

Simplified Prospectus dated February 23, 2026

# Fidelity<sup>®</sup> Fund

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**Building Block**

***Alternative Mutual Fund Building Block***

Fidelity Commodity Strategy Currency Neutral

Series O units

Multi-Asset Base Fund

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



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# Introduction

This document is a simplified prospectus, and it contains selected important information to help you make an informed investment decision about the Fund and to understand your rights as an investor.

This document is divided into two parts. The first part contains general information applicable to the Fund. The second part contains specific information about the Fund described in this document.

Additional information about the Fund is available in the following documents:

- the most recently filed fund facts document;
- the most recently filed annual financial statements;
- any interim financial statements filed after those annual financial statements;
- the most recently filed annual management report of fund performance;
- any interim management report of fund performance filed after that annual management report of fund performance.

These documents are incorporated by reference into this simplified prospectus. That means they legally form part of this simplified prospectus just as if they were printed as a part of this simplified prospectus. You can get a copy of these documents, at your request, and at no cost, by calling us at 1-800-263-4077, or by asking your *financial advisor*.

These documents are available on the Fidelity Funds' designated website at [www.fidelity.ca](http://www.fidelity.ca), or by contacting Fidelity at [cs.english@fidelity.ca](mailto:cs.english@fidelity.ca) (for assistance in English) or [sc.francais@fidelity.ca](mailto:sc.francais@fidelity.ca) (for assistance in French).

These documents and other information about the Fund are also available at [www.sedarplus.ca](http://www.sedarplus.ca).

Sometimes we use industry or defined terms to describe something in this document. We provide a brief description of some of those terms in the glossary. Terms that are contained in the glossary are in italics in this document.

In this document, we, us, our and Fidelity refer to Fidelity Investments Canada ULC. The fund offered under this simplified prospectus is referred to as the Fund.

The Fund is available in Series O units only. Series O units of the Fund are only available for purchase by the Fidelity Funds and other funds and accounts managed or advised by Fidelity and are not available for public purchase.

Introduction (*continued*)

The Fund, together with other funds managed and offered by Fidelity under separate prospectuses, are collectively referred to as the Fidelity Funds or each may be sometimes referred to as a Fidelity Fund.

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

# Responsibility for administration of the Fund

## Manager

The manager of the Fund is Fidelity. The head office of the Fund and Fidelity is at 483 Bay Street, Suite 300, Toronto, Ontario, M5G 2N7. The email address is [cs.english@fidelity.ca](mailto:cs.english@fidelity.ca) (for assistance in English) or [sc.francais@fidelity.ca](mailto:sc.francais@fidelity.ca) (for assistance in French). Fidelity's toll free telephone number is 1-800-263-4077 and the website address is [www.fidelity.ca](http://www.fidelity.ca).

As Manager, we are responsible for the day-to-day operations of the Fund and provide all general management and administrative services, including bookkeeping, record-keeping and other administrative services for the Fund, arranging for distribution of the Fund and managing the investment program of the Fund.

The following are the names, municipalities of residence, and offices of the directors and executive officers of Fidelity:

Name and Municipality of Residence	Office
Michael Barnett Toronto, Ontario	Executive Vice-President, Institutional.
W. Sian Burgess Toronto, Ontario	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. Prior thereto, Senior Vice-President, Marketing and Vice-President, Regional Sales.
Kelly Creelman Coldwater, Ontario	Senior Vice-President, Products and Marketing, and Director. Prior thereto, Senior Vice-President, Products and Vice-President, Retail Products and Solutions.
Mary Filippelli Toronto, Ontario	Director. Corporate Director, President and Chief Executive Officer, Baytree Advisors Inc. Prior thereto, Vice Chair and Managing Partner, Deloitte Canada.

Name and Municipality of Residence	Office
Diana Godfrey Burlington, Ontario	Senior 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 Chief Executive Officer, Canadian Women's Foundation. Prior thereto, Member of Provincial Parliament for Ontario.
Russell Kaunds Oakville, Ontario	Chief Technology Officer and Director. Prior thereto, Vice-President, Infrastructure Services Group.
Jason Louie Richmond Hill, Ontario	Chief Financial Officer, Fidelity Canada, and Director. Prior thereto, Vice-President, Corporate Finance.
Arvind Luxman Markham, Ontario	Senior Vice-President, Client Services. Prior thereto, Vice-President, Client Services.
Andrew Marchese Burlington, Ontario	Chief Investment Officer and Director.
Bradley Prince Burlington, Ontario	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	Head of Canada, President, Chief Executive Officer, Ultimate Designated Person and Director.
Don Wilkinson Mississauga, Ontario	Director. Self-employed advisor. Prior thereto, Partner, Deloitte Canada.

Fidelity has entered into an Amended and Restated Master Management and Distribution Agreement dated as of May 4, 2023, as amended, in respect of the Fund (the "**Management Agreement**").

The Management Agreement continues indefinitely for the Fund unless terminated upon 60 days' written notice by

## Responsibility for administration of the Fund (*continued*)

either Fidelity or the Fund or as a result of the insolvency or default of either party or should either party cease to carry on business.

Under the terms of the Management Agreement, Fidelity has agreed to provide or arrange for the provision of all general management and administrative services required by the Fund in its day-to-day operations, including bookkeeping, record-keeping and other administrative services for the Fund. The Management Agreement permits Fidelity to appoint agents to assist it in performing all necessary services required by the Fund. The Management Agreement may not be assigned by Fidelity without the consent of the CSA and the prior approval of the unitholders of the Fund, unless the assignment is to a company affiliated with Fidelity within the meaning of the *Securities Act* (Ontario).

The Management Agreement requires Fidelity and any person retained by Fidelity to act honestly, in good faith and in the best interests of the Fund and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances. Fidelity will be liable to the Fund in the event of any failure to so act by Fidelity or any associate or affiliate of Fidelity or by any of its or their respective directors, officers or employees, but will not otherwise be liable to the Fund in respect of any matter provided that in respect of such matter Fidelity has acted in accordance with the standard of care referred to above. Fidelity is entitled to fees for its services as manager under the Management Agreement as described under “**Fees and expenses**”.

### **About Fidelity**

As at January 31, 2026, Fidelity managed more than \$357 (CAD) billion for its clients. We are part of a broader group of companies collectively known as Fidelity Investments®. Fidelity Investments specializes in investment management for individuals, either directly, through *financial advisors*, or through group retirement plans. We also provide a wide variety of financial services and products. As at January 31, 2026, the Fidelity Investments collection of companies managed more than \$7.18 (USD) trillion in discretionary assets, which includes all Fidelity Investments products, such as mutual funds and managed accounts.

Fidelity, which was incorporated under the laws of Canada on February 13, 1987, continued under the laws of Ontario on August 9, 1989, amalgamated pursuant to the laws of Ontario effective January 1, 2004, continued under the laws of Alberta on September 26, 2007 and amalgamated pursuant to the laws of Alberta on January 1, 2010, January 1, 2011, January 1, 2016 and again on January 1, 2021, is a wholly-owned indirect subsidiary of 483A Bay Street Holdings LP.

### **Fund of Funds**

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

### **Portfolio Advisers**

Fidelity is the portfolio adviser of the Fund. Fidelity provides its advisory services to the Fund under the Management Agreement. The Management Agreement is described above under ***Responsibility for administration of the Fund – Manager***.

Under the Management Agreement, Fidelity has the authority to engage the services of sub-advisers in connection with any investment advice and/or portfolio management services required by the Fund.

Fidelity has entered into a sub-advisory agreement, as amended, with Geode Capital Management, LLC (“**Geode**”) of Boston, Massachusetts (the “**FIC Sub-Adviser**”), to provide investment advice in connection with the management of the investments of the Fund, including carrying out the passive investment strategy for the Fund (the “**FIC Sub-Advisory Agreement**”). Geode is not affiliated with Fidelity.

In addition, Fidelity has also entered into a sub-advisory agreement (the “**SSGA Sub-Advisory Agreement**”) with State Street Global Advisors Ltd. (“**SSGA**”, together with the FIC Sub-Adviser, the “**FIC Sub-Advisers**”) of Montreal, Quebec, Canada. SSGA is not affiliated with Fidelity. SSGA provides investment services in connection with the management of passive currency *hedging* for the Fund. Specifically, SSGA will be responsible for the purchase, sale and exchange of currency forwards and, as designated by Fidelity, other property comprising or relating to the Fund. Fidelity shall be responsible for the payment of fees to SSGA under the SSGA Sub-Advisory Agreement but may direct the Fund to pay such fees and to credit such payment against fees otherwise payable. The SSGA Sub-Advisory Agreement is in effect for an indefinite period and continues in force unless terminated by either party giving 60 days’ prior written notice. Under the terms of the SSGA Sub-Advisory Agreement, Fidelity shall be responsible for the payment of fees to SSGA but may direct the Fund to pay such fees and to credit such payment against fees otherwise payable by the Fund to Fidelity.

Fidelity and the FIC Sub-Advisers, as applicable, provide investment advice with respect to all or a portion of the investments of the Fund and arrange for the acquisition and disposition of all portfolio investments, including all necessary brokerage arrangements, if applicable.

The FIC Sub-Advisory Agreement is in effect for an indefinite period and continues in force unless it is terminated by a party giving 90 days’ prior written notice.

Fidelity and the FIC Sub-Adviser now act and may hereafter act as investment advisers to, or portfolio managers of, other investment funds and clients. If the availability of any particular security is limited and such security is in keeping with the fundamental investment objective of the Fund and also one or more other mutual funds or discretionary accounts for which Fidelity or the FIC Sub-Adviser acts or may hereafter act, such security will be allocated on a fair and equitable basis as determined by Fidelity or the FIC Sub-Adviser, as the case may be.

SSGA delegated some of its functions to SSGA Funds Management, Inc. pursuant to a further sub-advisory agreement between SSGA and SSGA Funds Management,

Inc., to provide investment advice to SSGA with respect to all or a portion of the investments of the Fund and arrange for the acquisition and disposition of all portfolio investments, including all necessary brokerage arrangements, if applicable. As sub-adviser to the SSGA Fund, SSGA will, at all times, be responsible for any loss that arises out of the failure of SSGA Funds Management, Inc. in respect to their advisory services.

Under the terms of the FIC Sub-Advisory Agreement, Fidelity is responsible for any loss arising out of the failure of the FIC Sub-Adviser to meet the mandated standard of care in providing advice to the Fund. Fidelity is also responsible for any fees payable to the FIC Sub-Adviser but may direct the Fund to pay such fees and to credit such payments against fees otherwise payable by the Fund to Fidelity. There may be difficulty in enforcing any legal rights against Geode and SSGA Funds Management, Inc., as each is resident, and substantially all of the assets of each are situated, outside of Canada.

The following are the names of the persons principally responsible for the day-to-day management of the Fund, implementing a particular material strategy or managing a particular segment of the portfolio of the Fund. An individual listed as a lead manager of the Fund has full discretionary authority to make investment decisions for the Fund without the approval of any other individual. An individual listed as a co-lead manager of the Fund has full discretionary authority to make investment decisions for a particular material strategy of the Fund or for a particular segment of the portfolio of the Fund without the approval of any other individual. An individual listed as a co-manager may make investment decisions for all or any portion of the Fund, but those decisions are subject to the approval of a lead manager or the applicable chief investment officer.

Fund	Individual and Company
Fidelity Commodity Strategy Currency Neutral Multi-Asset Base Fund	Louis Bottari B.S. (co-lead manager) (Geode)
	Tom Siwik BS, CFA (co-lead manager) (Geode)

Responsibility for administration of the Fund (*continued*)

Fund	Individual and Company
	Dan Glenn B.S., MBA (co-lead manager) (Geode)
	Peter Matthew B.S. (co-lead manager) (Geode)
	Robert Regan B.S., M.S. (co-lead manager) (Geode)
	Payal Gupta B.S., MBA (co-lead manager) (Geode)
	Navid Sohrabi B.A., MFE, CFA (co-lead manager) (Geode)
	Chris Toth B.S, CFA (co-lead manager) (Geode)
	Josh Posner BS, CFA (co-lead manager) (Geode)
	John Cicci B.S., CFA (co-manager) (Geode)
	James Love BBA, CFA (co-manager) (Geode)
	Aaron Hurd BA (co-lead manager, passive currency hedging) (SSGA)
	James Wittebol B.Com. (co-lead manager, passive currency hedging) (SSGA)
	Yunus Ayaz (co-manager, passive currency hedging) (SSGA)

Fund	Individual and Company
	Matthew Fonteneau CFA, FRM, CAIA (co-manager, passive currency hedging) (SSGA)

Quarterly reviews of the Fund are conducted by the senior investment officers at Fidelity responsible for oversight of the portfolio managers of the Fund. The quarterly reviews include the analysis of the Fund's performance over the previous quarter and a review of the portfolio managers' outlook for the Fund.

General investment policy and direction in respect of the Fund and *underlying* Fidelity Funds, but not specific investment decisions, are subject to the oversight of Fidelity's and/or the applicable FIC Sub-Advisers' Chief Investment Officer who completes monthly and quarterly reviews. The monthly reviews include the review of each portfolio manager's current investment strategy, *derivatives* use (if any), Fund performance as compared to the Fund's benchmark, country, sector and stock weightings and portfolio holdings. The quarterly reviews include the analysis of the Fund's performance over the previous quarter using performance attribution to outline the sources of performance, including stock selection, asset mix and currency effects, and a review of each portfolio manager's outlook for the Fund.

## 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 Fund, where applicable, of commissions that are payable by the Fund are made by Fidelity or, if applicable, the FIC Sub-Adviser for the Fund and the *underlying fund*, as applicable (the "**Advisers**").

The Advisers may place orders on behalf of the Fund for the purchase and sale of portfolio securities through brokers or *dealers* who are affiliates or subsidiaries of Fidelity or the FIC Sub-Adviser or in which any one of them have a financial interest, provided that such orders are to be executed on terms and conditions as favourable to the Fund as could be expected to be obtained from other brokers or *dealers* and at

commission rates comparable to that which would have been charged to the Fund by such other brokers or *dealers*. Fidelity will at all times be responsible for the management of the portfolio of the Fund, for which it acts as investment adviser.

In selecting brokers, many factors will be considered in the context of a particular trade and in regard to the Advisers' overall responsibilities with respect to the Fund and to other investment accounts the Advisers manage. 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 will be of primary consideration.

The Advisers may enter into commission sharing arrangements ("**CS**") whereby the Fund and the *underlying funds*, as applicable, pay the broker a bundled commission into a CS account maintained by the broker for order execution and research goods and services to be supplied by the broker to the Fund. The Advisers direct the broker to use the CS account to purchase and pay for research goods and services that the broker supplies to the Fund. 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 CSs generally support broad categories of investment mandates.

As a result of the revised Markets in Financial Instruments Directive (also known as MiFID II) in the European Economic

Area, certain Advisers and their affiliated or related entities that are regulated under MiFID II will no longer be using a CS account to pay for research goods and services. Instead, these Advisers will use and maintain separate research payment accounts ("**RPA**") whereby the Fund will pay an unbundled commission into the RPA account for research goods and services. The Advisers will instruct payment for research goods and services from the RPA account in accordance with the enumerated criteria mentioned above.

The key differences between a CS account and an RPA account is that: (i) the CS account is maintained by the broker while the RPA account is maintained by the Advisers; and (ii) the CS account allocates payments for research goods and services to the Fund on pro-rata trading activity while the RPA account allocates payments based on the pro-rata net assets of the Fund.

Portfolio transactions may be executed with brokers who provide research services to the Fund and which assist the Advisers with their investment management responsibilities. Such services include reports and analysis which 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.

It is expected that the following types of goods or services, other than order execution, may be purchased by the Fund with the commissions that it has paid to the brokers: research on specific industries, sectors and companies, as well as market data research.

Where brokerage transactions involving client brokerage commissions of the Fund and the underlying Fidelity Funds, as applicable, have been or might be directed to a broker in return for the provision of any goods or services 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](mailto:cs.english@fidelity.ca) (for assistance in English) or [sc.francais@fidelity.ca](mailto:sc.francais@fidelity.ca) (for assistance in French).

## Responsibility for administration of the Fund (*continued*)

### Directors, Executive Officers and Trustees

The trustee of the Fund is Fidelity. The directors and executive officers of Fidelity are listed under the sub-heading **Manager** earlier in this section. The trustee is responsible for all operations of the Fund and has delegated such responsibilities to Fidelity.

The Amended and Restated Master Declaration of Trust dated as of February 23, 2026, as amended (the “**Declaration**”) and the Management Agreement permit Fidelity to delegate all or any part of its duties to be performed pursuant to the terms of the Declaration and the Management Agreement.

### Custodian

The custodian of the Fund is State Street Trust Company Canada (the “**Custodian**”), of Toronto, Ontario.

The Custodian is in the business of, among other things, providing banking and custodial services to institutional investors. The sub-custodians appointed to hold assets will be listed in the compliance report prepared by the Custodian and filed on SEDAR+ on behalf of the Fund pursuant to the requirements of *NI 81-102*.

The Custodian and the sub-Custodians are unrelated to Fidelity.

The Custodian acts as custodian of the Fund’s portfolio securities. The cash, securities and other assets of the Fund will be held by the Custodian at its principal office or at one or more of its branch offices or at offices of sub-custodians appointed by the Custodian domestically or in other countries. The Custodian may also provide foreign exchange services to the Fund either as an agent for the Fund or as principal. The foreign exchange transactions may also be effected through an affiliate of the Custodian. Fees with respect to foreign exchange transactions may be earned by the Custodian or its affiliate.

The Custodian Agreement continues indefinitely for the Fund unless terminated upon 180 days’ written notice by the Custodian, upon 30 days’ written notice given by the Fund, or upon receipt of written notice by the Custodian from the Fund in circumstances where the Fund has determined that there is a reasonable basis to conclude that the Custodian is

insolvent or that its financial condition is deteriorating in a material respect.

Where the Fund makes use of clearing corporation options, options on futures or futures contracts, the Fund may deposit portfolio securities or cash as margin in respect of such transactions with a *dealer*, or in the case of forward contracts, with the other party thereto, in any such case in accordance with the policies of the Canadian securities authorities.

### Auditor

The auditor of the Fund is PricewaterhouseCoopers LLP of Toronto, Ontario.

### Registrar

Fidelity is the registrar and transfer agent of the Fund. Fidelity maintains the register of units of the Fund at its offices in Toronto, Ontario.

As registrar, Fidelity records all unitholder transactions, including purchases, switches, and redemptions, in the register of units of the Fund.

### Securities Lending Agent

The Securities Lending Agent of the Fund is State Street Bank and Trust Company of Boston, Massachusetts, a sub-custodian of the Fund (the “**Securities Lending Agent**”). The Securities Lending Agent is not an affiliate or associate of Fidelity.

The Fund has entered into a Securities Lending Authorization Agreement (the “**Securities Lending Agreement**”) dated as of November 16, 2012, as amended, with the Securities Lending Agent. The Securities Lending Agreement appoints the Securities Lending Agent to act as agent for *securities lending transactions* for the Fund if it engages in *securities lending transactions* and to execute in the Fund’s name and on its behalf, securities lending agreements with borrowers in accordance with *NI 81-102*. The Securities Lending Agreement stipulates that the collateral received by the Fund in a *securities lending transaction* must have a market value of at least 105% of the value of the securities loaned. Under the Securities Lending Agreement, the Securities Lending Agent indemnifies the Fund from certain losses incurred in connection with the

Securities Lending Agent's breach of its standard of care and default by a borrower. The Securities Lending Agreement may be terminated with respect to the Fund at any time with or without cause by either party upon delivery to the other party of written notice specifying the date of such termination, which shall not be less than five days after the receipt of such notice.

## Other Service Providers

### **Fund Accounting and Investment Management Support**

Fidelity has an arrangement with Fidelity Service Company, Inc. ("FSC") of Boston, Massachusetts for FSC to provide fund accounting and investment management support services to the Fund, including calculating the daily net asset value per unit for the Fund. 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.

## Independent Review Committee and Fund Governance

### **Independent Review Committee**

The following is the mandate of the *IRC* as required under *NI 81-107*:

- (a) review a conflict of interest matter, including any related policies and procedures, referred to it by Fidelity and make recommendations to Fidelity regarding whether the proposed action of Fidelity in respect of the conflict of interest matter achieves a fair and reasonable result for the applicable Fidelity Funds;
- (b) consider and approve, if deemed appropriate, Fidelity's proposed action on a conflict of interest matter that Fidelity refers to the *IRC* for approval; and
- (c) perform such other duties, recommendations and approvals as may be permitted of the *IRC* under applicable securities laws.

The *IRC* may also approve mergers involving the Fund and any change of the auditor of the Fund. Unitholder approval will not be obtained in these circumstances, but you will be sent a written notice at least 60 days before the effective date

of any merger or change of auditor that affects the Fund that you own.

Other provisions of the *IRC* Charter are consistent with *NI 81-107*.

As at the date of this simplified prospectus, the following individuals are the members of the *IRC* of the Fidelity Funds:

Douglas Nowers (Chair) – Toronto, Ontario

James E. Cook - Etobicoke, Ontario

Anne Bell – Mississauga, Ontario

Kevin Regan – Winnipeg, Manitoba

The *IRC* prepares, at least annually, a report of its activities for unitholders and makes such reports available on the Fidelity Fund's designated website at [www.fidelity.ca](http://www.fidelity.ca), or at the unitholder's request and at no cost, by contacting Fidelity at [cs.english@fidelity.ca](mailto:cs.english@fidelity.ca) (for assistance in English) or [sc.francais@fidelity.ca](mailto:sc.francais@fidelity.ca) (for assistance in French).

### **Board of the Manager**

The Fund is organized as a trust. Fidelity, as Manager and trustee of the Fund, is ultimately responsible for fund governance, which is the responsibility of Fidelity's board of directors. Currently, the board of directors consists of 11 individuals. Five members of the board, Ms. Filippelli, Mr. Hall, Ms. Hunter, Mr. Pringle and Mr. Wilkinson are independent in that they are not members of the management of Fidelity nor are they employed by Fidelity or any of its affiliates. Details of the members of Fidelity's board of directors are described under **Manager**.

### **Certain Policies and Practices**

Fidelity has developed a Code of Ethics. The purpose of the Code is to aim to ensure that when employees of Fidelity buy or sell securities for their personal accounts, they do not create actual or potential conflicts with the Fidelity Funds.

Fidelity, the Fund's and the underlying Fidelity Funds' portfolio advisers, as applicable, have developed policies that aim to manage the Fund's and underlying Fidelity Funds', as applicable, investment risks, such as market and credit risks, as well as non-investment risks, such as

## Responsibility for administration of the Fund (continued)

counterparty, trading, compliance, foreign markets and technology risks. In addition, Fidelity has adopted numerous policies to address conflicts of interest, as required by *NI 81-107*. The activities of the Fund and underlying Fidelity Funds are monitored by Fidelity's compliance department. The chief compliance officer provides regular reports to Fidelity's board of directors.

When it markets and advertises the Fund, Fidelity is required to comply with certain laws and policies, including Part 15 of *NI 81-102* and *NI 81-105*. Fidelity has established policies and procedures to ensure it complies with these requirements. For example, Fidelity has prepared an Advertising & Sales Communications Compliance Manual for internal Fidelity use. The manual is used by Fidelity's product and marketing departments when preparing advertising and other promotional materials and broadcasts. It describes the requirements of securities laws and policies as well as Fidelity's policies regarding the content of these materials and broadcasts.

As required by *NI 81-107*, Fidelity has adopted policies and procedures to overcome conflicts of interest with and among the Fidelity Funds.

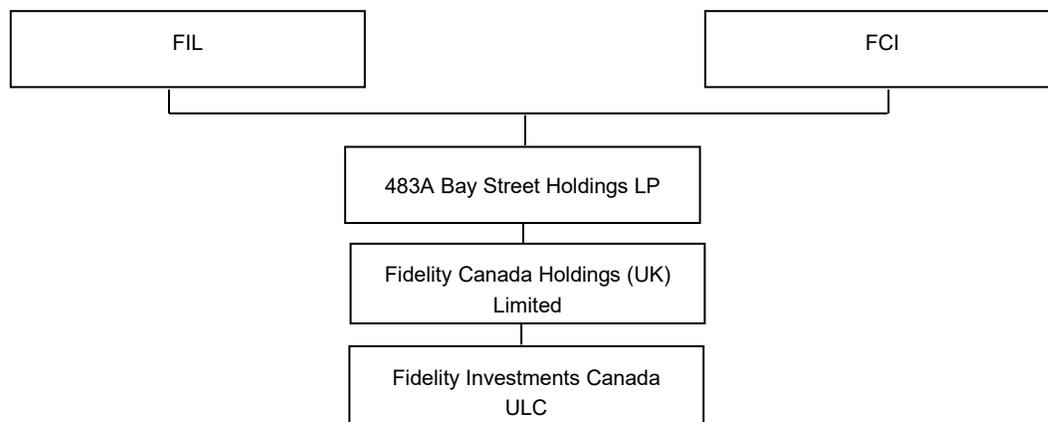
### Affiliated Entities

As at the date of this document, the only shareholder known to Fidelity to own, of record or beneficially, more than 10% of the issued and outstanding shares of Fidelity was Fidelity Canada Holdings (UK) Limited which owns directly 1,000 common shares, representing 100% of the issued and outstanding common shares of Fidelity. As at the date of this

document, 483A Bay Street Holdings LP owns directly 100% of the issued and outstanding shares of Fidelity Canada Holdings (UK) Limited and 483A Bay Street Holdings LP in turn is owned indirectly 49% by Fidelity Canada Investors LLC ("**FCI**") and 51% owned indirectly by FIL Limited ("**FIL**") (as shown in the diagram below).

As at the date of this document, members of the Johnson family, including Abigail P. Johnson, are the predominant owners, directly or through trusts, of Series B voting common units of FCI, representing 49% of the voting power of FCI. The Johnson family group and all other Series B unitholders have entered into a voting agreement under which all Series B units will be voted in accordance with the majority vote of Series B units. Accordingly, through their ownership of voting common units and the execution of the voting agreement, members of the Johnson family group may be deemed to form a controlling group with respect to FCI. As at the date of this document, members of the Johnson family group are the predominant owners, directly or through trusts or other legal structures, of FIL. While the Johnson family group's ownership of FIL voting stock may fluctuate from time to time as a result of changes in the total number of shares of FIL voting stock outstanding, it normally represents more than 25%, but under FIL's by-laws can represent no more than 48.5%, of the total votes which may be cast by all holders of FIL voting stock. Accordingly, through their ownership, members of the Johnson family group may be deemed to form a controlling group with respect to FIL.

As previously disclosed in this simplified prospectus, the following affiliated entities provided services to the Fund or the Manager:



The amount of fees received from the Fund by each affiliated entity is disclosed in the audited financial statements of the Fund.

## Policies and Practices

### Policies related to Derivatives

The Fidelity Funds (other than money market funds) are allowed to use *derivatives*. See **Derivative risk** in the second part of this simplified prospectus. The Fund may use *derivatives* in accordance with the limits, restrictions and practices set by the CSA or as permitted under the terms of exemptive relief obtained from the CSA.

Fidelity has adopted a written *Derivatives* Policy to aim to ensure that the use of *derivatives* by the Fund complies with applicable regulatory requirements and address any risk associated with *derivative* instruments. *Derivatives* policies and procedures are set jointly by the Investment Compliance and Legal Departments and the Fund Treasurer's Office and are reviewed annually by Fidelity's compliance and investment management departments and its Fund Operations Oversight Committee, comprised of senior management of Fidelity.

Fidelity has appointed *Derivatives* Supervision Officers who are responsible for the oversight of *derivative* activity in the Fund and a Complex Securities Committee that oversees *derivative* approvals for the Fund. In addition, compliance personnel at Fidelity review the use of *derivatives* as part of their ongoing review of Fund activity. The *Derivatives* Supervising Officers provide an annual report of *derivatives* use, compliance exceptions, and a market risk assessment to the Fund Oversight Committee. At present, Fidelity does not simulate stress conditions to measure risk in connection with the use of *derivatives*.

### Policies related to Repurchase Transactions, Reverse Repurchase Transactions and Securities Lending Transactions

The Fund and the underlying Fidelity Funds may engage in *repurchase transactions*, *reverse repurchase transactions* and *securities lending transactions* only as permitted under securities law. The Custodian or a sub-custodian will act as

agent for the Fund and the underlying Fidelity Funds in administering *repurchase transactions* and *securities lending transactions*, including negotiating the agreements, assessing the creditworthiness of counterparties and collecting the fees earned by the Fund and the underlying Fidelity Funds. Fidelity has written policies and procedures that set out the objectives and goals for *securities lending transactions*, *repurchase transactions* and *reverse repurchase transactions* and risk management procedures applicable to those transactions. The policies and procedures are set and reviewed by the Fund Treasurer's Office and are reviewed annually by Fidelity's Operations Oversight Committee, including annual approval by the Board of Fidelity. Fidelity has implemented limits and other controls on entering into these transactions. These limits and controls are placed by and overseen by the Fund Treasurer's Office.

At present, Fidelity does not simulate stress conditions to measure risk in connection with the use of *repurchase transactions*, *reverse repurchase transactions* and *securities lending transactions*.

### Policies related to Liquidity Risk Management

Liquidity risk refers to the risk that the Fund is unable to satisfy redemption requests without having a material impact on the remaining unitholders of the Fund. Liquidity risk management is part of the Fund's broader risk management process which includes documented internal compliance and fund oversight policies and procedures pertaining to the measurement, monitoring, mitigation and reporting of liquidity risks within the Fund.

Fidelity has adopted a Liquidity Risk Management Policy to promote effective liquidity risk management and reduce the risk that the Fund will be unable to satisfy redemption requests without having a material impact on the remaining unitholders of the Fund. The Fidelity Liquidity Working Group, comprised of members of Investment Compliance, Legal, Fund Treasury, Product and Investment Risk, has been established to provide oversight over Fidelity's liquidity risk management program and for the ongoing management and monitoring of the Fund's liquidity.

## Responsibility for administration of the Fund (*continued*)

### Proxy Voting Guidelines

Fidelity, in its capacity as portfolio adviser to the Fund, hires Geode to manage the proxy voting on behalf of the Fund that is sub-advised by it, in accordance with their proxy voting guidelines of the Fund (the “**Guidelines**”). The following is a description of the general principles followed by Geode in respect of voting securities held by the Fund. Details of the specific proxy voting Guidelines followed by Geode are set out in the applicable adviser or sub adviser Guidelines.

The following Guidelines pertain to the Fund.

### *Fund of Fund Voting*

When the Fund invests in an *underlying fund* also managed by Fidelity or Geode, the Fund will not vote those securities of the underlying Fidelity Fund held by the Fund. Instead, Fidelity may arrange for such securities of the underlying Fidelity Fund to be voted by the beneficial holders of the Fund.

### *General Principles – Geode*

- All proxy votes shall be considered and made in a manner consistent with the best interests of Geode’s clients (as well as securityholders of mutual funds) without regard to any other relationship, business or otherwise, between the portfolio company subject to the proxy vote and Geode or its affiliates.
- Geode seeks to maximize the value of investments of the Fund, which it believes will be furthered through (1) accountability of a company’s management and directors to its shareholders, (2) alignment of the interests of management with those of shareholders (including through compensation, benefit and equity ownership programs), and (3) increased disclosure of a company’s business and operations. Geode reserves the right to override any of its proxy voting policies with respect to a particular shareholder vote when such an override is, in Geode’s best judgment, consistent with the overall principle of voting proxies in the best long-term economic interests of Geode’s clients (including the Fund).
- As a general matter: (1) proxies will be voted FOR incumbent members of a board of directors and FOR

routine management proposals, except as otherwise addressed under the Geode Guidelines; (2) shareholder and non-routine management proposals addressed by these policies will be voted as provided in the Geode Guidelines; and (3) shareholder and non-routine management proposals not addressed by the Geode Guidelines will be evaluated on a case-by-case basis. For ballots related to proxy contests, mergers, acquisitions and other organizational transactions, Geode may determine it is appropriate to conduct a company specific evaluation.

When voting the securities of non-U.S. issuers, Geode will evaluate proposals in accordance with the Geode Guidelines to the greatest extent possible, but will also take local market standards and best practices into consideration. In the event local market standards and best practices in a non-U.S. jurisdiction differs with (or are not specifically covered by) the Geode Guidelines, Geode will generally vote in accordance with such local market standards and best practices. In addition, Geode will not vote in re-registration markets outside of the U.S.

The policies and procedures relating to proxy voting are available on request, at no cost, by calling us at 1-800-263-4077, by sending us an e-mail at [cs.english@fidelity.ca](mailto:cs.english@fidelity.ca) (for assistance in English) or [sc.francais@fidelity.ca](mailto:sc.francais@fidelity.ca) (for assistance in French) or on our designated website at [www.fidelity.ca](http://www.fidelity.ca). The Fund’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 Fund upon request at any time after August 31 of that year. It can also be viewed on our designated website at [www.fidelity.ca](http://www.fidelity.ca).

### **Remuneration of Directors, Officers and Trustee**

No payment or reimbursement has been made by the Fund to the directors and officers of Fidelity up to the date of this simplified prospectus. Fidelity does not receive compensation for acting as trustee of the Fund.

Individual *IRC* Members are compensated by the Fund by way of an annual retainer fee and a per meeting attendance fee, as well as being reimbursed for expenses associated

with *IRC* duties. These costs are allocated amongst the individual Fidelity Funds proportionately by assets. As the Fund is new, none of the costs of the *IRC* have been allocated to it as of the date of this simplified prospectus.

The Fund has a financial year end of June 30.

#### Material Contracts

Contracts which have been entered into by the Fund as at the date of this simplified prospectus which are considered material to investors purchasing units are as follows:

#### *Declaration of Trust*

The Declaration governs the business and affairs of the Fund. It appoints Fidelity as trustee of the Fund with the full powers of a trustee. Under the Declaration, Fidelity may resign as trustee by giving 90 days' written notice to unitholders. Failure to appoint a successor trustee can result in termination of the Fund. Fidelity is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Fund and shall perform the duties of a trustee to the standard of care, diligence and skill a reasonably prudent person would exercise in the circumstances. Fidelity is indemnified for all actions within its standard of care in acting as trustee of the Fund.

Fidelity will be liable to the Fund in the event of any failure to so act by Fidelity or any associate or affiliate of Fidelity or by any of its or their respective directors, officers or employees, but will not otherwise be liable to the Fund in respect of any matter provided that in respect of such matter Fidelity has acted in accordance with the standard of care referred to above.

#### *Management Agreement*

The Amended and Restated Master Management and Distribution Agreement dated May 4, 2023, as amended, is more particularly described under ***Responsibility for administration of the Fund – Manager.***

#### *Custodial Services*

The Master Mutual Fund Custodial Services Agreement dated as of November 16, 2012, as amended, with State Street Trust Company Canada is more particularly described

under ***Responsibility for administration of the Fund – Custodian.***

Copies of the foregoing contracts may be inspected by existing and prospective unitholders during regular business hours at the principal place of business of Fidelity at 483 Bay Street, Suite 300, Toronto, Ontario, M5G 2N7.

#### Legal Proceedings

There are no material legal proceedings to which the Fund or Fidelity is a party.

#### Designated Website

A mutual fund is required to post certain regulatory disclosure documents on a designated website. The designated website of the Fund can be found at [www.fidelity.ca](http://www.fidelity.ca).

# Valuation of portfolio securities

In calculating the value of the assets of the Fund and underlying Fidelity Funds:

- (a) *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 Fidelity determines an otherwise fair value;
- (b) securities listed on a public securities exchange are valued at their last sale or closing price as reported on that Valuation Day or, if no sale is reported to have taken place on that Valuation Day and there is no reported closing price, at the closing bid price on that Valuation Day;
- (c) unlisted securities traded on an over-the-counter market are valued at the closing bid price on that Valuation Day;
- (d) restricted securities that are not illiquid are valued at the lesser of:
  - (i) the value thereof based on reported quotations in common use on that Valuation Day; and
  - (ii) 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 Fund'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;
- (e) 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;
- (f) where a covered clearing corporation option, option on futures or over-the-counter option is written by the Fund or the underlying Fidelity Fund, the premium received by the Fund or the underlying Fidelity Fund 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 net asset value of the Fund or the underlying Fidelity Fund; 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;
- (g) 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 Day;
- (h) 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 Day unless daily limits are in effect, in which case fair market value shall be based on the current value of the underlying interest;
- (i) the value of units of a Fidelity Fund held by a Fund or an underlying Fidelity Fund will be the net asset value per unit, or, if the units are listed on a public securities exchange, the most representative price within the bid-ask spread on the Valuation Date, and if such date is not a Valuation Day of the Fund or an underlying Fidelity Fund, then the value of units of the Fidelity Funds will be the net asset value per unit on the most recent Valuation Day, or, if the securities are listed on a public securities exchange, the most appropriate fair value price;
- (j) if securities are interlisted or traded on more than one exchange or market Fidelity shall use the last sale price or the closing bid price, as the case may be, reported on the exchange or market determined by Fidelity to be the principal exchange or market for such securities;
- (k) 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;

- (l) short-term securities may be valued using market quotations, amortized cost or original cost plus accrued interest, unless Fidelity determines that these no longer approximate market value of the assets; and
- (m) notwithstanding the foregoing, securities and other assets for which market quotations are, in Fidelity's opinion, inaccurate, unreliable, not reflective of all available material information or not readily available are valued at their fair value, as determined by Fidelity.

In the past three years, Fidelity has not deviated from the valuation practices described above.

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

The financial statements of the Fund are required to be prepared in accordance with those requirements of International Financial Reporting Standards ("**IFRS Accounting Standards**"). The Fund's accounting policies for measuring the fair value of their investments under IFRS Accounting Standards are identical to those used in measuring the net asset value per unit for transactions with unitholders. However, if the closing price of a unit of the Fund falls outside of the bid and ask price spread of the security, we may adjust the net assets attributable to holders of redeemable units per series per unit in the Fund's financial statements. As a result, the net asset value per unit for transactions with unitholders may be different from the net assets attributable to holders of redeemable units per series per unit that is reported in such Fund's financial statements under IFRS Accounting Standards.

# Calculation of net asset value

As described in the preceding section, the assets and liabilities of each series of the Fund and *underlying fund* are valued daily. The net asset value of each series of the Fund or *underlying fund* is the value of all assets of that series less its liabilities. The net asset value of each series is calculated on each day that the *TSX* is open for trading (a “Valuation Day”), subject to a temporary suspension of the right to redeem units as described under ***How to redeem the Fund*** below. A separate net asset value is calculated for each series of units of the Fund. The net asset value per unit of each series of the Fund is calculated by dividing the net asset value of the series at the close of business on a Valuation Day by the total number of units of the series outstanding at that time.

The Fund is valued, and can be bought, in Canadian dollars.

The net asset value per unit is the basis for all sales or switches of units as well as for the automatic reinvestment of distributions and for redemptions as described in this document. The issue or redemption of units, switches of units and reinvestment of distributions is reflected in the next calculation of the net asset value per unit made after the time such transactions become binding.

Portfolio transactions (investment purchases and sales) are reflected in the next calculation of the net asset value made after the date on which they become binding. The net asset value per unit, or unit of a series, as the case may be, of the Fund calculated on each Valuation Day remains in effect until the net asset value per unit, or unit of a series, of the Fund is next calculated.

The net asset value of each series of the Fund and net asset value per unit of the Fund are available on our designated website at [www.fidelity.ca](http://www.fidelity.ca) or on request, at no cost, by calling us at 1-800-263-4077 or by sending us an e-mail at [cs.english@fidelity.ca](mailto:cs.english@fidelity.ca) (for assistance in English) or [sc.francais@fidelity.ca](mailto:sc.francais@fidelity.ca) (for assistance in French).

# Purchases, switches and redemptions

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

The Fund is available in series of units, as specified on the cover page and as set out in the Fund profile. The differences between the series are described in the section ***Specific Information about the mutual fund described in this document***.

Series O units of the Fund are only available to Fidelity Funds and other funds and accounts managed or advised by Fidelity.

See the section ***Description of units offered by the Fund*** for more information about the series that you can invest in.

The net asset value per unit is the basis of all transactions involving buying, redeeming, switching or reinvesting units. See the ***Income tax considerations*** for further details about the tax consequences of buying, redeeming or switching units.

## How to buy the Fund

You can buy units of the Fund through any registered *dealer*.

All purchases of units of the Fund are made at the net asset value per unit of the series of the Fund.

### ***Figuring out the net asset value per unit***

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

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

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

We aren't able to calculate the price of a series of a Fund on a valuation day if the unit price of the *underlying fund* is not calculated on that valuation day.

### ***Processing your order***

If we receive your order before 4 p.m. Toronto time on a valuation day (which is any day that the *TSX* is open for trading), we process your order as of that valuation day and you pay the net asset value per unit calculated on that valuation day for the units that you buy. Otherwise, we process your order as of the next valuation day. If the *TSX* closes earlier than 4 p.m. on a valuation day, we may impose an earlier deadline for that valuation day. Any order received after this earlier deadline is processed as of the next valuation day. For more information on how we calculate the net asset value per unit on a valuation day, see ***Figuring out the net asset value per unit*** earlier in this section.

You have to pay for your units when you buy them. We do not accept cash, money orders or travellers' cheques for the purchase of units. If we don't receive payment in full within one business day of receiving your order, we redeem the units that you bought on the next valuation day or when we first learn that your payment will not be honoured. A "business day" is any day except, Saturday, Sunday or a Canadian holiday. If we redeem the units for more than you paid, the Fund keeps the difference. If we redeem the units for less than you paid, we charge your *dealer* for the difference, plus any costs. Your *dealer* may be entitled to recover any loss from you. Your *dealer* may make provision in arrangements that it has with you that will require you to compensate the *dealer* for any losses suffered by the *dealer* in connection with a failed settlement of a purchase of units of the Fund caused by you.

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

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

including any interest, is then switched into the Fidelity Fund(s) you chose under the sales charge option that you selected at the unit price of the Fidelity Fund(s) on the date of the switch.

### Minimum account size

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

### Purchase Options

There is no sales charge for Series O units, which are considered “no-load” units.

### About sales charges

You don't pay any sales charges if you invest in Series O units, which are only available for purchase by the Fidelity Funds and other funds and accounts managed or advised by Fidelity and are not available for public purchase.

### What else you need to know

Here are some other important facts about buying the Fund:

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

## Switching to another series of the same Fund

Switches are not possible because the Fund is available in Series O units only.

## Switching units to another Fidelity Fund

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

### What else you need to know

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

## How to redeem the Fund

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

You must put your order to redeem in writing and sign it. An acceptable guarantor must guarantee your signature if the redemption is for \$100,000 or more. If a corporation, partnership, agent, fiduciary or surviving joint owner holds the units, we may also ask for other documents.

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

We don't process orders to redeem for:

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

We send you your money within one business day of receiving your order, as long as your order is complete. For units denominated in U.S. dollars, if the settlement day is a U.S. holiday, we send your money on the next business day that is not a U.S. holiday. A business day does not include Saturdays, Sundays or Canadian holidays. If we don't receive your properly completed order within 10 business days of the sale, we buy back the units you sold on the next valuation day. If we buy them back for less than you sold them for, the Fund keeps the difference. If we buy them back for more than you sold them for, we charge your

*dealer* for the difference, plus any costs. Your *dealer* may make provision in arrangements that it has with you that will require you to compensate the *dealer* for any losses suffered by the *dealer* in connection with any failure of you to satisfy the requirements of the Fund or securities legislation for a redemption of units of the Fund.

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

### ***Characterization of redemption amounts***

Subject to the limits imposed by the *Tax Act*, the redemption price paid to a unitholder may include capital gains realized by the Fund that are allocated and distributed to the unitholder. The remaining portion of the redemption price will be proceeds of disposition.

## Suspending your right to redeem units

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

- Normal trading is suspended on any exchange on which securities or *derivatives* that make up more than half of the Fund's total assets by value are traded and these securities or *derivatives* aren't traded on any other exchange that is a reasonable alternative for the Fund.
- The right to redeem units of an *underlying fund* is suspended.

If we receive your order to redeem on a day when we've suspended the calculation of net asset value per unit, you

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

can withdraw your order before the end of the suspension period or you can redeem your units based on the net asset value per unit calculated on the first valuation day after the suspension ends.

### Short-term trading

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

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

Excessive short-term trading means frequent purchases and redemptions, including switches of units between Fidelity Funds, that occur within a 30-day period that we believe is detrimental to Fund investors. Excessive short-term trading or switching in order to time the market or otherwise can hurt the Fund's performance, affecting all the investors in the Fund by forcing the Fund to keep cash or sell investments to meet redemptions.

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

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

- If you redeem or switch units purchased by reinvesting distributions.
- Units sold as part of a fund-of-fund program or a similar pooled investment program.
- In most cases, units sold for retirement income fund or life income fund payments.
- Redemptions of money market funds.

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

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

- Bona fide changes in unitholder circumstances or intentions.
- Unanticipated financial emergencies.
- Unusual market circumstances.

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

## Sizable transactions

In general, sizable transactions by certain investors can disadvantage other investors in the Fund. Fidelity has adopted policies and procedures to help minimize the potential impact of sizable purchases and redemptions by a retail investor, or by other investors, including *financial advisors* acting for multiple investors, *financial advisors* or *dealers* creating their own investment funds and a group of investors that follow a proprietary model portfolio of a *financial advisor* or *dealer* (collectively, “**Advisor/Dealer Driven Investors**”), on the Fund’s other unitholders.

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

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

We will notify you once you become a Sizable Investor in the Fund. If you are a *financial advisor* or *dealer* who manages a Sizable Investing Group, we may contact you with respect to notice obligations and/or penalties that may apply. A Sizable Investor will not be permitted to make a purchase that would result in them owning more than 20% of the total net assets of the Fund.

Sizable Investors of the Fund are subject to a 1% penalty of the value of the units that they sell/switch if they sell/switch their units of the Fidelity Fund within 30 days of their most recent purchase/switch into the Fidelity Fund. Sizable investors may be subject to a 1% penalty of the value of the units if they fail to provide the required notice to Fidelity prior to completing a sizable redemption. This fee goes to the Fund.

If the sell/switch transaction would be subject to both a sizable redemption fee and a short-term trading fee, the Sizable Investor will only be subject to the sizable redemption fee. For greater certainty, the total penalty

applied will not exceed 1% of the value of the units sold/switched.

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

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

# Fees and expenses

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

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

<b>Fees and Expenses Payable by the Fund</b>	
<b>Management and advisory fees</b>	The Fund is only available for purchase by the Fidelity Funds and other funds and accounts managed or advised by Fidelity, and do not pay management and advisory fees.
<b>Operating expenses</b>	<p>Fidelity pays all of the operating expenses and other costs incurred by the Fund in respect of Series O units (including for services provided by Fidelity and/or its affiliates), except for the following <i>Fund Costs</i> that are payable by the Fund:</p> <ul style="list-style-type: none"> <li>• Taxes, including, but not limited to, income tax.</li> <li>• Brokerage commissions and other securities transaction expenses, including the costs of <i>derivatives</i> and foreign exchange transactions.</li> <li>• Interest charges.</li> </ul> <p><b>IRC fees and expenses</b></p> <p>As of the date of this simplified prospectus, each member of the <i>IRC</i> receives from the Fidelity Funds an annual retainer of \$63,000 (\$75,000 for the Chair) and a fee of \$3,000 (\$4,000 for the Chair) for each <i>IRC</i> meeting the member attends, plus expenses for each meeting. These fees and expenses, plus other expenses associated with the <i>IRC</i>, such as insurance and applicable legal costs, are allocated among all the Fidelity Funds that are subject to <i>NI 81-107</i>, including the Fund, in a manner considered by Fidelity to be fair and reasonable.</p> <p>As the Fund is new, none of the costs of the <i>IRC</i> have been allocated to it as of the date of this simplified prospectus.</p>
<b>Underlying funds fees and expenses</b>	<p>Where the Fund invests, directly or indirectly, in one or more <i>underlying funds</i>, the fees and expenses payable for the management and advisory services of the <i>underlying funds</i> are in addition to those payable by the Fund. However, we make sure that if the Fund invests in another <i>underlying fund</i> that is managed by Fidelity, the Fund does not pay duplicate management and advisory fees or expenses on the portion of its assets that it invests in an <i>underlying fund</i> that is managed by Fidelity for the same service. We usually achieve this by having the Fund invest in Series O units of the <i>underlying fund</i> managed by Fidelity. If necessary, we may also waive expenses otherwise payable by the Fund.</p> <p>Similarly, if the Fund invests in one or more <i>underlying funds</i> that in turn invest in one or more <i>third-tier funds</i>, then the fees and expenses payable for the management and advisory services of the <i>third-tier fund</i> are in addition to those payable by the</p>

	<p><i>underlying fund</i>. However, we make sure that any <i>underlying fund</i> that invests in a <i>third-tier fund</i> that is managed by Fidelity does not pay duplicate management and advisory fees on the portion of its assets that it invests in the <i>third-tier fund</i>. Neither the Fund nor any <i>underlying fund</i> pays sales fees or redemption fees with respect to the purchase or redemption by it of units of an <i>underlying fund</i> or a <i>third-tier fund</i>, as applicable, managed by Fidelity. However, commissions are paid for the purchase of an <i>underlying fund</i> or a <i>third-tier fund</i> that is an <i>ETF</i>.</p>
<b>Fees and Expenses Payable Directly by You</b>	
<b>Sales charges</b>	<p><b><i>Initial sales charge option</i></b></p> <p>You pay no <i>initial sales charge</i> when you buy Series O units of the Fund.</p>
<b>Registered plan fees</b>	None
<b>Short-term trading fees</b>	Short-term trading fees do not apply to units sold as part of a fund of fund program or other similar investment programs.
<b>Sizable redemption fee</b>	<p>Fidelity monitors for sizable transaction activity.</p> <p>Sizable Investors of the Fund are subject to a 1% penalty of the value of the units that they sell/switch if they sell/switch their units of the Fund within 30 days of their most recent purchase/switch into the Fund. Sizable investors <i>may</i> be subject to a 1% penalty of the value of the units if they fail to provide the required notice to Fidelity prior to completing a sizable redemption (as described in <b><i>Sizable transactions</i></b> in the <b><i>Purchases, switches and redemptions</i></b> section). At the time the redemption order is received without notice, Fidelity will assess the potential impact to the Fund and determine whether the 1% penalty is applied. This fee goes to the Fund.</p> <p>If the redemption or switch transaction would be subject to both a sizable redemption fee and a short-term trading fee, the Sizable Investor will only be subject to the sizable redemption fee. For greater certainty, the total penalty applied will not exceed 1% of the value of the units redeemed or switched.</p> <p>See <b><i>Short-term trading</i></b> and <b><i>Sizable transactions</i></b> in the section <b><i>Purchases, switches and redemptions</i></b> for details.</p>
<b>Cheque fees</b>	You may be charged a fee of \$25 plus applicable taxes for each payment that you request by cheque in respect of redemptions, payments under a systematic withdrawal plan or cash distributions.
<b>Insufficient funds fee</b>	You may be charged a fee of \$25 plus applicable taxes for each payment not honoured by your financial institution.

Fees and expenses *(continued)*

<b>Series O management fee</b>	No management and advisory fees are charged to the Fund, which is only available for purchase by the Fidelity Funds and other funds and accounts managed or advised by Fidelity.
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**Unitholder notice**

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

# Dealer compensation

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

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

### Marketing support programs

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

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

We may pay up to 10% of the costs for *dealers* to hold educational seminars or conferences for their *financial advisors* to provide them with information about, among other things, financial planning or mutual fund industry matters.

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

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

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

# Income tax considerations

In the opinion of Torys LLP, legal counsel to the Fund, the following is a summary of the principal income tax considerations under the *Tax Act* applicable to the Fund and unitholders who are individuals (other than trusts) who, for the purposes of the *Tax Act*, are resident in Canada, deal at arm's length and are not affiliated with the Fund and who hold units directly as capital property or in their registered plan.

This summary is based on the current provisions of the *Tax Act*, proposals for specific amendments thereto that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**"), and counsel's understanding of the current published administrative and assessing practices and policies of the CRA. However, there can be no assurance that the Proposed Amendments will be enacted in the form publicly announced, or at all.

This summary is also based on the assumptions that (i) none of the issuers of securities held by the Fund will be a foreign affiliate of the Fund or any unitholder, (ii) none of the securities held in the portfolio of the Fund will be a "tax shelter investment" within the meaning of section 143.2 of the *Tax Act*; (iii) none of the securities held in the portfolio of the Fund will be "offshore investment fund property" as defined in the *Tax Act* that would require the Fund to include significant amounts in the Fund's income pursuant to section 94.1 of the *Tax Act*; (iv) none of the securities held in the portfolio of the Fund will be an interest in a non-resident trust other than an "exempt foreign trust" as defined in subsection 94(1) of the *Tax Act*; (v) none of the securities held in the portfolio of the Fund will be an interest in a trust that would require the Fund to include significant amounts in the Fund's income pursuant to section 94.2 of the *Tax Act*; and (vi) the Fund will not enter into any arrangement where the result is a "dividend rental arrangement" for the purposes of the *Tax Act*.

This summary assumes that the Fund does not and is not expected to qualify as a mutual fund trust under the *Tax Act*. This summary also assumes that the Fund will not be a "SIFT trust" under the *Tax Act*.

This summary further assumes that the Fund (i) has not and will not at any time have a "designated beneficiary" under the

*Tax Act*; and (ii) at all times, less than 50% of the units (based on fair market value) of the Fund have been and will be held by one or more "financial institutions" as defined in subsection 142.2(1) of the *Tax Act*. Fidelity has advised counsel that this will be the case. As well, this summary is based on certain other information and advice provided to counsel by Fidelity regarding the intention of the Fund with respect to distributions of net income and capital gains.

Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in law or administrative practice, whether by legislative, regulatory, administrative, or judicial action. **This summary is not exhaustive of all possible federal income tax considerations and does not deal with other federal or any provincial or territorial income tax considerations which may in the case of any particular province or territory differ from those under the *Tax Act*. See also *What are the risks of investing in a mutual fund? - Income tax risk* below. Therefore, prospective unitholders are advised to consult with their own tax professionals about their individual circumstances.**

## Income tax considerations for the Fund

The Declaration requires the Fund to distribute to unitholders a sufficient amount of net income and net realized capital gains, if any, for each taxation year of the Fund so that the Fund will not be subject to ordinary income tax under Part I of the *Tax Act*, after taking into account applicable losses.

The Fund 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. As a result, the Fund may realize income or capital gains as a result of changes in the value of a foreign currency relative to the Canadian dollar.

The Fund 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 Fund is generally received net of any taxes withheld in the foreign

jurisdiction. The foreign taxes so withheld are included in the calculation of the Fund's income.

In determining the income of the Fund, gains or losses realized on the disposition of securities held as capital property will be treated as capital gains or capital losses. Securities will generally be considered to be held by the Fund as capital property unless the Fund 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 Fund will purchase securities (other than *derivative* instruments) with the objective of earning income thereon and will take the position that gains and losses realized on the disposition of these securities are 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 Fund or underlying Fidelity Fund as a hedge to limit its gain or loss on a specific capital asset or group of capital assets held by the Fund or underlying Fidelity Fund. Where the Fund or underlying Fidelity Fund uses derivatives to hedge exposure with respect to securities held on capital account and the *derivatives* are sufficiently linked to such securities, gains or losses realized on such *derivatives* will be treated as capital gains or losses. The Fund or its underlying Fidelity Funds will generally recognize gains or losses under a *derivative* contract when it is realized by such Fund or underlying Fidelity Fund upon partial settlement or upon maturity. This may result in significant gains being realized by the Fund or the underlying Fidelity Fund at such times and such gains may be taxed as ordinary income. In general, a gain or loss from short selling is treated as income rather than as a capital gain or loss, unless the gain or loss is from short selling "Canadian securities" as defined in the *Tax Act* and the underlying Fidelity Fund has made a subsection 39(4) election under the *Tax Act*.

The *derivative* forward agreement rules in the *Tax Act* (the "**DFA Rules**") target certain financial arrangements (described in the DFA Rules as "*derivative* forward agreements") that seek to reduce tax by converting, through

the use of *derivative* contracts, the return on investments that would have the character of ordinary income to capital gains. The DFA Rules will generally not apply to *derivatives* used to closely hedge gains or losses due to currency fluctuations on underlying capital assets of the Fund or underlying Fidelity Fund. *Hedging*, other than currency *hedging* on underlying capital assets, which reduces tax by converting the return on investment that would have the character of ordinary income to capital gains through the use of *derivatives* contracts, will be treated under the DFA Rules on income account.

If appropriate designations are made by the underlying Fidelity Funds in which the Fund invests, the nature of distributions from the underlying Fidelity Funds that are derived from "taxable *dividends*" and/or "eligible *dividends*" received from "taxable Canadian corporations" (all within the meaning of the *Tax Act*), foreign income, and taxable capital gains will be preserved in the hands of the Fund for the purposes of computing income. The Fund may also receive distributions of ordinary income from the underlying Fidelity Funds. An underlying Fidelity Fund in which the Fund invests that pays foreign withholding tax may make designations such that the Fund may be treated as having paid its share of such foreign tax for purposes of the foreign tax credit rules in the *Tax Act*.

In certain circumstances, the "suspended loss" rules in the *Tax Act* may prevent the Fund from immediately recognizing a capital loss realized by it on the disposition of units of an *underlying fund*, which may increase the amount of net realized capital gains of the Fund that will be distributed to unitholders. There are other loss restriction rules that may prevent the Fund from deducting losses and that may result in increased distributions to unitholders.

The Fund will generally be subject to loss restriction rules (referred to as the LRE rules) at any time when a person or partnership becomes a "majority-interest beneficiary" or a group of persons become a "majority-interest group of beneficiaries", as defined in the *Tax Act*, of the Fund. A unitholder will be a majority-interest beneficiary of the Fund at any time when units held by that unitholder and all persons with whom that unitholder is affiliated represent more than 50% of the fair market value of the Fund and the Fund does not satisfy certain investment *diversification* and other conditions. Each time the loss restriction rules apply, the

## Income tax considerations (*continued*)

taxation year of the Fund will be deemed to end and the Fund will be deemed to realize its capital losses. The Fund may elect to realize capital gains in order to offset its capital losses and non-capital losses, including undeducted losses from prior years. Any undeducted capital losses will expire and may not be deducted by the Fund in future years. The ability to deduct undeducted non-capital losses in future years will be restricted. Generally, a loss restriction event will be deemed not to occur for a trust fund if it meets the conditions to qualify as an “investment fund” under the *Tax Act*. An “investment fund” for this purpose includes a trust that meets certain conditions, including satisfying certain of the conditions necessary to qualify as a “mutual fund trust” for purposes of the *Tax Act*, not using any property in the course of carrying on a business and complying with certain asset *diversification* requirements. No assurance can be given that the Fund will meet or continue to meet the investment fund definition.

The Fund’s deductible expenses, including expenses common to all series of the Fund and management fees and other expenses specific to a particular series of the Fund, will be taken into account in determining the income or loss of the Fund as a whole. However, the excessive interest and financing expenses limitation rules under 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 Fund, the amount of interest and financing expenses otherwise deductible by the Fund may be reduced and the taxable component of distributions by the Fund to unitholders may be increased accordingly.

If at any time in a year the Fund has a unitholder who is a “designated beneficiary” within the meaning of the *Tax Act*, the Fund may be subject to a special tax at a rate of 40% under Part XII.2 of the *Tax Act* on its “designated income” within the meaning of the *Tax Act*. A “designated beneficiary” includes a non-resident person and could include certain trusts, partnerships and tax-exempt persons. “Designated income” includes income from carrying on businesses in Canada (which could include gains on certain *derivatives*) and taxable capital gains from dispositions of “taxable

Canadian property” within the meaning of the *Tax Act*. Where the Fund is subject to Part XII.2 tax, provisions in the *Tax Act* are intended to afford unitholders who are not designated beneficiaries with an appropriate refundable tax credit.

The Fund is not subject to alternative minimum tax (“AMT”) under the *Tax Act* if it has at all times met the “investment fund” definition for purposes of the LRE rules. No assurance can be given that the Fund will meet or continue to meet the investment fund definition.

Since the Fund does not and is not expected to qualify as a mutual fund trust throughout its taxation year, the Fund (i) will not be entitled to claim the capital gains refund; and (ii) may be subject to the mark-to-market rules applicable to financial institutions under the *Tax Act* if one or more “financial institutions”, as defined in the *Tax Act*, owns more than 50% of the fair market value of the units of the Fund. In addition, capital gains distributions will not retain their character when distributed to non-residents, and, therefore, one half of any capital gains distributions will be subject to Part XIII withholding tax when distributed to non-residents subject to certain exceptions.

Units of the Fund will not be a “Canadian security” for purposes of the irrevocable election under subsection 39(4) of the *Tax Act* and the Fund itself will not be able to make the subsection 39(4) election in respect of “Canadian securities” it holds.

## Income tax considerations for investors

### How Your Investment Can Make Money

Your investment in units of the Fund can earn income from:

- any earnings the Fund makes or realizes on its investments which are allocated to you in the form of distributions; and
- any capital gains that you realize when you switch or redeem your units of the Fund at a profit.

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

### Taxation of Registered Plans

Subject to the Qualified Investment Proposals (described below), the Fund does not and is not expected to qualify as a mutual fund trust or registered investment under the *Tax Act* and accordingly units of the Fund may not be qualified investments for registered plans.

Proposed Amendments announced in the 2025 Federal Budget on November 4, 2025 (“**Budget Day**”) would introduce two new categories of qualified investments for purposes of the *Tax Act* effective from Budget Day: (i) units of a trust that is subject to, and substantially complies with, the requirements of *NI 81-102*; and (ii) units of a trust that is an “investment trust” (as defined in subsection 251.2(1) of the *Tax Act*) managed by a registered investment fund manager as described in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (the “**Qualified Investment Proposals**”).

If the Qualified Investment Proposals are enacted as proposed, units of the Fund are expected to qualify as qualified investments for registered plans and, generally, neither you nor your registered plan would be subject to tax on distributions paid on units of the Fund held in your registered plan or on capital gains realized when those units are redeemed or switched. However, even if units of the Fund would be qualified investments, you may be subject to tax if a unit held in your registered plan (other than a DPSP) is a prohibited investment for your registered plan.

Units of the Fund should not be a prohibited investment for your registered plan if you and persons with whom you do not deal at arm’s length, and any trusts or partnerships in which you or persons with whom you do not deal at arm’s length have an interest, do not, in total, own 10% or more of the units of the Fund. Units of the Fund are also not a prohibited investment for your registered plan if they are “excluded property” under the *Tax Act*.

**Investors should consult their own tax advisors with respect to the Qualified Investment Proposals as serious adverse tax consequences may arise for the planholder of the registered plan and/or the registered plan if it holds investments that are not qualified investments. If the Qualified Investment Proposals are enacted as**

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

### *Taxation of Unitholders (other than registered plans)*

You must compute and report all income and capital gains in Canadian dollars. If you hold your units in a non-registered account and receive a distribution during a year, we’ll send you a tax slip for the year. It shows your share of the Fund’s net income, and net realized capital gains and your return of capital, if any, paid to you for the previous year, as well as any allowable tax credits. You must include the taxable portion of the amounts shown on the tax slip as part of your annual income. This applies even if your distributions are reinvested in units of the Fund.

Distributions paid by the Fund may include *dividends* from taxable Canadian companies, foreign income, capital gains and other income (such as interest and *derivative* income). Provided appropriate designations are made by the Fund, such amounts realized by the Fund and distributed to you will preserve their character as *dividends*, foreign income, and taxable capital gains, respectively. *Dividends* paid by Canadian companies will be taxed subject to the gross-up and *dividend* tax credit provisions of the *Tax Act*. An enhanced gross-up and *dividend* tax credit is available for certain eligible *dividends* paid by Canadian companies. The Fund or an *underlying fund* may pay foreign withholding tax on its foreign income. Some or all of the foreign tax paid by the Fund or an *underlying fund* may be distributed to you and credited against the Canadian income tax you pay. Capital gains distributed by the Fund will be treated as if you realized them directly as a capital gain.

Distributions of returns of capital are not taxable. Instead a return of capital reduces the adjusted cost base of your units of the Fund. If the adjusted cost base of your units is reduced to less than zero you will realize a capital gain equal to the negative amount and your adjusted cost base will be increased to zero.

## Income tax considerations (*continued*)

Fees paid by you to Fidelity for services provided by Fidelity to the Fund (such as with respect to Series O units) and, subject to the Qualified Investment Proposals, fees paid by an investor in respect of units held in his or her registered plan will not be deductible. **You should consult your tax advisor regarding the deductibility of fees paid directly by you in your particular circumstances.**

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

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

You realize a capital gain if the amount you receive from redeeming or otherwise disposing of units is more than the adjusted cost base of the units, after deducting any costs of redeeming or switching the units. You'll realize a capital loss if the amount you receive from a redemption or other disposition is less than the adjusted cost base, after deducting any costs of redeeming your units. Where you have purchased or disposed of units in U.S. dollars, your adjusted cost base and proceeds of disposition must be calculated in Canadian dollars at the time of acquisition or disposition, as applicable.

In certain situations, when you redeem units of the Fund for cash, the Fund may distribute realized capital gains of the Fund to you as part of the redemption price or exchange price, as applicable. The amount of the capital gain should be deducted from the redemption price or exchange price, as the case may be, for the units in determining your proceeds of disposition.

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 Fund and designated by the Fund in respect of a unitholder will be included in computing a unitholder's income as a taxable capital gain. One-half of a

capital loss realized by a unitholder must be deducted against taxable capital gains in the year, and any excess may be carried back three years or forward indefinitely subject to rules in the *Tax Act*.

If you've bought units at various times, you will likely have paid various prices. The adjusted cost base of a unit is the average of the adjusted cost base of all the identical units you hold in the Fund. That includes units you get through reinvestments of distributions. If you've bought and sold units in U.S. dollars, the adjusted cost base and proceeds of disposition for those units must be converted into Canadian dollars at the exchange rate on the date of purchase and redemption, as applicable. A capital loss realized by you on the disposition of units of the Fund will be deemed to be nil under the superficial loss rules if you (or an affiliate) acquires identical units (including upon the reinvestment of distributions) during the period that begins 30 days before and ends 30 days after the day of the disposition and you (or an affiliate) own the units at the end of the period. The amount of the denied capital loss is added to the adjusted cost base of the units.

### **How to calculate adjusted cost base**

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

- Start with your initial investment, including any sales charges you paid.
- Add the cost of any additional investments, including any sales charges you paid.
- Add any distributions you reinvested, including *fee distributions* and returns of capital.
- Add the adjusted cost base of units received on a tax-deferred switch and the net asset value of the units received on a taxable switch.
- Subtract the return of capital distributions.
- Subtract the adjusted cost base of any previous redemptions and switches.

All of the foregoing must be computed in Canadian dollars.

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

## Buying units late in the year

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

## Portfolio turnover

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

## Additional considerations for investors

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

otherwise agreed to a bilateral information exchange with Canada under the *CRS* in all other cases.

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

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

# What are your legal rights?

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

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

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

# Glossary

**Administration Fee** is a fixed rate administration fee that is paid to Fidelity by the Fund for Fidelity's provision of administrative services and its payment, on its own account, of administrative expenses. For each series of the Fund, except Series O, Fidelity pays, on its own account, all of the operating costs (including for services provided by Fidelity and/or its affiliates), except for *Fund Costs*, in exchange for the *Administration Fee*. Series O units are only charged *Fund Costs*.

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

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

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

**Commodity Funds** are Canadian or U.S. *ETFs* or non-redeemable investment funds that seek to replicate the performance of one or more physical commodities, or of an index that tracks such performance, on an unlevered basis. Permissible U.S. *Commodity Funds* are only traded on a stock exchange in the U.S. and do not qualify as index participation units under *NI 81-102* that have exposure to one or more physical commodities.

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

**convertible securities** are bonds, preferred stocks, and other securities that pay interest or *dividends* and are convertible into common stocks or for value equivalent to those common stocks. In general, a convertible security performs more like a stock when the underlying stock's price is high (because it is assumed that it will be converted into the stock) and more like a bond when the underlying stock's price is low (because it is assumed that it will mature without being converted).

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

**CRA** is the Canada Revenue Agency.

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

**CSA** is the Canadian Securities Administrators.

**dealer** is a discount broker and/or a company or partnership that employs your *financial advisor*.

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

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

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

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

**emerging market** includes countries that have an emerging stock market as defined by MSCI Inc., countries or markets with low- to middle-income economies as classified by the World Bank, and other countries or markets with similar emerging characteristics.

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

**ESG** means environmental, social and/or governance.

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

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

## Glossary (continued)

**fee distribution** is a special distribution that is payable by the Fund to unitholders. We reduce the fees we charge to the Fund, and the *fee distribution* that is payable by the Fund to the unitholder is equal to the amount of the fee reduction. The *fee distribution* is paid first out of net income and net realized capital gains of the Fund held by the unitholders entitled to the *fee distributions* to the extent that it reduces taxes otherwise payable by the Fund under Part I of the *Tax Act* after taking into account any entitlement to a capital gains refund under the *Tax Act*, and then out of the capital of the Fund. *Fee distributions* are automatically reinvested in additional units of the relevant series of the Fund, and are not paid to unitholders in cash.

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

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

**floating rate debt instruments** are debt securities issued by companies or other entities with floating interest rates that reset periodically. Most *floating rate debt instruments* are secured by specific collateral of the borrower, and are senior to most other securities of the borrower (e.g., common stock or debt instruments) in the event of bankruptcy. *Floating rate debt instruments* are often issued in connection with recapitalizations, acquisitions, leveraged buyouts, and refinancings. *Floating rate debt instruments* are typically structured and administered by a financial institution that acts as the agent of the investors investing in the *floating rate debt instruments*. *Floating rate debt instruments* may be acquired directly through the agent, as an assignment from another investor who holds a direct interest in the *floating rate debt instrument*, or as a participation interest in another investor's portion of the *floating rate debt instrument*.

**Fund Costs** are certain costs that are payable directly by the Fund which are not covered by the *Administration Fee*, including brokerage commissions and other expenses that Fidelity may pay on behalf of the Fund. Each series is responsible for its proportionate share of common fund costs. For series O *Fund Costs*, see Series O fees.

**hedging** is when mutual funds use *derivatives* to help offset losses that other investments might suffer because of

changes in stock prices, commodity prices, interest rates, or currency exchange rates.

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

**initial sales charge** is the percentage of the purchase price you pay to your *dealer* or *financial advisor* when you buy certain series of mutual fund units.

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

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

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

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

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

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

**NI 81-105** is National Instrument 81-105 *Mutual Fund Sales Practices*.

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

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

**QEF** is a Qualified Electing Fund.

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

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

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

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

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

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

**Tax Act** is the *Income Tax Act* (Canada) and the regulations thereunder.

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

**TSX** is the Toronto Stock Exchange.

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

**VIE** is a variable interest entity. *VIEs* are entities that invest by entering into contractual arrangements with Chinese companies, without direct equity ownership in such companies.

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

# Exemptions and approvals

The Fund is subject to certain standard investment restrictions and practices contained in securities legislation, including *NI 81-102*. These restrictions and practices are designed in part to ensure that the investments of the Fund are diversified and relatively *liquid*. They also ensure the proper administration of the Fund. Except as described below, and as described under **Investment Restrictions** section, the Fund is managed according to these restrictions and practices.

The fundamental investment objectives of the Fund is set out in the simplified prospectus. The fundamental investment objectives of the Fund can be changed only if the change has been approved by a majority of the investors of the Fund who vote at a special meeting called by the Fund for that purpose.

## Exemptive Relief Decisions

The Fidelity Funds have received an exemption permitting the redemption of units of a series of a Fidelity Fund to be suspended if the right to redeem units of its *underlying fund*, or the series of units of the *underlying fund* in which it invests, has been suspended.

The Fidelity Funds have received exemptions from the requirement for a *dealer* to deliver a fund facts document to investors for purchases of securities made pursuant to automatic switch and automatic rebalancing transactions, subject to certain conditions.

Fidelity has received an exemption from Section 5.1(a) of *NI 81-105* to allow Fidelity to pay a participating *dealer* direct costs incurred relating to a sales communication, investor conference or investor seminar prepared or presented by the participating *dealer* which has a primary purpose of providing educational information on financial planning matters, including investment, retirement, tax and estate planning, subject to certain other conditions.

Fidelity has received an exemption from Section 5.4(1) of *NI 81-105* to allow Fidelity to pay a portion of the cost incurred by The Financial Advisors Association of Canada (formerly, The Canadian Association of Financial Planners) (the “**Association**”) in organizing conferences and seminars organized and presented by the Association or its affiliates or its chapters, provided Fidelity and the Association comply

with the conditions set out in Section 5.4(2) of *NI 81-105* in respect of these events.

Fidelity has received an exemption from Sections 15.3(4)(c) and (f) of *NI 81-102* to allow Fidelity to reference Lipper Awards and Lipper Leader Ratings in its sales communications, subject to conditions requiring specified disclosure and the requirement that the Lipper Awards being referenced have not been awarded more than 365 days before the date of the sales communication.

Fidelity has received an exemption from Sections 3(4)(c) and (f) and Section 15.3(4)(c) of *NI 81-102* to allow Fidelity to reference Fundata A+ Awards and FundGrade Ratings in its sales communications, subject to conditions requiring specified disclosure and the requirement that the Fundata A+ Awards being referenced have not been awarded more than 365 days before the date of the sales communication.

## CERTIFICATE OF THE TRUSTEE, MANAGER AND PROMOTER OF THE FUND

DATED: February 23, 2026

This simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of all of the provinces and territories of Canada, and do not contain any misrepresentations.

*“Robert Lloyd Strickland”*

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ROBERT LLOYD STRICKLAND  
Chief Executive Officer  
Fidelity Investments Canada ULC

*“Jason Louie”*

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

ON BEHALF OF THE BOARD OF DIRECTORS OF  
FIDELITY INVESTMENTS CANADA ULC  
AS TRUSTEE, MANAGER AND PROMOTER  
OF THE FUND

*“Don Wilkinson”*

---

DON WILKINSON  
Director

*“Russell Kaunds”*

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RUSSELL KAUNDS  
Director

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

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

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

## What is a mutual fund?

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

### Sold in units

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

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

### How do you make money?

You make money on mutual funds if you buy your units at one price and sell – or redeem – them later at a higher price. Of course, you lose money if you redeem your units for less than you paid. You can also make money when the mutual fund pays you your share of the income and capital gains it has earned on its investments. This is called a distribution in the case of the Fund.

### What do mutual funds invest in?

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

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

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

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

### Debt securities

Debt securities, or *fixed income securities*, are obligations of an issuer to repay a sum of money, usually with interest. Common examples include those issued by a company or a government. Debt securities are also an important way for companies and governments to raise money. These entities frequently sell debt securities, called bonds, and use the cash for major projects, or just to meet their daily expenses. The government or company usually agrees to pay back the amount of the debt security within a set amount of time. If that period of time is about a year or less, the investment is often

called a *money market instrument*. Examples are short-term bonds and government treasury bills. If the length of time for repayment is more than about a year, the investment is often referred to as a fixed income investment. Examples are corporate and government bonds and mortgages.

### **Equity securities**

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

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

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

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

#### **Professional management**

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

#### **Diversification**

A second advantage is something called *diversification*. *Diversification* means owning several different investments at once. Here's why it's important. The value of your investments goes up and down over time; that's the nature of investing. But not all investments are likely to go up or

down at the same time, or to the same extent, which can help to lessen the *volatility* of the mutual fund over the long term.

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

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

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

#### **Record keeping**

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

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

There are a number of expenses involved in buying and owning a mutual fund. First, there are costs paid directly by investors, such as when they buy units of a mutual fund. Then there are expenses paid by the mutual fund itself. For example, there are management fees, brokerage commissions, and operating expenses. Even though the mutual fund, and not the investor, pays these costs, they reduce an investor's return. See the **Fees and expenses** section for details about the costs of the Fund.

#### **What investors pay**

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

#### **What the mutual fund pays**

Fund managers make their money by charging a management fee. Usually, it's a percentage of the net assets

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

of the mutual fund. Managers collect this fee directly from the mutual fund itself, not from individual investors, except for Series O, where a negotiated management fee is charged directly to investors. The managers use the management fee to pay expenses, like employee salaries, research costs, trailing commissions, and promotional expenses. See the **Fees and expenses** section for details.

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

When you divide the management fee and certain operating expenses by the mutual fund's average net asset value for the year, you get the mutual fund's *management expense ratio*. If a mutual fund has more than one series of units, each series has its own *management expense ratio*. There are strict regulations to determine which expenses to include in the calculation.

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

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

#### **What's your risk tolerance?**

Can you lose money? Yes.

Even before you talk to a *financial advisor*, you can start planning your mutual fund portfolio by deciding how much risk you're willing to take. This is also known as your *risk tolerance*. Your *risk tolerance* depends on many factors,

such as your age, investment time horizon, and your goals. Understanding the risks involved can help. We explain more about the risks of investing in this section and in the Fund profile under the heading **What are the risks of investing in the fund?** Your *financial advisor* can help you assess the risks.

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

#### **Time on your side**

How much time do you have? That's another key consideration. Say you're saving for a retirement that's still 30 years off. In that case, you may be able to afford to take some risk. If you have 30 years, the ups and downs of the stock market, for example, aren't as much of a concern. Sure, some of your riskier investments could drop in the short-term, but over the longer term, past experience suggests that a broadly diversified portfolio of equity investments tends to rise more often than it falls. Of course, how well a mutual fund performed in the past doesn't tell you how it will perform in the future.

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

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

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

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

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

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

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

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

The Fund is considered to be an "alternative mutual fund" according to *NI 81-102*, meaning it is permitted to use strategies generally prohibited by conventional mutual funds, such as the ability to invest more than 10% of a Fund's net asset value in securities of a single issuer; the ability to invest up to 100% or more of a Fund's net asset value in physical commodities either directly or through the use of *derivatives*; borrow cash for investment purposes up to 50% of a Fund's net asset value; and sell securities short in excess of 50% of a Fund's net asset value. Such Fund's aggregate exposure

to short selling, cash borrowing and derivatives transactions will not exceed 300% of the Fund's net asset value.

For more information about each of the risks associated with the types of strategies in which such mutual funds engage, see ***Specific risks of investing in mutual funds***.

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

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

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

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

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

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

Mutual funds are made up of many securities, and the prices of those securities can go up or down. Here are some of the most common risks that can cause the value of units of a mutual fund to change. Developments that disrupt global economies and financial markets, such as pandemics and epidemics, may magnify factors that affect a mutual fund's performance. To find out which of these risks apply to the Fund, see the Fund profile.

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

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

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

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

- If there are changes in the market's perception of the issuers of these types of securities, in the creditworthiness of the underlying borrowers, or in the assets backing the pools, then the value of the securities may be affected.
- The underlying loans may not be ultimately repaid in full, in some cases leading to holders of asset-backed securities and mortgage-backed securities not receiving full repayment.

If these securities are prepaid before maturity and the prepayment is unexpected, or if it occurs faster than predicted, the asset-backed securities or mortgage-backed securities may pay less income, and their value might decrease. Since issuers generally choose to prepay when interest rates fall, the mutual fund may have to reinvest this money in securities that have lower rates.

### **Borrowing risk**

The Fund is permitted to borrow for investment purposes as disclosed in its Fund profile. Such Fund is limited by law to borrowing an amount equal to 50% of its net asset value. There is a risk that the amount the Fund borrows will be greater than the value of investments made with the borrowed money. Under these circumstances, the Fund would repay the borrowed amount by disposing of portfolio assets and this may cause a greater decline in the Fund's net asset value than the decline that would have occurred from the loss of the investment alone.

From time to time, the Fidelity Funds may borrow cash as a temporary measure to fund the portion of a distribution payable to its unitholders that represents amounts that have not yet been received by the Fidelity Funds. Each Fidelity Fund is limited to borrowing up to the amount of the unpaid distribution and, in any event, not more than 10% of the net

assets of that Fidelity Fund as permitted under the terms of exemptive relief obtained from the Canadian securities regulators and described under the heading "**Investment Restrictions**". There is a risk that a Fidelity Fund will not be able to repay the borrowed amount because it is unable to collect the distribution from the applicable issuer. Under these circumstances, the Fidelity Fund would repay the borrowed amount by disposing of portfolio assets.

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

The indices tracked by the Fund are calculated and maintained by or on behalf of the index provider. The index provider has the right to adjust an index without regard to the particular interests of Fidelity, the Fund or its unitholders. The index provider may also cease to calculate an index in certain circumstances.

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

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

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

If the index provider ceases to calculate the applicable index or the index license agreement in respect of the applicable index is terminated, Fidelity may:

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

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

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

### **Commodity risk**

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

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

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

*Commodity Funds* that seek to replicate the performance of gold, silver, or both, or of an index that tracks such performance, on a *leveraged* basis are referred to as *Gold/Silver Funds*. Typically, a *Gold/Silver Fund* attempts to magnify returns by a multiple of 200%. *Gold/Silver Funds* may invest directly or indirectly in gold, silver, or *derivatives* that have gold or silver as an underlying interest.

Commodity prices can fluctuate significantly in short time periods. A fund exposed to commodities may, therefore,

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

### **Concentration risk**

Some mutual funds may concentrate their investments by:

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

The Fund is an alternative mutual fund and is subject to increased concentration risk as it is permitted to invest up to 20% of such Fund's net asset value in the securities of a single issuer.

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

In addition, certain mutual funds may use indexes that are concentrated in specific industries or sectors as a reference point or benchmark for performance comparison purposes. For example, the NASDAQ Composite Index is highly concentrated in the information technology sector because these constituents make up a greater percentage of the index. Accordingly, there is a risk that a mutual fund may also be concentrated in these sectors for investment risk management purposes.

### **Credit risk**

Credit risk is the possibility that a borrower or issuer, or the *counterparty* to a *derivative* contract, repurchase agreement or reverse repurchase agreement, is unable or unwilling to repay the loan, obligation or interest payment, either on time

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

or at all. Credit risk is also the risk that the issuer of a *fixed income security* can't pay interest or repay principal when it's due. Many *fixed income securities* of companies and governments are rated by third-party sources, such as Standard & Poor's, to help describe the creditworthiness of the issuer. However, these credit ratings may not accurately reflect the true risk of the issuer.

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

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

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

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

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

### **Currency risk**

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

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

Some Fidelity Funds that invest in securities issued in currencies other than the Canadian dollar may use the U.S. dollar as their primary working currency instead of the Canadian dollar. This means that the cash received by the mutual fund, including Canadian dollars received from purchases by investors and the proceeds of settled trades, is converted into U.S. dollars every day. In addition, U.S. dollars are converted back into Canadian dollars to fund redemptions. A U.S. dollar working currency is generally used by Fidelity Funds that invest:

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

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

Some of the 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.

### **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: (i) deliberate attacks; (ii) unintentional events or unauthorized security breaches; and (iii) 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/confidential information, corrupting data, equipment or systems, or causing system outages or 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 attacks affecting (i) Fidelity, its affiliates and any companies that are part of the group of entities known as Fidelity Investments ("**Fidelity Organizations**"); (ii) the Fund; or (iii) critical third- and/or fourth-party service providers (including the Funds' custodian, sub-custodians, portfolio adviser(s), sub-adviser(s), auditor, administrator or transfer agent, trading platforms, brokers and counterparties) have the ability to negatively impact the Fidelity Organizations, the Fund and the unitholders of the Fund by, among other things: (i) disrupting and impacting business operations, trading in securities, and/or settling trades and processing unitholder transactions in a timely manner; (ii) interfering with the Fund's ability to calculate and publish its net asset value; (iii) causing errors in pricing, accounting, tax reporting and financial reporting; or (iv) causing violations of applicable privacy and other laws, which could, among other things, result in the unauthorized

disclosure or loss of sensitive/confidential Fidelity Organizations' Fund or unitholder information. Similar adverse consequences could result from cyber incidents affecting individual issuers in which the Fund may invest or be exposed to, which could depress the value of such investments or impair the Fund's ability to trade in such investments.

While Fidelity 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 novel or sophisticated attacks (i.e., zero-day attacks) may not be anticipated or that certain vulnerabilities may go undetected for long periods of time. Any such event could result in, among other things, substantial costs for mitigation and remediation, operational delays, regulatory investigations, reputational harm, potential legal liability, or financial losses borne by the Fidelity Organizations and/or the Fund.

Furthermore, although Fidelity has vendor oversight policies and procedures, Fidelity cannot control the cyber security plans and systems put in place by its or the Fund's third- or fourth-party service providers whose operations may impact Fidelity and the Funds. Despite Fidelity's resiliency plans and risk management systems, there can be no assurance that Fidelity, the Fund or their service providers will not experience cyber attacks that could materially adversely affect Fidelity, the Fund and the unitholders of the Fund.

### **Derivative risk**

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

- **Options.** Options give the holder the right to buy an asset from, or sell an asset to, another party for a set price, during a set period of time. Fluctuations in the value of the asset during the life of the option impact the value of the option. It's called an option because the holder has the option of exercising the right to buy or sell

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

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.

As an alternative mutual fund, pursuant to NI 81-102, the Fund is permitted to invest in derivatives, uncovered derivatives or enter into derivatives contracts with counterparties that do not have a designated rating as defined in NI 81-102 and the Fund may enter into over the counter derivative transactions with a wider variety of counterparties.

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

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

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

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

- *Hedging* may be costly.
- The *Tax Act*, or its interpretation, may change in respect of the income tax treatment of *derivatives*.

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

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

- The performance of an *ETF* may be different from the performance of any index, commodity, or financial measure that the *ETF* may seek to track. There are several reasons that this might occur, including transaction costs and other expenses that are borne by the *ETF*, the *ETF's* securities may trade at a premium or a discount to their net asset value, or the *ETF* may employ complex strategies, such as *leverage*, making accurate tracking difficult.
- The ability of a mutual fund to realize the full value of its investment in an underlying *ETF* depends on the mutual fund's ability to sell the *ETF's* securities on a securities market. The mutual fund may receive less than the *ETF's* net asset value per security on such sale, as the *ETF's* securities may not trade at prices that reflect their net asset value.
- There is no guarantee that any particular *ETF* is available at any time. An *ETF* may be newly or recently organized, with limited or no previous operating history, and an active trading market for an *ETF's* securities may fail to develop or be maintained. In addition, an *ETF* may not continue to meet the listing requirements of the exchange on which its securities are listed for trading.
- Commissions may apply to the purchase or sale of an *ETF's* securities by a mutual fund.

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

### **Foreign investment risk**

There are some significant reasons to consider investing abroad. A broader investment universe could augment the odds of finding mispriced securities. Some markets may be less efficiently priced than domestically. 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 may face distinct and at times uncorrelated cycles relative to a domestic economy, which brings *diversification* benefits. Foreign investments give you *diversification*, because all your money isn't invested in Canada.

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

- Not all countries are as well regulated as Canada, or have the same consistent and reliable accounting, auditing, and financial reporting standards. Some countries may have lower standards of business practices and lax regulation, and may be more vulnerable to corruption. Even in some relatively well-regulated countries, it can be difficult to get the information investors need about business operations. Foreign investments could suffer as a result.
- A small number of companies could make up a large part of the foreign market. If one of these companies does poorly, the whole market could drop.
- Sometimes foreign governments impose taxes (like the tariffs explained under **Equity risk** and **Interest rate risk** in this section), and 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.

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

- Minority shareholders' rights may not be as well protected.
- Riots, civil unrest or wars, or unstable governments in some countries could hurt investments.
- Foreign countries may experience relatively high inflation, and high interest rates.

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

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

Of course, the amount of risk varies from country to country. Securities in *developed markets* generally have lower foreign investment risk because they're usually well regulated and are relatively stable. However, securities of governments and companies in the emerging or developing markets, such as South or Southeast Asia and Latin America, can have significant foreign investment risk. For example, certain Fidelity Funds may invest in eligible *China A-Shares* through *Stock Connect*. *China A-Shares* generally may not be sold, purchased or transferred other than through *Stock Connect* in accordance with its rules and regulations. *Stock Connect* is novel in nature, and the uncertainty and change of relevant laws and regulations in the People's Republic of China that may affect financial markets could have an adverse impact on these Fidelity Funds. While *Stock Connect* is not subject to individual investment quotas, there are daily investment quotas imposed by Chinese regulations which apply to all *Stock Connect* participants. These quotas may restrict or preclude a Fidelity Fund's ability to invest in *China A-Shares* at that Fund's preferred time. Certain Fidelity Funds may also invest in Chinese companies through legal structures known as variable interest entities ("**VIEs**"). *VIEs* are entities that invest by entering into contractual arrangements with Chinese companies, without direct equity ownership in such companies. Due to Chinese governmental restrictions on non-Chinese ownership of companies in certain industries, such companies may use *VIEs* to obtain foreign investment without any impact on their ownership. Although *VIEs* are not formally recognized under the laws and regulations of People's Republic of China, there is risk that *VIE* investments

may be subject to restrictions and intervention by the Chinese government in the future, which could significantly affect the performance of such companies and consequently have adverse impact on these Fidelity Funds.

In addition, investment income received and capital gains realized by the Fund from sources within foreign countries may be subject to foreign taxes withheld at source. Any foreign withholding taxes could reduce the Fund'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 withholding tax on such foreign income. Some countries require the filing of a tax reclaim or other forms to receive the benefit of the reduced tax rate. Whether or when the 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 Fund may not receive the reduced treaty rates or tax reclaims. Certain countries have conflicting and changing instructions and restrictive timing requirements that may cause the Fund not to receive the reduced treaty rates or tax reclaims.

### **Income tax risk**

The Fund will be subject to certain tax risks generally applicable to Canadian investment funds.

If the Qualified Investment Proposals are enacted as proposed, units of the Fund are expected to be qualified investments for registered plans under the *Tax Act*. However, there can be no assurance that the Qualified Investment Proposals will be enacted in the form publicly announced, or at all. Investors should consult their own tax advisors with respect to the Qualified Investment Proposals as serious adverse tax consequences may arise for the planholder of the registered plan and/or the registered plan if it holds investments that are not qualified investments.

The tax treatment of gains and losses realized by the Fund will depend on whether such gains or losses are treated as being on income or capital account, as described in this paragraph. In determining its income for tax purposes, the Fund 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 Fund 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.

There can be no assurance that the *CRA* or a court will agree with the tax treatment adopted by the Fund in filing its tax returns. The *CRA* could reassess the Fund on a basis that results in an increase in the taxable component of distributions considered to have been paid to unitholders. A reassessment by the *CRA* may also result in the Fund being liable for unremitted withholding taxes on prior distributions to non-resident unitholders. Such liability may reduce the net asset value per unit of the Fund.

The use of *derivative* strategies may also have a tax impact on the Fund. The Fund will generally recognize gains or losses under a *derivative* contract when it is realized by the Fund upon partial settlement or upon maturity. This may result in significant gains being realized by the Fund at such times and such gains may be taxed as ordinary income. To the extent such income is not offset by any available deductions, it would be distributed to applicable unitholders in the taxation year in which it is realized and included in such unitholder's income for the year.

The *Tax Act* contains rules on the taxation of publicly traded Canadian trusts and partnerships that own certain types of property defined as "non-portfolio property", or holds *derivative* instruments held in its portfolio or any other property in the course of carrying on a business in Canada (the "**SIFT Rules**"). If the SIFT Rules apply to a trust, the trust will be taxed on certain income and gains on a basis similar to that which applies to a corporation with the result that certain tax efficiencies may cease to be available. A trust that is subject to these rules is subject to trust level taxation, at a rate comparable to those that apply to corporations, on the trust's income earned from "non-portfolio property", net taxable capital gains from the disposition of "non-portfolio property", or income from a business to the extent that such income is distributed to its unitholders. If the Fund is subject to tax under these rules, the after-tax return to its unitholders could be reduced, particularly in the case of a unitholder who is exempt from tax under the *Tax Act* or is a non-resident of Canada.

If the Fund realizes capital gains as a result of the transfer or disposition of its property undertaken to permit a redemption of units by a unitholder, allocation of fund-level capital gains may be permitted pursuant to the Fund's Declaration.

In respect of the *underlying funds* managed by Fidelity, rules in the *Tax Act* may restrict the ability of the *underlying funds* to allocate and designate capital gains as part of the redemption or exchange price of units and the *underlying funds* may be subject to certain tax risks generally applicable to Canadian investment funds. Additional information about those restrictions and tax risks can be found in each *underlying fund's* prospectus

If at any time in a year the Fund has a unitholder who is a "designated beneficiary" within the meaning of the *Tax Act*, the Fund may be subject to a special tax at a rate of 40% under Part XII.2 of the *Tax Act* on its "designated income" within the meaning of the *Tax Act*. A "designated beneficiary" includes a non-resident person and could include certain trusts, partnerships and tax-exempt persons. "Designated income" includes income from carrying on businesses in Canada (including gains on certain *derivatives*) and taxable capital gains from dispositions of "taxable Canadian property" within the meaning of the *Tax Act*. Where the Fund is subject to Part XII.2 tax, provisions in the *Tax Act* are intended to afford unitholders who are not designated beneficiaries with an appropriate refundable tax credit.

The Fund is not subject to AMT under the *Tax Act* if it has at all times met the "investment fund" definition for purposes of the LRE rules. No assurance can be given that the Fund will meet or continue to meet the investment fund definition. Since the Fund does not and is not expected to qualify as a mutual fund trust throughout its taxation year, the Fund (i) will not be entitled to claim the capital gains refund; and (ii) may be subject to the mark-to-market rules applicable to financial institutions under the *Tax Act* if one or more "financial institutions", as defined in the *Tax Act*, owns more than 50% of the fair market value of the units of the Fund. In addition, capital gains distributions will not retain their character when distributed to non-residents, and, therefore, one half of any capital gains distributions will be subject to Part XIII withholding tax when distributed to non-residents subject to certain exceptions.

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

Units of the Fund will not be a “Canadian security” for purposes of the irrevocable election under subsection 39(4) of the *Tax Act* and the Fund itself will not be able to make the subsection 39(4) election in respect of “Canadian securities” it holds.

The LRE rules may apply to the Fund when an investor (counted together with its affiliates) becomes the holder of units worth more than 50% of the Fund. This could happen when an investor (counted together with its affiliates) acquire units, or when another investor redeems units. Each time the LRE rules apply to the Fund, the taxation year of the Fund will be deemed to end and the Fund will be deemed to realize its unrealized capital losses. The Fund may elect to realize capital gains in order to offset its capital losses and non-capital losses, including undeducted losses from prior years. Any undeducted capital losses will expire and may not be deducted by the Fund in future years and any undeducted non-capital losses will be restricted in future years, with the result that income and capital gains distributions in the future may be larger. The Fund’s Declaration provides for the automatic distribution to unitholders of a sufficient amount of income and capital gains of the Fund for each taxation year (including a taxation year that is deemed to end by virtue of an LRE) so that the Fund will not be liable for ordinary income tax. For more information regarding the taxation of distributions, see the ***Income tax considerations*** section. The Fund is not subject to the application of the LRE rules if it has at all times met the “investment fund” definition for purposes of the LRE rules. The Fund will be considered an “investment fund” for this purpose if it meets certain conditions, including satisfying certain of the conditions necessary to qualify as a “mutual fund trust” for purposes of the *Tax Act*, not using any property in the course of carrying on a business and complying with certain asset *diversification* requirements (or where the Fund invests in an *underlying fund* in certain circumstances, the *underlying fund* complying with these conditions). As described above, no assurance can be given that the Fund will meet or continue to meet the investment fund definition.

The EIFEL Rules generally limit the deductibility of interest and other 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 Fund, the amount of interest and financing expenses otherwise deductible by the Fund may be reduced and the taxable component of distributions by the Fund to unitholders may be increased accordingly. The Manager is reviewing the impact, if any, of the EIFEL Rules of the Fund.

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

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

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

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

Interest rates impact the cost of borrowing for governments, companies and individuals, which, in turn, impacts overall economic activity and a wide range of investments. Lower interest rates tend to stimulate economic growth, whereas high interest rates tend to do the opposite. 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, the Fund may have to reinvest its money in securities that have lower rates. Also, if paid off unexpectedly, or faster than predicted, the fixed income security can offer less income and/or potential for capital gains.

Interest rates can be impacted by general economic and market conditions, changes to inflation rate and political developments. For example, tariffs that are proposed or in place from U.S. and other countries can result in market uncertainty and *volatility* which can impact interest rates. The degree to which such tariffs and/or other trade restrictions are implemented, including timing and the length of time these tariffs and/or trade restrictions are in effect, and the extent to which further reciprocal measures are pursued can further add to market uncertainty and *volatility*. Policy and legislative changes in one country, including tariff changes or trade restrictions, may have a significant effect on domestic and global markets as well as on the value of securities held by the Fund.

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.

#### **Large transaction risk**

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

- The Fund maintaining an abnormally high cash balance.

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

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

#### **Liquidity risk**

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

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

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

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

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

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

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

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

### **Portfolio management risk**

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

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

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

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

Fidelity reduces these risks by requiring the other party to put up collateral. The value of the collateral has to be at least 102% of the market value of the security sold (for a *repurchase transaction*), cash loaned (for a *reverse repurchase transaction*), or security loaned (for a *securities lending transaction*). The value of the collateral is checked and reset daily. The Funds only deal with parties who appear to have the resources and the financial strength to live up to the terms of the agreements. *Repurchase transactions* and *securities lending transactions* are limited to 50% of a Fund's assets. Collateral held by a Fund for loaned securities and cash held for sold securities are not included in a Fund's assets when making this calculation.

### **Sampling methodology risk**

The Fund seeks to replicate the performance of an index and may employ a sampling methodology. A sampling

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

### **Specialization risk**

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

### **Tracking error risk**

The Fund seeks to replicate the performance of an index and will not replicate exactly the performance of the applicable index because the total return generated by the securities of the Fund will be reduced by the management fee paid or payable by the Fund, the brokerage and commission costs incurred in acquiring and rebalancing the portfolio of securities held by the Fund, taxes (including withholding taxes) and the other expenses paid or payable by the Fund.

These fees and expenses are not included in the calculation of the performance of the applicable index.

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

Tracking error risk may be heightened during times of increased market *volatility* or other unusual market conditions. The Fund seeks to replicate the performance of an index with exposure to swaps, options, futures and/or other *derivatives*, which may experience higher tracking error than funds that do not track such indexes.

## **Risk classification methodology**

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

Since the Fund does not have a 10-year return history, Fidelity calculates the investment risk level of the Fund by using the actual return history of the Fund, and imputing the

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

return history of one or more reference indices for the remainder of the 10-year period.

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

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

Standard deviation range	Risk rating
0 to less than 6	Low
6 to less than 11	Low to Medium
11 to less than 16	Medium
16 to less than 20	Medium to High
20 or greater	High

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

### **Reference index for the Fund**

Since the Fund does not have 10 years of historical returns, the following index was used as proxy for Fund returns for periods between the inception of the Fund and ten years prior to the inception of the Fund.

FUND	REFERENCE INDEX OR FIDELITY FUND
Fidelity Commodity Strategy Currency Neutral Multi-Asset Base Fund	<ul style="list-style-type: none"> <li>Bloomberg Commodity Index 3 Month Forward Canadian Dollar Hedged Total Return</li> </ul>

### **Benchmark Definition**

The **Bloomberg Commodity Index 3 Month Forward Canadian Dollar Hedged Total Return** is a version of the Bloomberg Commodity Index Total Return that reflects the

performance of commodities where the lead and future contracts included in the index look three months ahead of the lead and future contracts in the Bloomberg Commodity Index Total Return, hedged to Canadian dollars.

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

# Specific information about the mutual fund described in this document

## Your guide to the Fund

The Fund offered under this simplified prospectus is categorized as an Alternative Mutual Fund Building Block. Choosing the right Fund means knowing what kinds of investments the Fund makes and what kinds of risks it faces. Here's what the Fund profile looks like and what it will tell you.

### 1. Fund name

### 2. Fund details

This is a quick overview of the Fund — what kind of fund it is and the types of units offered.

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

This section tells you the investment objectives and strategies of the Fund, as well as any investment restrictions or relief obtained from regulatory investment restrictions.

#### Investment objectives

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

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

#### Investment strategies

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

Except where exemptive relief has been obtained from the securities regulators (as described under **Investment restrictions**), the Fund follows the standard limits,

restrictions, and practices set by Canadian securities regulations.

#### 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 according to the sub-adviser's proxy voting guidelines.

For Fidelity Funds that have an ESG-focused investment objective, please refer to those Fidelity Funds' investment objectives and investment strategies which articulate the ESG parameters. For non-ESG-focused Fidelity Funds, the applicable Fidelity sub-adviser 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 Fund 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 non-ESG-focused Fidelity Fund profile.

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

## Specific information about the mutual fund described in this document

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 also a member of the Responsible Investment Association.

For more information on ESG investing initiatives and policies of the Manager and the sub-adviser, visit [www.fidelity.ca/en/investments/sustainable-investing/](http://www.fidelity.ca/en/investments/sustainable-investing/).

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

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

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

# Fidelity Commodity Strategy Currency Neutral Multi-Asset Base Fund\*

## Fund details

<b>Fund type</b>	Alternative strategy; Commodity
<b>Type of securities</b>	Series O units of a trust
<b>Eligibility for registered plans</b>	The units are not qualified investments for registered plans

\*Units of the Fund are only available for purchase by the Fidelity Funds and other funds and accounts managed or advised by Fidelity, and are not available for public purchase.

## What does the fund invest in?

### Investment objectives

The Fund seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the Bloomberg Commodity Index 3 Month Forward Canadian Dollar Hedged Total Return (the “**Index**”). The Fund primarily invests in *derivatives* that provide exposure to commodities.

The Fund also uses *derivatives* to try to minimize the exposure to currency fluctuations between the U.S. and Canadian dollar.

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

### Investment strategies

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

- Invests its assets in the *derivatives* that make up the Index, which are commodity-linked derivative instruments that provide broad based exposure to commodities.
- May use a sampling methodology to invest in a mix of *derivatives*, securities or other instruments that collectively approximate the Index in terms of key characteristics by considering factors such as sector and single commodity exposures, risk profile and liquidity.
- Invests in cash, cash equivalents, money market instruments or *underlying funds* that invest in cash, cash equivalents, money market instruments or similar financial instruments, including as collateral for the *derivatives* transactions entered into by the Fund.

The Index is a forward-looking version of the Bloomberg Commodity Index Total Return. The Bloomberg Commodity Index Total Return is a total return index based on the Bloomberg Commodity Index. The Bloomberg Commodity Index is designed to represent the commodities market and consists of exchange-traded futures contracts on physical commodities that are weighted to account for the global economic significance and market liquidity of a diversified group of commodities. The lead (the futures contract that will expire first) and future contracts included in the Index look three months ahead of the lead and future contracts in the Bloomberg Commodity Index Total Return.

The Index reflects the returns on a fully collateralized investment in the Bloomberg Commodity Index 3 Month Forward. This combines the returns of the Bloomberg Commodity Index 3 Month Forward with the returns on cash collateral invested in 13 week (3 month) U.S. Treasury Bills. Effective June 16, 2026, the collateral return will be based on the Secured Overnight Financing Rate (SOFR) instead of U.S. Treasury Bills.

The Index is hedged to Canadian dollars and is rebalanced annually.

Commodities are assets that have physical properties, such as oil and other energy products, metals, and agricultural products. *Derivatives* are investments whose values are tied to an underlying asset, instrument, currency, or index. Commodity-linked derivative instruments are *derivatives* whose value are tied to commodities or commodities indexes and include commodity futures as well as commodity-linked notes, total return swaps, options, and forward contracts.

The portfolio management team invests primarily in commodity-linked derivatives instruments. Since the Fund invests a significant portion of its assets in *derivatives*, its investment exposure could far exceed the value of its portfolio securities and its investment performance could be primarily dependent upon assets it does not own.

The Fund may invest some or all of its cash in *underlying funds* that invest in money market instruments that are not constituents of the Index. An *underlying fund's* performance may differ from the returns of 3 month U.S. Treasury Bills and/or the SOFR, which may cause the Fund's performance to differ from the performance of the Index.

## Fidelity Commodity Strategy Currency Neutral Multi-Asset Base Fund (*continued*)

In accordance with the limits, restrictions and requirements under applicable law, or as permitted under the terms of exemptive relief obtained from the Canadian securities regulators and described in ***Investment Restrictions***, the Fund may:

- Engage in *securities lending, repurchase and reverse repurchase transactions*.
- Use *derivatives* for *hedging* and *non-hedging* purposes.
- Invest in precious metals and other physical commodities through *Commodity Funds* and/or *derivatives*.
- Invest up to 20% of its net asset value in securities of a single issuer, including exposure to that single issuer through *derivatives* or index participation units.
- Invest in securities of *underlying funds* that are selected in accordance with the Fund's investment strategies.

The Fund uses forward contracts to hedge as completely as possible against fluctuations caused by changes in exchange rates between the U.S. and Canadian dollars. Therefore, generally, the Fund does not benefit from an increase in the value of the U.S. dollar against the Canadian dollar.

# Investment restrictions

The Fund is subject to certain standard investment restrictions and practices contained in securities legislation, including *NI 81-102*. These restrictions and practices are designed in part to ensure that the investments of the Fund are diversified and relatively *liquid*. They also ensure the proper administration of the Fund. Except as described below, and as described under **Exemptions and approvals**, the Fund is managed according to these restrictions and practices.

## **Regulatory exemptions**

### **Securities Lending Agent**

The Fidelity Funds have received the approval of the securities regulatory authorities to appoint Boston Global Advisors, a securities lending agent and wholly-owned subsidiary of The Goldman Sachs Group, Inc., located in Boston, Massachusetts, as agent for the Fidelity Funds in connection with any *securities lending transactions*, *repurchase transactions* and *reverse repurchase transactions* engaged in by the Fidelity Funds. As at the date of this simplified prospectus, the Fidelity Funds' custodian or a sub-custodian acts as the securities lending agent for the Fidelity Funds. The Fidelity Funds may appoint Boston Global Advisors as their securities lending agent in the future without further notice to investors.

### **Derivatives**

The Fund may use *derivatives*, as indicated in the Fund profile. *Derivatives*, like options, futures contracts, forward contracts, and swaps, may be used to hedge against losses caused by changes in security prices, interest rates, or exchange rates. The Fund may also use *derivatives* for non-*hedging* purposes, including as a substitute for a stock, stock market, or other security, or where their use is considered efficient from a portfolio management perspective.

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

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

The Fund is an alternative mutual fund and is permitted to invest in *derivatives*, uncovered *derivatives* and enter into *derivatives* contracts with counterparties that do not have a designated rating as defined in *NI 81-102*.

The Fidelity Funds (other than money market funds) have obtained approval from the Canadian securities regulators for an exemption from certain of the *derivatives* rules in *NI 81-102*, thereby allowing the applicable Fidelity Funds to engage in certain types of *derivatives* transactions subject to certain conditions. Pursuant to such approval, the applicable Fidelity Funds may:

- open or maintain 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, provided the Fidelity Fund holds:
  - (a) cash cover, as that term is defined in *NI 81-102*;
  - (b) a right or obligation to sell an equivalent quantity of the underlying interest of the future or forward contract, and cash cover that together with margin on account for the position, is not less than the amount, if any, by which the strike price of the future or forward contract exceeds the strike price of the right or obligation to sell the underlying interest; or
  - (c) a combination of the positions referred to in subparagraphs (a) and (b) that is sufficient, without recourse to other assets of the Fidelity Fund, to enable the Fidelity Fund to acquire the underlying interest of the future or forward contract; and
- enter into or maintain a swap position provided that for periods when the Fidelity Fund would be entitled to receive fixed payments under the swap, the Fidelity Fund holds:

## Investment restrictions (*continued*)

- (a) cash cover;
- (b) a right or obligation to enter into an offsetting interest rate swap on an equivalent quantity and with an equivalent term and cash cover that together with margin on account for the position is not less than the aggregate amount, if any, of the obligations of the Fidelity Fund under the interest rate swap less the obligations of the Fidelity Fund under such offsetting interest rate swap; or
- (c) a combination of the positions referred to in clauses (a) and (b) that is sufficient, without recourse to other assets of the Fidelity Fund, to enable the Fidelity Fund to satisfy its obligations under the interest rate swap.

### **Cash Cover**

The Fidelity Funds have received an exemption permitting, among others, the Fund to 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 Fund 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 a Fund opens or maintains in order to equitize a receivable, the Fund must hold a combination of the amount of the receivable, cash cover and margin or collateral posted by the Fund 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.

### **Fund-of-Fund Investments**

The Fidelity Funds have received exemptions from the requirement in Section 2.5(2)(b) of *NI 81-102* that prohibits a mutual fund from investing in another mutual fund if that other mutual fund holds more than 10% of the market value of its net assets in units of other mutual funds. These exemptions are conditional upon compliance with, among other things, each of the other provisions in Section 2.5 of *NI 81-102*.

Certain Fidelity Funds that are part of a four-tier structure and that either implement a currency neutral strategy or invest

solely in another Fidelity Fund have received an exemption from the requirement in Section 2.5(2)(b) of *NI 81-102* to allow them to invest indirectly in *third-tier funds* managed by Fidelity, which these *third-tier funds* may, in turn, hold directly or indirectly more than 10% of their net assets in units of other Fidelity Funds that Fidelity manages. This exemption is conditional upon compliance with, among other things, each of the other provisions in Section 2.5 of *NI 81-102*.

The Fidelity Funds have received exemptions to permit them to invest in securities of an *ETF* managed by Fidelity or an affiliate that has the same investment objective as the applicable Fidelity Fund (an “**Underlying ETF**”) that may, at the time of the purchase, hold more than 10% of its net asset value in securities that are of other *Underlying ETFs* or other mutual funds.

### **Commodities**

The Fidelity Funds have received an exemption from securities legislation that permits each such Fund, subject to certain conditions, to invest up to 10% of its net assets, taken at market value at the time of purchase, in U.S. *ETFs* and non-redeemable investment funds traded on a stock exchange in the U.S. that do not qualify as index participation units under *NI 81-102* that have exposure to one or more physical commodities. *Commodity Funds* trade on a stock exchange in Canada or the United States that seek to replicate the performance of either one or more physical commodities, or an index that seeks to replicate the performance of such physical commodities, on an unlevered basis.

### **In Specie Transactions**

Fidelity has received an exemption from securities legislation that allows the Fidelity Funds, other investment funds (“**Pooled Funds**”) and managed accounts to purchase or redeem units of the Fidelity Funds in transactions between the Fidelity Funds and either Pooled Funds or managed accounts, (“**In Specie Transactions**”), and for payment to be made by the delivery of securities of the Fidelity Funds, Pooled Funds or managed accounts, as applicable. Certain conditions must be met, including, the approval of the Independent Review Committee (“**IRC**”) of each Fidelity Fund engaging in such transactions. Fidelity is not entitled to receive any compensation in connection with such *In Specie*

Transactions and, in respect of any delivery of securities, the only charges that are payable by the applicable Fidelity Fund or managed account, is the commission charged by the *dealer* executing the trade and/or any administrative charges levied by the custodian.

### **Inter-Fund Trading**

The Fidelity Funds have received an exemption from the prohibitions set out in section 4.2(1) of *NI 81-102* and section 13.5(2)(b)(ii) and (iii) of *NI 31-103* Registration Requirements, Exemptions and Ongoing Registrant Obligations to permit the Fidelity Funds to purchase or sell debt securities from: (i) investment funds managed by Fidelity that are not reporting issuers and to which *NI 81-102* and *NI 81-107* do not apply (each, a “**Pooled Fund**”); and (ii) investment funds managed by an affiliate or related party of Fidelity and domiciled in the U.S., Hong Kong, United Kingdom, Ireland and Luxembourg (each a “**Foreign Fund**”), and to permit the Fidelity Funds to engage in inter-fund trades of debt and equity securities between and amongst the Fidelity Funds, Pooled Funds and Canadian managed accounts with a Foreign Fund, subject to compliance with Section 6.1(2) of *NI 81-107*. Certain conditions must be met, including, the approval of the IRC of each Fidelity Fund engaging in such transactions;

### **Non-Exchange Traded Debt**

The Fidelity Funds have received regulatory approval to invest in non-exchange-traded debt securities issued by a “substantial securityholder” of a Fidelity Fund, or a person or company in which the substantial securityholder has a “significant interest” (as defined in securities legislation). A substantial securityholder is defined as a person or company or group of persons or companies that hold voting securities of a Fidelity Fund that represent more than 20% of the voting rights of that Fidelity Fund. A substantial securityholder is considered to have a “significant interest” in an issuer where (i) in the case of a person or company, it beneficially owns more than 10% of that issuer, or (ii) in the case of a group of persons or companies, they beneficially own, individually or together more than 50% of that issuer. These investments may be made provided the securities have a designated rating from a designated rating organization, the *IRC* has approved the investment and

particulars of the investment are filed with the securities authorities.

In the case of purchases in a primary offering, the following additional conditions must also be met:

- (a) the size of the primary offering is at least \$100 million;
- (b) at least two independent purchasers collectively purchase at least 20% of the primary offering;
- (c) following its purchase, the Fidelity Fund will not have more than 5% of its net assets invested in debt securities of a substantial security holder;
- (d) the Fidelity Funds, together with related Fidelity Funds, will not hold more than 20% of the debt securities issued in the primary offering; and
- (e) the price paid shall not be higher than the lowest price paid by an arm’s length purchaser who participates in the primary offering.

In the case of purchases in the secondary market, the following additional conditions must also be met:

- (a) the price payable for the security is not more than the ask price of the security, which is determined by:
  - (i) if the purchase occurs on a marketplace, the price payable is determined in accordance with the requirements of that marketplace; or
  - (ii) if the purchase does not occur on a marketplace:
    - (A) the Fidelity Fund may pay the price for the security at which an independent, arm’s length seller is willing to sell the security; or
    - (B) if the Fidelity Fund does not purchase the security from an independent, arm’s length seller, the Fidelity Fund must pay the price quoted publicly by an independent marketplace or obtain, immediately before the purchase, at least one quote from an independent, arm’s length purchaser or seller and not pay more than that quote.

### **Borrowing Limit**

The Fidelity Funds have obtained exemptive relief from the 5% of NAV threshold on cash borrowing set forth in

## Investment restrictions (*continued*)

subparagraph 2.6(1)(a)(i) of *NI 81-102* (the “**Borrowing Limit**”) to allow the Fund to borrow cash on a temporary basis in an amount that does not exceed 10% of its NAV at the time of borrowing:

- a) in the case of a Fund that settles trades in securities of the Fund on the first business day after a trade date, to accommodate requests for the redemption of securities of the Fund while the Fund settles portfolio transactions initiated to satisfy such redemption requests (the “**Redemption Settlement Gap Funding**”); and
- b) in the case of a Fund that settles trades in securities of the Fund on a day that is later than the first business day after a trade date, to permit the Fund 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 Fund (the “**Purchase Settlement Gap Funding**”).

The Fidelity Funds 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:

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

redemptions, Fund purchases and the cash balance of the Fund.

### ***Borrowing Agent***

The Fidelity Funds have received an exemption from the requirement set out in Section 6.8.1(1)(a) of *NI 81-102* that provides that, unless the borrowing agent is the Fidelity Fund’s custodian or sub-custodian, a Fidelity Fund cannot deposit with the borrowing agent portfolio assets as security in connection with a short sale of securities that have a market value in excess of 10% of the net asset value of that Fidelity Fund at the time of deposit. The Fidelity Funds must otherwise comply with Sections 6.8.1(2) and (3) of *NI 81-102*.

### ***Rule 144A Securities***

The Fidelity Funds have received 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 Securities Act of 1933, as amended (the “**US Securities Act**”), as set out in Rule 144A of the US Securities Act for resales of certain *fixed income securities* to “qualified institutional buyers” (as defined in the US Securities Act). Certain conditions must be met including that the Fund 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 Fund and the securities are traded on a mature and *liquid* market.

### ***IRC Approvals***

Pursuant to *NI 81-107*, the Fidelity Funds have received approval from the *IRC* to invest in exchange-traded securities of “substantial securityholders” (as defined above) of a Fidelity Fund, or a person or company in which a substantial securityholder has a “significant interest” (as defined above). The *IRC*’s approval is granted on the condition that Fidelity, as manager of the Fidelity Funds, follows the terms of the Substantial Security Holder policy

approved by the *IRC* and reports regularly to the *IRC* on its compliance with this policy.

The *IRC* has approved standing instructions to permit the Fidelity Funds to purchase securities where a related entity has acted as a member of a selling group. The approved policies and procedures include the following general conditions that the investment:

- (a) is proposed by Fidelity and/or the portfolio manager free from influence by a related entity and without taking into account any consideration relevant to that related entity;
- (b) represents the business judgement of Fidelity and/or the portfolio manager uninfluenced by considerations other than the best interests of the Fidelity Fund;
- (c) achieves a fair and reasonable result for the Fidelity Fund;
- (d) in the case of equity securities, the investment will be in compliance with the investment objectives of the Fidelity Fund and the *IRC* will have approved the investment;
- (e) in the case of *fixed income securities*, has a designated rating; and
- (f) particulars of the investment are filed with the securities authorities.

During the offering of such securities in Canada or the United States, further specific conditions related to these investments are also included in the approved policies and procedures. The *IRC*'s approval is granted on the condition

that Fidelity, as manager of the Fidelity Funds, follows the terms of the policies and procedures approved by the *IRC* and reports regularly to the *IRC* on its compliance with this policy.

In addition, as further detailed in this section and under the heading ***Investment restrictions*** in the above section, the *IRC* has provided its approval and standing instructions for the Fidelity Funds to, subject to conditions:

- (a) engage in *In Specie* Transactions to purchase and redeem Fund securities in consideration for securities rather than cash of another Fund, investment fund or a separately managed account, managed by the Manager; and
- (b) permit the Funds to purchase debt securities from, or sell debt securities to a Pooled Fund or a U.S. Fund and to engage in inter-fund trades between and amongst the Funds and Pooled Funds, a Canadian client account managed by Fidelity and a Fund or Pooled Fund, and a Fund, a Pooled Fund and a U.S. Fund.

### ***IRC* 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 Fidelity. Fidelity has received standing instructions from the *IRC* to apply the following policies that are applicable to the Fund in accordance with their terms:

<b>POLICY</b>	<b>DESCRIPTION</b>
1. Code of Ethics /Personal Investing	This policy governs the personal investing and other activities of employees of Fidelity 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 Fidelity and certain of its affiliates.
3. Trade Allocation	This policy governs the allocation of trades of portfolio securities between Funds or client accounts when more than one Fund or client account is buying or selling securities of a particular issuer at the same time.
4. Best Execution and Fair Trading	This policy addresses the quality of execution of trades of portfolio securities or foreign exchange trades by brokers, including both third-party brokers and brokers affiliated to Fidelity, on behalf of the Fund.

## Investment restrictions *(continued)*

POLICY	DESCRIPTION
5. Commission Uses	Fidelity places a large volume of orders to buy and sell portfolio securities on behalf of the Fund. It has in place arrangements with the brokers that execute the trades whereby the broker may provide the Fund with brokerage and research services for a commission that is payable by the Fund or whereby the broker may rebate a portion of the commissions paid by the Fund back to the Fund. This policy governs such arrangements.
6. Trade Error Correction	This policy governs the correction of errors made in executing trades of portfolio securities on behalf of a Fund, including the resolution of errors taking place as the Fund seeks to repatriate foreign currencies to their working currency or hedge currency exposure.
7. Proxy Voting	The Fund owns portfolio securities and, therefore, the right to vote proxies. This policy governs the voting of proxies.
8. Transfer Agency Error Correction	This policy governs the correction of errors made in executing investor transactions in the securities of the Fund.
9. NAV Calculation and Fair Value	This policy governs the calculation of the Fund'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 Fidelity will calculate the NAV using the fair value of that security.
10. NAV Error Correction	This policy governs the correction of errors made in calculating a Fund's NAV.
11. Short-Term Trading	This policy governs the detection and prevention of active trading, which may be harmful to the Fund.
12. Substantial Security Holders	This policy addresses potential conflicts of interest that may arise where a company becomes a significant investor in a Fidelity Fund and the Fund invests in that company or a company related to that company.
13. Side-by-side	This policy addresses the side-by-side management of different types of accounts, including accounts that invest on a long-only basis – that is, buy securities – and accounts that may also invest on a short basis – that is, sell securities that they don't own, in the hope of repurchasing them later at a lower price.
14. Seed Capital Redemption	Fidelity is required to provide seed capital to new Funds. This policy governs the manner in which the seed capital of the Fund may be redeemed by Fidelity.
15. Large Investors	This policy addresses the potential conflicts of interest that may arise where large institutional and individual investors invest in the Fund.
16. Purchase of Securities Underwritten by an Affiliate	This policy governs investments by the Fund 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 Fidelity acts as an underwriter of the offering.
17. Disclosure of Portfolio Information	This policy governs the manner and timelines regarding the disclosure of Fund portfolio information.
18. Complaints	This policy governs the process for managing and resolving complaints received from investors in the Fund.
19. Benchmarks	This policy governs the process for selecting and changing performance benchmarks of the Fund.
20. Fund-of-Funds	This policy governs the potential conflicts of interest that may arise where the Fund invests all or a portion of their assets in securities of its other mutual funds managed by Fidelity.
21. <i>In specie</i> Transactions	This policy governs the process of transferring portfolio assets between the Fund, pooled funds and managed accounts, all of which are managed or advised by Fidelity.

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POLICY	DESCRIPTION
22. Co-Investing Conflicts	This policy addresses potential conflicts of interest where the Fund may desire to invest in a company in which another Fidelity entity wishes to make a simultaneous investment or has a pre-existing interest.
23. Fund Mergers	This policy addresses potential conflicts of interest that may arise in fund mergers involving the Fund.
24. Inter-fund Trades	This policy addresses potential conflicts of interest that may arise in inter-fund trades involving the Fund.

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# Description of units offered by the Fund

When you invest in the Fund, you're buying a piece of the Fund called a unit. The Fund may issue an unlimited number of units of each series and they are redeemable, non-assessable and fully paid when issued. Each unit in a series of the Fund entitles the holder to participate *pro rata* with respect to all distributions of the same series (other than management *fee distributions*) and, upon winding up of the Fund, to participate *pro rata* with the other unitholders of the same series in the net asset value of the series of the Fund remaining after the satisfaction of outstanding liabilities of the Fund. Fractional units may be issued which carry the same rights and privileges and are subject to the same restrictions and conditions applicable to whole units.

If the Fund or a particular series of the Fund is ever terminated, each unit that a unitholder owns will participate equally with every other unit of the same series in the assets of the Fund attributable to that series after all of the Fund's liabilities (or those allocated to the series being terminated) have been paid.

A unitholder of the Fund is entitled to one vote for each one dollar in value of all units owned based on the series net asset value per unit determined on the basis described below and calculated on the record date of a meeting of unitholders of all the series of the Fund, with no voting rights being attributed to portions of a dollar of such value. As well, a unitholder of each series of the Fund will be entitled to one vote on the same basis in connection with a meeting of unitholders of that series only. All units are redeemable on the basis as described under "Redemption of Units" below and they are also transferable without restriction subject to the reasonable requirements and approval of the Trustee.

Unitholders of the Fund will be permitted to vote at meetings of unitholders on all matters that require unitholder approval under *NI 81-102* or the Declaration. These matters are:

- (a) a change in the basis of the calculation of management fee rates or of other expenses that are charged to the Fund (or the introduction of such a fee or expense) that could result in an increase in charges to the Fund, unless
  - (i) the contract is an arm's length contract with a party other than Fidelity, or an associate or affiliate of Fidelity, for services relating to the operation of the Fund, and
  - (ii) the unitholders are given at least 60 days written notice of the effective date of the proposed change. Because Series O units are sold without a sales charge, a meeting of unitholders of these series of the Fund is not required to approve any increase in, or introduction of, a fee or expense charged to the Fund. Any such increase will only be made if such unitholders are notified of the increase at least 60 days before the date on which the increase will take effect;
- (b) a change of the manager, unless the new manager is an affiliate of Fidelity;
- (c) a change in the fundamental investment objectives of the Fund;
- (d) a decrease in the frequency of the calculation of the net asset value per unit of the Fund;
- (e) a reorganization of the Fund with, or the transfer of its assets to, another mutual fund. Unitholder approval is not required if: (i) the proposed reorganization is approved by the *IRC*, (ii) unitholders are given at least 60 days written notice before the effective date of the change, and (iii) there has been compliance with the requirements of securities regulations; and
- (f) where the Fund undertakes a reorganization with, or acquires assets from, another mutual fund in a transaction which constitutes a material change to the Fund.

The rights and conditions attaching to the units of each series of the Fund may, subject to securities legislation, be modified only in accordance with the provisions attaching to such units and the provisions of the Fund's Declaration.

## **About the Series**

We currently offer series of units for the Fund as set out on the cover page of this simplified prospectus and in the Fund profile. We may offer additional series in the future.

### **Series O units**

Series O units of the Fund are only available for purchase by the Fidelity Funds and other funds and accounts managed or advised by Fidelity and are not available for public purchase.

No management and advisory fees are charged to the Fund with respect to its Series O units and no management and advisory fees are charged to the Fidelity Funds and other funds and accounts managed or advised by Fidelity with respect to their Series O investment.

### **Other series information**

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

For Series O, Fidelity pays all of the operating expenses and costs incurred by the Fund (including for services provided by Fidelity and/or its affiliates), except for certain costs that are paid by the Fund in respect of Series O. See the **Fees and expenses** section for details.

### **Distribution Policy**

This section tells you when you can expect to receive payments of net income, capital gains, or returns of capital from the Fund. We may pay distributions at other times. Distributions on units held in Fidelity registered plans are always reinvested in additional units of the same series of the Fund.

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

Cash distributions on units will be paid annually 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, 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.

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

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

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

# Name, formation and history of the Fund

The Fund was created as an open-end unit trust and established under the laws of Ontario by incorporation into the Declaration, as may be further amended from time to time.

Units of the Fund are available in the series set forth in the Fund profile.

The table below sets out the date of this document under which the Fund was initially qualified for distribution.

Fund Name	Date of Formation
Fidelity Commodity Strategy Currency Neutral Multi-Asset Base Fund	February 23, 2026

# What are the risks of investing in the Fund?

While the aim of employing these strategies is to help achieve the objectives of the Fund, the strategies also include risks that could result in losses.

The specific strategies that differentiate this Fund from conventional mutual funds include: increased ability to use *derivatives* for *hedging* and *non-hedging* purposes, ability to invest up to 20% of its net asset value in securities of a single issuer, increased ability to invest in commodities, increased ability to sell securities short and the ability to borrow cash to use for investment purposes. While these strategies will be used in accordance with the Fund's investment objective and strategies, these strategies may result in unlimited investment losses to the Fund as well as increased costs and expenses.

## **General risks associated with alternative mutual funds**

An alternative mutual fund invests in certain asset classes or uses investment strategies that a conventional mutual fund is generally not permitted to invest in or use.

### **Derivatives**

Alternative mutual funds can use *derivatives*, uncovered *derivatives* and enter into *derivatives* contracts with counterparties that do not have a designated rating as defined in *NI 81-102*. As such, for example, there's no guarantee that the *counterparty* to a *derivatives* contract will live up to its obligations or that the alternative mutual fund will be able to buy or sell a *derivative* at a time to make a profit or limit a loss. Therefore, *derivatives* strategies may result in unlimited investment losses to the Fund as well as increased costs and expenses.

### **Commodities**

An alternative mutual fund can invest up to 100% or more of its net asset value in physical commodities, either directly or indirectly through the use of *derivatives*. Commodities may include gold, silver, other precious metals, energy, industrial metals, grains, livestock and more. Commodity prices can change because of a number of factors, such as supply and demand, speculation, central bank and international monetary activities, political or economic instability, changes in interest rates, weather and other natural disasters, tariffs and international economic sanctions and more. A Fund exposed to commodities may experience *volatility* in its net asset value.

Please see **Derivative risk** and **Commodity risk** for a detailed description of these risks in **What is a mutual fund and what are the risks of investing in a mutual fund?** in this simplified prospectus.

## **Other risks associated with investing in commodities**

### **Commodity-linked derivative instruments risk**

The value of a commodity-linked derivative investment typically is based on the price movements of a physical commodity and on the market's expectations for futures price movements. The prices of commodity futures contracts may fluctuate quickly and dramatically and may not correlate to price movements in other asset classes. Additional futures contract prices may be affected by changes in overall market movements, volatility of an Index, changes in interest rates, or factors affecting a particular industry or commodity, such as global pandemics, weather and other natural disasters, changes in supply and production embargoes, tariffs and international economic, political and regulatory developments and changes in speculators' and/or investors' demand. Investments in commodity-linked derivatives may be subject to greater volatility than non-derivative based investments. Commodity-linked derivatives also may be subject to credit and interest rate risks that in general affect the values of debt securities. Each of these factors and events could have a significant negative impact on the Fund.

### **Gap risk**

The Fund is subject to the risk that a commodity price will change between the periods of trading. Usually such movements occur when there are adverse news announcements while commodity markets are closed, which can cause the price of a commodity to drop substantially from the previous day's closing price.

### **Agriculture investment risk**

Investments in the agriculture sector are sensitive to the overall condition of the agriculture sector. Economic forces affecting the agricultural sector include changes in agricultural commodity prices, labour costs, and energy and financial markets, as well as government policies and regulations, such as taxes, tariffs, duties, subsidies and import and export restrictions. Agricultural production and trade flows are significantly affected by government policies

and regulations. In addition, companies in the agricultural sector must comply with a broad range of environmental and food safety laws and regulations which could adversely affect the Fund's investments. In addition, increased competition caused by economic recession, labour difficulties and changing consumer tastes and spending, as well as change in agricultural commodity prices, can affect the demand for agricultural products, and consequently the value of the Fund's investments.

### **Energy commodity risk**

Investments in energy commodities may be highly volatile and their value can change quickly and unpredictably due to a number of factors, including legislative or regulatory changes, adverse market conditions, increased competition affecting the energy sector, financial, accounting and tax matters and other events that the Fund cannot control. In addition, the value of energy commodities may fluctuate widely due to the supply and demand. As a result, the price of an energy commodity could decline, which would materially impact the Fund if it had exposure to such commodity.

### **Industrial metals risk**

The Fund may be subject to a number of risks specific to industrial metals, such as: (i) changes in industrial, government and consumer demand, which will be affected by the levels of activities using industrial metals and the availability of man-made and synthetic substitutes; (ii) disruptions in the supply chain, from mining to storage to smelting or refining; (iii) adjustments to inventories; (iv) variations in production costs, including storage, labour and energy costs; and (v) costs associated with regulatory compliance, including environmental regulations. These factors interrelate in complex ways, and the effect of one factor on the Fund and the value of its units may increase or reduce the effect of another factor.

### **Metals investment risk**

Investments in gold, silver, and copper may be highly volatile and can change quickly and unpredictably due to a number of factors, including the supply and demand of each metal, environmental or labour costs, political, legal, financial,

accounting and tax matters and other events that the Fund cannot control. In addition, changes in international monetary policies or economic and political conditions can affect the supply of metals, and consequently the value of metal investments. The Canadian or foreign governments may pass laws or regulations limiting metal investments for strategic or other policy reasons. Further, the principal supplies of metal industries may be concentrated in a small number of countries and regions. Consequently, the price of a metal investment held by the Fund could decline, which would materially impact the Fund's performance.

### **Futures strategy risk**

As part of the Fund's investment strategies, the Fund uses *derivatives*, including futures for *hedging* and *non-hedging* purposes. In a futures contract, an investor agrees to buy or sell an asset at an agreed price on a specific date in the future. Futures contracts are traded on an exchange. Futures, similar to other *derivatives*, are subject to additional risks.

In addition to the risks applicable to *derivatives* generally, the primary risks associated with the use of futures contracts are (a) the imperfect correlation between the change in market value of the futures contracts held by the Fund and the value of the underlying interest; (b) possible lack of a liquid secondary market for a futures contract and the resulting inability to close a futures contract when desired; (c) losses caused by unanticipated market movements, which are potentially unlimited; and (d) if the Fund has insufficient cash, it may have to sell securities or financial instruments from its portfolio to meet daily variation margin requirements, which may lead to the Fund selling securities or financial instruments at a time when it may be disadvantageous to do so.

When the Fund holds futures contracts, it does not intend to hold them through their expiration dates. As a futures contract nears its settlement date, the Fund may sell it and buy a similar contract with a later expiration, a process known as "rolling" a futures contract. The Fund may incur costs when rolling the contracts. Rolling can either benefit the Fund or reduce returns depending on costs and market conditions. When near-term futures contracts trade at higher prices than later-expiring contracts (a market condition called

“backwardation”), the Fund may benefit because it sells the more expensive contract and buys a cheaper one. When the opposite occurs and near-term contracts trade at lower prices than later-expiring ones (a condition known as “contango”), rolling may negatively affect the Fund because it sells a cheaper contract and buys a more expensive one. These effects may cause the total return of the Fund to vary significantly from the total return of other price references, such as the spot price of the commodities comprising the Index. During a prolonged period of contango, rolling costs may have a significant negative impact on the Fund’s returns even if commodity prices themselves do not change.

There is no guarantee that the Fund’s use of futures will enhance performance or reduce risk relative to the overall market. Also see **Derivative risk** and **Liquidity risk** in this simplified prospectus.

The checklist below shows you the risks that apply to the Fund. The risks without a bullet in either column are low or not a risk for the Fund. You’ll find a complete description of each risk in **What is a mutual fund and what are the risks of investing in a mutual fund?**

#### Risk checklist

	Main risk	Additional risk
Asset-backed securities and mortgage-backed securities		●
Borrowing		●
Calculation and termination of indices	●	
Cease trading of <i>constituent securities</i>	●	
Commodity	●	
Concentration		●
Credit	●	
Currency		●
Cyber security		●
<i>Derivative</i>	●	
<i>ETF</i>		●
Foreign investment	●	
Income tax		●
Index investment strategy	●	
Interest rate	●	
Large transaction	●	

	Main risk	Additional risk
Liquidity	●	
Portfolio management		●
<i>Repurchase transactions</i>		●
<i>Reverse repurchase transactions</i>		●
Sampling methodology	●	
<i>Securities lending transactions</i>		●
Specialization	●	
Tracking error	●	

# Index Information

## Index Provider Disclaimer

Fidelity Commodity Strategy Currency Neutral Multi-Asset Base Fund has been developed solely by Fidelity. The Fund is not sponsored, endorsed, sold or promoted by Bloomberg. “Bloomberg®” and the Bloomberg index listed herein (the “Index”) are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited (“BISL”), the administrator of the Index (collectively, “Bloomberg”), and have been licensed for use for certain purposes by Fidelity. Bloomberg does not make any representation or warranty, express or implied, to the owners of or counterparties to the Fund or any member of the public regarding the advisability of investing in securities or commodities generally or in the Fund particularly. The only relationship of Bloomberg to Fidelity is the licensing of certain trademarks, trade names and service marks and of the Index, which are determined, composed and calculated by BISL without regard to Fidelity or the Fund. Bloomberg has no obligation to take the needs of Fidelity or the owners of the Fund into consideration in determining, composing or calculating the Index. Bloomberg is not responsible for and has not participated in the determination of the timing, price, or quantities of the Fund to be issued. Bloomberg shall not have any obligation or liability, including, without limitation, to customers of the Fund, in connection with the administration, marketing or trading of the Fund.

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**Back cover**

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Telephone: 1-800-263-4077

You can find additional information about the Fund in its most recently filed fund facts, management report of fund performance and annual or interim financial statements. These documents are incorporated by reference into this simplified prospectus, which means that they legally form part of this document just as if they were printed as a part of this document.

You can get a copy of these documents, at your request, and at no cost, by calling us at 1-800-263-4077 or by sending us an e-mail at [cs.english@fidelity.ca](mailto:cs.english@fidelity.ca) (for assistance in English) or [sc.francais@fidelity.ca](mailto:sc.francais@fidelity.ca) (for assistance in French).

These documents and other information about the Fund, such as information circulars and material contracts, are also available on the Fund's designated website at [www.fidelity.ca](http://www.fidelity.ca) or at [www.sedarplus.ca](http://www.sedarplus.ca) as well as from your *dealer*.

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**Building Block*****Alternative Mutual Fund Building Block***

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Fidelity Commodity Strategy Currency Neutral  
Multi-Asset Base Fund

Series O units

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