETF's NAV per Unit;
- (vi) the undertaking by the Fidelity ETF of a reorganization with, or transfer of its assets to, another mutual fund, if the Fidelity ETF ceases to continue after the reorganization or transfer of assets and the transaction results in the Unitholders of the Fidelity ETF becoming securityholders in the other mutual fund, unless:
 - (a) the IRC of the Fidelity ETF has approved the change;
 - (b) the Fidelity ETF is being reorganized with, or its assets are being transferred to, another mutual fund to which NI 81-102 and NI 81-107 apply and that is managed by the Manager, or an affiliate of the Manager;
 - (c) the Unitholders have received at least 60 days' written notice before the effective date of the change;
 - (d) the right to notice described in (c) is disclosed in the prospectus of the Fidelity ETF; and
 - (e) the transaction complies with certain other requirements of applicable securities legislation; and
- (vii) the undertaking by the Fidelity ETF of a reorganization with, or acquisition of assets from, another mutual fund, if the Fidelity ETF continues after the reorganization or acquisition of assets, the transaction results in the securityholders of the other mutual fund becoming Unitholders of the Fidelity ETF and the transaction would be a material change to the Fidelity ETF.

In addition, the auditor of the Fidelity ETF may not be changed unless the IRC has approved the change and Unitholders have received at least 60 days' written notice before the effective date of the change.

Approval of Unitholders of the Fidelity ETF of any such matter will be given if a majority of the votes cast at a meeting of Unitholders of the Fidelity ETF duly called and held for the purpose of considering the same approve the related resolution.

Amendments to the Declaration of Trust

The Trustee may amend the Declaration of Trust from time to time, but it may not, without the approval of a majority of the votes of Unitholders of the Fidelity ETF voting at a meeting of Unitholders duly called for such purpose, make any amendment relating to any matter in respect of which NI 81-102 requires a meeting, as set out above, or any amendment that will adversely affect the voting rights of Unitholders.

Unitholders are entitled to one vote per Unit of the Units held on the record date established for voting at any meeting of Unitholders.

Accounting and Reporting to Unitholders

The fiscal year-end of the Fidelity ETF is March 31. The Fidelity ETF will deliver or make available to Unitholders (i) audited comparative annual financial statements; (ii) unaudited interim financial statements; and (iii) annual and interim MRFPs. Such documents are incorporated by reference into, and form an integral part of, this prospectus. See “**Documents Incorporated by Reference**”.

Each Unitholder will also be mailed annually, by his, her or its broker, no later than March 31, information necessary to enable such Unitholder to complete a Canadian income tax return with respect to amounts paid or payable by the Fidelity ETF owned by such Unitholder in respect of the preceding taxation year of the Fidelity ETF.

The Manager will ensure that the Fidelity ETF complies with all applicable reporting and administrative requirements. The Manager will also ensure that adequate books and records are kept reflecting the activities of the Fidelity ETF. A Unitholder or his, her or its duly authorized representative has the right to examine the books and records of the Fidelity ETF during normal business hours at the offices of the Manager. Notwithstanding the foregoing, a Unitholder shall not have access to any information that, in the opinion of the Manager, should be kept confidential in the interests of the Fidelity ETF.

Permitted Mergers

The Fidelity ETF may, without Unitholder approval, enter into a merger or other similar transaction that has the effect of combining that Fidelity ETF with any other investment fund or funds that have investment objectives, valuation procedures and fee structures that are similar to the Fidelity ETF, subject to

- (i) approval of the merger by the IRC;
- (ii) compliance with certain merger pre-approval conditions set out in section 5.6 of NI 81-102; and
- (iii) written notice being sent to Unitholders at least 60 days before the effective date of the merger.

In connection with any such merger, the merging funds will be valued at their respective NAVs and Unitholders of the Fidelity ETF will be offered the right to redeem their Units for cash at the applicable NAV per Unit.

TERMINATION OF THE FIDELITY ETF

The Fidelity ETF may be terminated by the Manager on at least 60 days' notice to Unitholders of such termination and the Manager will issue a press release in advance thereof. The Manager may also terminate the Fidelity ETF if the Trustee resigns or becomes incapable of acting and is not replaced.

Upon such termination, the securities held by the Fidelity ETF, cash and other assets remaining after paying or providing for all liabilities and obligations of the Fidelity ETF and any termination-related expenses payable by the Fidelity ETF shall be distributed pro rata among the Unitholders of the Fidelity ETF.

The rights of Unitholders to exchange and redeem Units described under “**Redemption of Units**” will cease as and from the date of termination of that Fidelity ETF.

RELATIONSHIP BETWEEN THE FIDELITY ETF AND DEALERS

The Manager, on behalf of the Fidelity ETF, may enter into various continuous distribution dealer agreements with registered dealers (that may or may not be Designated Brokers) pursuant to which the Dealers may subscribe for Units of the Fidelity ETF as described under “**Purchases of Units – Issuance of Units**”.

No Designated Broker or Dealer has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus and, as such, the Designated Brokers and the Dealers do not perform many of the usual underwriting activities in connection with the distribution by the Fidelity ETF of its Units under this prospectus. The Fidelity ETF has obtained exemptive relief from the Canadian securities regulatory authorities to relieve them from the requirement that this prospectus contain a certificate of the underwriter or underwriters.

PRINCIPAL HOLDERS OF SECURITIES OF THE FIDELITY ETF

As at January 9, 2025, the Fidelity ETF was created with an initial contribution of \$100 from the Manager. As at the date of this prospectus, the Manager holds all of the issued and outstanding Units of the Fidelity ETF.

PROXY VOTING DISCLOSURE FOR PORTFOLIO SECURITIES HELD

The Manager, in its capacity as Portfolio Manager to the Fidelity ETF, has retained FMR to manage the proxy voting on behalf of the Fidelity ETF in accordance with FMR's proxy voting guidelines (the "FMR Guidelines"). The following are descriptions of the general principles followed by FMR in respect of voting securities held by the Fidelity ETF. Details of the specific proxy voting guidelines followed by FMR are set out in the FMR Guidelines.

When the Fidelity ETF invests in an underlying fund also managed by the Manager, FMR will not vote those securities of the underlying fund held by the Fidelity ETF. Instead, where applicable, the Manager may arrange for such securities of the fund to be voted by the beneficial holders of the Fidelity ETF. When the Fidelity ETF invests in an underlying fund that is not managed by the Manager, FMR will vote in the same proportion as all other unitholders of such underlying fund ("echo voting"). FMR may choose not to vote if "echo voting" is not operationally feasible.

General Principles - FMR

- (i) FMR's core principles guides everything FMR does: (i) putting the customers' and fund unitholders' long-term interests first; and (ii) investing in companies that share the Fidelity companies' approach to creating value over the long-term. FMR will generally adhere to the FMR Guidelines in voting proxies and its stewardship principles serve as the foundation for these guidelines. FMR's evaluation of proxies reflects information from many sources, including management or shareholders of a company presenting a proposal and proxy voting advisory firms. FMR may vote individual proxies based on its assessment of each situation.
- (ii) In evaluating proxies, FMR considers factors that are financially material to individual companies and investment funds' investment objectives and strategies in support of maximizing long-term shareholder value. This includes considering the company's approach to financial and operational, human and natural capital, and the impact of that approach on the potential future value of the business.
- (iii) FMR generally considers management's recommendations and current practices when voting on shareholder proposals concerning human and natural capital issues because it generally believes that management and the board are in the best position to determine how to address these matters. FMR, however, also believes that transparency is critical to sound corporate governance. FMR evaluates shareholder proposals concerning natural and human capital topics. To engage and vote more effectively on the growing number of submitted proposals on these topics, FMR developed a four-point decision-making framework. In general, FMR will more likely support proposals that:
 - Address a topic that FMR's research has identified as financially material;
 - Provide disclosure of new or additional information to investors, improving transparency;
 - Provide value to the business or investors by improving the landscape of investment-decision relevant information or contributing to its understanding of a company's processes and governance of the topic in question; and
 - Are realistic or practical for the company to comply with.
- (iv) Fidelity ETFs that have an ESG-focused investment objective will vote in accordance with sustainable guidelines for shareholder proposals related to natural and human capital topics. All other proposals for companies held by these funds will continue to be voted in accordance with the FMR Guidelines applicable to non-ESG focused Fidelity ETFs.
- (v) Proposals not specifically addressed by the FMR Guidelines will be voted based on an evaluation of a proposal's likelihood to enhance the long-term economic returns or profitability of the company or to maximize long-term shareholder value. Fidelity companies will not be influenced by business relationships or outside perspectives that may conflict with the interests of the Fidelity ETFs and their unitholders.

- (vi) Many Fidelity ETFs invest in voting securities issued by companies that are domiciled outside the United States and are not listed on a U.S. securities exchange. Corporate governance standards, legal or regulatory requirements and disclosure practices in foreign countries can differ from those in the United States. When voting proxies relating to non-U.S. securities, FMR generally will evaluate proposals under these guidelines and where applicable and feasible, take into consideration differing laws, regulations and practices in the relevant foreign market in determining how to vote securities.
- (vii) In certain jurisdictions, shareholders voting securities of a portfolio company may be restricted from trading the securities for a period of time around the shareholder meeting date. Because such trading restrictions can hinder portfolio management and could result in a loss of liquidity for a Fidelity ETF, FMR will generally not vote proxies in circumstances where such restrictions apply. In addition, certain jurisdictions require voting shareholders to disclose current security ownership on a fund-by-fund basis. When such disclosure requirements apply, FMR will generally not vote proxies in order to safeguard fund holdings information.
- (viii) FMR believes that there is a strong correlation between sound corporate governance and enhancing shareholder value. FMR, through the implementation of these guidelines, puts this belief into action through consistent engagement with portfolio companies on matters contained in these guidelines, and, ultimately, through the exercise of voting rights by the funds.

The policies and procedures relating to proxy voting, including the FMR Guidelines, are available on request, at no cost, by calling the Manager at 1-800-263-4077, by sending the Manager an e-mail at cs.english@fidelity.ca (for assistance in English) or sc.francais@fidelity.ca (for assistance in French) or on the Manager's designated website at www.fidelity.ca. Each Fidelity ETF's proxy voting record for the most recent period ended June 30 of each year is available free of charge to any Unitholder of the Fidelity ETF upon request at any time after August 31 of that year. It can also be viewed on the Manager's designated website at www.fidelity.ca.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Manager, on behalf of the Fidelity ETF, may enter into various agreements with Dealers pursuant to which such Dealers may subscribe for Units of the Fidelity ETF as described under “**Purchases of Units**”. The Manager will receive fees for its services to the Fidelity ETF. See “**Fees and Expenses**” for more details. The fees received by the Manager as management fees are disclosed in the audited financial statement of the Fidelity ETF.

MATERIAL CONTRACTS

The following contracts can reasonably be regarded as material to purchasers of Units:

- (i) Declaration of Trust;
- (ii) Management Agreement; and
- (iii) Custodian Agreement.

Copies of the agreements referred to above may be inspected during business hours at the principal office of the Manager.

LEGAL AND ADMINISTRATIVE PROCEEDINGS

The Fidelity ETF is not involved in any legal proceedings, nor is the Manager aware of existing or pending legal or arbitration proceedings involving the Fidelity ETF.

EXPERTS

Borden Ladner Gervais LLP, legal counsel to the Fidelity ETF and the Manager, has provided certain legal opinions regarding the principal Canadian federal income tax considerations that apply to an investment in the Units by a

Canadian resident individual and by a Registered Plan. See “**Income Tax Considerations**” and “**Eligibility for Investment**”.

PricewaterhouseCoopers LLP is the auditor of the Fidelity ETF.

PricewaterhouseCoopers LLP has confirmed that it is independent with respect to the Fidelity ETF within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

EXEMPTIONS AND APPROVALS

The Fidelity ETF has obtained exemptive relief from the Canadian securities regulatory authorities to permit:

- (i) the purchase by a Unitholder of more than 20% of the Units of the Fidelity ETF without regard to the takeover bid requirements of applicable Canadian securities legislation;
- (ii) the Fidelity ETF to borrow cash in an amount not exceeding 5% of the net assets of the Fidelity ETF for a period not longer than 45 days and, if required by the lender, to provide a security interest over any of its portfolio assets as a temporary measure to fund the portion of any distribution payable to Unitholders that represents amounts that have not yet been received by the Fidelity ETF;
- (iii) the Fidelity ETF to prepare a prospectus without including a certificate of an underwriter;
- (iv) the Fidelity ETF to purchase debt securities from, or sell debt securities to investment funds that are not reporting issuers and to which NI 81-102 and NI 81-107 do not apply (each, a “**Pooled Fund**”) or a fund managed by Fidelity in the U.S. and offered to U.S. investors (a “**U.S. Fund**”) and to engage in inter-fund trades between and amongst the Fidelity ETFs, other ETFs and mutual funds managed by Fidelity and Pooled Funds, a Canadian client account managed by Fidelity, a Fidelity ETF, other ETFs and mutual funds managed by Fidelity and the Pooled Fund, and the Fidelity ETF, other ETFs and mutual funds managed by Fidelity, the Pooled Fund and a U.S. Fund, subject to compliance with Section 6.1(2) of NI 81-107 Investment Funds Independent Review Committee. Certain conditions must be met, including, the approval of the IRC of the Fidelity ETF engaging in such transactions;
- (v) an exemption from the requirements relating to holding illiquid assets under Sections 2.4(1), (2) and (3) of NI 81-102 with respect to fixed income securities that qualify for, and may be traded pursuant to the exemption from the registration requirements of the U.S. *Securities Act of 1933*, as amended (the “**U.S. Securities Act**”), as set out in Rule 144A of the U.S. Securities Act for resales of certain fixed income securities to “qualified institutional buyers” (as defined in the U.S. Securities Act). Certain conditions must be met including that the Fidelity ETF qualifies as a “qualified institutional buyer” at the time of purchase of the securities, the securities can be readily disposed of through market facilities on which public quotations in common use are widely available at an amount that at least approximates the amount at which the portfolio asset is valued in calculating the net asset value per security of the Fidelity ETF, the securities are traded on a mature and liquid market, and that the prospectus of the Fidelity ETF relying on the exemption discloses the fact that the Fidelity ETF has obtained this exemption; and
- (vi) an exemption from subsection 6.8(1) and 6.8(2)(c) of NI 81-102 to permit the Fidelity ETF to deposit as margin portfolio assets of up to 35% of the Fidelity ETF’s NAV as at the time of deposit with any one future commission merchant in Canada or the United States (each a “**Dealer**”) and up to 70% of the Fidelity ETF’s NAV at the time of deposit with all Dealers in the aggregate, for transactions involving standardized future, clearing corporation options, option on future, or cleared specified derivatives, such as cleared swaps, that are traded on a stock exchange or future exchange, or through a swap execution facility that is exempted from recognition as an exchange under subsection 21(1) of the Securities Act (Ontario).

In addition, the Fidelity ETF may rely on exemptive relief obtained by Fidelity's mutual funds to permit it to:

- (i) invest up to 10% of the Fidelity ETF's NAV in precious metals and other physical commodities on an unlevered basis through Commodity ETFs and U.S. non-redeemable investment funds;
- (ii) use additional assets to cover the Fidelity ETF's market exposure: (i) 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; and (ii) when entering into or maintaining a swap position;
- (iii) hold as cover, in respect of the requirement under Section 2.8(1)(d) of NI 81-102, receivables arising from declared dividends to facilitate equitization of those payments once declared, thereby permitting the Fidelity ETF to track its applicable index in respect of the receivable or to otherwise invest the amount of the receivable, as applicable. For each long position in a standardized future that the Fidelity ETF opens or maintains in order to equitize a receivable, the Fidelity ETF must hold a combination of the amount of the receivable, cash cover and margin or collateral posted by the Fidelity ETF in connection with its obligation under that futures position that, in the aggregate, has a value that is not less than the underlying market exposure of the standardized future; and
- (iv) invest in securities of an Underlying Fidelity ETF or Underlying Fidelity Fund, as applicable, 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 of another Underlying Fidelity ETF or another Underlying Fidelity Fund.

Cash borrowing relief

The Fidelity ETF obtained exemptive relief from the 5% of NAV threshold on cash borrowing set forth in subparagraph 2.6(1)(a)(i) of NI 81-102 (the "**Borrowing Limit**") to allow the Fidelity ETF to borrow cash on a temporary basis in an amount that does not exceed 10% of its NAV at the time of borrowing:

- (i) in the case where the Fidelity ETF settles trades in securities on the first business day after a trade date, to accommodate requests for the redemption of securities of the Fidelity ETF while the Fidelity ETF settles portfolio transactions initiated to satisfy such redemption requests (the "**Redemption Settlement Gap Funding**"); and
- (ii) in the case where the Fidelity ETF settles trades in securities on a day that is later than the first business day after a trade date, to permit the Fidelity ETF to settle a purchase of T+1 portfolio securities that is executed in anticipation of the settlement of an investor's purchase of securities of the Fidelity ETF (the "**Purchase Settlement Gap Funding**").

The Fidelity ETF may rely on this relief to borrow cash in an amount that does not exceed 10% of its NAV at the time of borrowing for the purposes of Redemption Settlement Gap Funding and Purchase Settlement Gap Funding provided that:

- (i) the Fidelity ETF has used all of its freely available cash that is not being held by the Fidelity ETF for the purpose of seeking to meet its investment objectives or as part of its investment strategies;
- (ii) the outstanding amount of all borrowings of the Fidelity ETF do not exceed 10% of the NAV of the Fidelity ETF at the time of borrowing;
- (iii) in the case of Redemption Settlement Gap Funding, the amount of cash borrowed by the Fidelity ETF will not exceed the amount of cash that the Fidelity ETF will receive in respect of the sale of portfolio securities;
- (iv) in the case of Purchase Settlement Gap Funding, the amount of cash borrowed by the Fidelity ETF will not exceed the amount of cash that the Fidelity ETF will receive from the investor in a purchase of securities of the Fidelity ETF; and

- (v) the Manager has written policies and procedures for relying on the relief that require the Manager to implement controls on decision-making on borrowing above the Borrowing Limit and to monitor levels of Fidelity ETF redemptions, Fidelity ETF purchases and the cash balance of each Fidelity ETF.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities of exchange-traded funds within 48 hours after receipt of a confirmation of a purchase of such securities. In several of the provinces and territories of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages, if the prospectus and any amendment contains a misrepresentation or non-delivery of the ETF Facts, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory.

The Manager has obtained exemptive relief from the requirement in securities legislation to include an underwriter's certificate in the prospectus. As such, purchasers of Units of the Fidelity ETF will not be able to rely on the inclusion of an underwriter's certificate in the prospectus or any amendment for the statutory rights and remedies that would otherwise have been available against an underwriter that would have been required to sign an underwriter's certificate.

Purchasers should refer to the applicable provisions of the securities legislation and the decisions referred to above for the particulars of their rights or consult with a legal adviser.

DOCUMENTS INCORPORATED BY REFERENCE

During the period in which the Fidelity ETF is in continuous distribution, additional information is available in:

- (i) the most recently filed ETF Facts documents of the Fidelity ETF;
- (ii) the most recently filed annual financial statements of the Fidelity ETF, together with the accompanying report of the auditor, if any;
- (iii) any interim financial statements filed after the most recently filed annual financial statements of the Fidelity ETF;
- (iv) the most recently filed annual MRFP of the Fidelity ETF, if any; and
- (v) any interim MRFP of the Fidelity ETF filed after the most recent annual MRFP.

These documents are incorporated by reference into the prospectus, which means that they legally form part of this document just as if they were printed as part of this document. A Unitholder can get a copy of these documents upon request and at no cost by calling 1-800-263-4077 or by contacting a registered dealer.

These documents are available on the Manager's designated website at www.fidelity.ca or by contacting the Manager at 1-800-263-4077 or via e-mail at cs.english@fidelity.ca (for assistance in English) or sc.francais@fidelity.ca (for assistance in French).

These documents and other information about the Fidelity ETF are available on the internet at www.sedarplus.ca.

In addition to the documents listed above, any document of the type described above that are filed on behalf of the Fidelity ETF after the date of this prospectus and before the termination of the distribution of the Fidelity ETF is deemed to be incorporated by reference into this prospectus.

Independent auditor's report

To the Unitholder and Trustee of Fidelity Core U.S. Bond ETF (the Fund)

Our opinion

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of the Fund as at January 9, 2025 in accordance with those requirements of International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) relevant to preparing a statement of financial position.

What we have audited

The Fund's financial statement comprises the statement of financial position as at January 9, 2025 and the notes to the financial statement, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statement* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statement in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - basis of accounting

We draw to users' attention the fact that the financial statement does not comprise a full set of financial statements prepared in accordance with IFRS Accounting Standards. Our opinion is not modified in respect of this matter.

Responsibilities of management and those charged with governance for the financial statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with those requirements of IFRS Accounting Standards relevant to preparing a statement of financial position, and for such internal control as management determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statement.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario

January 9, 2025

**FIDELITY CORE U.S. BOND ETF
STATEMENT OF FINANCIAL POSITION**

As at January 9, 2025

Assets

Current assets

Cash	\$	<u>100</u>
Net assets attributable to Unitholders	\$	<u>100</u>
Net assets attributable to Unitholders per Unit (Note 6)	\$	25

Approved on behalf of the Board of Directors of
Fidelity Investments Canada ULC, as trustee of Fidelity Core U.S. Bond ETF

"Jason Louie"

Jason Louie
Chief Financial Officer,
Fidelity Canada and Director

"Barry Myers"

Barry Myers
Director

The accompanying notes are an integral part of this statement of financial position.

Notes to the Statement of Financial Position as at January 9, 2025:

1. Formation of the Fidelity ETF

The Fidelity Core U.S. Bond ETF (the “**Fidelity ETF**”) is an exchange-traded fund established as a trust under the laws of the Province of Ontario effective January 9, 2025. The Fidelity ETF has been established pursuant to an amended and restated declaration of trust dated August 23, 2024, as amended.

The number of units which may be issued by the Fidelity ETF is unlimited. The Toronto Stock Exchange (the “**TSX**”) has conditionally approved the listing of the Units of the Fidelity ETF. Listing is subject to the Fidelity ETF fulfilling all of the TSX’s listing requirements, including the minimum distribution requirement.

Fidelity is responsible for the day-to-day operations and provides all general management and administrative services required by the Fidelity ETF. In addition, Fidelity is responsible for the investment management of the Fidelity ETF’s portfolio. The registered office of the Fidelity ETF is located at 483 Bay Street, Suite 300, Toronto, Ontario M5G 2N7. The statement of financial position of the Fidelity ETF as at January 9, 2025 was authorized for issue by Fidelity’s board of directors on January 9, 2025.

The Fidelity ETF meets the definition of an investment entity as its purpose is to invest its net assets for capital growth and/or investment income for the benefit of its unitholders, and its investment performance is measured on a fair value basis.

2. Material accounting policy information

Basis of presentation

The Statement of Financial Position of the Fidelity ETF has been prepared in accordance with those requirements of International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) relevant to preparing a statement of financial position. In applying IFRS Accounting Standards, management may make estimates and assumptions that affect the reported amounts of assets and liabilities. Actual results could differ from those estimates.

The following is material accounting policy information followed by the Fidelity ETF in the preparation of the Statement of Financial Position of the Fidelity ETF.

Cash

Cash is comprised of cash on deposit with a Canadian financial institution.

Classification of units issued by the Fidelity ETF

In accordance with IAS 32, the Fidelity ETF’s units’ entitlements include a contractual obligation to distribute any net income and net realized capital gains at least annually in cash (at the request of the unitholder) and, therefore, the ongoing redemption feature is not the units’ only contractual obligation. Therefore, the Fidelity ETF’s redeemable units do not meet the criteria for classification as equity and have been classified as financial liabilities on the Statement of Financial Position. The Fidelity ETF’s obligation for net assets attributable to unitholders is recorded at the redemption amount.

3. Functional and presentation currency

The Statement of Financial Position of the Fidelity ETF is presented in Canadian dollars, which is the functional currency of the Fidelity ETF.

4. **Related party transactions**

Fidelity serves as the manager and the portfolio adviser of the Fidelity ETF. The Fidelity ETF pays Fidelity a monthly management fee as outlined below. As at January 9, 2025, there have been no fees charged to the Fidelity ETF as it has not yet commenced operations.

5. **Management fee**

The Fidelity ETF pays a management fee to Fidelity based on the annual rate set forth in the table below and the net asset value of the units of the Fidelity ETF. This management fee, plus applicable GST/HST, is calculated and accrued daily and paid monthly.

Fidelity ETF	Management fee (annual rate)
Fidelity Core U.S. Bond ETF	0.30% of NAV

This management fee covers certain of Fidelity's fees and costs associated with acting as the manager and the portfolio manager of the Fidelity ETF, the fees paid to the sub-advisors and the other expenses that are payable by Fidelity in connection with the Fidelity ETF.

In addition to the applicable management fee, the only expenses payable by the Fidelity ETF are: (i) interest and borrowing costs; (ii) all trading expenses, including transaction-related fees payable to the Custodian or its agents; (iii) any costs and expenses relating to the operation of the IRC, including all fees and expenses payable to the members of the IRC; (iv) all fees relating to any derivative instrument entered into or purchased by the Fidelity ETF that are not considered to be trading expenses; (v) the costs of complying with the regulatory requirement to produce summary documents, ETF Facts or other similar disclosure documents; (vi) the costs of complying with any new governmental or regulatory requirement introduced after the date that the Fidelity ETF is established, including any new fees or increases in fees, introduced after the date of creation of the Fidelity ETF; (vii) all fees related to external services that are not commonly charged in the Canadian exchange-traded fund industry as of the creation of the Fidelity ETF; (viii) any costs incurred in connection with termination of the Fidelity ETF that may be allocated to the Fidelity ETF; (ix) all fees paid to external service providers associated with tax reclaims, refunds or the preparation of foreign tax reports of the Fidelity ETF; (x) all fees paid to external counsel and/or others in connection with corporate or other actions affecting the portfolio holdings of the Fidelity ETF; and (xi) any applicable taxes, including income, withholding or other taxes, and also including applicable GST/HST on expenses.

Fidelity may decide, in its discretion, to pay some of these expenses, rather than having the Fidelity ETF incur such expenses. Fidelity is under no obligation to do so and, if any expense is reimbursed by Fidelity, it may discontinue this practice at any time.

6. **Net assets attributable to unitholders**

A total of four Series L units of the Fidelity ETF were issued for cash on January 9, 2025 to Fidelity. Fidelity holds all outstanding units of the Fidelity ETF as at January 9, 2025.

Units are available for purchase and sale on the TSX in both Canadian dollars and U.S. dollars.

Unitholders may redeem units of the Fidelity ETF in any whole number for cash for a redemption price per unit of 95% of the closing price for the units on the TSX on the effective day of the redemption, subject to a maximum redemption price of the applicable net asset value per unit, or may exchange a minimum of a prescribed number of units (and any additional multiple thereof) for, in the discretion of Fidelity, securities and cash or only cash. A prescribed number of units is a number of units determined by Fidelity from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

CERTIFICATE OF THE FIDELITY ETF, THE TRUSTEE, MANAGER AND PROMOTER

Dated: January 9, 2025

This prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Québec, Saskatchewan and Yukon.

FIDELITY INVESTMENTS CANADA ULC
as Trustee and Manager of the Fidelity ETF

(signed) "Robert Lloyd Strickland"

ROBERT LLOYD STRICKLAND
Chief Executive Officer
Fidelity Investments Canada ULC

(signed) "Jason Louie"

JASON LOUIE
Chief Financial Officer, Fidelity Canada
Fidelity Investments Canada ULC

On behalf of the Board of Directors of Fidelity Investments Canada ULC

(signed) "Barry Myers"

BARRY MYERS
Director

(signed) "Russell Kaunds"

RUSSELL KAUNDS
Director

FIDELITY INVESTMENTS CANADA ULC
as Promoter of the Fidelity ETF

(signed) "Robert Lloyd Strickland"

ROBERT LLOYD STRICKLAND
Chief Executive Officer
Fidelity Investments Canada ULC